



**Rhode Island Public
Expenditure Council**



United Way of Rhode Island

Social Safety Net Study For Rhode Island - Data Analysis -

June 2009



Social Safety Net Study

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Advisory Group

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**Rhode Island Public
Expenditure Council**



Social Safety Net Study

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I. Selected Demographic Characteristics

The following section examines a number of selected socio-economic characteristics for Rhode Island, as well as in comparison to the five other New England states, and the United States. Data are primarily from the American Community Survey of the United States Census. For most of the data, 2007 is the most recent year for which nationally comparable data are available.

There are certain socio-economic factors that influence eligibility for entitlement programs, and the projected growth in many segments of Rhode Island’s population will have an impact on the resources needed to provide quality services. For example, the projected decline in the working age cohort, combined with a high percentage of Rhode Islanders with a high school diploma or less, raises some concerns relating to the State’s workforce potential and its readiness to compete with neighboring states for good jobs and good wages. Clearly, the heart of the economy for the State is a skilled or highly educated workforce that is able to innovate and meet the increasingly fluid economic demands of the coming decades. However, a large portion of Rhode Island’s workforce lacks the necessary educational skills; in the working age population (25-64 years old), 58.7 percent had a high school diploma or less as their highest educational level. If the State’s skilled workforce does not show potential for growth, it becomes a barrier for future investment.

Age

Rhode Island

In the five years between 2002 and 2007, the Ocean State saw larger growth in the percent of the population aged 0-24 than the national average and all other New England states, with the exception of Massachusetts. This was the only cohort that experienced growth during this time period. According to Census Bureau forecasts, however, the trend is projected to reverse and population is projected to steadily decline for the 0-24 age group and increase for the 65+ group.

	2002	2007	Change
0-24 years	32.1%	32.9%	0.7%
25-64 years	53.9%	53.3%	-0.6%
65+ years	14.0%	13.8%	-0.1%

SOURCE: US Bureau of the Census Population Estimates and American Community Survey, various years; RIPEC calculations

- The majority of the State’s population was between 25 and 64 years of age in both years (53.9 and 53.3 percent, respectively). At the same time, the percent of the population in this age category declined by 0.6 percentage points between 2002 and 2007.
- Rhode Island saw a decrease in the percent of the population aged 65 and older from 14.0 percent to 13.8 percent between 2002 and 2007, contrary to national and regional trends.

State-to-State Comparison

Percent of Population by Age, 2002 and 2007 New England and United States Average									
	0-24 years			25-64 years			65+ years		
	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change
US	34.9%	34.4%	-0.5%	53.1%	53.1%	-0.1%	12.0%	12.5%	0.6%
Connecticut	33.2%	32.6%	-0.6%	53.7%	53.9%	0.2%	13.1%	13.5%	0.4%
Maine	29.9%	30.0%	0.1%	56.3%	55.2%	-1.1%	13.8%	14.8%	1.0%
Massachusetts	31.4%	32.3%	0.9%	55.6%	54.4%	-1.2%	13.0%	13.3%	0.3%
New Hampshire	32.3%	31.9%	-0.4%	56.2%	55.5%	-0.7%	11.4%	12.6%	1.2%
Rhode Island	32.1%	32.9%	0.7%	53.9%	53.3%	-0.6%	14.0%	13.8%	-0.1%
Vermont	31.6%	31.2%	-0.3%	56.0%	55.3%	-0.7%	12.5%	13.5%	1.0%

SOURCE: US Bureau of the Census Population Estimates and American Community Survey, various years; RIPEC calculations

- Between 2002 and 2007, Rhode Island had the second highest increase in population growth of 0-24 year olds in the New England states, behind Massachusetts. In Rhode Island, this cohort increased by 0.7 percentage points.
- Only three of the six New England states (Rhode Island, 0.7 percent; Massachusetts, 0.9 percent; and Maine, 0.1 percent) experienced growth in the 0-24 year old population between 2002 and 2007.
- The United States and all of the New England states except for Connecticut saw a decrease in population of 25-64 year olds between 2002 and 2007; however, the decrease in Rhode Island of 0.6 percentage points was six times greater than in the United States.
- The population decrease in the 25-64 cohort in Rhode Island was smaller than the other New England states, with the exception of Connecticut, which saw a 0.2 percentage points increase.
- Rhode Island experienced a decrease in the percent of population aged 65 and older during this time period, in contrast to national and regional trends.

Forecast through 2020 for the United States and Rhode Island

Percent of Population by Age, 2007-2020 Projections, United States and Rhode Island								
Year	0-17 years		0-24 years		25-64 years		65+ years	
	US	RI	US	RI	US	RI	US	RI
2007	24.5%	22.2%	34.3%	32.9%	53.2%	53.3%	12.6%	13.8%
2010	24.1%	22.3%	34.0%	33.0%	53.0%	52.9%	13.0%	14.1%
2015	23.9%	21.8%	33.2%	32.1%	52.3%	52.5%	14.5%	15.4%
2020	23.9%	22.0%	32.6%	31.0%	51.1%	51.8%	16.3%	17.2%
2007 to 2020	-0.6%	-0.2%	-1.6%	-1.8%	-2.1%	-1.4%	3.7%	3.4%

SOURCE: US Bureau of the Census Population Estimates and American Community Survey, various years; RIPEC calculations

- The 0-17 age group in Rhode Island, as well as in the United States, is expected to experience minimal fluctuations in population between 2007 and 2020.
- Census Bureau projections show the 0-24 age group increasing slightly in 2010, but declining steadily in the out-years in Rhode Island. For the United States, the Census projects a steady decline in this age group.
- The percent of population aged 25-64 years is projected to decline for both the United States and the Ocean State between 2007 and 2020, although the rate of decline is expected to be greater for the country as a whole than for the State (-2.1 percentage points and -1.4 percentage points, respectively).
- At both the State and national level, the percent of population aged 65 and older is expected to increase significantly. The Census Bureau projects this population will grow by 3.7 percentage points nationally and by 3.4 percentage points in Rhode Island.

Income

Household Income
Rhode Island

Between 2002 and 2007, Rhode Island saw the percentage of households with incomes over \$75,000 increase faster than the national average and any other New England state. At the same time, the State has a greater number of households with annual incomes of less than \$25,000 than the other New England states, except for Maine, and the national average.

Percent of Rhode Island Population by Household Income, 2002 and 2007			
	2002	2007	Change
\$0 - \$24,999	26.7%	24.2%	-2.5%
\$25,000 - \$74,999	48.4%	40.1%	-8.3%
\$75,000 - \$149,999	20.3%	27.0%	6.7%
\$150,000+	4.5%	8.7%	4.2%

SOURCE: US Bureau of the Census Population Estimates and American Community Survey, various years; RIPEC calculations

- The majority of Rhode Island households had incomes below \$75,000 in both 2002 and 2007; however, the percent of individuals in this income group declined by almost 11 percent over the five-year period.
- The State saw the percent of households with incomes of \$75,000 to \$149,999 increase from 20.3 percent in 2002 to 27.0 percent in 2007, an increase of 6.7 percentage points.
- Households in the top income bracket (\$150,000+) constituted 8.7 percent of the population in the Ocean State in 2007, a 4.2 percentage point increase from 2002 when they made up 4.5 percent of the total population.

State-to-State Comparison

	\$0 - \$24,999			\$25,000 - \$74,999			\$75,000 - \$149,999			\$150,000+		
	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change
US	28.3%	23.9%	-4.4%	47.6%	44.1%	-3.5%	19.3%	23.9%	4.6%	4.8%	8.0%	3.2%
Connecticut	20.7%	17.5%	-3.2%	43.6%	38.3%	-5.3%	26.9%	30.2%	3.3%	8.8%	13.9%	5.1%
Maine	21.2%	26.5%	5.3%	57.2%	48.3%	-8.9%	18.4%	20.7%	2.3%	3.1%	4.6%	1.5%
Massachusetts	23.0%	20.5%	-2.5%	41.7%	37.5%	-4.2%	27.1%	29.7%	2.6%	8.1%	12.3%	4.2%
New Hampshire	20.0%	16.5%	-3.5%	46.9%	43.0%	-3.9%	27.2%	30.8%	3.6%	6.3%	9.7%	3.4%
Rhode Island	26.7%	24.2%	-2.5%	48.4%	40.1%	-8.3%	20.3%	27.0%	6.7%	4.5%	8.7%	4.2%
Vermont	26.5%	22.9%	-3.6%	51.3%	47.6%	-3.7%	19.0%	23.8%	4.8%	3.2%	5.7%	2.5%

SOURCE: US Bureau of the Census Population Estimates and American Community Survey, various years; RIPEC calculations

- In 2002, Rhode Island had the largest percentage of households with an annual income between \$0 and \$24,999 among the New England states (26.7 percent). By 2007, Rhode Island had the second largest percentage of households with the lowest incomes (24.2 percent), behind Maine (26.5 percent).
- The percent of households in the \$0 - \$24,999 bracket fell by 2.5 percentage points in Rhode Island and increased by 5.3 percentage points in Maine. Nationally, the percent of households with annual incomes below \$24,999 fell by 4.4 percentage points.
- Nationally, and across all New England states, the percent of households in the \$25,000 - \$74,999 bracket fell between 2002 and 2007. Rhode Island and Maine both saw decreases of over 8.0 percentage points during this time period.
- From 2002 to 2007, Rhode Island had the largest percent increase of the New England states for households with incomes between \$75,000 and \$149,999, increasing by 6.7 percentage points. Vermont had the second highest growth rate of 4.8 percentage points.
- Between 2002 and 2007, the number of Rhode Island households earning \$150,000 or more increased by 4.2 percentage points. Massachusetts also saw growth of 4.2 percentage points while Connecticut experienced a growth rate of 5.1 percentage points.

Median Family Income

- Between 2002 and 2007, Rhode Island’s median family income rose by \$14,377, from \$55,810 in 2002 to \$70,187 in 2007.
- The percent change in the median family income for Rhode Island of 25.8 percent was greater than the change for the United States as a whole as well as every other New England state.
- In 2007, Connecticut, Massachusetts and New Hampshire all had higher median family incomes than Rhode Island.

	2002	% of US	2007	% of US
US	\$51,742		\$61,173	
Connecticut	\$68,716	132.8%	\$81,421	133.1%
Maine	47,073	91.0%	56,266	92.0%
Massachusetts	66,922	129.3%	78,497	128.3%
New Hampshire	64,322	124.3%	74,625	122.0%
Rhode Island	55,810	107.9%	70,187	114.7%
Vermont	52,649	101.8%	61,561	100.6%

SOURCE: US Bureau of the Census Current Population Survey "Annual Social and Economic Supplement"; RIPEC calculations

Median Household and Family Income

	Household				Family			
	2002	2007	Change		2002	2007	Change	
			Amount	%			Amount	%
US	\$43,057	\$50,740	\$7,683	17.8%	\$51,742	\$61,173	\$9,431	18.2%
Connecticut	\$56,543	\$65,967	\$9,424	16.7%	\$68,716	\$81,421	\$12,705	18.5%
Maine	39,990	45,888	5,898	14.7%	47,073	56,266	9,193	19.5%
Massachusetts	55,266	62,365	7,099	12.8%	66,922	78,497	11,575	17.3%
New Hampshire	54,225	62,369	8,144	15.0%	64,322	74,625	10,303	16.0%
Rhode Island	45,634	53,568	7,934	17.4%	55,810	70,187	14,377	25.8%
Vermont	43,914	49,907	5,993	13.6%	52,649	61,561	8,912	16.9%

SOURCE: US Bureau of the Census, Current Population Survey, "Annual Social and Economic Supplement"; RIPEC calculations

- Between 2002 and 2007, median household income rose by almost 18 percent nationally. During that time, median household incomes in Rhode Island rose by a similar percentage (17.4 percent).
- In other New England states, median household income also rose during this period. Growth rates ranged from a low in Massachusetts, with almost 13 percent growth, to Rhode Island, with 17.4 percent growth. All New England states showed percent growth that was below the national average.
- Between 2002 and 2007, Rhode Island’s median family income rose by \$14,377, from \$55,810 in 2002 to \$70,187 in 2007.

- The percent change in the median family income for Rhode Island of 25.8 percent was greater than for the United States as a whole as well as every other New England state.
- In 2007, Connecticut, Massachusetts and New Hampshire all had higher median family incomes than Rhode Island.

Poverty

The Federal government has set forth a number of income thresholds that vary by family size and composition to determine poverty, commonly referred to as the Federal Poverty Level (FPL). Individuals and families with incomes below these thresholds are considered to be living in poverty. These thresholds do not vary geographically (except for Alaska and Hawaii), but are updated annually to adjust for inflation, using the annual average increase in the Consumer Price Index (CPI). Between 2002 and 2007, the income threshold increased by 15.3 percent. Included in the definition of income is most before tax income, while capital gains and noncash benefits (such as public housing and food stamps) are excluded. The table below outlines the FPL by family size and composition.

Size of Family Unit	Related children under 18 years								
	None	One	Two	Three	Four	Five	Six	Seven	8 or more
One person (unrelated individual)									
Under 65 years	\$10,787								
65 years and over	9,944								
Two people									
Householder under 65 years	\$13,884	\$14,291							
Householder 65 years and over	12,533	14,237							
Three people			\$16,705						
Four people	21,386	21,736	21,027	\$21,100					
Five people	25,791	26,166	25,364	24,744	\$24,366				
Six people	29,664	29,782	29,168	28,579	27,705	\$27,187			
Seven people	34,132	34,345	33,610	33,098	32,144	31,031	\$29,810		
Eight people	38,174	38,511	37,818	37,210	36,348	35,255	34,116	\$33,827	
Nine people or more	45,921	46,143	45,529	45,014	44,168	43,004	41,952	41,691	\$40,085

SOURCE: U.S. Census Bureau

The following examines the percent of the population in Rhode Island, New England and the United States for three age categories (under-18, 18-64 and 65+), and for the total population. The income thresholds in the state-to-state comparison section of 100, 135 and 185 percent of the FPL were selected to approximate the most typical income thresholds used to determine eligibility for a number of Federal and State programs. All data is from the Current Population Survey "Annual Social and Economic Supplement", a joint project between the United States Census Bureau and the Bureau of Labor Statistics.

Rhode Island

In general, the percent of population living in poverty, at most poverty thresholds, and most age groups declined in Rhode Island between 2002 and 2007. However, the percent of individuals under the age of 18 living in poverty increased during this time period for all income thresholds

except for 125 percent of poverty or lower. By contrast, poverty increased in almost all thresholds and age groups (except for over 65) at the national level.

Poverty* Threshold	Total			Under 18			18-64			65+		
	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change
100%	11.0%	9.5%	-1.5%	15.2%	15.7%	0.5%	9.2%	7.6%	-1.6%	12.6%	7.6%	-5.0%
125%	15.1%	12.6%	-2.5%	20.1%	19.9%	-0.2%	12.0%	10.2%	-1.8%	21.5%	11.6%	-9.9%
135%	16.5%	14.4%	-2.1%	21.9%	22.5%	0.6%	13.1%	11.6%	-1.5%	23.7%	14.3%	-9.4%
150%	18.9%	16.3%	-2.6%	23.9%	24.7%	0.8%	15.2%	13.5%	-1.7%	28.4%	15.2%	-13.2%
185%	24.5%	23.3%	-1.2%	30.2%	33.5%	3.3%	19.5%	19.4%	-0.1%	38.8%	25.5%	-13.3%
200%	26.2%	26.4%	0.2%	32.5%	35.9%	3.4%	20.8%	21.7%	0.9%	41.5%	33.7%	-7.8%

* In 2007: 100% federal poverty limit for 2 people with no child was \$13,884; for 3 people with 1 child under the age of 18 was \$16,689; for 4 people with 2 children under the age of 18 was \$21,027
SOURCE: US Bureau of the Census, Current Population Survey "Annual Social and Economic Supplement"; RIPEC calculations

- The total population and the 18-64 population living in poverty at all income thresholds except for 200 percent of the FPL declined over the five-year period. The elderly population living in poverty declined across all income thresholds.
- The only age group that saw increases in most income thresholds was the under-18 population. In the income categories 185 percent of FPL and 200 percent of FPL, the percent of the under-18 population living in poverty increased by over 3 percentage points.

Children in Extreme Poverty

	2002	2003	2004	2005	2006	2007	2002 - 2007 Change
US	8%	8%	8%	8%	8%	8%	0%
Connecticut	5%	5%	6%	6%	5%	5%	0%
Maine	7%	5%	10%	7%	8%	7%	0%
Massachusetts	7%	6%	6%	7%	6%	6%	-1%
New Hampshire	3%	4%	4%	4%	4%	4%	1%
Rhode Island	8%	7%	11%	10%	6%	8%	0%
Vermont	3%	4%	5%	6%	6%	5%	2%

Extreme poverty (<50%FPL)
Source: RI Kids Count; RIPEC calculations

- In both 2002 and 2007, Rhode Island has had the highest percentage of children living in extreme poverty (defined as income < 50 percent of the FPL) in the region.
- In both 2002 and 2007, the percentage of children living in extreme poverty in Rhode Island was the same as the national average of 8 percent.
- Nationally, the percentage of children in extreme poverty was 8 percent in all years covered in this analysis. In Rhode Island, the percentage ranged from a low of 6 percent in 2006 to a high of 11 percent in 2004.
- The percentage of children living in extreme poverty in Rhode Island peaked in 2004 and 2005. During these years, the percentage of children in this category was 11 percent and 10 percent, respectively.
- Despite an increase between 2002 and 2007 from 3 percent to 4 percent, New Hampshire had the lowest percent of children living in extreme poverty in all years within New England.

State-to-State Comparison

	Total			Under 18			18-64			65+		
	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change
US	12.1%	12.5%	0.4%	16.7%	18.0%	1.3%	10.6%	10.9%	0.3%	10.4%	9.7%	-0.7%
Connecticut	8.3%	8.9%	0.6%	11.0%	13.8%	2.8%	7.6%	7.7%	0.1%	5.9%	5.8%	-0.1%
Maine	13.4%	10.9%	-2.5%	19.1%	14.4%	-4.7%	11.9%	10.1%	-1.8%	12.0%	9.1%	-2.9%
Massachusetts	10.0%	11.2%	1.2%	13.0%	17.1%	4.1%	8.8%	9.2%	0.4%	10.9%	10.3%	-0.6%
New Hampshire	5.8%	5.8%	0.0%	5.8%	6.5%	0.7%	5.5%	5.7%	0.2%	7.1%	4.9%	-2.2%
Rhode Island	11.0%	9.5%	-1.5%	15.2%	15.7%	0.5%	9.2%	7.6%	-1.6%	12.6%	7.6%	-5.0%
Vermont	9.9%	9.9%	0.0%	12.8%	10.9%	-1.9%	9.2%	9.4%	0.2%	8.4%	10.8%	2.4%

SOURCE: US Bureau of the Census, Current Population Survey "Annual Social and Economic Supplement"; RIPEC calculations

- Between 2002 and 2007, only Rhode Island and Maine saw a decrease in the percent of the total population living below the poverty line (-1.5 percentage points and -2.5 percentage points, respectively). During this time period, Rhode Island went from the second highest total poverty rate to the fourth highest in New England.
- Although the Ocean State experienced a smaller increase in the percent of children living below 100 percent of the FPL than the national average and the majority of New England states, the State had the second highest percent of individuals under 18 living in poverty in both years.
- Both Rhode Island and Maine saw a decrease in the percent of individuals aged 18-64 who were living in poverty (-1.6 percentage points and -1.8 percentage points, respectively) between 2002 and 2007.

- All of the New England States (with the exception of Vermont) and the country as a whole saw a decrease in the percent of elderly living in poverty.

**Percent of Population below 135% of Poverty 2002 and 2007
New England and United States Average**

	Total			Under 18			18-64			65+		
	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change
US	18.5%	18.8%	0.3%	24.5%	25.9%	1.4%	15.7%	15.9%	0.2%	20.1%	19.0%	-1.1%
Connecticut	12.9%	12.8%	-0.1%	16.6%	17.8%	1.2%	11.6%	10.9%	-0.7%	11.3%	13.0%	1.7%
Maine	19.4%	17.0%	-2.4%	24.4%	21.8%	-2.6%	16.6%	14.6%	-2.0%	23.8%	20.1%	-3.7%
Massachusetts	15.1%	15.5%	0.4%	18.4%	22.7%	4.3%	12.8%	12.4%	-0.4%	20.7%	18.2%	-2.5%
New Hampshire	9.2%	9.2%	0.0%	9.3%	9.4%	0.1%	8.1%	8.2%	0.1%	15.2%	14.7%	-0.5%
Rhode Island	16.5%	14.4%	-2.1%	21.9%	22.5%	0.6%	13.1%	11.6%	-1.5%	23.7%	14.3%	-9.4%
Vermont	16.1%	16.1%	0.0%	19.6%	16.6%	-3.0%	13.5%	14.7%	1.2%	23.5%	21.9%	-1.6%

SOURCE: US Bureau of the Census Current Population Survey "Annual Social and Economic Supplement; RIPEC calculations

- Rhode Island, Maine and Connecticut saw a smaller percentage of individuals living below 135 percent of the FPL in 2007 compared to 2002, while New Hampshire and Vermont saw no change, and Massachusetts and the nation experienced a slight increase.
- Although the percent of children under 18 living below 135 percent of the FPL increased slightly in the Ocean State during this time period, the 0.6 percentage point increase was less than half that nationally and seven times less than that in Massachusetts.
- At the same time, however, the percent of children in this category was higher in Rhode Island than any other New England state except for the Bay State. In 2007, 22.5 percent of Rhode Islanders under age 18 lived with incomes of less than 135 percent of the FPL.
- Between 2002 and 2007, New Hampshire, Vermont and the nation saw the population with incomes below 135 percent of the FPL aged 18-64 increase. During this time, Rhode Island experienced the second largest decrease in this population, from 13.1 percent in 2002 to 11.6 percent in 2007.
- Only Connecticut saw the percent of the elderly population living with incomes of 135 percent of the FPL increase between 2002 and 2007. In Rhode Island, 14.3 percent of the elderly population was living in poverty, compared to 23.7 percent in 2002.

**Percent of Population below 185% of Poverty 2002 and 2007
New England and United States Average**

	Total			Under 18			18-64			65+		
	2002	2007	Change	2002	2007	Change	2002	2007	Change	2002	2007	Change
	Percent	Percent		Percent	Percent		Percent	Percent		Percent	Percent	
US	27.8%	27.7%	-0.1%	35.2%	36.4%	1.2%	23.5%	23.4%	-0.1%	34.7%	32.2%	-2.5%
Connecticut	20.4%	19.4%	-1.0%	24.8%	25.9%	1.1%	18.0%	15.9%	-2.1%	22.6%	24.9%	2.3%
Maine	29.7%	25.2%	-4.5%	35.9%	31.6%	-4.3%	24.4%	21.4%	-3.0%	42.9%	32.0%	-10.9%
Massachusetts	22.3%	22.8%	0.5%	27.1%	30.7%	3.6%	18.4%	18.3%	-0.1%	32.6%	31.4%	-1.2%
New Hampshire	17.1%	15.1%	-2.0%	17.5%	15.8%	-1.7%	13.5%	13.1%	-0.4%	36.0%	25.0%	-11.0%
Rhode Island	24.5%	23.3%	-1.2%	30.2%	33.5%	3.3%	19.5%	19.4%	-0.1%	38.8%	25.5%	-13.3%
Vermont	24.4%	25.7%	1.3%	28.6%	30.6%	2.0%	20.2%	22.1%	1.9%	39.9%	35.4%	-4.5%

SOURCE: US Bureau of the Census Current Population Survey "Annual Social and Economic Supplement; RIPEC calculations

- Overall, the percent of population living with incomes lower than 185 percent of the FPL decreased between 2002 and 2007 at the national and regional level, with the exception of Massachusetts and Vermont.
- In contrast, the percent of children living below 185 percent of poverty increased nationally, and in Connecticut, Massachusetts, Rhode Island, and Vermont. Rhode Island and Massachusetts saw the largest increase during this time (3.3 percentage points and 3.6 percentage points, respectively).
- In 2007, 33.5 percent of Rhode Islanders under age 18 were living below 185 percent of the FPL, which was larger than any other New England state, but was lower than the national average of 36.4 percent.
- The Ocean State experienced a 13.3 percentage point drop in the percent of the elderly population living below 185 percent of poverty, from 38.8 percent in 2002 to 25.5 percent in 2007.

Educational Attainment

Percent of Rhode Island Population by Educational Attainment by Age, 2002 and 2007			
	2002	2007	Change
18-24			
Less than High School Diploma	19.2%	10.9%	-8.3%
High School Diploma	64.9%	73.1%	8.2%
Associate's Degree	4.5%	4.7%	0.3%
Bachelor's Degree	11.2%	10.2%	-0.9%
Advanced Degree	0.2%	1.0%	0.8%
25-64			
Less than High School Diploma	14.6%	13.0%	-1.6%
High School Diploma	46.2%	45.7%	-0.5%
Associate's Degree	9.1%	8.7%	-0.4%
Bachelor's Degree	19.0%	20.3%	1.3%
Advanced Degree	11.1%	12.4%	1.3%
65+			
Less than High School Diploma	35.2%	32.8%	-2.4%
High School Diploma	48.4%	45.4%	-3.0%
Associate's Degree	2.9%	3.0%	0.1%
Bachelor's Degree	8.2%	9.4%	1.2%
Advanced Degree	5.3%	9.4%	4.1%

SOURCE: US Bureau of the Census Population Estimates and American Community Survey, various years; RIPEC calculations

- Between 2002 and 2007 the number of 18-24 year olds in Rhode Island with a high school diploma increased by 8.2 percentage points (from 64.9 percent to 73.1 percent). In 2007, 84.0 percent of Rhode Islanders had a high school diploma or less as their highest educational level. The number of those in the same age cohort with a bachelor's degree decreased by 0.9 percentage points during these years (from 11.2 percent to 10.2 percent).
- In the 25-64 cohort those with a high school diploma decreased by 0.5 percentage points, from 46.2 percent to 45.7 percent. Of the working age population, 58.7 percent had a high school diploma or less as their highest educational level. Those with a bachelor's degree increased by 1.3 percentage points (from 19.0 percent to 20.3 percent).
- Rhode Islanders aged 65 and older experienced growth in educational attainment at the advanced degree level, by 4.1 percentage points between 2002 and 2007 (from 5.3 percent to 9.4 percent). Those in this age group decreased in their attainment of high school diplomas, by 3.0 percentage points (from 48.4 percent to 45.4 percent).

