

Outcomes of 2013 Legislative Session

The Institute engaged in research, public education, and advocacy to influence a host of policy changes that will improve the economic security of low- and modest-income Rhode Islanders and the fiscal health of our state. Here is the outcome of several policy proposals that were included in our annual legislative agenda.

MEETING BASIC NEEDS

Child care assistance was expanded so that families can experience upward mobility.

Parents receiving a child care subsidy will no longer need to forego a raise or promotion for fear of losing this vital work support. A pilot program will allow parents to earn more without losing their subsidy until their earnings reach a newly established, higher (“exit”) income limit. This will help families avoid the “cliff effect” that occurs when they earn a penny over the income limit and the cost of child care skyrockets.

Adults without children can receive health insurance through Medicaid. Rhode Island chose to adopt an option made available to states under the Affordable Care Act which allows low-income adults without children to be eligible for Medicaid coverage beginning in January 2014. An estimated 40,000 Rhode Islanders with income below \$15,800, many working at low wage jobs, will have access to high quality health insurance coverage for the first time.

Many Rhode Islanders are getting a raise. Policymakers voted to increase the minimum wage from \$7.75 to \$8.00 per hour, allowing workers to better keep pace with the rising cost of living. This also makes Rhode Island’s minimum wage more aligned with those in neighboring states.



Families will no longer need to pay monthly Rite Care premiums for children.

Currently some families pay between \$61 and \$92 a month, depending on income, to insure the parents and/or their children through Rite Care. Approximately 3,000 individuals lose their health insurance every year because they are unable to pay the premium. As of January 2014, the Rite Care premiums for children will be eliminated ensuring that children will have access to quality health care.

Thousands of parents will lose Rite Care health insurance coverage. Beginning in 2013, the parent income limits for Rite Care will be rolled back, causing 6,500 parents to lose their coverage. Some funding was made available to help parents purchase commercial health insurance through the new Health Insurance Exchange, but the significantly higher monthly premiums and out-of-pocket costs are likely to make this option unaffordable for these low-income families.

Payday lending reform fails for third year. Efforts to reform payday lending and cap interest rates at 36% were unsuccessful for the third consecutive year. Rhode Islanders who fall short of meeting basic needs and access this form of predatory lending will remain vulnerable to falling into an unrelenting debt trap.



SKILLED WORKFORCE



State funds for workforce training included in budget for first time. The FY 2014 budget includes a first-time appropriation of state funds for workforce development in the amount of \$1.25 million to provide paid work-experience opportunities for unemployed adults and college students and to establish a non-trade apprenticeship program. It also creates the “Back to Work Rhode Island Program” which will allow unemployed individuals to continue to receive their unemployment benefits for up to six weeks/year while they participate in an approved on-the-job training program.

The budget also provides access to the child care assistance program for unemployed parents who need child care to be able to participate in short-term training leading to a job. This new program is in effect from October 2014 to January 2015.

A SOUND TAX STRUCTURE

Lawmakers turn up the volume on silent spending. Lawmakers passed legislation requiring 15 specified economic development incentives to be evaluated every three years. Any tax incentives enacted for economic development purposes in the future will be evaluated as well. The legislation provides a detailed framework for the evaluation including as a cost-benefit analysis, estimate of the number of jobs created, and estimate of the extent to which benefits remain in, or flow out of, the state. It also ensures that tax incentives will be included in the state budget debate by requiring the Governor to include any recently evaluated tax expenditures in his or her budget with a recommendation as to whether it should be continued, modified, or terminated.



600 Mount Pleasant Ave, Bldg #9
Providence, Rhode Island 02908
www.economicprogressri.org
p. 401-456-8512 f. 401-456-9550

Follow us online:
facebook.com/economicprogressri
[@EconProgressRI](https://twitter.com/EconProgressRI)