

### State Policy Strengths

- *Health Insurance Coverage.* Rhode Island effectively promotes a healthy workforce by providing access to health insurance coverage for children and parents. Research shows that even if children are insured, they are more likely to receive needed health care if their parents are insured as well. Rhode Island sets child health insurance eligibility at 250% of the federal poverty level (neighboring Massachusetts sets their eligibility at 200% of poverty, while Connecticut sets eligibility at 300% of poverty). Rhode Island has the second lowest rate of uninsured children in the country. The state leads the New England region in setting parent/guardian eligibility for public health insurance covering parents up to 185% of poverty (with income disregards this is equivalent to 192% of poverty). Pregnant women are eligible up to 250% of poverty.
- *Child Care Subsidies.* Rhode Island sets eligibility for child care subsidies at 62% of State Median Income (225% of federal poverty guidelines) and fully funds the subsidy budget so there is no waiting list for child care assistance in the state. Rhode Island is unique among the states in offering an entitlement to child care assistance for low-income working families. Rhode Island also sets reimbursement rates for child care at the 75<sup>th</sup> percentile of market rates and does not charge a co-payment to families at 100% of poverty.
- *Targeted Tax Relief.* Rhode Island effectively promotes family economic success by targeting tax relief to low-wage families. Rhode Island rewards work for low-wage families by not subjecting these working families to a state income tax until their income reaches 155% of poverty level, one of the highest income tax threshold in the country. The state also offers some tax relief to low-wage families with state versions of the Earned Income Tax Credit (EITC) to promote work and Child/Dependent Care Tax Credit to help with child/dependent care expenses. As of 2005 in Rhode Island, 10% of the state EITC is fully refundable.

### State Policy Opportunities

- *Child Welfare.* Rhode Island is one of only 18 states nationwide that does not have a formal subsidized guardianship program which enables relatives and close friends to provide permanent homes for abused and neglected children. Both neighboring Connecticut and Massachusetts have formal subsidized guardianship programs. Research shows that subsidized legal guardianship offers the advantages of lessening separation of trauma for the child, honoring the custom of informal adoption by extended family, reducing legal liability for the state, and reducing the costs of foster care.
- *Food Security.* Rhode Island does not provide transitional benefits to low-wage families leaving public assistance. Research shows that providing low-wage families critical work supports like food stamps as they are transitioning off of welfare significantly reduces the likelihood that they will return to public assistance. Rhode Island also does not improve a family's access to food stamps by using simplified application process nor does the state fund a food stamp replacement program for legal immigrants during the five-year waiting period. Research shows that without this assistance, low-wage immigrant families face increased risk of hunger. Neighboring Massachusetts promotes access to food stamps through offering transitional benefits and simplified application process, while Connecticut funds a food stamp replacement program for legal immigrants.
- *Elementary and Secondary Education.* According to *Quality Counts 2005*, compiled by Education Week, Rhode Island scored 77 out of 100 on an equity index measuring school funding equity between high and low-wealth school districts. Many states have a significant funding gap between students in high-income districts who receive more education funding than students in low-income districts. Financial resources are essential to support professional development of teachers, lower pupil-teacher ratios, and other education investments. State policy determines the degree of funding equity among districts through the interaction of three major mechanisms: state funding formulas, categorical grants, and limits on property taxes as a source of local income for school districts. Research shows that funding gaps contribute to disparities in school achievement between high-income and low-income districts.

# Policy Matters

## Twenty State Policies to Enhance States' Prosperity and Create Bright Futures for America's Children, Families and Communities

[www.policymatters.us](http://www.policymatters.us)

Key to a state's prosperity are the strength of its work force, the health of communities, and the efficiency of government investment, all of which can be enhanced by adopting policies that improve opportunities for children and families. As state leaders pursue these goals, they need strong research evidence to help them assess which policies can produce results most effectively and give states a high rate of return on their policy investments.

The *Policy Matters* report serves as such a guide by assembling research on effective policies in the areas most important to a family's opportunity and stability: employment, income and asset growth, health, education, and healthy family relationships. The Center for the Study of Social Policy (CSSP), working with a broad group of state and national policy experts, conducted extensive research to identify the most effective policies in each of these areas. The policies included in this report not only rest on a strong body of objective evidence, they also offer the advantage of taking an early investment and preventive approach so that relatively small investments now can reduce more costly interventions later.

The policies presented in this document offer a critical point of entry for discussions of state-level policy that can promote opportunities for children and families. By doing so, this report aims to help state leaders with divergent viewpoints join together in support of a common set of policy priorities.

The research findings of *Policy Matters* are presented in multiple formats:

- **Full Report** – This report provides an overview of the challenges that states and families face in the current economy, and outlines 20 policy areas that research shows are essential to enhance opportunities for children and families, strengthen communities, and build a stronger state economy.

For each of the 20 policy areas, this report provides a research summary on policy effectiveness, highlights key policy measures, and presents the status of policy in each state and the District of Columbia according to these policy measures.

- **State Policy Briefs** – For each state, an eight-page brief highlights a subset of key policy measures (from the broader set of policy areas discussed in the policy overview), and graphically presents current state policies according to those measures.
- **State Fact Sheets** – The State Policy Briefs are supplemented by a one-page summary for each state that highlights the state's key policy strengths and opportunities. **A State Fact Sheet can be found on the reverse side of this page.**

The research basis for these recommendations is presented more fully in six companion volumes available at [www.policymatters.us](http://www.policymatters.us). Based on these original reports, a number of states already are using the comprehensive *Policy Matters* framework. For additional information on this project and related state policy work, please contact:

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