State-to-State Comparison

		Percent of Population by Educational Attainment by Age, 2002 and 2007 New England and United States Average																				
		United States		Connecticut		Maine		Massachusetts		New Hampshire		Rhode Island		Vermont								
		% of Population	% of Population	% of Population	% of Population	% of Population	% of Population	% of Population	% of Population	% of Population	% of Population	% of Population	% of Population	% of Population	% of Population							
		2002	2007	2002	2007	2002	2007	2002	2007	2002	2007	2002	2007	2002	2007							
		Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change	Change							
18-24																						
Less than HS Diploma	23.3%	17.1%	-6.2%	18.8%	12.8%	-6.1%	21.6%	14.3%	-7.3%	17.7%	12.9%	-4.7%	19.9%	12.1%	-7.8%	19.2%	10.9%	-8.3%	16.9%	10.4%	-6.5%	
HS Diploma	63.7%	69.3%	5.7%	65.7%	71.6%	5.9%	66.8%	74.9%	8.0%	62.7%	68.0%	5.3%	65.7%	74.8%	9.1%	64.9%	73.1%	8.2%	69.3%	75.3%	6.0%	
Associate's	4.4%	4.7%	0.3%	2.7%	3.6%	0.9%	4.4%	2.5%	-1.9%	3.4%	3.4%	0.0%	3.6%	3.9%	0.2%	4.5%	4.7%	0.3%	2.5%	3.5%	1.1%	
Bachelor's	8.1%	8.3%	0.1%	11.9%	10.9%	-1.0%	6.5%	7.6%	1.1%	14.9%	14.6%	-0.3%	9.5%	8.5%	-0.9%	11.2%	10.2%	-0.9%	11.3%	10.3%	-1.0%	
Advanced	0.5%	0.6%	0.1%	0.8%	1.1%	0.3%	0.6%	0.7%	0.0%	1.3%	1.2%	-0.1%	1.3%	0.7%	-0.6%	0.2%	1.0%	0.8%	0.0%	0.5%	0.5%	
25-64																						
Less than HS Diploma	14.4%	13.0%	-1.4%	11.5%	9.0%	-2.5%	9.4%	7.1%	-2.3%	9.6%	9.0%	-0.6%	9.9%	7.2%	-2.7%	14.6%	13.0%	-1.6%	9.1%	7.1%	-2.0%	
HS Diploma	50.0%	49.3%	-0.7%	44.3%	45.3%	1.0%	55.8%	54.1%	-1.7%	43.1%	41.6%	-1.5%	48.3%	48.0%	-0.3%	46.2%	45.7%	-0.5%	49.5%	48.2%	-1.2%	
Associate's	7.6%	8.3%	0.7%	7.9%	8.3%	0.4%	9.0%	10.3%	1.3%	8.2%	8.1%	-0.1%	9.5%	10.3%	0.8%	9.1%	8.7%	-0.4%	8.7%	9.3%	0.6%	
Bachelor's	18.1%	18.9%	0.8%	21.4%	21.2%	-0.2%	17.8%	19.0%	1.2%	23.4%	24.3%	0.9%	21.4%	22.6%	1.3%	19.0%	20.3%	1.3%	19.9%	22.1%	2.2%	
Advanced	9.9%	10.5%	0.6%	14.9%	16.3%	1.3%	8.1%	9.6%	1.5%	15.8%	17.1%	1.3%	10.9%	11.9%	1.1%	11.1%	12.4%	1.3%	12.8%	13.3%	0.4%	
65+																						
Less than HS Diploma	30.5%	26.0%	-4.5%	26.5%	23.8%	-2.7%	31.5%	23.6%	-7.9%	25.9%	22.2%	-3.7%	23.9%	19.6%	-4.3%	35.2%	32.8%	-2.4%	26.3%	20.5%	-5.9%	
HS Diploma	49.8%	50.9%	1.1%	50.8%	48.5%	-2.3%	48.5%	52.3%	3.8%	50.0%	49.3%	-0.6%	52.5%	52.9%	0.4%	48.4%	45.4%	-3.0%	47.5%	48.6%	1.1%	
Associate's	2.9%	3.8%	0.8%	3.8%	4.1%	0.4%	3.5%	4.1%	0.6%	4.3%	4.6%	0.3%	3.6%	4.0%	0.4%	2.9%	3.0%	0.1%	4.2%	4.5%	0.3%	
Bachelor's	9.8%	10.9%	1.2%	10.3%	11.8%	1.6%	10.1%	12.1%	2.0%	10.9%	12.1%	1.3%	11.1%	14.1%	3.0%	8.2%	9.4%	1.2%	11.9%	14.9%	3.0%	
Advanced	7.0%	8.4%	1.4%	8.7%	11.8%	3.1%	6.5%	8.0%	1.5%	9.0%	11.7%	2.8%	8.9%	9.5%	0.5%	5.3%	9.4%	4.1%	10.1%	11.6%	1.5%	

Indicates the highest degree attained; individuals with some college are counted in the "High School Diploma" category

SOURCE: US Bureau of the Census Population Estimates and American Community Survey, various years; RIPEC calculations

Age Group 18-24

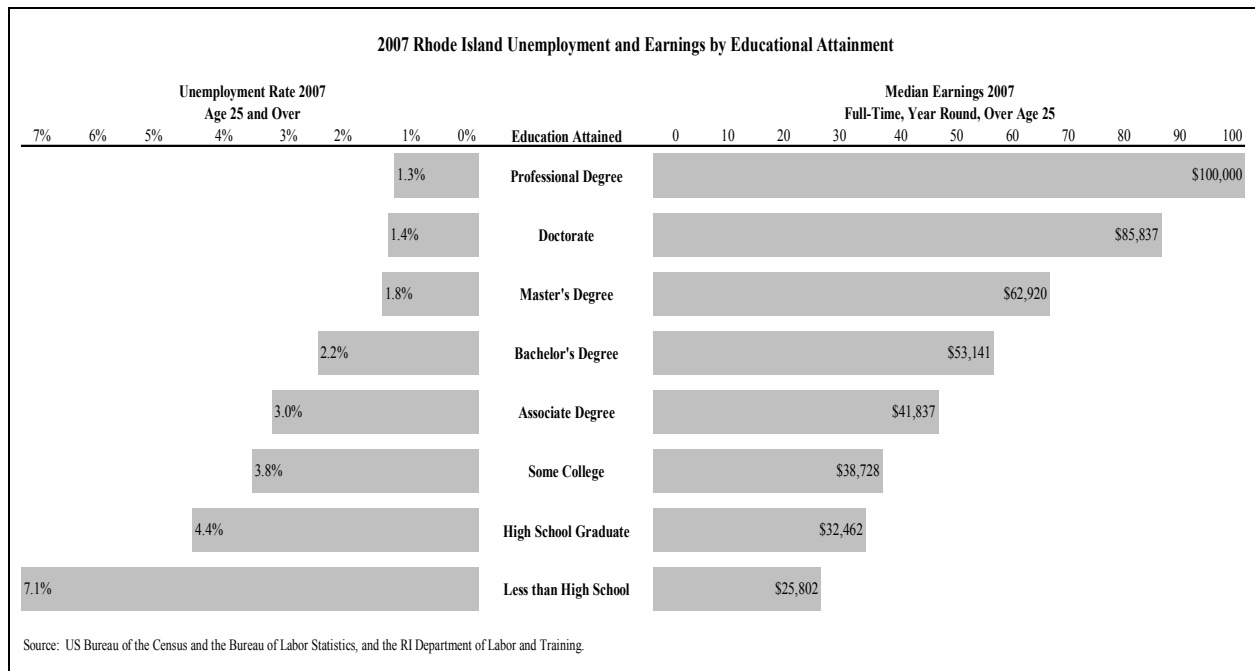
- The percentage of 18-24 year olds without a high school diploma declined faster in Rhode Island – from 19.2 percent in 2002 to 10.9 percent in 2007 – compared to the other New England states and the national average. During the same time period, the percentage of 18-24 year old Rhode Islanders with a high school diploma increased by 8.2 percentage points.
- In 2007, the percent of Rhode Island residents aged 18-24 without a high school diploma was lower than any other New England state with the exception of Vermont.
- Between 2002 and 2007, the percent of persons in the United States within the 18-24 age group that earned a high school diploma as the highest level of educational attainment rose from 63.7 percent to 69.3 percent. Rhode Island, along with all other New England states except Massachusetts, exceeded the national average by a margin of between 2 and 6 percent.

Age Group 25-64

- Between 2002 and 2007, the percent of the “working age” population (aged 25-64) with less than a high school diploma declined at both the national and regional level. For this age group, about 50 percent of persons earned a high school diploma nationwide.
- All New England states except for Maine had a lower percentage of persons that earned a high school diploma than the national average. In 2007 in Rhode Island, 45.7 percent of working-age adults earned a high school diploma as their highest level of academic achievement.
- In Rhode Island, the population aged 25-64 with less than a high school diploma declined by 1.6 percentage points, from 14.6 percent in 2002 to 13.0 percent in 2007. This was similar to the national rate of decline, from 14.4 percent in 2002 to 13.0 percent in 2007.
- However, Rhode Island saw the second smallest rate of decline in the region (behind Massachusetts) and the percent of 25-64 year olds with less than a high school diploma in Rhode Island is significantly higher than any other state in the region.
- Approximately 18 percent of the U.S. population in the 25-64 age range had earned a Bachelor’s degree in 2002. The percentage of individuals with a bachelor’s degree in the 65+ age range is about half of that, at approximately 10 percent of the population.
- While Rhode Island had a higher percentage of 25-64 year olds with a bachelor’s degree or higher when compared to the national average in 2007 (20.3 percent and 18.9 percent, respectively), the State ranked second-to-last in the region.

Age Group 65+

- While there were across the board declines in the elderly (aged 65+) population without a high school diploma between 2002 and 2007, the decline in Rhode Island was the smallest in the region and the State continues to have a higher percentage of elderly residents without a high school diploma than any other state in New England.



- In 2007, an individual with a high school diploma earned an average of 25.8 percent more than an individual who did not complete high school (\$32,462/year compared to \$25,802/year).
- An associate degree translated into wages that were 28.9 percent more than an individual whose highest educational attainment was a high school diploma (\$41,837, compared to \$32,462).
- An individual with a bachelor's degree earned an average of 63.7 percent more than an individual whose highest educational attainment was a high school diploma (\$53,141, compared to \$32,462). This same individual earned an average of 27 percent more than the recipient of an associate degree, and 37.2 percent more than an individual who completed only some college.
- In 2007, the average unemployment rate for an individual who did not complete high school was 73.2 percent higher than for an individual who received his high school diploma (7.1 percent and 4.4 percent, respectively).

- In 2007, the average unemployment rate for an individual for whom a high school diploma was his highest educational attainment was 46.7 percent higher than for an individual who received his associate degree (4.4 percent and 3.0 percent, respectively).
- This same high school graduate experienced, on average, an unemployment rate that was double that rate of an individual who obtained his bachelor's degree (4.4 percent, as opposed to 2.2 percent).

Health Insurance Coverage

Rhode Island

Although Rhode Island has a lower percentage of individuals without health insurance coverage than the rest of the country, the percent of uninsured Rhode Islanders increased at a higher rate than the national average between 2002 and 2007. Further, the percent of Rhode Islanders without health insurance increased faster than any other New England state in all age groups included in this analysis.

- In 2007, 10.8 percent of all persons in the State were without health insurance, an increase of 1.4 percentage points from 2002.
- The percentage of children under 18 without health insurance experienced the largest increase of all three age groups. Between 2002 and 2007, this group grew from 4.7 percent to 8.8 percent of the population, an increase of 4.1 percentage points.
- Over 12 percent of the population under age 65 did not have health insurance in 2007, compared to 10.8 percent of the population in 2002.

Percent of Rhode Island Population without Health Insurance Coverage 2002 and 2007

	2002	2007	Change
Total	9.4%	10.8%	1.4%
Under 18	4.7%	8.8%	4.1%
Under 65	10.8%	12.2%	1.4%

SOURCE: US Bureau of the Census Population Estimates and American Community Survey, various years; RIPEC calculations

State-to-State Comparison

Percent of Population Without Health Insurance Coverage by Age 2002 and 2007 New England and United States Average									
	Total			Under 18			Under 65		
	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change	2002 Percent	2007 Percent	Change
US	14.7%	15.3%	0.6%	11.2%	11.0%	-0.2%	16.6%	17.1%	0.5%
Connecticut	9.8%	9.4%	-0.4%	7.6%	5.2%	-2.4%	11.5%	10.7%	-0.8%
Maine	11.0%	8.8%	-2.2%	7.8%	5.1%	-2.7%	13.0%	10.3%	-2.7%
Massachusetts	9.5%	5.4%	-4.1%	5.5%	3.0%	-2.5%	10.8%	6.0%	-4.8%
New Hampshire	9.5%	10.5%	1.0%	4.6%	6.5%	1.9%	10.7%	11.7%	1.0%
Rhode Island	9.4%	10.8%	1.4%	4.7%	8.8%	4.1%	10.8%	12.2%	1.4%
Vermont	10.3%	11.2%	0.9%	5.7%	9.4%	3.7%	11.8%	13.0%	1.2%

SOURCE: US Bureau of the Census, Population Estimates and American Community Survey, various years; RIPEC calculations

- With the exception of Vermont, Rhode Island had the highest percentage of uninsured individuals in all three age groups in 2007 among the New England states. However, Rhode Island's population without health insurance (10.8 percent) was below the national average of 15.3 percent.
- Between 2002 and 2007, Connecticut, Maine and Massachusetts saw a decrease in their uninsured population for all three cohorts, while New Hampshire, Rhode Island and Vermont saw an increase.
- Rhode Island experienced the largest percent increase in uninsured children between 2002 and 2007; the 4.1 percentage point rate of growth was more than twice that of New Hampshire and 0.4 percentage points more than that of Vermont.
- Nationally, the percent of individuals under 18 who were without health insurance declined by 0.2 percentage points between 2002 and 2007.
- In 2007, the uninsured population in Massachusetts was approximately one-third of the national uninsured population for all three groups. The Bay State's total uninsured population was 5.4 percent compared to 15.3 percent nationally.

Disabled Population

Disabled Population by Type of Disability as Percent of Population Rhode Island, 2007			
	5-15 years old	16-64 years old	65+ years old
With any disability	7.4%	13.1%	38.1%
With a sensory disability	1.3%	2.5%	15.6%
With a physical disability	1.2%	7.2%	28.2%
With a mental disability	5.8%	5.5%	10.2%
With a self-care disability	1.3%	2.1%	9.6%
With a go-outside-home disability	N/A	3.3%	15.2%
With an employment disability	N/A	7.7%	N/A

Source: American Community Survey

Definitions – Types of Disabilities:

Sensory disability - This disability type is based on the question: Does this person have any of the following long-lasting conditions: blindness, deafness, or a severe vision or hearing impairment?

Physical disability - This disability type is based on the question: Does this person have a long-lasting condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying?

Mental disability - This disability type is based on the question: Because of a physical, mental, or emotional condition lasting six months or more, does this person have any difficulty in doing any of the following activities: learning, remembering, or concentrating?

Self-care disability - This disability type is based on the question: Because of a physical, mental, or emotional condition lasting six months or more, does this person have any difficulty in doing any of the following activities: dressing, bathing, or getting around inside the home?

Go-outside-home disability - This disability type is based on the question asked of persons ages 16 and older: Because of a physical, mental, or emotional condition lasting six months or more, does this person have any difficulty in going outside the home alone to shop or visit a doctor's office?

Employment disability - This disability type is based on the question asked of persons ages 16 and older: Because of a physical, mental, or emotional condition lasting six months or more, does this person have any difficulty working at a job or business?

Source: Cornell University - ILR School - Employment and Disability Institute

**Percent of Total Population with One or More Disabilities, by Age
US and New England States, 2007**

<u>Age Group</u>	US	CT	ME	MA	NH	RI	VT
5 and over	15.0%	12.8%	19.4%	13.9%	13.5%	15.8%	16.1%
5-15 years old	6.2%	5.3%	9.4%	7.0%	7.2%	7.4%	8.9%
16-64 years old	12.2%	9.9%	16.5%	11.2%	11.0%	13.1%	13.3%
65+ years old	40.6%	35.9%	42.6%	36.4%	35.8%	38.1%	37.4%

Source: American Community Survey

- Overall (age group 5 and over), Rhode Island’s disabled population was 15.8 percent of the total population in 2007.
- This ranked Rhode Island third highest in percentage of disabled people as a percentage of the total population in New England. Maine and Vermont had a higher percentage, with 19.4 percent and 16.1 percent, respectively.
- Rhode Island has the second highest percentage of disabled 65+ year olds among the New England states, behind Maine (38.1 percent and 42.6 percent, respectively).
- Maine has the highest percentage of disabled persons out of the total population in every age category among the New England states and the United States as a whole.
- Connecticut has the lowest percentage among the United States and New England states of disabled persons except for one category, those 65 years old and older, in which New Hampshire has 0.1 percentage points fewer disabled persons than Connecticut.

II. Economic Data

This section includes data on unemployment, wages, housing costs, fair market rents, and personal income per capita in Rhode Island. Sources from which the data have been obtained include the Bureau of Labor Statistics, the Rhode Island Department of Labor and Training, the United States Department of Housing and Urban Development, Current Population Survey, and the Bureau of Economic Analysis.

Rhode Island has been particularly hard-hit by the current economic downturn. The housing crisis and the rate of foreclosures have had, and continue to have a negative impact on Rhode Island's economy; Rhode Islanders' use of sub-prime mortgages caused the State to have the highest number of foreclosures in New England. In addition, the unemployment rate in Rhode Island of 12.1 percent in May 2009 is the highest in New England. These economic factors play a crucial role in the State's ability to fund public programs, including programs discussed in this report.

Unemployment

Unemployment Rate				
State	Oct-07	Feb-08	Oct-08	Feb-09
United States	4.8%	4.8%	6.6%	8.1%
New England	4.5%	4.8%	6.0%	7.6%
Connecticut	4.8%	5.2%	6.1%	7.4%
Maine	4.8%	4.9%	5.7%	8.0%
Massachusetts	4.4%	4.6%	5.8%	7.8%
New Hampshire	3.3%	3.7%	4.0%	5.3%
Rhode Island	5.6%	6.5%	8.8%	10.5%
Vermont	4.1%	4.4%	4.9%	7.0%

Source: Bureau of Labor Statistics

- Between October 2007 and February 2009 Rhode Island's unemployment rate increased by 4.9 percentage points, from 5.6 percent to 10.5 percent.
- During all surveyed months, Rhode Island experienced a higher unemployment rate than the other New England states, as well as the national average.
- In February 2009, Rhode Island's unemployment rate was 2.4 percentage points higher than the national average of 8.1 percent.

Insured Unemployed by Industry

Characteristics of the Insured Unemployed by Industry												
Industry	Jul-07			Feb-08			Jul-08			Feb-09		
	Total	% of Total	Long Term	Total	% of Total	Long Term	Total	% of Total	Long Term	Total	% of Total	Long Term
Construction	1,262	8.6%	30.2%	4,439	22.9%	7.3%	1,520	9.6%	28.2%	5,750	19.8%	12.1%
Manufacturing	2,177	14.8%	30.9%	2,365	12.2%	24.4%	2,248	14.1%	32.2%	5,369	18.5%	27.1%
Finance, Insurance, Real Estate	1,145	7.8%	27.9%	1,262	6.5%	39.1%	1,089	6.8%	31.2%	1,660	5.7%	30.9%
Health, Soc. Assistance, Ed. Svcs.	2,181	14.9%	19.3%	1,166	6.0%	36.8%	2,267	14.2%	21.0%	1,646	5.7%	45.6%
Hospitality and Leisure	1,901	13.0%	11.6%	2,229	11.5%	15.8%	1,986	12.5%	15.3%	3,364	11.6%	17.6%
Other	1,183	8.1%	21.4%	6,976	36.0%	19.0%	6,251	39.3%	24.1%	10,073	34.7%	23.1%
Total	14,679		22.5%	19,355		18.8%	15,910		24.5%	29,062		22.7%

Source: Rhode Island Department of Labor and Training Employment Bulletins

- From July 2007 to February 2009 the total number of insured unemployed Rhode Islanders grew from 14,679 to 29,062, a 98.0 percent increase.
- In February 2009, 38.3 percent of the unemployed were either from the construction or manufacturing sector. In February 2008, 35.1 percent of the unemployed were from those two sectors.
- From July 2007 to July 2008 the construction industry's share of unemployed persons grew, from 8.6 percent to 9.6 percent of total unemployed persons (1,262 to 1,520 persons, respectively). However, the construction industry's percent of unemployed workers who were classified as long-term unemployed decreased from 30.2 percent to 28.2 percent.

Insured Unemployed by Education

Characteristics of the Insured Unemployed by Education								
Educational Attainment	Oct-07		Jun-08		Oct-08		Feb-09	
	Total	%	Total	%	Total	%	Total	%
Less than 9th Grade	337	3.3%	555	4.3%	539	4.2%	1,487	5.1%
9th to 12th Grade, No Diploma	1,006	9.8%	1,239	9.6%	1,237	9.6%	3,054	10.5%
High School Graduate	4,659	45.6%	5,977	46.2%	5,818	45.2%	12,972	44.6%
Some College	2,129	20.8%	2,536	19.6%	2,670	20.8%	5,337	18.4%
Bachelor's Degree	1,160	11.4%	1,119	8.7%	1,387	10.8%	2,364	8.1%
Beyond Bachelor's	925	9.1%	1,014	7.8%	1,215	9.4%	2,368	8.1%
Other			491	3.8%			1,480	5.1%
Total	10,216	100.0%	12,931	100.0%	12,866	100.0%	29,062	100.0%

Source: Rhode Island Department of Labor and Training "Characteristics of the Insured Unemployed"

- The majority of the insured unemployed population in all surveyed months had a high school diploma or less, accounting for 60.2 percent of the unemployed population eligible for unemployment insurance benefits in February 2009.

Cost of Housing

Median Housing Price

Median Housing Price New England and United States Average							
	2004	2005	2006	2007	2008	2004 - 2008	
						Change	%
US	\$195,200	\$219,000	\$221,900	\$219,000	\$198,100	\$2,900	1.5%
Connecticut	\$247,000	\$273,000	\$275,000	\$295,000	\$268,000	\$21,000	8.5%
Maine	175,000	191,000	192,519	194,000	180,000	5,000	2.9%
Massachusetts	340,000	360,000	350,000	345,500	311,000	-29,000	-8.5%
New Hampshire	254,702	270,000	265,000	260,800	235,000	-19,702	-7.7%
Rhode Island	264,700	282,900	282,500	275,000	234,900	-29,800	-11.3%
Vermont	164,500	184,900	195,250	200,000	196,000	31,500	19.1%

- Rhode Island's median housing price decreased by \$29,800, from \$264,700 in 2004 to \$234,900 in 2008.
- The change in median housing price between 2004 and 2008 ranged from a high of 19.1 percent increase in Vermont, to Rhode Island's decrease of 11.3 percent.
- During this time the United States' rate of change in the median housing price increased by 1.5 percent, from \$195,200 in 2004 to \$198,100 in 2008.

