

KEEPING AFLOAT:

Eligibility, Employer Attitudes, and Barriers to Public Benefits for Small Business Employees



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Benefits for Small Business Employees

Appleseed

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I. Executive Summary

Many low-income families and individuals employed in low-wage jobs struggle to afford basic necessities such as food and healthcare, or have difficulty keeping a job because of rising child care costs and other expenses associated with employment. Often, these workers are employed by small businesses, which may lack sufficient profit margins to pay higher wages or provide important benefits. Unfortunately, many of these employees and their families are unaware that they may be eligible for state- and federally-funded supportive services that could provide them with food, health care, child care assistance, and supplemental income. These public benefit programs can provide the vital support necessary to keep workers, while simultaneously allowing small businesses to find and retain employees. However, such programs can only be effective if employees know what supports are available to them and are knowledgeable about how to access them.

Appleseed through public outreach with the business community will work to identify ways to make these supportive services more accessible to those employees who need them, by reaching out to employers and providing them with the information necessary to help their employees take advantage of those programs for which they are eligible.

While many low-wage workers qualify for supportive services programs, such as the Earned Income Tax Credit (EITC), child care subsidies, Food Stamps and Medicaid and the State Children's Health Insurance Program, these benefits are too commonly not accessed due to lack of information, stigma, inadequate funding or complicated application procedures. Every year, billions of dollars that could directly supplement the earnings of low-income workers through Earned Income Tax Credits go unclaimed. Food Stamps now reach only three out of five people who are eligible for them. And of the 10 million children in America who currently suffer without health insurance, 6.2 million are eligible for coverage under public programs.

This report, prepared by the Appleseed regional offices in Alabama, Nebraska, South Carolina and Washington, examines the supportive services available to low-income workers in those states and provides an overview of the eligibility requirements, benefits and application processes for each program. The report also summarizes the results of Appleseed's surveys of small businesses in the four states employing low-wage employees regarding benefits provided by the employer and the employer's attitudes towards supportive services programs. Results of the polling show that employers would generally support employee participation in supportive services programs, if only they were provided with the necessary information and resources to help their employees access the programs.

Utilizing the results of the polling and this report, the four Appleseed centers plan to collaborate with small business owners and employees, government officials, and community-based organizations in their states to increase awareness of the benefits, break down the barriers to enrollment in the programs, and help ensure that critical works supports are available to eligible employees and their families who so desperately need them.

II. Earned Income Tax Credit

A. History and Background¹

The federal Earned Income Tax Credit (EITC) is the nation's largest cash program directed at low-income families. It reduces the amount of income tax that low- to moderate-income working families (with annual incomes of up to roughly \$35,000) are required to pay and provides a wage supplement to some families. One of the most important features of the federal EITC is that it is refundable. This means that if the amount of the credit exceeds the amount the family owes in federal income taxes, the family receives the difference as a cash payment. By definition, only families with earnings are eligible for the EITC, but the EITC applies to all low-income wage earners meeting eligibility requirements, not only to those with children. Workers who are eligible can receive an advance on their EITC. This is not a lump sum payment, but rather payments that are spread throughout the year as extra money added to a worker's paycheck.

Receiving the EITC has no effect on most government benefits. In most cases, EITC payments will not be used to determine eligibility for Medicaid, Supplemental Security Income, food stamps or low-income housing, although such payments may be included in resource tests after certain periods of time.

The U.S. General Accounting Office estimates that about 86 percent of eligible households with children claim the federal EITC, although research suggests that filing rates may be significantly lower among eligible former welfare recipients.

III. Child Care Subsidies

A. History and Background²

Child Care and Development Fund (CCDF) subsidies assist low-income families with the cost of child care so that they may work or prepare for employment. Assistance is provided in the form of either a contracted child care slot or a voucher that may be used to access care by any provider that meets state requirements. Families typically pay a monthly co-payment, based on factors such as income, family size, and the number of children in care. The subsidy—typically paid directly to the provider—covers the difference between the co-payment and the full cost of care, up to a maximum state payment rate. CCDF subsidies are not a federal entitlement, meaning that eligible applicants only receive subsidies when adequate funding is available.

¹ Section reprinted in part from Federal EITC Policy Framework, National Center for Children in Poverty, Columbia University Mailman School of Public Health, available at http://www.nccp.org/policy_index_7.html.

² Section reprinted in part from CCDF Subsidies Policy Framework, National Center for Children in Poverty, Columbia University Mailman School of Public Health, available at http://www.nccp.org/policy_index_13.html.