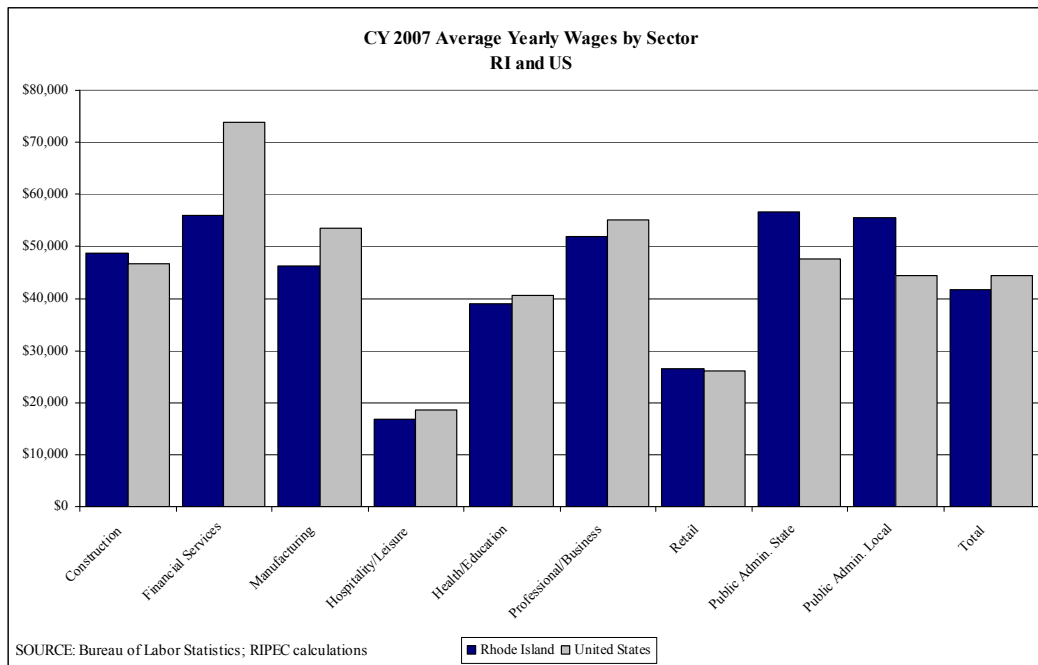
Fair Market Rents

FY 2009 Fair Market Rents By Metropolitan Areas for New England									
	Bedrooms					Bedrooms			
	0	1	2	3		0	1	2	3
Connecticut					Massachusetts				
Bridgeport	\$788	\$1,019	\$1,214	\$1,451	Boston-Cambridge-Quincy	\$1,080	\$1,146	\$1,345	\$1,609
Colchester-Lebanon	700	821	1078	1289	Brockton	965	1004	1265	1513
Danbury	977	1186	1505	1801	Eastern Worcester County	714	798	1050	1255
Hartford-West/East	697	835	1021	1226	New Bedford	583	747	855	1024
New Haven-Meriden	774	915	1101	1316	Providence-Fall River	746	830	956	1142
Norwich-New London	700	830	961	1176	Springfield	579	688	874	1046
Waterbury	581	752	894	1070	Taunton-Mansfield-Norton	727	917	1120	1374
					Worcester	658	757	922	1103
Maine					New Hampshire				
Bangor	\$509	\$593	\$757	\$962	Manchester	\$710	\$871	\$1,042	\$1,245
Cumberland County	555	663	854	1020	Nashua	785	924	1155	1544
Lewiston-Auborn	420	526	643	815	Portsmouth-Rochester	686	811	1011	1335
Penobscot County	520	522	627	784					
Portland	677	804	1042	1313	Rhode Island				
York-Kittery	788	792	950	1383	Newport-Middletown-Portsmouth	\$806	\$983	\$1,215	\$1,650
					Providence-Fall River	746	830	956	1142
The HUD fair market rent is set at the 40th percentile of average rents. Rent includes all utilities except telephone.					Westerly-Hopkinton-New Shoreham	683	859	1005	1201
Source: US Dept. of Housing and Urban Development, Federal Register, Final Fair Market Rents for FY 2009, September 29, 2008.					Vermont				
					Burlington	\$798	\$883	\$1,108	\$1,418

- The fair market rents for the Providence-Fall River metropolitan statistical area are: \$746 for an apartment with no bedrooms; \$830 for a 1-bedroom apartment; \$956 for a 2-bedroom apartment; and \$1,142 for a 3-bedroom apartment.
- The rent for a 1-bedroom apartment in the Providence-Fall River area is comparable to 1-bedroom rents for Colchester-Lebanon, Hartford, and Norwich-New London in Connecticut. Providence-Fall River's 2-bedroom rent (\$956) is on the lower end of Connecticut's range for 2-bedroom apartments, higher only than a 2-bedroom apartment in Waterbury.
- The 1-bedroom and 2-bedroom fair market rents for Providence-Fall River lay in the middle of those of the seven other metropolitan statistical areas of Massachusetts.

Wage Comparison

The following chart compares *average annual wages* in Rhode Island and in the United States for CY 2007. On average, workers in Rhode Island saw lower annual wages than their counterparts in the country at large in all occupations, excluding construction, retail and state-level public administration, and local-level public administration: in these four professions, Rhode Islanders had average annual wages that were 4.1 percent, 1.9 percent, 19.2 percent, and 24.9 percent, respectively, higher than the average wages in the United States. Conversely, individuals employed in the financial services sector in Rhode Island had average annual wages that were 24.2 percent less than their peers in the United States, while manufacturing employees had annual wages that were 13.8 percent less than their counterparts.



These trends are not a recent phenomenon. In general, the ratios of wages paid to Rhode Islanders compared to the United States have remained relatively constant with a few exceptions:

- Despite a continued increase in absolute value, Rhode Islanders' relative annual wages in the construction industry have been declining since 2003.
- In 2001, financial services workers in the Ocean State saw average annual wages that were 80.2 percent of the average annual wage in the United States. By 2003, this gap had decreased to 87.1 percent; however, by 2007 the gap had widened to 75.8 percent.
- Rhode Island workers in the professional and business sector have seen their average annual wages increase at a faster rate than workers in the United States as a whole, although the momentum appears to be starting to slow.
- Public administration workers at both the State and local level in the Ocean State had higher average annual wages than their counterparts in the United States in all years.
- In 2001, the ratio of average annual wages in Rhode Island to the United States for State employees was 109.3 percent. By 2007, the ratio was 119.2 percent.
- Local public administration workers in Rhode Island had average annual wages that were 19.3 percent above their peers nationally in 2001. This ratio increased to 24.9 percent in 2007.

Rhode Island and US Average Yearly Wages by Sector CY 2001 - CY 2007								
		2001	2002	2003	2004	2005	2006	2007
Construction	RI	\$40,424	ND	\$43,480	\$43,623	\$44,789	\$46,673	\$48,686
	US	38,412	39,027	39,509	40,521	42,100	44,496	46,781
	% of US	105.2%	-	110.1%	107.7%	106.4%	104.9%	104.1%
Financial Services	RI	\$44,844	\$47,584	\$49,774	\$51,945	\$52,211	\$53,733	\$56,042
	US	55,515	55,172	57,143	61,487	64,398	68,901	73,929
	% of US	80.8%	86.2%	87.1%	84.5%	81.1%	78.0%	75.8%
Manufacturing	RI	\$36,748	\$38,075	\$39,152	\$40,810	\$41,744	\$43,598	\$46,122
	US	42,969	44,097	45,916	47,861	49,287	51,427	53,485
	% of US	85.5%	86.3%	85.3%	85.3%	84.7%	84.8%	86.2%
Hospitality/Leisure	RI	\$14,196	\$14,733	\$15,070	\$15,298	\$15,673	\$16,197	\$16,731
	US	15,426	15,777	16,138	16,624	17,068	17,781	18,493
	% of US	92.0%	93.4%	93.4%	92.0%	91.8%	91.1%	90.5%
Health/Education	RI	\$31,571	\$33,569	\$34,484	\$35,846	\$37,015	\$38,049	\$38,953
	US	32,718	33,931	35,071	36,548	37,654	39,115	40,526
	% of US	96.5%	98.9%	98.3%	98.1%	98.3%	97.3%	96.1%
Professional/Business	RI	\$37,460	\$38,565	\$43,867	\$43,850	\$45,986	\$51,523	\$51,820
	US	43,566	43,899	45,052	47,401	49,574	51,974	55,116
	% of US	86.0%	87.8%	97.4%	92.5%	92.8%	99.1%	94.0%
Retail	RI	\$21,974	\$22,989	\$23,845	\$24,478	\$24,905	\$25,249	\$26,614
	US	22,667	23,232	23,804	24,415	24,930	25,567	26,127
	% of US	96.9%	99.0%	100.2%	100.3%	99.9%	98.8%	101.9%
Public Admin. State	RI	\$43,196	\$48,013	\$49,418	\$52,693	\$52,043	\$53,914	\$56,725
	US	39,511	40,981	41,927	42,981	44,092	45,619	47,593
	% of US	109.3%	117.2%	117.9%	122.6%	118.0%	118.2%	119.2%
Public Admin. Local	RI	\$42,616	\$43,672	\$45,083	\$47,852	\$50,487	\$52,862	\$55,462
	US	35,711	37,260	38,635	40,117	41,272	42,639	44,402
	% of US	119.3%	117.2%	116.7%	119.3%	122.3%	124.0%	124.9%
Total	RI	\$33,603	\$34,810	\$36,415	\$37,651	\$38,751	\$40,454	\$41,636
	US	36,219	36,764	37,765	39,354	40,677	42,535	44,450
	% of US	92.8%	94.7%	96.4%	95.7%	95.3%	95.1%	93.7%

ND indicates that data did not conform to BLS standards
2007 figures are preliminary
SOURCE: Bureau of Labor Statistics; RIPEC calculations

The table above compares the average annual wage in Rhode Island to the average annual wage in the five other New England states and the United States average in CY 2007. In all sectors, workers in Rhode Island had lower average annual pay than their counterparts in Connecticut and, with the exception of local public administration, in Massachusetts. Conversely, Rhode Island employees had higher average annual pay in all categories than their peers in Maine.

**Rhode Island and US Average Yearly Wages by Sector
CY 2007**

	CT	ME	MA	NH	RI	VT	US
Construction	\$55,927	\$38,609	\$59,045	\$48,361	\$48,686	\$39,987	\$46,781
Financial Services	132,745	47,958	104,550	64,057	56,042	53,987	73,929
Manufacturing	69,359	44,467	69,542	57,687	46,122	49,254	53,485
Hospitality/Leisure	19,666	15,720	21,318	17,159	16,731	17,532	18,493
Health/Education	45,091	36,565	47,781	42,571	38,953	35,797	40,526
Professional/Business	72,881	42,824	74,078	60,321	51,820	46,230	55,116
Retail	30,153	23,140	27,594	26,442	26,614	24,944	26,127
Public Admin. State	65,513	45,374	59,234	40,852	56,725	46,390	47,593
Public Admin. Local	57,493	32,032	49,361	37,616	55,462	ND	44,402
Total	58,020	35,123	55,260	43,843	41,636	36,964	44,450

ND indicates that data did not conform to BLS standards

2007 figures are preliminary

SOURCE: Bureau of Labor Statistics; RIPEC calculations

Between CY 2001 and CY 2007, the sectors that experienced the largest growth in average annual wages in Rhode Island were: Professional and Business services (38.3 percent), State Public Administration (31.3 percent) and Local Public Administration (30.1 percent). In the five other New England states and across the United States, employees in the financial services sector experienced the greatest increase in average annual wages. In general, workers in the retail sector saw the lowest growth in wages, except for in Rhode Island and Vermont, where the lowest-growth sectors were hospitality/leisure and manufacturing, respectively.

Personal Income Per Capita

	2004	2008	2004-2008 Change	
			Amount	Percent
US	\$33,157	\$39,751	\$6,594	19.9%
Connecticut	\$45,848	\$56,248	\$10,400	22.7%
Maine	30,191	35,381	5,190	17.2%
Massachusetts	41,420	50,735	9,315	22.5%
New Hampshire	36,523	42,830	6,307	17.3%
Rhode Island	34,375	41,008	6,633	19.3%
Vermont	31,977	38,880	6,903	21.6%

Source: Bureau of Economic Analysis, and RIPEC calculations.

- In both 2004 and 2008 Rhode Island ranked 4th highest out of the New England states with regard to personal income per capita, amounting to \$41,008 in 2008. Vermont and Maine had a lower personal income per capita than Rhode Island.

- In 2004, Rhode Island's personal income per capita was higher than that of the United States by \$1,218. In 2008, it was higher by \$1,257. Between 2004 and 2008 Rhode Island's percent change in personal income per capita was 0.6 percent lower than the change in the United States.
- In 2008, Massachusetts' personal income per capita of \$50,735 was \$9,727 higher than that of Rhode Island, and Connecticut's personal income per capita was \$15,240 higher than that of the Ocean State.

III. Supplemental Nutrition Assistance Program

The Federal Food Stamp Act of 1964 created the permanent food stamp program, building off of several prior Federal and state programs. The primary aim of the program was to strengthen the agricultural economy and provide basic nutritional assistance to low-income households. The act outlined key provisions of the program, such as eligibility and participation requirements, as well as creating a division of responsibility between the Federal government (funding of benefits and authorization of retailers) and states (certification and issuance). Throughout the 1960s and early 1970s, the program expanded rapidly, from approximately half a million in April, 1965 to 15 million in October, 1974.¹ The rapid growth was, in part, due to geographic expansion. In 1974, the program began operating nationwide.

In the early 1970s, uniform standards of eligibility and work requirements were established, along with purchase, outreach, and benefit requirements. A second piece of legislation, the Agriculture and Consumer Protection Act of 1973, required the expansion of the program to the entire country, and altered the income definition by including in-kind payments and providing an accompanying exemption. The Act also allowed for semi-annual allotment adjustments and altered issuance requirements. Finally, the Act required the USDA to establish temporary eligibility for disasters.

In 1977, the Food Stamp Act was passed in an effort to streamline the application and benefit process, and to focus the program on those most in need. As a result, the income requirement was simplified, resource limits were increased, eligibility was restricted for certain categories of persons, retailers were required to sell a set level of staple foods to be authorized, and households whose head voluntarily left employment were penalized. The Act also contained a number of access provisions, including expedited service, process coordination with AFDC and SSI, and additional requirements for outreach.

A number of cutbacks to the program occurred in the 1980s, primarily through the introduction of a gross asset test in addition to the net income test as well as counting additional forms of income (such as retirement accounts) as resources, less frequent allotment adjustments, and prohibiting the use of Federal funds for outreach. However, as the decade progressed, incremental changes were made to expand eligibility, such as increasing the resource limit, expanding eligibility to the homeless, eliminating sales tax on food stamp purchases, and simplifying calculations for eligibility. In addition, the Electronic Benefit Transfer (EBT) was introduced in order to increase efficiency, reduce stigma, and enhance the effectiveness of the program.

The Supplemental Nutrition Assistance Program (SNAP) is the new name for the Federal-State food stamp program. The Federal government pays the full cost of the program benefits while the State pays a portion of the administrative costs. At the Federal level, SNAP is administered through the FNS, which has the responsibility for setting the majority of the rules that govern the program. States and municipalities (in some cases), have leeway to determine eligibility, allotments, and distribution of benefits, and the FNS regularly grants waivers to states to vary

¹ U.S. Department of Agriculture. *A Short History of SNAP*. Available at: <http://www.fns.usda.gov/snap/rules/Legislation/about.htm>, accessed January 8, 2009.

from Federal guidelines. In Rhode Island, the program is administered through the Department of Human Services (DHS).

Eligibility and Benefits

As noted above, the Federal government is responsible for broadly setting eligibility and benefit criteria, while states have responsibility for day-to-day administration of the program, with added flexibility in eligibility and benefit determination. In general, in order to participate in SNAP, families and individuals must meet certain requirements and provide verification of residency (although some aliens admitted for permanent residency, such as refugees or asylum seekers, may qualify). The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) placed time limits on benefits for unemployed, able-bodied, childless adults. In addition, able-bodied adults must meet work requirements and face penalties for voluntarily leaving employment.

Program Eligibility: SNAP Oct. 1, 2008 - Sept. 30, 2009		
Family Size	Monthly Income Limit	
	Gross	Net
1	\$1,127	\$867
2	1,517	1,167
3	1,907	1,467
4	2,297	1,767
5	2,687	2,067
6	3,077	2,367
7	3,467	2,667
8	3,857	2,967
Each Additional Member	\$390	\$300

SOURCE: USDA

The resource limit for households is \$2,000 in countable resources, or \$3,000 if at least one person in the household is aged 60 or older, or is disabled. As with other entitlement programs, certain resources, such as a home, are not counted. Vehicles are subject to a resource test based on the fair market value of the vehicle, with some exceptions (e.g., if the vehicle is used primarily for income-producing activities). A household's gross monthly income may not exceed 130 percent of the Federal poverty level (FPL), while net monthly income must be 100

Maximum Monthly Allotment: SNAP Oct. 1, 2008 - Sept. 30, 2009	
Family Size	Allotment
1	\$176
2	323
3	463
4	588
5	698
6	838
7	926
8	1,058
Each Additional Member	\$132

SOURCE: USDA

percent or less of the FPL. Net monthly income is the household's gross income, minus deductions for shelter, medical, child care, and other costs. In households where one member is elderly or disabled, only the net income test applies. Individuals and families that receive TANF, SSI or GPA benefits are automatically eligible if their household consists entirely of beneficiaries.

Qualifying individuals and families receive a monthly benefit, transferred to an Electronic Benefit Transfer (EBT) card, which functions similar to a debit card. These benefits can be used to purchase food items (excluding food to be consumed at the point of sale or hot foods), or seeds/plants which produce food for the household. Benefits cannot be used to purchase

alcohol, tobacco products, non-food items, vitamins, or medicines. The monthly allotment is equal to the difference between 30 percent of the family's monthly income and the amount of

money judged to be sufficient to purchase a nutritionally adequate diet based on the Thrifty Food Plan, a low-cost diet plan developed by FNS and based on recommended dietary allowances (RDA).

Enrollments and Benefits

Rhode Island

In FY 2006, Rhode Island ranked last in the country (including Washington, DC) for the percent of eligible, working poor SNAP participants. Between FY 2004 and FY 2008, the State experienced the slowest growth rate in SNAP participants in the region, increasing by just 1.3 percent during the time period.

However, between FY 2007 and FY 2008, the number of SNAP participants in Rhode Island increased by almost 3 percentage points, which was the highest rate of growth in the region. In addition, average monthly SNAP benefits of \$105.77 in FY 2008 were the highest in the region and the rate of increase in average SNAP benefits in Rhode Island was the fastest in New England.

	<u>Rhode Island</u>	<u>US</u>
Average Monthly Enrollment (2008 est.)*	78.6	28,408.0
Participation Rate (2006)		
All Eligible	55%	67%
Working Poor	36%	57%
Average Monthly Benefit (2008 est.)	\$105.77	\$101.53
* Thousands		
SOURCE: USDA "Reaching Those in Need: Food Stamp Participation Rates in 2006", November, 2008; USDA Annual State Level Data Reports, 2008.		

State-to-State Comparison

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008*	FY 2004 - 2008	
						Change	%
US	23,857.6	25,717.8	26,672.3	26,468.6	28,408.0	4,550.4	19.1%
Connecticut	196.0	204.1	210.3	212.6	214.0	18.0	9.2%
Maine	141.9	152.9	160.3	162.6	164.3	22.4	15.8%
Massachusetts	334.9	368.1	431.5	456.2	463.0	128.1	38.2%
New Hampshire	48.4	52.3	56.3	59.1	59.8	11.3	23.4%
Rhode Island	77.5	76.1	73.2	76.3	78.6	1.0	1.3%
Vermont	42.9	45.2	47.7	52.6	53.0	10.1	23.7%

* Preliminary Data
SOURCE: USDA Annual Summary, various years

- Between FY 2004 and FY 2008, participation in SNAP increased by 19.1 percent nationally.

- In Rhode Island, the average monthly enrollment increased from approximately 78,000 in FY 2004 to approximately 79,000 in FY 2008, an increase of 1.3 percent. This rate of growth was the slowest in the region, and was almost 15 times slower than the national increase.
- Among the New England states, Massachusetts saw the largest increase in enrollment between FY 2004 and FY 2008. During this time period, the Bay State saw enrollment increase by 38.2 percent, which was slightly less than twice the national average.
- Rhode Island experienced the highest rate of growth in the region between FY 2007 and FY 2008, and growth in the State was double the rate of growth in Massachusetts, the state with the second highest rate of growth during that time period.

Participation Rates: SNAP								
FY 2004 - FY 2006								
	All Eligible People				Working Poor			
	FY 2004	FY 2005	FY 2006	Rank*	FY 2004	FY 2005	FY 2006	Rank*
US	61%	65%	67%	-	52%	56%	57%	-
Connecticut	59%	65%	65%	31	48%	45%	45%	45
Maine	81%	86%	96%	2	77%	87%	93%	1
Massachusetts	48%	52%	61%	39	39%	34%	42%	48
New Hampshire	61%	64%	68%	25	53%	55%	59%	24
Rhode Island	53%	56%	55%	47	40%	37%	36%	51
Vermont	70%	75%	80%	8	62%	68%	73%	7

*Includes Washington DC
 SOURCE: USDA "Reaching Those in Need: Food Stamp Participation Rates in 2006", November, 2008.

- According to the USDA report “Reaching Those in Need: Food Stamp Participation Rates in 2006”, Rhode Island had the 47th highest participation rate for all eligible people in FY 2006 with a participation rate of 55 percent.
- Rhode Island ranked last in the country for the working poor participation rate in FY 2006, with a participation rate of 36 percent.
- The Ocean State had the lowest participation rate of all the New England states in FY 2006 for both categories, compared to FY 2004 when Massachusetts had the lowest participation rate in the region.
- In the New England region, only Rhode Island and Connecticut experienced a decrease in participation rates between FY 2004 and FY 2006 for the working poor (4 percent and 3 percent, respectively).

- Maine had the highest participation rate in the region in both categories, the second highest participation rate nationally for all eligible people and the highest participation rate nationally for the working poor in 2006.

SNAP: Average Monthly Benefit FY 2004 - FY 2008							
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008*	FY 2004 - 2008	
						Change	%
US	\$85.99	\$92.57	\$94.32	\$95.63	\$101.53	\$15.54	18.1%
Connecticut	\$83.99	\$91.11	\$94.74	\$99.21	\$105.31	\$21.32	25.4%
Maine	81.98	88.40	88.01	87.42	94.52	\$12.54	15.3%
Massachusetts	75.74	82.18	81.41	86.20	96.65	\$20.91	27.6%
New Hampshire	74.90	80.56	85.61	88.10	93.58	\$18.68	24.9%
Rhode Island	79.06	86.00	92.14	97.57	105.77	\$26.71	33.8%
Vermont	77.92	82.93	87.55	88.16	92.77	\$14.85	19.1%

* Preliminary Data
SOURCE: USDA Annual Summary, various years

- Average monthly benefits, while set by the Federal government with some leeway allowed for state flexibility, vary from state to state depending on the population receiving benefits.
- In FY 2008, the average monthly benefit in Rhode Island was \$105.77, which was approximately the same as the national average (\$101.53) and the monthly average in Connecticut (\$105.31).
- Rhode Island's FY 2008 benefit was the highest in the New England region, compared to FY 2004 when the average monthly benefit in the Ocean State ranked third highest (behind Connecticut and Maine).
- Between FY 2004 and FY 2008, the average monthly benefit in Rhode Island increased by 33.8 percent, compared to 18.1 percent nationally. This rate of increase was the highest in the region.

SNAP Program Benefits FY 2003 - FY 2007 Per \$1,000 of Personal Income			
States	FY 2003	FY 2007	FY 2003-07 Change
Connecticut	\$1.12	\$1.36	21.1%
Maine	3.39	3.91	15.5%
Massachusetts	1.01	1.54	51.5%
New Hampshire	0.91	1.17	27.6%
Rhode Island	2.01	2.17	8.1%
Vermont	2.06	2.47	20.2%

Source: USDA, and RIPEC calculations.

- Within New England, FY 2007 SNAP benefits per \$1,000 of personal income ranged from \$1.17 per \$1,000 in New Hampshire to \$3.91 per \$1,000 of personal income in Maine.
- Rhode Island's SNAP benefits increased by 8.1 percent, from \$2.01 per \$1,000 of personal income in FY 2003 to \$2.17 per \$1,000 of personal income in FY 2007. This was the slowest rate of growth in the region.
- Massachusetts experienced the largest growth in program benefits, increasing by 51.5 percent, from \$1.01 per \$1,000 of personal income in FY 2003 to \$1.54 per \$1,000 of personal income in FY 2007.

SNAP Program Benefits FY 2003 - FY 2007 Per Capita			
States	FY 2003	FY 2007	FY 2003-07 Change
Connecticut	\$47	\$72	52.2%
Maine	95	130	36.1%
Massachusetts	39	73	85.6%
New Hampshire	31	47	52.7%
Rhode Island	64	84	31.7%
Vermont	61	90	46.9%

Source: USDA, and RIPEC calculations.

- On a per capita basis, SNAP benefits ranged from \$47 per capita in New Hampshire to \$130 per capita in Maine in FY 2007.
- Rhode Island's SNAP benefits increased by 31.7 percent, from \$64 per capita in FY 2003 to \$84 per capita in FY 2007, the lowest percentage growth in the region.

IV. Homelessness Prevention

Homeless Population

The following data are from the Rhode Island Annual Emergency Food and Shelter Board Report. The report uses a “period prevalence” count, which counts all homeless individuals over a period of time, such as a year. One should note that there are limitations with this type of count as it may fail to count a significant portion of homeless individuals who are not residing in shelters or other places in which they would be able to be counted.

Rhode Island Shelter Clients 2000-2008	
<u>Year</u>	<u>Shelter Clients</u>
1999-2000	4,466
2000-2001	4,421
2001-2002	5,440
2002-2003	5,686
2003-2004	6,020
2004-2005	6,408
2005-2006	6,889
2006-2007	6,773
2007-2008	6,437
<u>Change 2000-2008</u>	
Amount	1,971
Percent	44.1%

Source: RI Annual Emergency Food and Shelter Board Report; RIPEC calculations

According to the Rhode Island Emergency Food and Shelter Board Report, Rhode Island’s emergency shelter system served approximately 6,437 unduplicated clients during fiscal year 2008, whereas in 2000, 4,466 clients were served. This is an increase of 1,971 clients, or a 44.1 percent increase, during that time period. Over the course of the last eight years, the number of shelter clients peaked in 2006 with 6,889 clients and slightly declined by 452 clients in the following two years to 6,437 clients, a 6.6 percent decrease.

According to the 2006 American Community Survey it is estimated that in addition to these numbers, there are 11,300 Rhode Islanders living in “doubled-up” situations. These are situations in which individuals or families lack a fixed or regular residence and are staying with friends or family.

In some parts of Rhode Island there are voucher programs available that allow homeless individuals and families to stay in motel rooms for a brief period of time. However, these programs are not extensive. Because Rhode Island does not have a “right to shelter” policy, it is not generally

the case that people who are turned away from a full shelter are put into motels. (Those who have participated in these voucher programs are not included in the above count.)

According to Eric Hirsch, who compiles the Rhode Island Emergency Food and Shelter Board Report, the decline from 2006 to 2008 was largely a decline in the number of single adult shelter clients. Hirsch attributes the decline of these single adults to their growing participation in permanent supportive housing programs such as Housing First, the Neighborhood Opportunities Program, and the RoadHome Program. He also notes that, since July of 2008, the monthly counts of these shelter clients have gone up again, in part due to these programs being restricted in their capacity, and in part due to the economic crisis.

Client Characteristics

The Emergency Food and Shelter Board Report provides characteristics of clients who have stayed in emergency shelters in Rhode Island. Two of the categories it studies are the number of children in shelters and the number of families in shelters.

Children Residing in Shelters 2000-2008	
<u>Year*</u>	<u># of Children</u>
1999-2000	1,321
2000-2001	1,260
2001-2002	1,692
2002-2003	1,450
2003-2004	1,564
2004-2005	1,717
2005-2006	1,378
2006-2007	1,558
2007-2008	1,770
 <u>Change 2000-2008</u>	
Amount	449
Percent	34.0%
*Data years measured from July to June.	
Source: RI Annual Emergency Food and Shelter Board Report; RIPEC calculations	

- The number of children in shelters increased from 1,321 children in 2000 to 1,770 children in 2008.
- This represents a 34.0 percent increase in the number of children utilizing Rhode Island shelters in the eight years between 2000 and 2008.
- Of the total number of clients served by shelters in 2008, 27.5 percent were children. This is down from 29.6 percent in 2000.

Families Residing in Shelters 2000-2008	
<u>Year</u>	<u># of Families</u>
1999-2000	644
2000-2001	588
2001-2002	689
2002-2003	731
2003-2004	794
2004-2005	809
2005-2006	882
2006-2007	790
2007-2008	953
 <u>Change 2000-2008</u>	
Amount	309
Percent	48.0%
Source: RI Annual Emergency Food and Shelter Board Report; RIPEC calculations	

- In 2008, 953 families stayed in Rhode Island shelters, up from 644 families in 2000.
- The number of families staying in shelters increased by 48.0 percent during this time period.
- Between 2000 and 2008 the largest increase in number of families residing in shelters for any one year was between 2007 and 2008, when the number went from 790 to 953 families. This represents a 20.6 percent increase in one year.

Federal Homelessness Programs

The McKinney-Vento Homeless Assistance Act was the first and only major Federal legislative act addressing homelessness, and was signed into law in 1987. This act provides a range of

services to homeless persons. There are two types of McKinney-Vento Homeless Assistance Act funding: non-competitive (formula) and competitive.

Federal formula grants are based on quantifiable elements (i.e., population characteristics), and recipient governments of these grants can use the grant formula to determine how much aid they are guaranteed for each funding cycle. These grants can be used for a myriad of different programs or projects, as long as these programs and projects meet the eligibility criteria for the grant.

Competitive grants, on the other hand, go through a process to determine which will receive funding, and which will not. Funding from competitive grants are designated for specific programs for a given period of time and are not guaranteed funding in the next cycle.

Emergency Shelter Grants – non-competitive

The Emergency Shelter Grants Program is a formula-funded program which uses the Community Development Block Grant formula as the basis for allocating funds. (The Community Development Block Grant formula uses several objective measures to determine community need, including poverty, population, housing overcrowding, age of housing, and growth lag.) Emergency Shelter Grants funds are available for the rehabilitation or remodeling of buildings used as new shelters; operations and maintenance of these facilities; essential supportive services (e.g., case management, physical and mental health treatment, substance abuse counseling, childcare, etc.); homelessness prevention; and grant administration.

Grantees of Emergency Shelter Grants are state governments, large cities, urban counties, and United States territories. In Rhode Island there are four designated grantees: Providence, Pawtucket, Woonsocket, and “Nonentitlement.” Providence, Pawtucket, and Woonsocket receive their allocations directly from HUD. The “Nonentitlement” allocation is given to the Office of Housing and Community Development which, in turn, is able to allocate these funds to projects operated by local government agencies or private non-profit organizations to any community within Rhode Island.

Continuum of Care Grants – competitive

Under the Continuum of Care Program, homelessness providers in a specific geographic area work together to describe their assistance, identify their needs, and rank the projects that they want funded. The Office of Homelessness Services & Emergency Assistance at the Housing Resources Commission is responsible for Rhode Island’s Continuum of Care, and Rhode Island Housing applies for funding on behalf of the Continuum of Care.

The first step in the Continuum of Care process is to define the statewide goal to end homelessness, the steps necessary to achieve this goal, and what the State has done in the past year to reach that goal. A ten-year plan to end homelessness is also created by the Housing Resource Commission. The content of this ten-year plan overlaps with the Emergency Shelter Grants Consolidated Plan.

There are two primary programs that are eligible to receive Continuum of Care Grant funding:

- Supportive Housing (housing and supportive services); and

- Shelter Plus Care (provides rental assistance in connection with supportive services; provides services primarily to individuals with serious mental illness, chronic problems with alcohol and/or drugs, chronic homelessness, disabilities and/or handicaps, and HIV/AIDS or related diseases).

State Homelessness Programs and Participation

RoadHome Emergency Housing Assistance

Rhode Island Housing's RoadHome Emergency Housing Assistance (RHEHA) provides financial assistance to individuals and families who are facing a housing crisis. The program provides cash assistance to individuals and families at risk of becoming homeless due to a short-term housing crisis or foreclosure, and to individuals and families living in a shelter. Funds from the program can be up to \$1,200 (limited to once per year) and are to be used for security deposits, first month's rent, or mortgage payment assistance. To obtain this assistance, recipients must demonstrate that they will be able to sustain their housing costs.

Applicants for the RoadHome Emergency Housing Assistance must be facing a temporary housing crisis, meet strict income and eligibility requirements, and be able to sustain their housing costs over the long-term. These could be families or individuals in shelters or transitional housing; victims of domestic violence; or families or individuals living in non-housing situations. The recipient must have been a Rhode Island resident for no less than 6 months, and they must have a 12 month household income not exceeding 80 percent of the Rhode Island statewide median income limits, adjusted for family size (as determined by HUD).

RoadHome Rental Assistance

The purpose of the RoadHome rental assistance is to move homeless families and individuals from shelters to permanent housing. All potential units must be certified by Rhode Island Housing. To be certified, an apartment must have identified service support for the participants who will be housed in the unit. The maximum rent a property owner may charge for an eligible apartment must be no higher than the high rent threshold for the HOME program (another HUD program). To be eligible for the program the participants must be homeless, agree to develop a case management plan, agree to work towards benchmarks of the plan and pay their rent (30 percent of their gross income or \$50, whichever is greater). RoadHome rental assistance has been in existence for 18 months (from July 2007 to present). During this time, there has been an additional expenditure of \$1 million for rental assistance in addition to other rental assistance programs funded by Rhode Island Housing.

Since the program began in July 2007, 289 Rhode Islanders have received vouchers for rental assistance. In 2007, cash assistance for preventing homelessness was given to 1,323 recipients; in 2008, 1,247 people received these funds.

Housing First Rhode Island

The Housing First Rhode Island program is a program run by Riverwood Mental Health in Warren, Rhode Island, created by a partnership between the State and the United Way of Rhode Island. It is an example of a program that is funded under the Continuum of Care. When the program began in 2005, it served 48 chronically homeless individuals who had been homeless for an average of 7.6 years, by giving them rapid access to permanent subsidized housing and access to voluntary supportive services. There have been 160 participants in the Housing First Rhode Island program since its beginning in 2005.

Homelessness Funding

Programs to End Homelessness in Rhode Island				
\$ million				
Program	FY 2007	FY 2008	FY 2009	FY 2007-09 Change
<i>Federal</i>				
Emergency Shelter Grant	\$0.7	\$0.7	\$0.7	0.0%
Continuum of Care	5.7	4.7	4.7	-17.5%
Title XX*	1.4	1.4	1.4	0.0%
<i>Subtotal Federal</i>	<i>\$7.8</i>	<i>\$6.8</i>	<i>\$6.8</i>	<i>-12.8%</i>
<i>State</i>				
RoadHome**				
Rental Assistance	-	\$0.5	\$0.5	-
Cash Assistance	1.0	1.3	1.3	30.0%
Housing Resources Comm.	1.3	1.3	1.3	0.0%
<i>Subtotal State</i>	<i>\$2.3</i>	<i>\$3.1</i>	<i>\$3.1</i>	<i>34.8%</i>
Grand Total	\$10.1	\$9.9	\$9.9	-2.0%

*Title XX, otherwise known as the Social Services Block Grant Program, is a federal program whose aims are as follows: 1) to prevent, reduce or eliminate dependency; 2) to achieve or maintain self-sufficiency; 3) to prevent neglect, abuse, or exploitation of children and adults; 4) to prevent or reduce inappropriate care; and 5) to secure admission or referral for institutional care when other forms of care are not appropriate.

**The RoadHome Program is funded and administered by RI Housing. There are two components to the program, both for homeless individuals: a service-enriched rental assistance program and cash assistance for preventing homelessness. The rental assistance portion of the program has been in existence since July 2007. The cash assistance component has been administered by RI Housing since 2008 (before by the Rhode Island Department of Health and Human Services).

Not included are: Community Development Block Grants; Emergency Shelter Grants provided by entitlement communities -- Pawtucket, Providence, Woonsocket; Emergency Food and Shelter Board; legislative grants to agencies; SAMHSA grants.

Source: RI Housing Resources Commission, RI Office of Housing and Community Development, US Dept. of Housing and Urban Development, and RIPEC calculations.

- In FY 2009 there was a total of \$9.9 million spent on homelessness programs in Rhode Island. This is a combination of Federal and State funding.
- Although this funding remained constant from FY 2008 to FY 2009, there was a decrease in total (Federal and State) funding of 2.0 percent from FY 2007. While there was an increase in State funding of 34.8 percent over these 2 years (from \$2.3 million to \$3.1 million), there was a decrease of 12.8 percent in Federal funding (from \$7.8 million to \$6.8 million), leading to an overall decrease in combined funding.

State-to-State Comparison

Emergency Shelter Grant Awards 2006 - 2009			
\$ million			
States	2006	2009	2006-09 Change
United States	\$160.1	\$160.0	0.0%
Connecticut	\$1.8	\$1.8	0.5%
Massachusetts	4.8	4.8	-0.1%
Rhode Island	0.7	0.7	0.5%

Source: U.S. Department of Housing and Urban Development.

- In 2009, Rhode Island received \$0.7 million in funding through Emergency Shelter Grants, a slight increase from 2006 levels.
- The nation as a whole, as well as Rhode Island, Connecticut and Massachusetts, received about the same amount of funding in 2006 and 2009.

Continuum of Care Awards 2005 - 2008					
\$ million					
States	2005	2006	2007	2008	2005-2008 Change
United States	\$1,180.0	\$1,206.2	\$1,305.6	\$1,416.0	20.0%
Connecticut	\$18.9	\$22.4	\$24.6	\$26.6	40.8%
Massachusetts	49.0	52.7	54.7	59.6	21.5%
Rhode Island	2.9	4.0	5.7	4.7	65.5%

Source: U.S. Department of Housing and Urban Development.

- Between 2005 and 2008, Rhode Island received a 65.5 percent increase in Continuum of Care funding, from \$2.9 million in 2005 to \$4.7 million in 2008.
- Rhode Island's percentage of increase was higher than in Connecticut, Massachusetts, and the United States as a whole (40.8 percent, 21.5 percent, and 20.0 percent, respectively).

In 2008, Rhode Island received one Shelter Plus Care renewal grant, consisting of 10 sponsors. In addition, 46 Supportive Housing renewal grants were allocated through the Continuum of Care.

HEARTH Initiative of 2009

In April 2009 Senator Jack Reed, along with eleven other senators, introduced the Federal Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) of 2009. This Act would provide \$2.2 billion federally in targeted homelessness assistance grants, which would be designed to give greater flexibility to communities in addressing homelessness. Among other steps, this Act would implement a new Emergency Solutions Grant program, in which cities and towns would be able to use up to 20 percent of funds to aid people living in unstable housing situations, severe overcrowding, and persons who are on the brink of eviction. Another part of the Act designates that 30 percent of funds would be used for new permanent housing for families and persons with disabilities.

V. Medicaid/SCHIP

Overview

Medicaid was established in 1965 under Title XIX of the Social Security Act. It is a Federal and state matching entitlement program administered by the states that provide health care coverage to eligible adults and children. It is the chief source of funding for long-term care for individuals with limited economic means; health care services for low-income adults and children with disabilities and seniors age 65 and older; health care coverage for children in substitute care; health care coverage for qualifying low-income children and their families; and low-income pregnant women and infants.

The Federal government matches state spending for the services Medicaid covers on an open-ended basis. The Federal matching rate (adjusted annually), known as the Federal Medical Assistance Percentage (FMAP), varies by state. The FMAP is based on each state's per capita personal income relative to the Nation as a whole for the three most recent years. States with per capita incomes above the national average receive a lower Federal matching percentage; states with per capita incomes below the national average receive a higher percentage. Rhode Island's current FMAP rate is 52.0 percent. The operation of the formula is bound by two statutory limits: a minimum of 50 percent and a maximum of 83 percent.

In the United States, Medicaid covers about 55 million Americans who would otherwise lack health insurance or other resources to pay for health care services they may need. In Rhode Island, about 190,000 people, almost one out of every five Rhode Islanders, are currently covered under the program. Total expenditures in Rhode Island amount to approximately \$1.9 billion, with about half of the spending coming from the State.

In 2008, the Carcieri Administration proposed the Global Medicaid Global Waiver, which was approved by the Federal Centers for Medicare and Medicaid Services (CMS) on December 18, 2008.

The Global Medicaid Waiver replaces the current Medicaid program as described above and restructures the way that Medicaid is financed. The Waiver establishes a global cap on Federal Medicaid funding coming to Rhode Island, which is, effectively, a cap on the total amount of funds the State can spend on Medicaid. Under the Waiver, Rhode Island will receive a five-year aggregate cap of \$12.1 billion. This amount includes both State and Federal Medicaid spending. The trend rate is based on national projections of 7.8 percent annual growth.

Rhode Island will operate its entire Medicaid program over the next five years under this demonstration. All persons currently eligible for the Rhode Island Medicaid program will be under the provisions of this Waiver.

The following tables provide an overview of Medicaid and SCHIP eligibility and premiums. The data are based on reports by The Kaiser Commission on Medicaid and the Uninsured as of January 2009.

Eligibility Guidelines

**State Income Eligibility Guidelines for Children's Regular Medicaid,
Children's SCHIP-funded Medicaid Expansions and Separate SCHIP Programs
January 2009**

	Medicaid/SCHIP			Separate	Medicaid/SCHIP			Separate
	Age 0 - 1	Age 1 - 5	Age 6 - 19	SCHIP*****	Age 0 - 1	Age 1 - 5	Age 6 - 19	SCHIP*****
US*	133%	133%	100%	NA	\$23,408	\$23,408	\$17,600	NA
Connecticut	185%	185%	185%	300%	\$32,560	\$32,560	\$32,560	\$52,800
Maine	200%	150%	150%**	200%	35,200	26,400	26,400	35,200
Massachusetts***	200%	150%	150%	300% (400%)	35,200	26,400	26,400	52,800
New Hampshire	300%	185%	185%	300%	52,800	32,560	32,560	52,800
Rhode Island	250%	250%	250%	NA	44,000	44,000	44,000	NA
Vermont****	300%	300%	300%	300%	52,800	52,800	52,800	52,800

*US Figure is the federal minimum eligibility level

**Maine has not adopted the Chafee option (covering children aging out of foster care); however, the state does cover individuals under 21 at or below 150% of FPL. Children who age out of foster care can voluntarily choose to remain in foster care while finishing school and can keep their MaineCare coverage.

***Massachusetts provides state-financed coverage to children with incomes above SCHIP levels; at 400%.

****In Vermont, Medicaid covers uninsured children in families with income at or below 225% of the Federal poverty line; uninsured children in families with income between 226-300% of FPL are covered under a separate SCHIP program. Underinsured children are covered under Medicaid up to 300% of FPL.

*****States use Federal SCHIP funds to operate separate child health insurance programs for children not eligible for Medicaid. Such programs may provide benefits similar to Medicaid or they may provide a limited benefit package. They also may impose premiums or other cost-sharing obligations on some or all families with eligible children. These programs typically provide coverage through the child's 19th birthday.

SOURCE: Kaiser Family Foundation "State Health Facts", 2009

Health coverage for children is provided through the Medicaid program and the Children's Health Insurance Program (CHIP). States can choose to use CHIP funds to expand eligibility under their Medicaid program or to operate a separate CHIP program for children ineligible for Medicaid. CHIP programs may provide benefits similar to Medicaid or a more limited benefit package. CHIP programs provide coverage through the child's 19th birthday while coverage under Medicaid generally ends when the child turns 18. The table above also shows the annual income eligibility. The amount is based on the FPL for a family of three (in 2008, \$17,600).

Children Medicaid/SCHIP

- Eligibility for children (age 1-19) for the regular Medicaid program and CHIP-funded Medicaid expansions range from 150 percent of the Federal Poverty Limit (FPL) to 300 percent of FPL in the New England states. Vermont has the highest eligibility level (300 percent FPL) among the New England states for all age categories, followed by Rhode Island (250 percent FPL for all age categories).
- Children 0-1 years old are eligible for Medicaid with an income of 200 percent of the Federal Poverty Level or higher in every New England state except Connecticut. Rhode Islanders who are 0-1 years old are eligible at 250 percent FPL.

- For those between the ages of 1-19 years old, Medicaid eligibility is met at the highest levels of income in Vermont and Rhode Island (300 percent FPL and 250 percent FPL, respectively). All other New England states set the eligibility requirement at 185 percent of the Federal Poverty Level or lower.
- Generally, the income threshold for families is higher the younger the children are. For children in Medicaid/SCHIP the income threshold ranges from \$26,400 (ages 1-19 in Maine and Massachusetts) to \$52,800 for all age groups in Vermont. In Rhode Island, the income threshold is \$44,000 for all age groups and ranks second highest within the New England states.

Separate SCHIP

States can choose to use CHIP funds to expand eligibility under their Medicaid program or to operate a separate CHIP program for children ineligible for Medicaid. CHIP programs may provide benefits similar to Medicaid or a more limited benefit package. CHIP programs provide coverage through the child's 19th birthday while coverage under Medicaid generally ends when the child turns 18.

- All New England states, except Rhode Island, have a separate SCHIP program. Rhode Island integrates its CHIP funding into the regular Medicaid program. The Federal Poverty Levels range from 200 percent in Maine to 400 percent in Massachusetts.
- The income threshold for these separate programs is \$52,800 in Connecticut, Massachusetts, New Hampshire and Vermont; and \$35,200 in Maine.

**Monthly Premium Payments for Children's Medicaid and SCHIP in
New England States with Income Eligibility 250% FPL and Higher
January 2009**

State	Income Eligibility	Income Level at which State begins Requiring Premiums	Amount at 250% of the FPL	Amount at 300% of the FPL	Amount at 350% of the FPL
Connecticut	300%	235%	\$50	\$50	NA
Massachusetts*	300% (400%)	150%	40	56	152
New Hampshire	300%	186%	50	90	NA
Rhode Island**	250%	150%	92	NA	NA
Vermont***	300%	186%	20/40	20/60	NA

*Massachusetts provides state-financed coverage to children with incomes above SCHIP levels. Eligibility is shown in parentheses. Massachusetts requires premiums in children's Medicaid (children under six are exempt) and SCHIP.

**Eligibility limit and premiums apply to SCHIP-funded Medicaid expansions.

***In Vermont, Medicaid covers uninsured children in families with income at or below 225% of the Federal poverty line; uninsured children in families with income between 226-300% of FPL are covered under a separate SCHIP program. Underinsured children are covered under Medicaid up to 300% of FPL.

Source: The Kaiser Commission on Medicaid and the Uninsured, January 2009

The above table shows premium payments for children's Medicaid/SCHIP in the New England states. The income levels at which states require premiums range from 150 percent in Massachusetts to 235 percent in Connecticut. The monthly amount at 250 percent of FPL ranges from \$20/40 in Vermont to \$92 in Rhode Island.

Income thresholds for jobless and working parents

Eligibility for Medicaid is set at a slightly higher income level for those parents who are working as opposed to non-working (receiving unearned income, such as unemployment benefits), in both the United States and all of the New England states because certain disregards are applied to gross earned income. Income thresholds for parents at the time they apply for Medicaid varies depending if parents are jobless or working.

- The United States median income threshold for jobless parents is 41 percent (\$7,200) and 68 percent (\$11,928) for working families.
- Maine has the highest levels of Medicaid eligibility out of all the New England states for both jobless and working parents (200 percent FPL and 206 percent FPL, respectively). Connecticut and Vermont follow with the next highest eligibility levels (185 percent FPL and 191 percent FPL, respectively). The lowest eligibility levels for Medicaid among the New England states belong to New Hampshire (41 percent FPL and 51 percent FPL, respectively). Rhode Island's eligibility for jobless parents is at 175 percent and 181 percent for working parents.

Pregnant women

- For pregnant women, Medicaid eligibility is set at its highest levels in both Connecticut and Rhode Island, at 250 percent of the Federal Poverty Level. Pregnant women living in Massachusetts, Maine, and Vermont are eligible at 200 percent FPL, and New Hampshire sets its eligibility at 185 percent FPL.

	Income Thresholds for Parents at Application			Income Thresholds for Parents at Application		
	Jobless	Working	Pregnant	Jobless	Working	Pregnant
US Median	41%	68%	133%	\$7,200	\$11,928	\$23,408
Connecticut	185%	191%	250%	\$32,556	\$33,636	\$44,000
Maine	200%	206%	200%	35,200	36,276	35,200
Massachusetts	133%	133%	200%	23,408	23,408	35,200
New Hampshire	41%	51%	185%	7,200	9,000	32,560
Rhode Island	175%	181%	250%**	30,800	31,872	44,000
Vermont	185%	191%	200%	32,560	33,636	35,200

*This table takes earnings disregards, when applicable, into account when determining income thresholds for working parents.

**There is also a state-funded program for women with income between 251-350% FPL. Under this program, which requires a premium, the state funds the cost of labor and delivery only.

SOURCE: Kaiser Family Foundation, "State Health Facts", 2009

Enrollment

Population	FY 2000		FY 2008		FY 2000 - 08 % Change
	Number	% of Total	Number	% of Total	
Elderly	20,646	14.1%	19,654	10.9%	-4.8%
Adults with Disability	18,251	12.5%	25,849	14.3%	41.6%
Children and Families	107,542	73.4%	135,431	74.9%	25.9%
Total	146,439	100.0%	180,934	100.0%	23.6%

Source: RI DHS Monthly Enrollment Reports, October 2008; RIPEC 2005 Medicaid Report.

- Overall Medicaid enrollment grew by 23.6 percent between 2000 to 2008, from approximately 146,000 to 181,000 Rhode Islanders.
- Concurrent with overall growth in the Medicaid population between 2000 and 2008 were changes in the distribution of enrollees by population subgroup. While the “Adults with Disabilities” and “Children and Families” subgroups increased as a share to the total, the proportion of elderly dropped during this time period.
- Between 2000 and 2008 the population of elderly Medicaid recipients, as a total of all Medicaid recipients, decreased from 14.1 percent to 10.9 percent.

- During this time adults with disabilities, as a subgroup of all Medicaid recipients, increased from 12.5 percent to 14.3 percent of those people receiving Medicaid.
- Children and families also increased as a subgroup of all Medicaid recipients during this time, from 73.4 percent to 74.9 percent of the total number of recipients. One should note that during this time period, managed care was expanded to include children with special health care needs.

State-to-State Comparison

Medicaid Enrollment 2000 and 2005 New England and United States Average					
	2000		2005		% Change 2000-2005
	Enrollees	% of Population	Enrollees	% of Population	
Connecticut	325,257	9.6%	408,292	11.7%	20.3%
Maine	167,243	13.1%	247,093	18.8%	32.3%
Massachusetts	858,297	13.5%	951,182	14.8%	9.8%
New Hampshire	82,179	6.6%	107,395	8.2%	23.5%
Rhode Island	146,400	14.0%	170,330	16.0%	14.0%
Vermont	89,686	14.7%	94,101	15.2%	4.7%

Source: Kaiser Foundation, "Kaiser 50 States Enrollment Report 2006"

- Medicaid enrollment grew in all New England states between 2000 and 2005. Vermont had the smallest percent change, at 4.7 percent growth. The highest percent change occurred in Maine, where the number of enrollees increased by about 32.3 percent. New Hampshire and Connecticut grew by 23.5 percent and 20.3 percent, respectively. Rhode Island and Massachusetts grew by 14.0 percent and 9.8 percent, respectively.
- The proportion of Medicaid enrollees, as a percent of the total population, also grew within all six New England states, between a range of approximately 0.5 percent growth (in Vermont) to 5.7 percent growth in Maine. The proportion of Medicaid enrollees in Rhode Island grew by 2.0 percent, from 14.0 percent of the State population in 2000 to 16.0 percent of the State population in 2005.

Expenditures

Rhode Island

Rhode Island All Fund Medicaid Expenditures (in millions)				
FY 2000 - FY 2009 Enacted				
	FY 2000	FY 2009E	FY 2000 - 09	
			Percent Change	Share of Change
DHS				
Hospital-Reg	\$84.3	\$170.0	101.7%	11.8%
Hospital-DSH	59.9	117.3	95.8%	7.9%
Long Term Care*	245.6	325.9	32.7%	11.1%
Managed Care**	190.3	510.4	168.2%	44.1%
Other***	141.0	223.0	58.2%	11.3%
Sub-Total, DHS	\$721.1	\$1,346.6	86.7%	86.2%
Subtotal, Other Departments	\$394.0	\$494.0	25.4%	13.8%
Grand Total, Medicaid	\$1,115.1	\$1,840.6	65.1%	100.0%
Total Gen Rev Exp.	\$499.1	\$892.9	78.9%	54.3%

*Long Term Care expenditures for Nursing Homes and Home Care

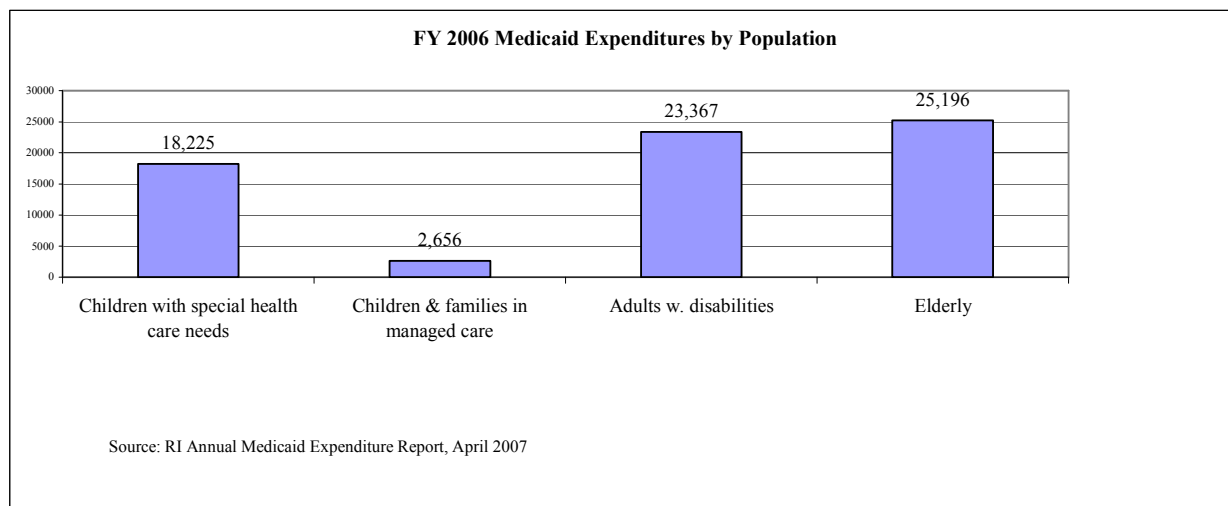
**Managed Care expenditures include \$91.8 million for SSI Population, \$9.1 million for transportation, and \$5.2 million for Early Intervention in FY 2009.

***"Other" expenditures include expenditures for pharmacy, pharmacy clawback, and other expenditures

SOURCE: State Budget Office Documents, Nov. 2008 Revenue Estimating Conference, and RIPEC calculations

- Between 2000 and 2009, total Medicaid expenditures for the State of Rhode Island rose from \$1.1 billion to approximately \$1.8 billion, or by 65.1 percent.
- General revenue spending increased by 78.9 percent between FY 2000 and FY 2009, from \$499.1 million in FY 2000 to \$892.9 million in FY 2009.
- During this time period, managed care grew by \$320.1 million (168.2 percent), from \$190.3 million in FY 2000 to \$510.4 million in FY 2009. One should note that during this time period, managed care was expanded to include children with special health care needs that were previously paid for on a fee-for-service basis. Managed care expenditures in FY 2009 also include \$91.8 million for the SSI population, \$9.1 million for transportation, and \$5.2 million for early intervention.

- Long-term care expenses increased by \$80.3 million, or 32.7 percent, from \$245.6 million in FY 2000 to \$325.9 million in FY 2009.



When looking at expenditures on a per member basis, spending for children and families in managed care totaled \$2,656 per member per year in FY 2006. Spending for children with special health care needs was \$18,225 per year. Spending for adults with disabilities totaled \$23,367 per year, and spending totaled \$25,196 per year for the elderly population.

Medicaid Global Waiver and American Recovery and Reinvestment Act of 2009

In 2008, the Carcieri Administration proposed the Global Medicaid Waiver, which was approved by the Federal Centers for Medicare and Medicaid Services (CMS) on December 18, 2008.

The Global Medicaid Waiver replaces the current Medicaid program and restructures the way that Medicaid is financed. The Waiver establishes a global cap on Federal Medicaid funding coming to Rhode Island, which is, effectively, a cap on the total amount of funds the State can spend on Medicaid. Under the Waiver, Rhode Island will receive a five-year aggregate cap of \$12.1 billion. This amount includes both State and Federal Medicaid spending. The trend rate is based on national projections of 7.8 percent annual growth.

Rhode Island will operate its entire Medicaid program over the next five years under this demonstration. All persons currently eligible for the Rhode Island Medicaid program will be under the provisions of this Waiver.

Medicaid spending is also impacted by the Federal American Recovery and Reinvestment Act of 2009. The State is expected to receive approximately \$321.5 million over the course of the next three fiscal years through an enhanced Federal matching rate.

State-to-State Comparison

The following data are based on the Federal Center for Medicaid Services.

Medicaid and SCHIP Expenditures, 2000 - 2008						
Per \$1,000 of Personal Income						
States	FY 2000		FY 2008		2000-2008 Change	
	Gen Rev Exp	Total*	Gen Rev Exp	Total	Gen Rev Exp	Total
Connecticut	\$11.59	\$23.20	\$11.28	\$22.75	-2.6%	-1.9%
Maine	12.42	36.89	18.29	50.31	47.3%	36.4%
Massachusetts	13.88	27.84	16.79	34.05	21.0%	22.3%
New Hampshire	10.05	20.14	11.16	22.56	11.1%	12.0%
Rhode Island	17.96	38.85	20.70	44.32	15.2%	14.1%
Vermont	11.95	19.86	18.56	45.65	55.3%	129.9%

*Includes general revenue expenditures plus Federal funds.

Source: Center For Medicaid Services, Form 64; Bureau of Economic Analysis for income data; and RIPEC calculations.

- Between 2000 and 2008, growth in total Medicaid expenditures per \$1,000 of personal income in the New England states ranged from a decline of 1.9 percent in Connecticut to an increase of 129.9 percent in Vermont. Rhode Island had the fourth highest rate of expenditure growth per \$1,000 of personal income within the New England states, growing by 14.1 percent during this period.
- Rhode Island's total Medicaid/SCHIP expenditures increased from \$38.85 per \$1,000 of personal income in FY 2000 to \$44.32 per \$1,000 of personal income in FY 2008. In FY 2000, Rhode Island had the highest Medicaid/SCHIP expenditures per \$1,000 of personal income in New England, whereas in FY 2008, the State ranked third highest within the region.
- General revenue expenditures per \$1,000 of personal income increased the most in Vermont during the time period, from \$11.95 per \$1,000 of personal income in FY 2000 to \$18.56 per \$1,000 of personal income in FY 2008.
- Rhode Island's general revenue expenditures increased by 15.2 percent, from \$17.96 per \$1,000 of personal income in FY 2000 to \$20.70 per \$1,000 of personal income in FY 2008. In both FY 2000 and FY 2008, Rhode Island had the highest per \$1,000 of personal income general revenue expenditures in the region.
- Connecticut was the only New England state experiencing a decline in Medicaid/SCHIP general revenue expenditures per \$1,000 of personal income (-2.6 percent).

Medicaid and SCHIP Expenditures, 2000 - 2008
Per Capita

States	FY 2000		FY 2008		2000-2008 Change	
	Gen Rev Exp	Total	Gen Rev Exp	Total	Gen Rev Exp	Total
Connecticut	\$461	\$923	\$631	\$1,273	36.9%	37.9%
Maine	313	931	635	1,746	102.6%	87.6%
Massachusetts	498	999	840	1,703	68.6%	70.4%
New Hampshire	319	640	500	953	56.6%	48.9%
Rhode Island	507	1,096	841	1,801	65.9%	64.3%
Vermont	320	850	711	1,748	122.4%	105.5%

Source: Center For Medicaid Services, Form 64; Bureau of Economic Analysis for population data; and RIPEC calculations.

- On a per capita basis, total Medicaid/SCHIP payments in FY 2008 ranged from \$953 per capita in New Hampshire to \$1,801 per capita in Rhode Island.
- Total expenditures per capita increased the most in Vermont during the time period, from \$850 per capita in FY 2000 to \$1,748 in FY 2008, an increase of 105.5 percent. Rhode Island had the 3rd slowest rate of growth during this time.
- FY 2008 general revenue expenditures per capita were highest in Rhode Island, at \$841 per capita, followed by \$840 per capita in Massachusetts.
- The largest increase in general revenue expenditures per capita was in Vermont, increasing by 122.4 percent, from \$320 per capita in FY 2000 to \$711 per capita in FY 2008.

VI. Housing

Overview

In Rhode Island there are both Federally-funded and State-funded subsidized housing programs. Most of the subsidized housing in Rhode Island is Federally-funded. The Federally-funded programs include Public Housing, Tenant-based vouchers, Project-based Section 8, Section 202 (Elderly Housing), Section 811 (Housing for Persons with Disabilities), the Low Income Housing Tax Credit Program, and the HOME Program. The State-funded programs are the Neighborhood Opportunities Program and Building Homes Rhode Island.

Federal Programs

The Federal programs include:

- Public Housing consists of subsidized rental units owned and administered by local public housing authorities;
- Tenant-based vouchers (“Housing Choice Vouchers”) provide rental assistance for tenants living in private market rental housing;
- Project-based Section 8 units are subsidized units located at specific housing developments;
- Section 202 Housing consists of subsidized housing units specifically for elderly persons;
- Section 811 Housing consists of subsidized housing units specifically for persons with disabilities;
- Low Income Housing Tax Credit is the largest Federal program for the production of affordable rental housing; and
- HOME Program is a Federal block grant designed to create affordable housing for low-income households.

All of these programs (with the exception of the Low Income Housing Tax Credit, which is run through the Treasury Department) are run through the Department of Housing and Urban Development (HUD).

Eligibility for Federal Programs

Income eligibility requirements for Federally-subsidized programs differ by program, and are based on HUD’s designations for income levels (Low-income=80 percent of median income; Very low-income=50 percent of median income; Extremely low-income=30 percent of median income).

- Public Housing: Low-income
- Section 8 (Housing Choice and project-based vouchers): Very low-income; Low-income with additional requirements
- Section 202- Very low-income
- Section 811- Very low-income
- HOME – Low-income

- Low Income Housing Tax Credit: At least 20 percent of rented units must be occupied by households with incomes at or below 50 percent of median income; OR, At least 40 percent of rented units must be occupied by households with incomes at or below 60 percent of the median income.

Rhode Island income requirements are differentiated between three geographic areas in which residents live: Newport-Middletown-Portsmouth; Westerly-Hopkinton-New Shoreham; and Providence-Fall River (which includes the remaining municipalities in Rhode Island).

STATE: RHODE ISLAND		INCOME LIMITS							
Providence-New Bedford-Fall River, RI-MA MSA		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
PROGRAM									
Newport-Middletown-Portsmouth, RI HMFA									
FY 2009 MFI: \$83,700	Extremely Low-Income	\$ 17,550	\$ 20,100	\$ 22,600	\$ 25,100	\$ 27,100	\$ 29,100	\$ 31,100	\$ 33,150
	Very Low Income	29,300	33,500	37,650	41,850	45,200	48,550	51,900	55,250
	Low-Income	44,800	51,200	57,600	64,000	69,100	74,250	79,350	84,500
Providence-Fall River, RI-MA HMFA									
FY 2009 MFI: \$72,500	Extremely Low-Income	\$ 15,350	\$ 17,550	\$ 19,750	\$ 21,950	\$ 23,700	\$ 25,450	\$ 27,250	\$ 29,000
	Very Low Income	25,600	29,250	32,900	36,600	39,500	42,450	45,350	48,300
	Low-Income	41,000	46,850	52,700	58,550	63,250	67,900	72,600	77,300
Westerly-Hopkinton-New Shoreham, RI HMFA									
FY 2009 MFI: \$77,100	Extremely Low-Income	\$ 16,200	\$ 18,500	\$ 20,850	\$ 23,150	\$ 25,000	\$ 26,850	\$ 28,700	\$ 30,550
	Very Low Income	27,000	30,850	34,700	38,550	41,650	44,700	47,800	50,900
	Low-Income	43,200	49,350	55,550	61,700	66,650	71,550	76,500	81,450

Source: HUD at www.huduser.org/datasets/il/il08/FY2008_Section8_IncomeLimits.pdf

A household qualifies based on these income limits, which vary by location. Eligibility for each of these programs is not determined on a sliding scale, where more services are provided for those households with lower incomes. Rather, a household either does or does not qualify for a specific program. For instance, a three-person household in Providence with an annual income of \$52,000 would qualify as low-income and therefore meet the income eligibility requirement for the Public Housing program. Another three-person household in Providence with an annual income of \$45,000 would also qualify for the Public Housing program, but would not receive additional services from this program simply because their income was lower. Both households would qualify equally. However, once eligibility is verified for a program, the household with the lower income would pay less money toward rent than the household with more income, as monthly rent is calculated as a percentage (30 percent) of a household's monthly income.

Other eligibility requirements for Federally-subsidized housing are as follows:

- If an individual lives alone, they must qualify as elderly, disabled, or handicapped; and
- U.S. citizenship or eligible immigration status.

State Programs and Eligibility

Target Populations for Federally Subsidized Housing Programs (funded by HUD)					
	<u>Public Housing</u>	<u>Housing Choice</u>	<u>Project-based</u>	<u>Section 202</u>	<u>Section 811</u>
Families	X	X	X		
Elderly	X	X	X	X	
Disabled	X	X	X		X
Handicapped	X	X	X	X	

Elderly = 62 years or older
 Disabled = eligible for disability benefits through the Social Security Administration; had a severe physical or mental disability before the age of 22, which is likely to continue, and greatly interferes with his/her life
 Handicapped = have a long-standing physical or mental impairment which interferes with ability to live alone; the person's life would be improved by a more suitable living arrangement

Source: <http://publichousingri.org/subsidizedHousing.pdf>

Neighborhood Opportunities Program (NOP)

The Neighborhood Opportunities Program, created by the Rhode Island General Assembly and funded through the Housing Resources Commission, began in 2001 as the first State-funded affordable housing program in Rhode Island for very low-income families and individuals with disabilities. It pays the difference between the 30 percent of their income that very low-income Rhode Islanders pay as rent and the operating costs of the rental property. The program provides rental units for low-income individuals as well as sustaining the property owners.

NOP has three sub-programs:

- 1) *NOP Permanent Supportive Housing* is for disabled families and individuals who are homeless or in danger of homelessness. These people pay the greater of 30 percent of their gross monthly income or a minimum of \$205 per month to live in a NOP-subsidized housing unit.
- 2) *NOP Family Housing* is for families working at the minimum wage. These families pay the greater of 30 percent of their gross monthly income or a minimum of \$385 per month to live in the subsidized unit.
- 3) *Building Better Communities* provides construction costs for first-time homeownership opportunities. It provides funding for both mixed housing and commercial development, and community revitalization development.

2009 Neighborhood Opportunities Program Eligibility
Income Limits (40% of Median Income)

Persons in Household	Maximum Income
1 person	\$20,384
2 person	\$23,296
3 person	\$26,208
4 person	\$29,120
5 person	\$31,450
6 person	\$33,779
7 person	\$36,109
8 person	\$38,438

*The definition of median income used for program eligibility for the Neighborhood Opportunities Program is the Median Family Income definition, as determined by the United States Department of Housing and Urban Development, adjusted for family size

Source: Rhode Island Housing

For example, based on the income eligibility requirements for the Neighborhood Opportunities Program, a four-person household with a monthly income of \$2,300 would meet the eligibility requirements for the program. They would pay a monthly rent of \$690 (30 percent of their monthly income).

Building Homes Rhode Island

Building Homes Rhode Island is a program of the State’s Housing Resources Commission. The funds are distributed to eligible developers by the Housing Resources Commission in order to assist in the development of affordable homeownership and rental properties.

Developments must benefit low- and moderate-income individuals and families. Those eligible for residence through the Building Homes Rhode Island program must be a family, individual, or unrelated persons living together with an annual income that does not exceed 100 percent of the median income (in the case of buyers) or 80 percent of the median income (in the case of renters). In 2009, 100 percent of the Median Income is \$72,800; 80 percent is \$58,240.

Participation in Affordable Housing Programs

In total, there are approximately 425,610 housing units in Rhode Island. About 36,281 of these housing units (8.5 percent) are low- and moderate-income housing units. Of these 36,281 housing units, 10,000 are public housing units. Of the 10,000 public housing units, 6,300 units are for elderly residents and 3,700 are for families.

Federal Funding

Most of the funding for affordable housing programs comes from the Federal government.

	2005-2006	2006-2007	2007-2008	Change 2006-2008	
				Amount	%
Tenant-based vouchers ("Housing Choice Vouchers")	\$9,219,682	\$9,157,113	\$8,599,592	(\$620,090)	-6.7%
Section 202 Housing	2,801,600	2,556,500	6,566,500	3,764,900	134.4%
Section 811 Housing	5,807,000	1,632,800	2,334,900	(3,472,100)	-59.8%
Low Income Housing Tax Credit	3,091,210	4,334,617	4,099,644	1,008,434	32.6%
HOME Program	5,350,039	5,065,753	5,116,654	(233,385)	-4.4%
Total	\$26,269,531	\$22,746,783	\$26,717,290	\$447,759	1.7%

*Total does not include Public Housing and Tenant-based Voucher expenditures.
 *Note: The amounts for Housing Choice Vouchers and the HOME program refer only to those funds granted directly to Rhode Island Housing, so they do not include funding that may go directly to Entitlement communities and local Housing Authorities.

Source: Rhode Island Housing Consolidated Annual Performance and Evaluation Reports (CAPER) FYs 2005-2007.

- In 2008, total Federal funding for housing programs in Rhode Island amounted to \$26.7 million, a slight increase (1.7 percent) from the 2006 amount of \$26.3 million.
- Between 2006 and 2008 the largest increase in Federal housing expenditures was for the Section 202 Housing program (Elderly Housing), which increased by 134.4 percent over these two years.
- The program whose funding decreased the most during these two years was Section 811 Housing (for individuals with disabilities), whose funding decreased by 59.8 percent.

State Funding

The State began the Neighborhood Opportunities Program in FY 2001, and allocated \$5 million annually between FY 2001 and FY 2004 to provide development costs for subsidized housing units, as well as for operating support. In FY 2005, that allocation was increased to \$7.5 million annually. However, for both FY 2008 and FY 2009 the allocation for NOP was reduced to \$2.5 million annually. NOP funds are used in conjunction with *Building Homes Rhode Island* funds to fund both capital and operating costs to reach lowest income Rhode Islanders.

The *Building Better Communities* sub-program under NOP has not been funded since FY 2006.

The program *Building Homes Rhode Island* was created to distribute funds from the \$50 million bond issue approved by voters in 2006. This bond is used to finance the construction of affordable housing, allocating \$50 million over four years for this purpose. For the two years since the program was passed in 2006, the *Building Homes Rhode Island* bond has been allocated \$12.5 million per year.

VII. Temporary Assistance

Unemployment Benefits

Rhode Island's Insured Unemployed Population

The following examines the characteristics of Rhode Island's "insured unemployed" population based on data from the Rhode Island Department of Labor and Training. It should be noted that the "insured unemployed", that is, individuals who qualify for and collect unemployment benefits, do not represent the entire population of unemployed workers in the State. Further, the following summary examines characteristics of those insured unemployed at a specific moment in time. As noted above, individuals who collect unemployment benefits for more than fourteen weeks are considered part of the "long-term" unemployed population.

Rhode Island has been particularly hard-hit by the current economic downturn. The housing crisis and the rate of foreclosures have had, and continue to have a negative impact on Rhode Island's economy; Rhode Islanders' use of sub-prime mortgages caused the State to have the highest number of foreclosures in New England. In addition, the unemployment rate in Rhode Island of 12.1 percent in May 2009 is the highest in New England. These economic factors play a crucial role in the State's ability to fund public programs, including programs discussed in this report.

Unemployment Insurance in Rhode Island

Qualifications

The Federal-State Unemployment Insurance Program is designed to provide temporary financial relief to individuals who are unemployed through no fault of their own and meet other eligibility criteria as determined by each individual state. To qualify for benefits in Rhode Island an individual must also:

- (1) Meet earnings requirements of:

At least \$8,880 in either Base Period (the first four of the last five completed calendar quarters) or an Alternate Base Period (the last four completed calendar quarters before the starting date of claim)

OR

Be paid at least \$1,480 in one of the Base Period quarters AND be paid total Base Period wages of at least one and one-half times highest single quarter earnings AND be paid total Base Period wages of at least \$2,960;

- (2) Be able, available and actively searching for work; and
- (3) Be willing to accept a suitable job while claiming benefits.

An individual can be denied benefits for any of the following reasons:

- (1) Leaving suitable employment without good cause²;
- (2) Being fired for proven misconduct connected with their job; or

² Note: there are some exceptions to this rule. For example, under RIGL 28-44-17.1 an individual may voluntarily leave work due to a domestic abuse situation.

(3) Refusing a suitable job offer.

If any of the above applies an individual is ineligible for benefits until they work at least eight weeks and earn at least \$148 per week. In the event that an individual becomes unemployed due to a labor dispute, they are ineligible for benefits.

In addition to the above, the following criteria apply to individuals receiving or seeking unemployment assistance in Rhode Island:

- An individual's UI compensation may be lowered, but not eliminated, by an amount equal to 50 percent of the amount of a pension, retirement pay or annuity received in any week in which an individual is eligible for unemployment benefits. Social Security benefits are not disqualifying under this provision.
- Unemployment compensation is subject to Federal and State income tax. Amounts deducted from an individual's tax payments will be held in the employment security fund until transferred to the State or Federal government for payment of the tax.
- An individual may retain eligibility for unemployment benefits while attending adult basic education or vocational training, full or part-time, as long as the education or training will enhance the individual's employability, the education or training can be completed successfully, and the individual did not leave suitable employment.

Unemployment Insurance Claims Activity								
	Aug-07	Sep-08	Dec-08	Mar-09	Change Aug 07-Sept 08		Change Sept 08-Mar 09	
					Amount	%	Amount	%
Regular Claims								
Initial Claims	5,174	6,424	11,079	15,491	1,250	24.2%	9,067	141.1%
Number of Payments	52,727	59,650	82,543	141,500	6,923	13.1%	81,850	137.2%
Amount of Payments (millions)	\$17.8	\$21.4	\$30.4	\$52.4	\$3.6	20.2%	\$31.0	144.9%
Exhaustions (Final Payments)	1,148	1,897	2,194	3,188	749	65.2%	1,291	68.1%
EUC 08*								
Initial Claims	na**	1,884	3,871	3,484	na	na	1,600	84.9%
Number of Payments	na	34,015	46,457	55,382	na	na	21,367	62.8%
Amount of Payments (millions)	na	\$11.9	\$16.3	\$19.6	na	na	\$7.7	64.7%
Extended Benefits								
Initial Claims	na	546	79	366	na	na	-180	-33.0%
Number of Payments	na	1,263	365	2,467	na	na	1,204	95.3%
Amount of Payments (millions)	na	\$0.4	\$0.1	\$0.7	na	na	\$0.3	89.4%
*EUC= Federal Emergency Unemployment Compensation								
**na= not applicable								
Source: RI Department of Labor and Training								

Extended Benefits

Federal Emergency Unemployment Compensation (EUC)

Based on legislation passed by Congress in June 2008 and amended in November 2008, the Federal EUC allows for up to 33 weeks of additional Federal unemployment to eligible Rhode Islanders during increased periods of unemployment as established by the Federal government. The EUC program is Federally funded; therefore, employers will not be charged for benefits nor receive a monetary determination. EUC payments can be obtained by individuals who are unemployed through no fault of their own and meet regular unemployment eligibility requirements.

There are two tiers of EUC benefits:

- *Tier 1* – is available to those who have exhausted regular unemployment compensation on or before March 28, 2009. They will receive 80 percent, or up to 20 weeks, of the regular state unemployment benefits they drew during their most recent benefit year. For example, if a person received 20 weeks of state unemployment benefits, he/she would get 16 weeks of EUC.
- *Tier 2* – Unemployed Rhode Island workers who exhaust their Tier 1 EUC benefits on or before March 28, 2009, will be eligible for up to 13 weeks of additional EUC – 50 percent of what they received in State unemployment benefits. For example, if a person received 20 weeks of State unemployment benefits, he/she would collect 10 weeks of EUC.

State Extended Benefits (EB)

State Extended Benefits (EB) are additional unemployment insurance benefits that are available during periods of high unemployment in the State. The first week that EB can be paid is the first week after an individual exhausts their EUC. If an individual qualifies for EB, they will get the lesser of 13 times their benefit rate, or 50 percent of their regular total benefits. According to the Rhode Island Department of Labor and Training, customers will be advised when the EB program is scheduled to trigger off; this is dependent upon the State unemployment rate falling below established regulations as set in State law.

WorkShare

All Rhode Island private employers whose taxes are currently up to date are eligible to apply for WorkShare. A WorkShare plan is a plan submitted by an employer under which there is a reduction in the number of hours worked by the employees in the affected unit in lieu of temporary layoffs. The plan only applies to employees who normally work 30 hours or more per week. The usual weekly hours of work for employees in the affected unit are reduced by not less than 10 percent and not more than 50 percent and the reduction in hours in each affected unit is spread equally among all the employees in the affected unit. The employee can receive a maximum of 52 weeks of WorkShare benefits during a single benefit year.

Characteristics of the Insured Unemployed Population

Characteristics of the Insured Unemployed by Education								
Educational Attainment	Oct-07		Jun-08		Oct-08		Feb-09	
	Total	%	Total	%	Total	%	Total	%
Less than 9th Grade	337	3.3%	555	4.3%	539	4.2%	1,487	5.1%
9th to 12th Grade, No Diploma	1,006	9.8%	1,239	9.6%	1,237	9.6%	3,054	10.5%
High School Graduate	4,659	45.6%	5,977	46.2%	5,818	45.2%	12,972	44.6%
Some College	2,129	20.8%	2,536	19.6%	2,670	20.8%	5,337	18.4%
Bachelor's Degree	1,160	11.4%	1,119	8.7%	1,387	10.8%	2,364	8.1%
Beyond Bachelor's	925	9.1%	1,014	7.8%	1,215	9.4%	2,368	8.1%
Other			491	3.8%			1,480	5.1%
Total	10,216	100.0%	12,931	100.0%	12,866	100.0%	29,062	100.0%

Source: Rhode Island Department of Labor and Training "Characteristics of the Insured Unemployed"

The majority of the insured unemployed population in both October 2007 and February 2009 had a high school diploma or less, accounting for 58.7 percent and 60.2 percent, respectively, of the population eligible for unemployment insurance benefits.

Temporary Disability Insurance

Qualifying Wages or Employment All TDI-Participating States, 2007		
State	Employment Status	Qualifying Wages or Employment
California	All workers	\$300 in TDI-taxed employment
	Employed workers	14 weeks of employment with at least 20 hours/week; wages of \$400 during 52 weeks immediately preceding 1st day of disability
Hawaii	Unemployed workers	14 weeks of employment with at least 20 hours/week; wages of \$400 during the 4 completed Calendar Quarters immediately preceding 1st day of disability
New Jersey	All workers	20 weeks of employment at 20 times the minimum wage during the base year OR 1,000 times the minimum wage during the base year OR \$7,200 in earnings during the base year
	Employed workers	4 or more consecutive weeks of covered employment for 1 employer (or 25 days of regular part-time employment) prior to disability
New York	Unemployed workers	Earned qualifying wages for UI or averaged at least \$30/week in 15 of last 52 weeks and in 40 of last 104 weeks OR earned \$13/week for 20 out of last 30 weeks preceding last day worked in covered employment
Puerto Rico	All workers	\$150 in base period
Rhode Island	All workers	200 times the minimum wage in 1 calendar quarter and base period wages of 1-1/2 times the earnings of the highest calendar quarter; base period wages must be at least 400 times the minimum hourly wage

Sources: United States Department of Labor: Employment and Training Administration; California Employment Development Department; Hawaii Department of Labor and Industrial Relations; New Jersey Department of Labor and Workforce Development; New York State Insurance Fund; New York State Workers' Compensation Board

In addition to Rhode Island, only four states and one United States territory (California, Hawaii, New Jersey, New York, and Puerto Rico) offer TDI benefits. Rhode Island passed the first TDI law in 1942; California followed in 1946; New Jersey in 1948; New York in 1949; Puerto Rico in 1968; and Hawaii in 1969.

In all participating states, eligibility for TDI benefits depends on proof of disability and continuance of such disability.

California, Puerto Rico and Rhode Island provide one program of benefits without regard to whether workers are employed, unemployed, or in non-covered employment when their

disability begins. In contrast, Hawaii, New Jersey, and New York provide two separate disability benefits programs, one for individuals who suffer disability while employed or shortly thereafter, and another for those who become disabled while unemployed. (The New Jersey program for disability during unemployment also covers workers with base period wages in covered employment whose disabilities begin while they are in non-covered employment.)

All participating states provide TDI benefits to women who are pregnant. However, only Rhode Island pays benefits to recipients' dependents (up to 5 dependents per recipient).

The following tables provide an overview of the duration of time receiving TDI benefits, weekly TDI benefits, and employee contribution rates.

Weekly TDI Benefit and Duration All TDI-Participating States, 2007			
	Employment Status	Weekly TDI Benefit	Duration of Benefits
California	All workers	\$50-\$882	up to 52 weeks
Hawaii	Employed workers	\$14-\$476	up to 26 weeks
	Unemployed workers	same as UI	balance of weeks eligible in UI benefit year, but not more than 26 weeks
New Jersey	Employed workers	\$502 (max.)	up to 26 weeks OR period necessary for benefits to equal 1/3 of total wages in base year
	Unemployed workers	\$536 (max.)	up to 26 weeks; under UI and disability during employment, limited to 150% of duration for either program separately
New York	All workers	\$20-\$170	up to 26 weeks in any 52 consecutive weeks or for any single period of disability
Puerto Rico	Agricultural workers	\$12-\$55	up to 26 weeks in any 52 consecutive weeks
	Non-Agricultural workers	\$12-\$113	
Rhode Island	All workers	\$66-\$625	up to 30 weeks

Sources: United States Department of Labor: Employment and Training Administration; California Employment Development Department; Hawaii Department of Labor and Industrial Relations; New Jersey Department of Labor and Workforce Development; New York State Insurance Fund; New York State Workers' Compensation Board

TDI Employee Contribution Rates All TDI-Participating States, 2009		
	Employee Contribution Rates	Contribution Limit
California	1.1 percent	taxable wage limit - \$90,669; maximum withheld - \$997.35
Hawaii	0.5 percent	not to exceed \$4.39/week; employer can also deduct 1/2 the premium cost; taxable wage limit - \$877.69/week
New Jersey	0.5 percent	taxable wage limit - \$28,900; maximum withheld - \$144.50
New York	0.5 percent	not to exceed \$0.60/week
Puerto Rico	Information not available	-----
Rhode Island	1.5 percent	taxable wage limit - \$56,000

[Sources: United States Department of Labor: Employment and Training Administration; California Employment Development Department; Hawaii Department of Labor and Industrial Relations; New Jersey Department of Labor and Workforce Development; New York State Insurance Fund; New York State Workers' Compensation Board]

VIII. Rhode Island Works and Child Care Assistance

Rhode Island Works

Overview

The Rhode Island Works Program (RIWP) is the State's welfare-to-work program. RIWP provides cash assistance to children under age 18 and their parents or caretaker relatives. The program also provides employment services, child care assistance and other services necessary to help parents who receive cash assistance find a job. The RIWP statute also creates the low-income child care program for working families who are not cash assistance recipients.

Rhode Island Works replaced the Family Independence Program (FIP) which was enacted in 1997 in response to Federal welfare reform and is the State's program under the Temporary Assistance to Needy Families block grant. The primary aim of both programs is to provide basic cash assistance to families with children under the age of 18 and to provide services that move parents into work and thus self-sufficiency. The RI Works Program includes a number of significant changes to the Family Independence Program, including but not limited to:

- Shorter time limits for receipt of cash assistance: families are allowed 24 months in any 60-month time period with a lifetime limit of 48 months for most families. Months of assistance received in another state or from the former FIP program are counted against these limits. Benefits for children are also time limited unless the child lives with a parent who receives SSI benefits or is being raised by a caretaker relative;
- Stricter work requirements: as their first activity, most parents must participate in intensive employment services including a job search through a program run by the Department of Labor and Training. After four weeks, if the parent fails to find employment, they are able to participate in "TANF countable" work activities, which may include vocational education;
- Rehabilitation plans: if individuals are unable to work due to serious disabilities they are referred to the Office of Rehabilitative Services and are required to complete a "rehabilitation employment plan" that outlines the steps they need to take to find employment or apply for disability benefits through the Social Security Administration;
- Education options for certain populations: limited literacy or English language ability and little or no work history can participate in a 6-month program being developed by the Office of Adult Education; and
- Stricter sanctions: parents that fail to comply with their work plan requirements will receive reduced benefits. After three months of non-compliance (whether or not consecutive) the benefits are stopped for the entire family.

Eligibility and Benefits – Rhode Island Works

In addition to the rules outlined above, the family member must be a citizen or eligible immigrant. Eligible immigrants include refugees, asylum seekers and legal permanent residents

who have been in the country for at least five years. Unless temporarily exempt due to caring for an infant, pregnancy or domestic violence, a parent with a child under age 6 must participate in work activities for 20 hours/week and a parent with a child age 6 or older must participate for at least 30 hours. One parent in a two-parent family must be engaged in activities for at least 35 hours/week. Child care is provided for the children (up to age 12) of single parents to enable the parent to comply with the work requirements. Families may qualify for benefits beyond the time limits if they are in need of assistance because of homelessness, domestic violence, disability of the parent or disability of a child/spouse who requires full-time care by the parent.

Family income and resources must be within allowable limits, as outlined on the table. Income includes both unearned and earned income. Earned income includes all “income in cash or the equivalent received by a person through the receipt of wages, salary, commissions, or profit from activities in which the person is self-employed or as an employee and before any deductions for taxes.” Unearned income includes all other income not earned through employment, for example, unemployment benefits. Certain disregards are applied to earned income while unearned income is counted dollar for dollar. Total countable income must be less than the benefit level (equal to the unearned income limit) for the family shown in the chart.

For example, a family of three in which the parent receives \$400/month in unemployment benefits can receive \$154 in RI Works cash assistance (the difference between \$554 and \$400). A parent who is working full-time and earning minimum wage is eligible for a \$79 Rhode Island Works program cash payment. The table to the right shows the maximum monthly earned income a family can have and still qualify for a supplemental payment from RI Works.

Eligibility Rhode Island Works Program			
Monthly Income Limit			
Family Size	Eligibility*		Benefits**
	Earned	Unearned	
1	\$824	\$327	
2	1,068	449	\$449
3	1,278	554	554
4	1,438	634	634

*In order to be eligible family income must be within allowable limits and the parent must participate in a work activity.

**Benefits for families are determined by family size and are equal to the maximum unearned income limit. For families in subsidized or public housing the benefit level is decreased by \$50 per month.

The resource limit is \$1,000. The home in which the family lives, one vehicle per adult household member (up to maximum of two), household furnishings and certain other items are not counted toward the resource limit.

For families in subsidized or public housing the benefit level is decreased by \$50 per month. For example, a family of four living in community housing would have a monthly benefit of \$634, while a family of four in public housing would have a monthly benefit of \$584.

As an additional condition of receiving RIWP cash assistance, the parent must co-operate with the Office of Child Support Services in establishing a support order against the non-custodial

parent. The family is entitled to receive the first \$50 in child support paid by a non-custodial parent and this income is not counted against the RIWP benefit.

Low Income Child Care Assistance Program

Eligibility and Benefits

Enacted as part of the Family Independence Act in 1997, the low income child care assistance program provides working families (who are not receiving RIWP cash assistance) with help paying for child care. Subsidies for child care provided by licensed child care centers or family home providers are provided for parents who are working at least 20 hours/week and have income less than 180 percent of the Federal poverty level (FPL).

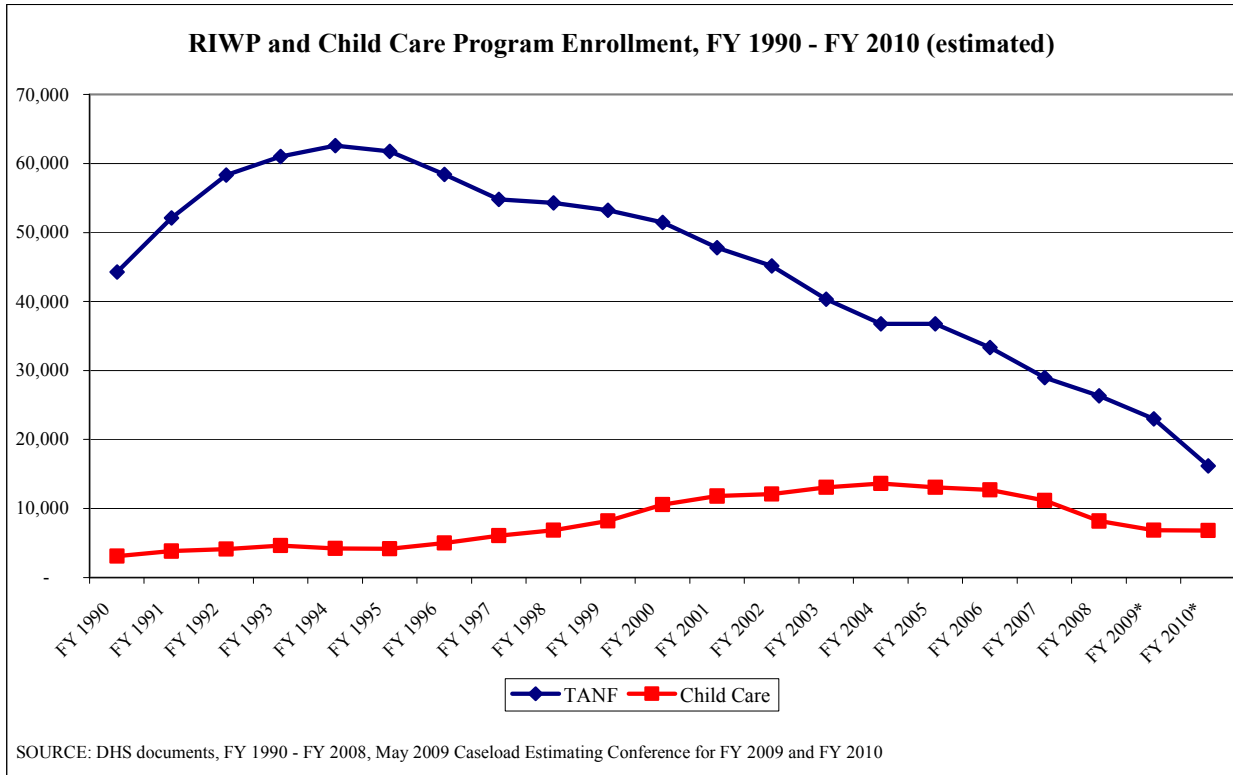
- Families with incomes of less than 100 percent of the Federal Poverty Level (FPL) do not have a co-payment for child care;
- Eligible families with incomes between 100 percent and 180 percent of the FPL are required to pay a co-payment based on a percentage of income ranging from 2.0 percent to 8.0 percent of gross earnings;
- In addition to the income requirement, there is a resource limit of \$10,000 in liquid resources including bank accounts or other financial instruments which are readily convertible, excluding educational savings accounts, retirement accounts, or accounts held jointly with another adult (excluding a spouse); and
- As an additional condition of eligibility, the parent or caretaker relative of the family must consent to and cooperate with the Office of Child Support Services in establishing paternity and enforcing child/medical support.

Child Care Assistance Eligibility and Weekly Co-Payment			
Family Size	Max. Ann. Income	Weekly Co-Payment*	
		Min	Max
2	\$25,200	\$5	\$39
3	31,600	7	49
4	38,160	8	59
5	44,640	10	69
6	51,120	11	79

* For families between 100 and 180% of FPL
SOURCE: Department of Human Services

Rhode Island

Enrollment Trends for RIWP and child care



- Enrollment in the State's TANF program has been declining since FY 1994 at which time enrollment totaled 62,624 individuals. Between FY 1994 and FY 2010, the number of individuals receiving cash assistance is estimated to decline by 46,454, or 74.2 percent. The FY 2010 caseload is estimated to include 16,170 individuals.
- Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which replaced Aid to Families with Dependent Children (AFDC) with Temporary Aid to Needy Families (TANF), enrollments have declined at an average annual rate of 8.8 percent.
- Child care enrollment increased from 3,099 children in FY 1990 to a peak enrollment of 13,601 children in FY 2004.
- Between FY 2004 and FY 2010, enrollment is estimated to decline by 6,791 children to 6,810, a decline of 49.9 percent.

Expenditures

RI Works and Child Care Expenditures (\$ millions)				
FY 2002 - FY 2010 (estimated)				
	FIP/RI Works		Child Care	
	Total	Gen Rev Exp	Total	Gen Rev Exp
FY 2002	\$88.0	\$15.6	\$69.0	\$52.6
FY 2003	82.2	14.7	75.2	51.4
FY 2004	79.2	19.0	80.5	53.0
FY 2005	73.3	14.8	79.6	56.1
FY 2006	67.2	16.1	77.8	39.1
FY 2007	60.0	16.1	71.5	31.8
FY 2008	55.6	15.7	57.9	12.7
FY 2009*	55.4	0.5	48.9	6.5
<i>FY 2010*</i>	41.6	0.0	50.1	6.5
FY 2002-2010				
Change	(\$46.4)	(\$15.6)	(\$18.9)	(\$46.1)
Percent	-52.7%	-	-27.4%	-87.6%

*Based on May 2009 Caseload Estimating Conference
Source: Caseload Estimating Conference documents, DHS, and RIPEC calculations.

- Between FY 2002 and FY 2010 (estimated), total spending for the State’s TANF program fell from \$88.0 million in FY 2002 to an estimated \$41.6 million in FY 2010, a decrease of 46.4 percent.
- General revenue expenditures for TANF/RIWP also decreased during this time. In FY 2002, \$15.6 million were expended on the program. There are no general revenue expenditures budgeted for FY 2010.
- Between FY 2002 and FY 2010, total expenditures for child care have declined \$18.9 million (27.4 percent).
- General revenue expenditures for child care fell by \$46.1 million, or 87.6 percent during this time period.

State-to-State Comparison

Enrollment

TANF Recipients FY 2002 - FY 2008				
	FY 2002	FY 2008*	FY 2002 - 2008	
			Change	%
US**	5,148,497	2,870,540	-2,277,957	-44.2%
Connecticut	53,158	29,647	-23,511	-44.2%
Maine	26,039	18,729	-7,310	-28.1%
Massachusetts	108,068	68,319	-39,749	-36.8%
New Hampshire	14,465	6,943	-7,522	-52.0%
Rhode Island	38,957	14,401	-24,556	-63.0%
Vermont	13,407	6,885	-6,522	-48.6%

* 2008 figures reflect monthly caseload averages through June, 2008
** US total includes Washington DC, US Territories, and the Dept of Defense
SOURCE: USDHHS Administration for Children and Families, various years; RIPEC calculations

- The number of TANF recipients has declined significantly between FY 2002 and FY 2008 at both the national and regional level.
- Nationally, the average monthly number of TANF recipients fell from 5.1 million in FY 2002 to 2.9 million in FY 2008, a decrease of 44.2 percent.
- Among the New England states, Rhode Island saw the largest percentage decline in average monthly recipients during this time period. Between FY 2002 and FY 2008 the average monthly number of recipients declined from 38,957 to 14,401, or by 63.0 percent.
- Maine experienced the smallest percent decrease in average monthly recipients, which dropped by 28.1 percent during the six-year period.

Expenditures

All data within this section are from the United States Department of Health and Human Services Administration for Children and Families for fiscal years 2002 and 2006, the most recent year for which complete data are available. The data include state and federal TANF expenditures. As per the Federal authorizing legislation, States are required to report on their total TANF expenditures. This accounting includes Federal expenditures and state maintenance of effort (MOE) expenditures on assistance and non-assistance programs. Assistance programs include basic assistance (cash payments), child care, and transportation and supportive services. Non-assistance expenditures include expenditures for work-related activities, the refundable

earned income tax credit (EITC) and other refundable credits, non-recurring, short-term benefits, pregnancy prevention activities, programs to encourage the formation of two-parent families, administrative and system costs, and other child care and transportation programs. In addition, states are required to report MOE expenditures in separate state programs.

TANF Expenditures (State and Federal)										
FY 2002 - FY 2006										
Per \$1,000 of Personal Income										
States	FY 2002				FY 2006				2002 - 2006 Change	
	State	% of US	Total	% of US	State	% of US	Total	% of US	State	Total
US*	\$1.23		\$2.89		\$1.13		\$2.41		-8.1%	-16.6%
Connecticut	\$1.26	102.2%	\$2.97	102.6%	\$1.33	117.2%	\$2.69	111.8%	5.4%	-9.1%
Maine	1.18	95.4%	2.93	101.2%	1.17	103.0%	2.61	108.2%	-0.7%	-10.8%
Massachusetts	1.44	116.9%	2.69	93.0%	1.63	144.1%	2.75	114.0%	13.3%	2.1%
New Hampshire	0.75	60.8%	1.68	58.0%	0.64	56.3%	1.40	58.0%	-14.8%	-16.7%
Rhode Island	2.26	183.3%	5.26	182.0%	1.87	165.3%	3.71	153.9%	-17.1%	-29.5%
Vermont	1.43	116.2%	3.84	132.7%	1.36	120.0%	2.84	117.9%	-5.1%	-25.9%

*US total includes Washington DC
 SOURCE: USDHHS Administration for Children and Families, various years (Form ACF-196);
 Bureau of Labor Statistics for income data; and RIPEC calculations.

- Between FY 2002 and FY 2006, total TANF expenditures (including assistance, non-assistance and separate State programs) per \$1,000 of personal income increased in Massachusetts, and declined in all other New England states during that time. In Massachusetts, total program spending increased by 2.1 percent over the four-year period.
- During this time period, total expenditures per \$1,000 of personal income declined by 29.5 percent in Rhode Island, and declined 16.6 percent at the national level. Rhode Island experienced the largest decline per \$1,000 of personal income expenditures in the region. Expenditures per \$1,000 of personal income declined by \$5.26 in FY 2002 to \$3.71 per \$1,000 of personal income in FY 2006.
- Rhode Island was one of four New England states to see a decrease in state spending per \$1,000 of personal income between FY 2002 and FY 2006. State TANF expenditures per \$1,000 of personal income in Rhode Island fell from \$2.26 per \$1,000 of personal income in FY 2002 to \$1.87 per \$1,000 of personal income in FY 2006, a decrease of 17.1 percent.
- Conversely, Connecticut and Massachusetts increased their state TANF expenditures on a per \$1,000 of personal income basis, growing by 5.4 percent, and 13.3 percent, respectively.

**TANF Expenditures (State and Federal)
FY 2002 - FY 2006
Per Capita**

States	FY 2002				FY 2006				2002 - 2006 Change	
	State	% of US	Total	% of US	State	% of US	Total	% of US	State	Total
US*	\$38		\$88		\$40		\$86		7.0%	-3.0%
Connecticut	\$54	142.6%	\$126	143.0%	\$66	164.3%	\$134	156.6%	23.3%	6.3%
Maine	32	85.9%	80	91.0%	37	91.3%	82	95.9%	13.7%	2.2%
Massachusetts	56	148.4%	104	118.1%	73	182.2%	123	144.1%	31.4%	18.4%
New Hampshire	25	67.3%	57	64.2%	24	60.8%	54	62.6%	-3.3%	-5.4%
Rhode Island	70	185.7%	163	184.4%	68	170.2%	136	158.3%	-1.9%	-16.7%
Vermont	42	110.6%	111	126.3%	49	122.5%	103	120.3%	18.5%	-7.5%

*US total includes Washington DC

SOURCE: USDHHS Administration for Children and Families, various years (Form ACF-196);
Bureau of Labor Statistics for population data; and RIPEC calculations.

- On a per capita basis, Rhode Island's TANF expenditures (state and Federal) declined from \$163 per capita in FY 2002 to \$136 per capita in FY 2006. A decline in per capita expenditures was also seen on the national level, as well as in New Hampshire and Vermont.
- During that time period, Connecticut, Maine and Massachusetts experienced an increase in state and Federal per capita TANF expenditures.
- State expenditures per capita between FY 2002 and FY 2006 declined in Rhode Island and New Hampshire, falling 1.9 percent and 3.3 percent, respectively. In Rhode Island, State expenditures declined from \$70 per capita in FY 2002 to \$68 per capita in FY 2006.

IX. Nutrition Assistance Programs

The following programs are designed to promote nutritious eating behaviors, and promote a healthy standard of living, regardless of income. All of these programs are funded primarily or entirely through the Food and Nutrition Service (FNS) division of the United States Department of Agriculture (USDA), and administered primarily at the state level. The FNS also provides training and technical support for nutrition education through its “Team Nutrition” initiative, food assistance for disaster relief, and coordinates food distribution programs.

- Women, Infants and Children (WIC) program, a special supplemental nutrition program for low-income pregnant, postpartum and breastfeeding women, infants, and children up to age 5, who are at nutrition risk;
- National School Lunch Program, a Federally-assisted meal program in public and private non-profit educational institutions for low-income students;
- School Breakfast Program, which provides cash assistance to states for the operation of a breakfast program in schools and residential childcare institutions;
- Special Milk Program, a program that provides free milk to children in schools who are not served by other Federal meal service programs;
- Summer Food Service Program, which provides meals for qualifying children during summer activity programs; and
- Child and Adult Care Food Program, a program that provides meals and snacks to low-income children and adults in day care.

The following section provides an analysis of the major nutrition assistance programs, and includes: WIC program, National School Lunch Program, School Breakfast Program, and the Special Milk Program.

Women, Infants and Children

The Women, Infants and Children (WIC) program is a special supplemental nutrition program for low-income pregnant, postpartum and breastfeeding women, infants, and children up to age 5, who are at nutrition risk. The FNS defines nutritional risk for WIC eligibility as medically-based (e.g., anemia, history of pregnancy complications or underweight), and diet-based (such as an inadequate dietary pattern). For the purposes of the program, low-income is defined as below 185 percent of the FPL. While most states adhere to the maximum guidelines, states are allowed to set lower income limit standards. As with SNAP, individuals who participate in other means-tested benefits programs automatically meet the income eligibility requirement.

Like SNAP, the WIC program is Federally funded; however, WIC is not an entitlement program. The program is funded through a block grant and participants are selected through a priority system once the WIC agency has reached its maximum caseload. First priority under this system

is given to pregnant women, breastfeeding women and infants determined to be at nutritional risk because of serious medical problems.

In most states, WIC participants receive a check to pay for specific, program-approved foods each month, while some states distribute WIC foods through warehouses or delivery services. The program also includes an infant formula rebate system in which state agencies agree to provide one brand of infant formula for which it receives a manufacturer's rebate for each purchase by WIC participants. The WIC Farmers' Market Nutrition Program provides coupons to WIC participants that can be used to purchase fruits and vegetables at participating farmers' markets. States must submit a state plan for approval to FNS in order to receive funds for the program.

WIC Participation October 2007 - October 2008				
	Oct. 2007	Oct. 2008*	Change	%
US	8,649,573	9,086,397	436,824	5.1%
Connecticut	55,898	59,084	3,186	5.7%
Maine	25,586	26,428	842	3.3%
Massachusetts	124,357	128,903	4,546	3.7%
New Hampshire	17,884	18,428	544	3.0%
Rhode Island	25,728	26,307	579	2.3%
Vermont	16,442	17,385	943	5.7%

* Preliminary Data
SOURCE: USDA WIC participation data, as of December 30, 2008

- Program participation in Rhode Island was 26,307 persons in October 2008. This was an increase of 2.3 percent over October 2007 enrollment.
- Nationally, program enrollment increased 5.1 percent during the same time period.
- The increase in Rhode Island was the lowest in the New England region.
- Connecticut and Vermont had the largest enrollment increase over the year. Both states saw participation increase by 5.7 percent.

School Meal Programs

Overview

The FNS oversees three primary school meal programs: the National School Lunch Program (NSLP, also known as free/reduced lunch or FRL), the School Breakfast Program (SBP), and the Special Milk Program (SMP).³ All three programs are designed to promote healthy children by providing nutritionally balanced meals (or a supplement in the SMP) to low-income children in participating schools and child care institutions. The programs are administered by the FNS at the Federal level, and by state education authorities, which, in turn, coordinate with school food authorities at the state and local level. In Rhode Island, the Office of Finance in the Rhode Island Department of Elementary and Secondary Education is responsible for administration of these programs.

³ The Department also oversees the Summer Food Service Program (which provides subsidies for meals and snacks during the summer months for low-income children enrolled in summer programs) and the Child and Adult Care Food Program (which provides meals and snacks to low-income children and adults in participating day cares). Eligibility guidelines for these programs are the same as for school-based nutrition programs.

The NSLP and SBP provide nutritious, low-cost meals to low income students in public and private nonprofit schools, residential child care institutions, and special needs citizen centers, while the SMP provides milk to children in institutions that do not participate in other Federal meal service programs.⁴ The Federal government provides a cash reimbursement or subsidy per meal or per half pint of milk served. Schools that participate in the NSLP also receive agriculture commodities as a supplement to the cash reimbursement. In return, schools are required to adhere to set dietary guidelines.

Eligibility and Benefits

Eligibility is based on income and guidelines are set by the Federal government for each school year for all three programs, and are revised annually. Families with incomes below 130 percent of the FPL are eligible for free meals, while families with incomes above 130 percent, but below 185 percent of the FPL are eligible for reduced-price meals. Children who meet the income guidelines for free meals are eligible for free milk under the SMP. While families with incomes over 185 percent of the FPL do not qualify for discounted meals, their meals are subsidized to an extent through the program.

Households receiving TANF or SNAP benefits, Head Start/Even Start enrollees who meet the low-income program criteria and are at the pre-kindergarten level, children who meet the criteria for Migrant Education Programs, and runaway/homeless youth are considered categorically eligible populations.

Income includes all money received on a recurring basis, unless specifically excluded by statute. For purposes of the program, public assistance (including TANF and SSI benefits) are countable income, as are pensions and other retirement benefits, all earnings from work (including income

from a full or part time, regularly employed child). Payments received for foster child care, student financial assistance or any assistance which must be repaid, and occasional earnings are excluded.

Program Eligibility: School Meal Programs*		
July 1, 2008 - June 30, 2009		
Family Size	Monthly Income Limit	
	Free	Reduced
1	\$1,127	\$1,604
2	1,517	2,159
3	1,907	2,714
4	2,297	3,269
5	2,687	3,824
6	3,077	4,679
7	3,467	4,934
8	3,857	5,489
Each Additional Member	\$390	\$555

* Alaska and Hawaii have different income limits
 SOURCE: Federal register, Vol. 73, No. 69

As previously noted, participating schools are required to serve meals that adhere to the Dietary Guidelines for Americans, although decisions about specific foods and preparation are made by local school food authorities. Institutions may charge no more than 40 cents for a reduced-price meal, but have latitude to set the full meal price. Food programs must be operated as a nonprofit service.

⁴ Institutions that operate half-day pre-kindergarten and kindergarten programs may participate even if those schools participate in other Federal meal programs; children are eligible only if they do not have access to the lunch or breakfast programs.

The majority of support provided by the USDA is in the form of cash reimbursements for each meal, snack, or half-pint of milk served. Higher reimbursement rates apply to institutions that serve a high percentage of needy students. If 60 percent or more of lunches served during the prior year were free or reduced, the institution would qualify for the higher reimbursement rate

**Federal Reimbursement Rates: School Meal Programs
July 1, 2008 - June 30, 2009**

Program	Meal Cost		
	Paid	Reduced	Free
School Lunch*			
Less than 60% served	\$0.24	\$2.17	\$2.57
More than 60% served	0.26	2.19	2.59
Maximum Rate	0.32	2.34	2.74
School Breakfast*			
Severe need	\$0.25	\$1.10	\$1.40
Non-severe need	0.25	1.38	1.68
Special Milk	\$0.18	\$0.18	\$0.18
Snacks	\$0.06	\$0.35	\$0.71

* The higher rate applies when more than 60% of lunches served during the preceding year were served at a free or reduced price; Severe need indicates schools that served more than 40% of lunches during the preceding year at a free or reduced price.

NOTE: Alaska and Hawaii have higher reimbursement rates.

SOURCE: Federal Register, Vol. 73, No. 130

under the NSLP. If 40 percent or more of lunches served during the prior year were free or reduced, a school qualifies as in “severe need” and receives a higher reimbursement rate for the SBP. In addition to cash reimbursements, the USDA also provides commodity foods through the NSLP, valued at 20.75 cents per meal served during the 2008-09 school year. If there is agricultural surplus, schools are able to get “bonus” commodities as they become available. Schools also receive technical training and assistance for food service staff as well as nutrition education programs and training.

It should be noted that these programs are entitlement programs, and as such, funding from the Federal government is unlimited and guaranteed.

Enrollment and Benefits

Rhode Island

According to the US Department of Agriculture, between FY 2004 and FY 2008, Rhode Island saw program enrollment in NSLP and SBP increase and participation in the SMP decrease, which mirrored regional and national trends. However, participation in the NSLP in Rhode Island increased at a notably slower rate than the national average during the four-year period, while student enrollment in SBP increased at a slightly slower rate.

	FY 2004	FY 2008	Change
National School Lunch Enrollment	83.2	84.1	1.1%
Cash Payments	\$19,432.0	\$23,195.5	19.4%
School Breakfast Enrollment	21.5	25.3	17.6%
Cash Payments	\$4,562.3	\$5,919.9	29.8%
Special Milk*	632.0	533.1	-15.6%

* Reflects number of half-pints of milk served
SOURCE: USDA

- While Rhode Island had the third highest increase in NSLP participation in the region, the enrollment increase of 1.1 percent was approximately six and a half times slower than the national average.
- Despite declining total NSLP enrollments between FY 2007 and FY 2008 (-1.1 percent growth), cash payments to the State increased by 10.5 percent, which was the largest increase in the region. The State had the third highest increase in the region for enrollments and cash payments for SBP during this time.

State-to-State Comparison

School Lunch Program

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008*	FY 2004 - 2008	
						Change	%
US**	28,961.6	29,646.2	30,132.9	30,512.5	30,940.4	1,978.8	6.8%
Connecticut	291.9	301.8	307.4	316.4	316.5	24.6	8.4%
Maine	106.1	107.7	109.2	108.7	108.5	2.4	2.3%
Massachusetts	548.5	558.1	559.6	561.9	553.7	5.2	0.9%
New Hampshire	111.9	113.1	112.7	113.6	112.8	1.0	0.9%
Rhode Island	83.2	84.1	83.8	85.0	84.1	0.9	1.1%
Vermont	54.8	55.4	55.4	55.5	54.5	-0.3	-0.5%

* Preliminary Data
** US total includes Washington DC, US Territories, and the Department of Defense
SOURCE: USDA Annual Summary, various years

- Participation in the NSLP increased between FY 2004 and FY 2008 nationally, and in all New England states with the exception of Vermont. During this time period, Vermont saw a decrease in enrollment of 0.5 percent.
- National program participation grew by almost two million persons over the four-year period, which was an increase of 6.8 percent.
- In FY 2004, 83,200 Rhode Island students were enrolled in the NSLP. In FY 2008, this number grew to 84,100, an increase of 1.1 percent. This was the third highest rate of growth in the region, behind Connecticut (8.4 percent) and Maine (2.3 percent).
- Between FY 2007 and FY 2008, NSLP participation declined in all of the New England states, with the exception of Connecticut where enrollment remained stable. Nationally, enrollment increased by 1.4 percent.
- In Rhode Island, enrollment in NSLP declined by 1.1 percent between FY 2007 and FY 2008, the third greatest decline in the region (behind Vermont – 1.7 percent, and Massachusetts – 1.5 percent).

**National School Lunch Program Cash Payments
Per \$1,000 of Personal Income
FY 2004 - FY 2008**

States	FY 2004		FY 2008*		FY 2004-08 Change
	Amount	% of US	Amount	% of US	
US**	\$0.71		\$0.69		-2.4%
Connecticut	\$0.36	50.2%	\$0.34	48.6%	-5.5%
Maine	0.52	73.2%	0.55	79.5%	6.1%
Massachusetts	0.35	49.8%	0.36	51.8%	1.4%
New Hampshire	0.30	42.0%	0.31	44.4%	3.1%
Rhode Island	0.54	76.4%	0.54	78.6%	0.4%
Vermont	0.46	64.9%	0.44	64.1%	-3.7%

* Preliminary Data

** US total includes Washington DC, US Territories, and the Department of Defense

SOURCE: USDA Annual Summary, various years

- Nationally, cash payments (the per meal reimbursement states receive from the Federal government) per \$1,000 of personal income declined from \$0.71 per \$1,000 of personal income in FY 2004 to \$0.69 per \$1,000 of personal income in FY 2008. This represents a decrease of 2.4 percent during that time period.
- Between FY 2004 and FY 2008, cash payments in Rhode Island stayed at \$0.54 per \$1,000 of personal income, ranking the State 2nd highest in the region (behind Maine).

- Cash payments in FY 2008 ranged from \$0.31 per \$1,000 of personal income in New Hampshire to \$0.55 per \$1,000 of personal income in Maine. All New England states had lower cash payments per \$1,000 of personal income than the national average.

National School Lunch Program Cash Payments Per Capita FY 2004 - FY 2008					
States	FY 2004		FY 2008*		FY 2004-08 Change
	Amount	% of US	Amount	% of US	
US**	\$23		\$27		19.2%
Connecticut	\$16	68.9%	\$19	69.5%	20.2%
Maine	15	67.1%	19	70.5%	25.3%
Massachusetts	14	62.8%	18	66.1%	25.4%
New Hampshire	10	46.2%	13	47.9%	23.6%
Rhode Island	18	79.7%	22	81.5%	21.9%
Vermont	14	62.9%	17	62.7%	18.8%

* Preliminary Data
 ** US total includes Washington DC, US Territories, and the Department of Defense
 SOURCE: USDA Annual Summary, various years

- On a per capita basis, cash payments for school lunch programs ranged from \$13 per capita in New Hampshire to \$22 per capita in Rhode Island in FY 2008. The national average was \$27 per capita in FY 2008.
- Rhode Island's per capita cash payments increased by 21.9 percent, from \$18 per capita in FY 2004 to \$22 per capita in FY 2008.
- Cash payments per capita were lower in all New England states than the national average of \$27 per capita in FY 2008.

School Breakfast Program

School Breakfast Program Average Enrollment (persons, thousands) FY 2004 - FY 2008							
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008*	FY 2004 - 2008	
						Change	%
US**	8,904.6	9,357.1	9,765.1	10,123.0	10,571.8	1,667.2	18.7%
Connecticut	52.4	53.2	56.2	59.6	63.7	11.3	21.5%
Maine	29.1	30.4	31.2	33.4	34.3	5.2	18.0%
Massachusetts	117.2	121.9	126.4	129.3	132.9	15.7	13.4%
New Hampshire	19.6	19.0	19.9	21.0	21.1	1.5	7.5%
Rhode Island	21.5	25.6	25.8	24.8	25.3	3.8	17.6%
Vermont	17.8	18.7	19.4	19.8	19.6	1.8	10.4%

* Preliminary Data
 ** US total includes Washington DC, US Territories, and the Department of Defense
 SOURCE: USDA Annual Summary, various years

- Participation in the SBP increased between FY 2004 and FY 2008 nationally, and in all New England states.
- National program participation grew by approximately 1.7 million persons over the four-year period, which was an increase of 18.7 percent.
- In FY 2004, 21,536 Rhode Island students were enrolled in the SBP. In FY 2008, this number grew to 25,323, an increase of 17.6 percent. This was the third highest rate of growth in the region, behind Connecticut (21.5 percent) and Maine (18.0 percent).
- Between FY 2007 and FY 2008, enrollment in the SBP increased nationally and across the region, with the exception of Vermont where enrollment declined by 0.8 percent.
- The increase in SBP participation in New England was the greatest in Connecticut, which saw a 6.9 percent rate of growth between FY 2007 and FY 2008. In Rhode Island, participation increased by 2.3 percent, which was the third slowest in the region.

School Breakfast Program Cash Payments Per \$1,000 of Personal Income FY 2004 - FY 2008					
States	FY 2004		FY 2008		FY 2004-2008
	Amount	% of US	Amount	% of US	Change
US**	\$0.19		\$0.20		4.7%
Connecticut	\$0.08	40.1%	\$0.08	38.3%	0.2%
Maine	0.13	70.5%	0.15	77.9%	15.7%
Massachusetts	0.09	46.7%	0.10	48.5%	8.9%
New Hampshire	0.06	31.3%	0.06	31.3%	4.9%
Rhode Island	0.13	67.3%	0.14	70.1%	9.1%
Vermont	0.14	75.4%	0.15	74.5%	3.6%

* Preliminary Data
** US total includes Washington DC, US Territories, and the Department of Defense
SOURCE: USDA Annual Summary, various years; and RIPEC calculations.

- Nationally, School Breakfast Program (SBP) cash payments per \$1,000 of personal income increased by 4.7 percent, from \$0.19 per \$1,000 of personal income in FY 2004 to \$0.20 per \$1,000 of personal income in FY 2008.
- In New England, SBP cash payments ranged from \$0.06 per \$1,000 of personal income in New Hampshire to \$0.15 per \$1,000 of personal income in Maine and Vermont in FY 2008. Rhode Island's SBP cash payments were \$0.14 per \$1,000 of personal income in FY 2008.
- The Ocean State saw the second largest percent increase in cash payments in the region, growing from \$0.13 per \$1,000 of personal income in FY 2004, to \$0.14 per \$1,000 of personal income in FY 2008.
- Cash payments per \$1,000 of personal income were lower in all New England states than the national average of \$0.20 per \$1,000 of personal income in FY 2008.

School Breakfast Program Cash Payments Per Capita FY 2004 - FY 2008					
States	FY 2004		FY 2008		FY 2004-2008
	Amount	% of US	Amount	% of US	Change
US**	\$6		\$8		27.9%
Connecticut	\$3	55.0%	\$4	54.8%	27.4%
Maine	4	64.6%	5	69.1%	36.7%
Massachusetts	4	58.8%	5	62.0%	34.7%
New Hampshire	2	34.4%	3	33.8%	25.7%
Rhode Island	4	70.2%	6	72.7%	32.5%
Vermont	4	73.0%	6	72.9%	27.7%

* Preliminary Data
** US total includes Washington DC, US Territories, and the Department of Defense
SOURCE: USDA Annual Summary, various years; and RIPEC calculations.

- On a per capita basis, SBP cash payments increased by 27.9 percent nationally, from \$6 per capita in FY 2004 to \$8 per capita in FY 2008.
- Rhode Island's SBP cash payments per capita, along with Vermont, were the highest in the New England states in FY 2008, amounting to \$6 per capita.
- Maine experienced the largest percent change during that time period (36.7 percent), from \$4 per capita in FY 2004 to \$5 per capita in FY 2008.

Special Milk Program

Special Milk Program - Number of Half-Pints Served (thousands) FY 2004 - FY 2008							
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008*	FY 2004 - 2008	
						Change	%
US**	102,158.3	98,718.9	96,883.4	90,281.1	85,727.7	-16,430.6	-16.1%
Connecticut	2,583.0	2,634.2	2,323.8	2,182.3	2,139.6	-443.3	-17.2%
Maine	544.3	463.4	394.7	290.1	209.3	-334.9	-61.5%
Massachusetts	3,156.1	2,953.5	2,827.7	2,691.3	2,631.3	-524.9	-16.6%
New Hampshire	1,309.9	1,322.8	1,220.9	1,199.0	1,283.3	-26.6	-2.0%
Rhode Island	632.0	554.3	532.0	521.4	533.1	-98.9	-15.6%
Vermont	726.6	652.5	630.3	626.8	623.6	-103.0	-14.2%

* Preliminary Data
 ** US total includes Washington DC, US Territories, and the Department of Defense
 SOURCE: USDA Annual Summary, various years

- In contrast to the NSLP and SBP, participation in the SMP (as measured by the amount of milk served) has declined since FY 2004, both at the national and at the regional level.
- Nationally, the number of half-pints of milk served declined by 16.1 percent between FY 2004 and FY 2008.
- During that time period, the amount of milk served declined by 61.5 percent in Maine, which was over three times the rate of decline in Connecticut, the New England state with the second highest rate of decline.
- Participation in the SMP in Rhode Island has fallen by 15.6 percent since FY 2004. However, between FY 2007 and FY 2008, the number of half-pints of milk served has increased by 2.2 percent in contrast to prevailing national and regional trends.

NOTE: it appears likely that the primary reason for this decline is the expansion of FRL/SBP, rather than changes in eligibility or eligible populations.

X. Supplemental Security Income and General Public Assistance

The Supplemental Security Income Program (SSI) and the General Public Assistance Program (GPA) provide assistance to adults with disabilities. The SSI program is a Federal program administered by the Social Security Administration. The state provides a supplement to the Federal benefit. The General Public Assistance Program is a state program administered by the Department of Human Services.

Eligibility and Benefits

SSI – The Supplemental Security Income Program (SSI) is the Federal cash assistance program for individuals who cannot work because of a severe and permanent disability and for individuals age 65 and older and do not qualify for Social Security Disability or retirement benefits or have limited benefits. The SSI benefit level is determined by the Social Security Administration. States can provide a supplemental amount. The Social Security Administration determines whether an individual meets the financial eligibility income and resource limits and the age, blind or disability standards. The Federal benefit is adjusted each year to account for inflation. The resource limit for SSI benefits is \$2,000 for an individual and \$3,000 for a couple. The value of an individual or couple’s home is excluded from the resource test, as is the value of a car (usually). In addition, select other resources are excluded, such as burial plots. In order to qualify for SSI, an individual must apply for any other applicable cash benefits. Countable income must be less than the payment amount. In addition to the benefits outlined in the table, certain moving costs are covered for some SSI recipients, as are burial expenses and some homemaker expenses.

2007 Total Monthly SSI Payments Rhode Island			
Category	State	Federal	Total
Independent Living Status			
Eligible Person	\$57.35	\$623.00	\$680.35
Eligible Couple	108.50	934.00	1,042.50
Living in Someone Else's Household			
Eligible Person	\$69.94	\$415.34	\$485.28
Eligible Couple	128.50	622.67	751.17
Living in a Licensed Residential Care or Assisted Living Facility			
Eligible Couple	\$575.00	\$623.00	\$1,198.00
Living in a Medicaid Facility			
Eligible Person	\$20.00	\$30.00	\$50.00
Eligible Couple	40.00	60.00	100.00

SOURCE: Social Security Administration, "State Assistance Programs for SSI Recipients, January 2007, Rhode Island;" RIPEC calculations

Effective January 1, 2009, total benefit amounts for an individual in independent living status is \$713.92 (a Federal payment of \$674.00 and a state payment of \$39.92). For a couple, the total monthly payment is \$1,090.38 (\$1,011 Federal, and \$79.38 state). The Federal payment is adjusted yearly to account for rising costs while the state payment is not.

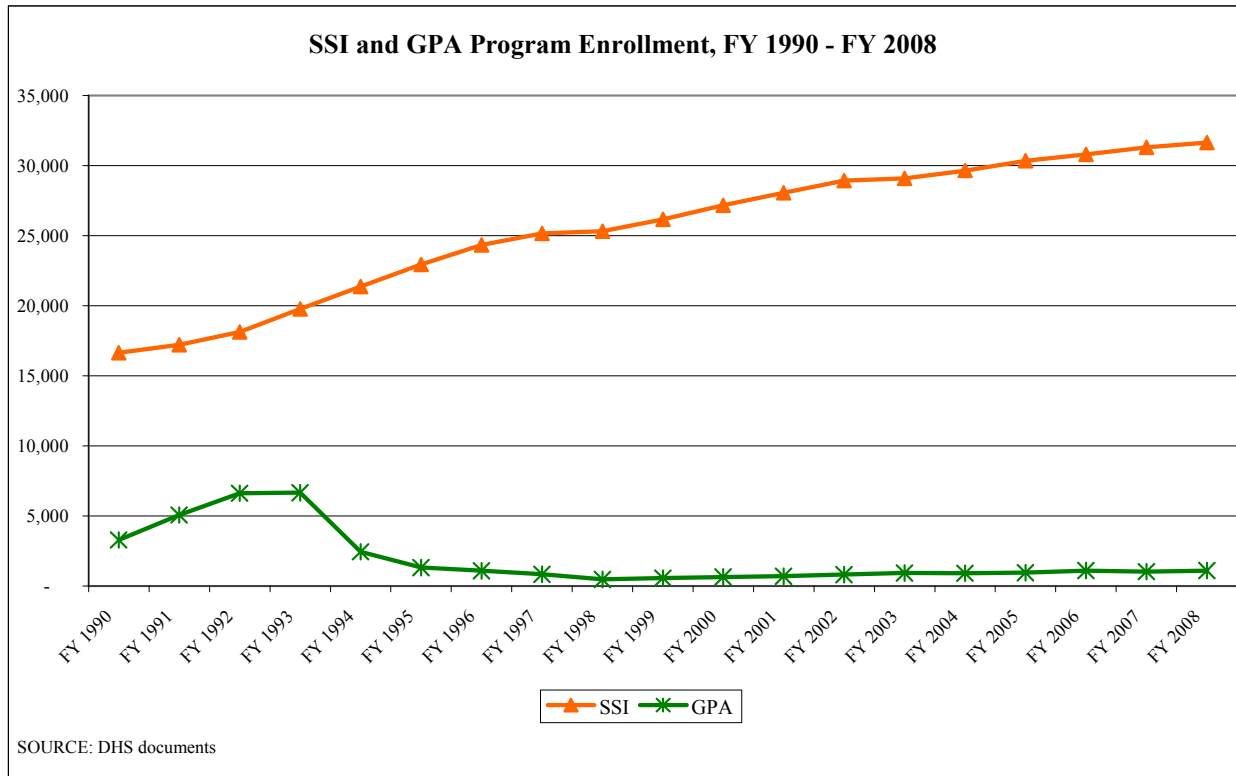
GPA -- The General Public Assistance Program is the state's "general relief" program for adults who do not qualify for other public assistance. Prior to 1993, the program provided a modest cash benefit to individuals who were disabled but did not meet the SSI level of disability, to women 55 and older who lacked employment skills, and to other Rhode Islanders who were in need. Between 1990 and 1993, eligibility for the program was limited. Since 1993, the GPA program has been restricted to providing time-limited cash assistance to adults who are disabled for at least 30 days and to individuals who have been determined to meet the SSI-standard of disability by the Department of Human Services and are pending acceptance for Federal Social Security Benefits.

To qualify for GPA benefits an individual must be at least 18 years of age, have an illness, injury or other medical condition which prevents them from working, have a monthly income of \$327 or less, and resources of \$400 or less. If the individual owns an automobile it must have an equity value of less than \$1,500. If an individual qualifies, the program will provide a limited formulary of prescriptions and free doctor's visits. In addition, qualifying individuals are eligible for "Hardship Cash Assistance," which allows for cash assistance on a limited basis in the amount of \$200 per month.

An individual who is disabled, found eligible for Federal Medical Assistance coverage by DHS, and has applied for SSI benefits, can receive a payment of \$200/month through the GPA Bridge Program while they wait for SSI approval. Once found eligible, benefits are retroactive to the date of application. The state is reimbursed for the Bridge payments provided to the individual from the retroactive payment.

Enrollment

Rhode Island



- Enrollment in the SSI program has increased every year and has nearly doubled since FY 1990 when a total of 16,640 individuals were enrolled in the program. It is estimated that enrollment will be 32,200 in FY 2010.

Year	Bridge	Hardship	Total
2000	376	274	650
2001	351	348	699
2002	400	428	828
2003	468	463	931
2004	429	499	928
2005	361	595	956
2006	397	721	1,118
2007	395	639	1,034
2008	409	696	1,105

SOURCE: DHS Documents; RIPEC Calculations

- The GPA program (including both the bridge and hardship programs) enrollment peaked in FY 1993 at 6,665 persons and has declined to 485 persons in FY 1998. Since then it has increased again to 1,105 persons in FY 2008.

- In FY 2000, enrollment in the GPA Bridge program accounted for 57.8 percent of the total GPA enrollment of 650 persons. In FY 2008, Bridge program enrollment accounted for 37.0 percent of the total of 1,105 persons.
- Since FY 2000, enrollment in the Bridge program has increased by 33 persons, or 8.8 percent.
- Enrollment in the Hardship program has increased by 422 persons, or 154.0 percent, since FY 2000.

State-to-State Comparison

Number of Persons Receiving Optional State SSI Payments, 2008											
	Total	Aged	Blind	Disabled		Total	Aged	Blind	Disabled		
				Adults	Children						
Rhode Island											
Independent Living	29,589	3,373	164	20,224	5,828	Connecticut					
Medicaid	346	50	0	238	58	Independent Living	10,277	3,217	43	7,017	
Other						Medicaid	--	--	--	--	
Adult residential care or assisted living facility	667	358	2	304	3	Other					
						Licensed Room and Board Facility	4,917	1,333	54	3,530	
Total	30,602	3,781	166	20,766	5,889	Total	15,194	4,550	97	10,547	
As % of total	100%	12.4%	0.5%	67.9%	19.2%	As % of total	100%	29.9%	0.6%	69.4%	
Massachusetts						New Hampshire					
Independent Living	92,993	29,931	1,793	51,895	9,374	Independent Living	15,258	3,820	297	11,141	
Medicaid	2,939	1,080	111	1,308	440	Medicaid	4,614	4,203	16	395	
Other						Other					
Shared living expenses	80,577	12,440	1,773	47,028	19,336	Living with an essential person	17	4	1	12	
Licensed rest home	1,598	867	14	713	4	Residential care facility for adults	374	262	2	110	
Assisted living facility	1,215	1,030	10	175	0	Enhanced family care facility	957	138	45	774	
						Community residence - nonsubsidized	70	14	2	54	
Total	179,322	45,348	3,701	101,119	29,154	Community residence - subsidized	592	70	27	495	
As % of total	100%	25.3%	2.1%	56.4%	16.3%	Total	21,882	8,511	390	12,981	
Vermont						As % of total					
Independent Living	12,299	1,018	60	8,827	2,394		100%	38.9%	1.8%	59.3%	
Medicaid	75	8	0	60	7	Maine					
Other						Independent Living	39,015	--	--	--	
Assisted community care, Level III	257	48	3	201	5	Medicaid	--	--	--	--	
Residential care home, Level IV	129	8	1	112	8	Other					
Custodial care family home	836	5	7	667	157	Foster home	263	--	--	--	
						Flat-rate boarding home	12	--	--	--	
Total	13,596	1,087	71	9,867	2,571	Cost-reimbursement boarding home	1,053	--	--	--	
As % of total	100%	8.0%	0.5%	72.6%	18.9%	Total	40,343	--	--	--	
						As % of total					
							100%	N/A	N/A	N/A	

Notes: The "other" category encompasses all options other than Independent Living and Medicaid. Each state has different designations for "Other" because of the ways in which each state's programs are funded.
 -Maine does not provide the Census Bureau with information regarding the categorical breakdown of benefits given to aged, blind, and disabled persons receiving Optional State SSI payments.
 -Connecticut and New Hampshire do not differentiate between adults and children when counting disabled recipients of Optional State SSI payments.

Source: Social Security Administration

- The majority of persons receiving SSI payments are disabled persons (adults and children). The percentage as a percent of the total population receiving SSI ranges from 59.3 percent in New Hampshire to 91.5 percent in Vermont. Rhode Island's disabled persons accounted for 87.1 percent of the population receiving SSI. One should note that Maine does not provide for a break down in categories.
- The second largest category receiving SSI payments are the elderly, ranging from 8.0 percent of the SSI population in Vermont to 38.9 percent in New Hampshire. Rhode Island's elderly population accounted for 12.4 percent of the total population receiving SSI.
- Massachusetts has a larger percentage of blind recipients (2.1 percent) than do Rhode Island or Vermont (both comprising 0.5 percent of the recipients of optional state SSI payments).

- New Hampshire had the highest percentage of disabled persons receiving Federal SSI payments among the New England states, at 96.2 percent. Massachusetts had the lowest percentage (86.5 percent) of disabled receiving Federal SSI. However, all New England states have higher percentages than the national average of 86.4 percent.

SSI and GPA Expenditures

General Revenue Expenditures for SSI and GPA FY 2002 - FY 2010 \$ million		
	SSI	GPA*
FY 2002	\$27.9	\$2.3
FY 2009**	25.1	2.3
FY 2010**	22.2	1.9
FY 2002-2010		
Change	(\$5.7)	(\$0.4)
Percent	-20.6%	-16.7%

*GPA Bridge program
 **Based on May 2009 CEC
 Source: Caseload Estimating Conference documents, DHS documents and RIPEC calculations.

- Spending for SSI, is estimated to decline by \$5.7 million, to \$22.2 million in FY 2010, based on estimates by the May 2009 Caseload Estimating Conference (CEC).
- GPA Bridge program expenditures are estimated (CEC) to decline from \$2.3 million in FY 2002 to \$1.9 million in FY 2010.

XI. Appendix

Literature Review

Introduction

In order to define project parameters, the first step is to examine how other institutions, scholars and experts have defined the term “safety net.” The following literature review provides brief summaries and comments on several studies from a wide range of sources. The studies analyze safety nets in several policy spheres, including social services, health care, jobs, and overall economic stability. The following literature review provides for an overview of these various concepts. Evaluating similarities and differences in approaches to safety net analyses will help policy makers make well-informed decisions as they define the role of government in meeting the needs of its most vulnerable population.

Safety Net Concepts

1. Residualist versus social insurance philosophy - Marmor points out in his research that the concept of a social safety net fits in with the “residualist” framework of the welfare state. This view emphasizes the need for temporary assistance for those who have fallen on difficult times and are unable to obtain assistance from support systems such as their own families, local charities, etc. For residualist, the social safety net is meant only for those who truly need aid under extenuating circumstances. Because of this stance, the ideology supports means-tested eligibility, and close monitoring of need after benefits are disbursed. No more support is given than is necessary for survival.¹

In contrast to the residualist viewpoint is the “social insurance” philosophy of the welfare state. Advocates of the social insurance framework assume that it is society’s objective to “maintain economic well-being amidst threats to or loss of family income.”² In this framework, the government should provide benefits to a relatively large number of citizens under a large number of circumstances, including those who have not yet fallen into absolute poverty.³ Advocates of the social insurance framework see this method as a more preventive approach than the residualist framework.³

2. Safety net through Medicaid/SCHIP, food stamps, childcare subsidies, and the Earned Income Tax Credit - In the study, *Is There a System Supporting Low-Income Working Families?*, authors from the Urban Institute define the current “safety net” in terms of the services provided by Medicaid/SCHIP, food stamps, childcare subsidies, and the Earned Income Tax Credit.⁴ The safety net they describe includes traditional “social services” that target low-income, working, American families. Household income is the primary metric

¹ Marmor, T., Mashaw, J., & Harvey, P. (1991). The American opportunity insurance state. In *America’s misunderstood welfare state* (pp. 22-52). New York: Basic Books.

² Williamson, J., Watts-Roy, D.M., & Kingson, E.R. (1999). *The generational equity debate*. Columbia University Press.

³ Mandell, M. (1997, Summer). *In defense of Social Security*. Retrieved from <http://www.wpunj.edu/newpol/issue23/mandel23.htm>

⁴ Zedlewski, Sheila, Gina Adams, Lisa Dubay and Genevieve Kenney. 2006. *Is There a System Supporting Low-Income Working Families?* Low-Income Working Families Paper 4. Washington, DC: The Urban Institute.

for eligibility for these programs; it is also the lens through which Urban Institute authors define “safety net.” They argue that these programs “form the core work support system for low-income working families that meet certain eligibility criteria.”⁴

The authors examine how these four programs function together as a safety net “system.” They conclude that the combined infrastructures, when evaluated in sum, do not function coherently, noting “the four key programs supporting low-income working families do not function as a system.” The authors cite statistical evidence of low participation rates of eligible enrollees to support this contention.

The authors recommend that state governments improve the delivery system of these four safety net programs through improved efforts to facilitate participation by eligible enrollees.

3. Safety net through employment, job security and economic stability - In the report *A New Safety Net*, Zedlewski, et al., provide a two-part analysis of the safety net for social services in the United States.⁵ First, the authors assess the effectiveness of the social services provided by the Federal government since the mid-1990s and argue that low-income families have not progressed much. The authors support their assessment with statistical analyses and discussion of overall demand, with an emphasis on employment levels of American families.

The report also contains several explicit recommendations for an improved system. In their recommendations, the authors advocate using *access to work* as the lens through which policymakers should envision an effective social services safety net. Authors’ analyses and broad recommendations center around employment and “making work pay” including the “advancement to better-paying jobs through training or retraining and finding and keeping employment.”⁵ Recommendations also include related policy provisions such as improving access to health care, small loans and affordable housing.

⁵ Zedlewski, Sheila, Ajay Chaudry and Margaret Simms. July 2008. *A New Safety Net for Low-Income Families*. Washington DC: The Urban Institute.

In *Strengthening the Nation's Safety Net*, Lael Brainard defines the “safety net” in terms of current Federal policies that address job security and overall economic stability.⁶ He uses *jobs* as the starting point for policy measures related to the “safety net”. These measures include unemployment benefits, income insurance, health insurance, and retraining programs.

He writes: “despite the fact that the US labor market ranks second to none when it comes to job turnover, our safety net for easing job transitions remains one of the weakest among the wealthy economies of the world.”⁶ He argues that unemployment benefits are shorter than those of other countries, and displaced workers face the prospect of losing health benefits along with their income.

Brainard recommends that policymakers “immediately take action to assist workers by strengthening the income and health insurance programs available to workers during periods of unemployment, broadening access and improving the quality of retraining programs, and insuring against sharp earnings losses once reemployed.”

4. Safety net through the federal tax system - In the report *The New Safety Net: How the Tax Code Helped Low-Income Working Families during the Early 2000s*, Alan Berube of the Brookings Institution examines how the current Federal tax system affects low-income working families by analyzing Federal income tax data during the early 2000's and by examining national, regional and local trends in receipt of the Earned Income Tax Credit (EITC).⁷ Berube discusses the current “new safety net” in terms of job and work-related policies implemented since 1996 welfare reform. Berube argues that the safety net in the United States centers around Federal tax credits that target the working poor and characterizes the Federal EITC and Child Tax Credit programs as central vehicles to poverty alleviation by “making work pay.” State and local government bodies, in his analysis, contribute to the efficacy of these programs by managing implementation and facilitating participation by eligible enrollees.
5. Safety net and health care - In the report *Threadbare: Holes in America's Health Care Safety Net*, Catherine Hoffman and Susan Starr Sered discuss the safety net in terms of health care providers. For the purposes of their research, the authors offer an explicit definition of “safety net”:

“Those health care providers who maintain an open door to patients regardless of their ability to pay. They are the uninsured, the low-income underinsured, and the many Medicaid beneficiaries who rely on their local community providers. At the core of this country's safety net are health centers, public hospital systems, and local health departments. Besides these key providers, many others play a role, for example, school- and church-based health clinics, private physicians and non-profit hospitals committed to serving vulnerable patients.”⁸

⁶ Brainard, Lael. *Strengthening the Nation's Safety Net*. 2007. The Brookings Institution

⁷ Berube, Alan. *The New Safety Net: 2006. How the Tax Code Helped Low-Income Working Families during the Early 2000s*. The Brookings Institution.

⁸ Hoffman, C., & Sered, S.S. *Threadbare: Holes in America's Health Care Safety Net*. 2005. The Kaiser Commission on Medicaid and the Uninsured.

Hoffman and Sered argue that the health care safety net in the United States does not meet the demands of uninsured and underinsured Americans, primarily due to disjointed provision of programs and services. “Too often, the pieces of the safety net operate separately, leaving patients to bounce from one facility or program to the next.”⁸ They also argue that health care safety net providers do not meet current demand for services because of lack of resources: “The sheer number of low-income people who are in need of care exceeds this country’s safety net resources.”⁸

In another study on health care, *Aiming Higher: Results from a State Scorecard on Health System Performance*, authors from Rutgers University and the Commonwealth Fund assess health care system performance across states, with emphases on access, quality, cost, and efficiency.⁹ In this report, authors do not make explicit use of the term “safety net.” Their implication, however, is that improved access to health care will contribute to the common good through improved health outcomes. They argue that providing universal access to health care, as recommended in the conclusion of the report, is essential for ensuring high-quality, cost-effective care for all.

Summary

Current literature shows a wide array of analyses of “safety nets” in the United States. Several authors have reported on the effectiveness of a current, government-sponsored program or group of programs. Others choose to propose new “safety net” structures that target different, specific population groups. Through their choices of research areas - including programs, providers, target populations, and current demands - authors illustrate the myriad definitions of “safety net.” Indeed, a survey of current literature shows more differences than similarities in authors’ approaches to defining this term.

Some researchers define “safety net” as a collection of four social service-oriented programs provided by the government, including Medicaid and SCHIP, food stamps, childcare subsidies, and Earned Income Tax Credit. Others view a “new safety net” through the lens of the Federal tax system by assessing how Federal, state and local government bodies facilitate participation of eligible enrollees in that system. Still others take a broader view and define “safety net” through the lens of current policies that provide job security and overall economic stability. Such policies include unemployment benefits, income insurance, health insurance, and retraining programs.

⁹ *Aiming Higher: Results from a State Scorecard on Health System Performance. Executive Summary.* 2007. The Commonwealth Fund Commission on a High Performance Health System.

History of Selected Social Service Programs

AFDC/TANF/Rhode Island Works Program

Federal Changes

The Aid to Families with Dependent Children (AFDC) program was established by the Social Security Act of 1935 to provide cash assistance payments (often referred to as “welfare”) to needy children. While states were able to define “need” (within Federal limitations), they were required to provide benefits to all families who met the income standards. However, states were also entitled to unlimited Federal funds with matching rates that were related to state per capita income.

Throughout the 1990s, the Federal government used its authority under section 1115 of the Social Security Act to waive portions of the Federal requirements under AFDC. As a result, a number of States asked for, and received, waivers to implement changes to AFDC, such as expanded income disregards, behavioral rules, penalties, and welfare-to-work strategies, including expanded access to childcare.¹⁰

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) replaced three programs – AFDC, the Job Opportunities and Basic Skills Training (JOBS) program, and the Emergency Assistance (EA) program – with a single program entitled Temporary Aid to Needy Families (TANF). The law entitled states to fixed block grants in order to create programs of their own design, but imposed work-trigger time limits, lifetime benefit limits, and minimum work participation rates. TANF funds may be used in any way that supports one of the four statutory purposes of the program which are to:

- provide assistance to needy families so their children may be cared for at home;
- end the dependence of needy parents on government benefits by promoting job preparation, work and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies; and
- encourage the formation and maintenance of two-parent families.¹¹

The block grant provided by the Federal government was equal to peak funding for the three programs between the years 1992 and 1995.¹² In addition, supplemental grants were appropriated for states with below-average per capita welfare expenditures or above average population growth, as well as bonus funds to states that both reduced out-of-wedlock births and abortion rates, high-performance funds, and a contingency fund.¹³ States are also required to meet a maintenance of effort (MOE) requirement, which was defined as 75 percent of their “historic” (defined as FY 1994 spending) on the three programs replaced by TANF. If a state

¹⁰ “Aid to Families with Dependent Children (AFDC) and Temporary Assistance for Needy Families (TANF)”, Assistant Secretary for Planning and Evaluation, <http://aspe.hhs.gov/HSP/abbrev/afdc-tanf.htm>, accessed January 8, 2009.

¹¹ U.S. Department of Health and Human Services. *Aid to Families with Dependent Children (AFDC) and Temporary Assistance for Needy Families (TANF)*. Available at <http://aspe.hhs.gov/HSP/abbrev/afdc-tanf.htm>, accessed January 8, 2009

¹² Committee on Ways and Means, U.S. House of Representatives, *2004 Green Book (108th Congress)*, Section 7- Temporary Assistance for Needy Families (TANF)

¹³ Ibid.

failed to meet the required work participation rate (as for 2002, 50 percent of work-eligible families must be participating in work activities), its MOE increases to 80 percent.

The TANF block grant was reauthorized through the Deficit Reduction Act of 2005 (DRA), which was passed in February 2006. The DRA continues the annual funding level of \$16.5 billion and continues the work-participation requirement. Prior to the DRA, however, the caseload reduction credit, which allowed states to reduce their work requirement by their caseloads since 1995, was changed. Due to the significant declines in TANF participation since the passage of the PRWORA, the credit effectively eliminated the work requirement in most states. The DRA recalibrated the base year caseload reduction credit to 2005, which re-implemented the performance guideline.¹⁴ In addition, as of 2007, the DRA requires that previously uncounted adults in certain state-funded welfare programs are included in the MOE calculations.

State Changes – Cash Assistance through TANF

In August, 1996, the Rhode Island Family Independence Act (FIA) was signed into law. The FIA became the basis for the State's new cash assistance program designed to meet the requirements of the PRWORA. Through FIA, the Family Independence Program (FIP) replaced AFDC as Rhode Island's welfare reform program. Key changes to the program included:

- Five year life-time limit for parents and no time limit for children;
- Education and training allowed for parents as part of work-readiness plan;
- Monthly benefit reductions of \$50 for families living in subsidized housing. The program retained the benefit level of \$554/month for family of three, which was the same as 1989 level; and
- Introduced sanctions for non-compliance for parents, but not children.

Between 2004 and 2006, the State made a number of changes to the program which both restricted eligibility and increased sanctions. In 2004, "full family sanctions" were implemented whereby benefits were terminated for the entire family if a parent had a total of 24 months of non-compliance. This time limit was reduced to 18 months of non-compliance in 2005, and by 2006 full family sanctions were implemented after 6 total months of non-compliance. Additional changes made in 2006 included counting benefits received in other states toward a parent's lifetime limit and requiring the development of a work plan.

In 2008, FIP was repealed and replaced with the Rhode Island Works Program (RIWP). In addition to changes, such as the creation of partnerships with the Department of Labor and One Stop Centers, there are a number of significant changes that have an impact on eligibility and benefits such as:

- Shorter time limits for receipt of cash assistance: families are allowed 24 months in any 60-month time period with a lifetime limit of 48 months for most families. Months of assistance

¹⁴ U.S. Department of Health and Human Services. *Indicators of Welfare Dependence. Annual Report to Congress, 2006*. Appendix A. Available at: <http://aspe.hhs.gov/hsp/indicators06/apa.pdf>, accessed January 8, 2009

received in another state or from the former FIP program are counted against these limits. Benefits for children are also time limited unless the child lives with a parent who receives SSI benefits or is being raised by a caretaker relative;

- Stricter work requirements: as their first activity, most parents must participate in intensive employment services including a job search through a program run by the Department of Labor and Training.¹⁵ After four weeks, if the parent fails to find employment, they are able to participate in “TANF countable” work activities, which may include vocational education;
- Rehabilitation plans: if individuals are unable to work due to serious disabilities they are referred to the Office of Rehabilitative Services and are required to complete a “rehabilitation employment plan” that outlines the steps they need to take to find employment or apply for disability benefits through the Social Security Administration;
- Education options for certain populations: limited literacy or English language ability and little or no work history can participate in a 6-month program being developed by the Office of Adult Education; and
- Stricter sanctions: parents that fail to comply with their work plan requirements will receive reduced benefits. After three months of non-compliance (whether or not consecutive) the benefits are stopped for the entire family.

Child Care

From 1996 to 1999, eligibility for child care assistance for working families was steadily increased. Eligibility for the program was expanded to working families with incomes up to 185 percent of the FPL in 1996. In 1997 and 1998, the Starting RIte Child Care Assistance Program Enacted, which expanded eligibility up to 200 percent of the FPL with a planned phase-in to 250 percent of FPL by 2000. Starting RIte also expanded the program to children aged 13 to 15 and increased provider rates to the 75th percentile of the market rate. Eligibility was again expanded in 1999 to 225 percent of the FPL.

As with cash assistance benefits a number of changes have been made to the child care assistance program since 2000 that have tightened eligibility requirements for the program. In 2002, eligibility was capped at 225 percent of the FPL and in 2007 eligibility was reduced to 180 percent of the FPL. Changes made in 2006 include requiring child support cooperation as a condition of eligibility, introducing a liquid asset test of \$10,000 and increasing co-payments for families with incomes above 150 percent of the FPL. In addition, the State did not provide for a provider rate adjustment. In 2007, as noted above, eligibility was again reduced, and eligibility was restricted to children aged 12 or younger. Co-payments for families with incomes above 100 percent of the FPL were also increased. In 2008, the State based the provider rate adjustment on an average of 2002 and 2004 market rate surveys.

¹⁵ Only parents with very low literacy or English language skills are exempt from this requirement.

Rite Care/Rite Share

- 1994: Rite 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

- 2001: Rite 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
 - Premiums increased for families with income above 150% FPL – October
 - Premiums required for families with income above 133% FPL – November

Safety Net Discussion Groups

Summary of findings, compiled by Jane Arsenault, Facilitator

A. Methodology

Key informants were drawn into six discussion groups held over a four week period in March and April 2009. Two groups were drawn from consumers; one was held in Providence at John Hope Settlement House and one was held in Woonsocket at Connecting for Children and Families. Two groups were drawn from United Way stakeholders and included United Way staff, Board, and volunteers. Volunteers included representatives from the Chambers of Commerce, clergy, business owners, and social service providers. Two additional groups were drawn from among social service providers. Each discussion lasted about 90 minutes.

B. Overall summary of results

All groups identified the need to dispel myths about government spending on Safety Net programs, noting the rapid shift of funding from supports for those struggling with chronic poverty to Medicaid funding for the disabled and elderly. Concerns raised about the Safety Net were largely focused on the difficulties of those in chronic poverty.

From the perspective of both consumers and service providers, the current Safety Net, defined as a set of government-funded programs, is not a Safety Net in any real sense. While clearly helpful to those with complete dependency, serious concerns were expressed by all groups as to the effectiveness of these government programs for these consumer groups:

- partially dependent with chronic illness or some degree of permanent disability who can work to a degree, but need some level of support to work and/or who need supplemental income or supports because they cannot earn enough to be financially independent;
- chronically poor due to poor education, lack of skills, poor work history, substance abuse, criminal record, trauma history, or living for a long period in impoverished and threatening circumstances, but without a diagnosis sufficient to secure SSI benefits;
- working poor who have low wage jobs and are unable to meet their own or their children's needs for safe and adequate housing, adequate nutrition, and/or health care;
- people with extended unemployment whose benefits have timed out who now find themselves, many for the first time, dependent on help from the community in order to survive; and
- people who have timed out of Cash Assistance and who have no income from any source.

In reality, community organizations (both nonprofit and faith based) are the first line of support for individuals in crisis and are the only source of immediate help. Once a crisis is stabilized, and government benefits are accessed, government benefits function, at best, as a temporary lifeline that can be withdrawn at a moment's notice or because of a missed appointment. Benefits take too long to access, leaving consumers to rely on nonprofit agencies for longer and

longer periods, further stressing these important resources. Applying for government benefits is a bureaucratic nightmare of different offices and convoluted application processes. An entire layer of social service programming in the nonprofit sector has grown to do nothing more than help consumers navigate the system and access their government benefits, further increasing administrative costs.

Benefits are withdrawn for even slight or temporary increases in income creating bizarre and often perverse incentives. Participants call these benchmarks “cliffs”; a few dollars of income a week too much and a participant will lose food stamps or health care, a benefit that may be worth hundreds and that participants have no hope of replacing. With few exceptions, consumers feel demeaned by the process and perceive that they and others are often treated rudely by state workers. In general, there is not enough to go around for those who need help while it is apparent that millions are spent on duplicative and inefficient systems.

C. How to strengthen the Safety Net

Many suggestions were offered to strengthen the Safety Net. These included:

- Develop a vision for what the Safety Net should be;
- Tie the economic and workforce development efforts of the State to the Safety Net to reduce the length of dependence on Safety Net programs;
- Consolidate State offices to reduce administrative duplication;
- Redesign of the access points and application processes so that navigation assistance is less necessary;
- Update outdated websites and materials that mislead applicants;
- Address the issues of who is left out of the Safety Net almost entirely:
 - Single adult males;
 - Individuals with criminal histories;
 - Youth who have aged out of foster care;
 - Undocumented persons; and
 - Seniors who are aging out or are out of the workforce and unemployable due to their age (60-65) before Medicare and social security;
- Address the issue of the quality of supports, e.g., Food stamps are set at a bar below the level of proper nutrition;
- Address the inadequacy of mental health and addiction services and recognize these issues as serious barriers to independence;
- Address child care supports and realize that drastically cutting child care supports undermines the ability of people to work;
- Recognize that the health insurance access issues among the chronically poor exacerbate the problems of supporting these households;

- Look at households holistically, using effective case management to reduce long-term dependency;
- Eliminate the “cliff” like cutoffs and taper benefit supports gradually so that households, as they succeed, can take on increasing responsibility for their own supports. Stop punishing people for small successes; and
- Institute common civility between State workers and consumers.

D. Suggestions for system reform

Few participants could envision a process by which fundamental reform could take place. Who would lead or sponsor such an effort? Others could envision incremental improvement, noting that some other states have single points of entry for all benefit programs, allowing individuals and families to identify all benefits and supports for which they are eligible through a single electronic portal. This would at least eliminate the multiple applications and the multiple visits to different locations to access the various programs. Simplifying applications, allowing applications to be made from community agencies, dramatically reducing the State bureaucracy, customer service training for State eligibility technicians, were all suggestions made by participants. Others suggested that a stronger focus on efficiency, outcomes and accountability would contribute to reducing costs. Most agreed that wringing the duplicative administrative overhead out of the system is preferable to cutting benefits.