The federal government establishes broad requirements for state CCDF programs, including a maximum income eligibility limit of 85 percent of state median income (SMI). But states maintain a wide degree of discretion to design their programs and income limits, work requirements, payment rates, family co-payments, and other program rules vary greatly. Annual applicant income limits for a family of three, for example, ranged from \$17,784 to \$46,248 in 2004, with an average limit of 56 percent of state median income. As of February 2005, income eligibility was 44% of SMI in Alabama, 37% of SMI in Nebraska, 50% of SMI in South Carolina and 55% of SMI in Washington³.

States can require families to contribute to the cost of child care by paying a co-payment. The co-payment is generally set at different levels depending on how the family's income compares to the Federal Poverty Level (FPL).

CCDF subsidies are funded through a combination of state and federal sources. The federal CCDF block grant was created with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the same legislation that replaced Aid to Families with Dependent Children (AFDC) with Temporary Assistance for Needy Families (TANF). CCDF provides states with an annual base amount as well as matching funds for states that meet their maintenance of effort and matching requirements. States may transfer money into CCDF programs from TANF and other sources. Many states also provide additional child care subsidies outside of their CCDF subsidy programs.

IV. Food Stamps

A. History and Background⁴

The Food Stamp Program was enacted in 1965. Food stamps are designed to enable low-income families (with gross income at or below 130 percent of the Federal Poverty Level (FPL) -- less than \$21,000 per year for a family of three) to buy the food they need. Participants receive an Electronic Benefit Transfer (EBT) card that is funded electronically with a benefit amount each month which can be used to purchase food. Food stamps are an entitlement, so all eligible families may receive benefits, although in practice many do not. Important changes were made in 2002, giving states greater flexibility in administering the Food Stamp Program

Food stamps are funded primarily by the federal government, and rules regarding eligibility and benefit levels are generally set at the federal level and are uniform across the states. However, states make a number of important decisions

³ *Policy Matters: 50-State Policy Overview*, available at http://www.policymatters.us/pdfs/50_state_overview.pdf

⁴ Section reprinted in part from *Food Stamps Policy Framework*, National Center for Children in Poverty, Columbia University Mailman School of Public Health, available at http://www.nccp.org/policy_index_20.html.

regarding application, reporting, and recertification procedures that impact program accessibility.

V. Public Health Insurance – Medicaid and SCHIP

A. History and Background⁵

Medicaid provides medical benefits to low-income people, including children, who meet eligibility requirements that are set by each state and based on guidelines established by the federal government. While eligibility varies by state, state Medicaid programs must cover certain mandatory groups, including pregnant women and children under age 6 whose family income is at or below 133% of the Federal Poverty Level (FPL) and children ages 6 to 19 whose family income is at or below 100% of the FPL. Medicaid also provides health benefits to low income elderly and disabled people who meet income eligibility requirements.

The State Children's Health Insurance Program (SCHIP) provides health insurance to low-income, and in some states, moderate-income, children whose families do not meet Medicaid income eligibility requirements, but who are not covered by private insurance. As with Medicaid, SCHIP eligibility and benefits vary by state. Additionally, some states have other medical benefits and health insurance programs for eligible groups of people.

Medicaid serves more than 20 million children and SCHIP covers about 3 million children. Both Medicaid and SCHIP require state matching funds, although the federal government pays a larger share of the cost of care provided through SCHIP. States may use SCHIP dollars to increase children's coverage by expanding their Medicaid programs and/or creating separate SCHIP programs. In addition, SCHIP and Medicaid funds may be used to subsidize the enrollment costs (or premiums) of employer-based coverage for children.

Federal requirements establish income eligibility limits, minimum benefit packages, and strict limits on cost-sharing for state Medicaid programs for children. States, however, determine application procedures, which affect access to coverage. States also determine how family income is calculated, resulting in significant differences in eligibility.

Medicaid SCHIP expansion programs must meet the federal Medicaid standards, but greater flexibility is allowed in separate SCHIP programs. Benefit packages and cost-sharing provisions in these programs vary considerably. There is also significant variation in income eligibility limits for children, although as of 2005, 41 states (including the District of Columbia) had expanded coverage to

⁵ Section reprinted in part from Public Health Insurance for Children Policy Framework, National Center for Children in Poverty, Columbia University Mailman School of Public Health, available at http://www.nccp.org/policy_index_23.html.

reach children up to or above 200 percent of the FPL (\$32,180 per year for a family of three in 2005). Only three states (including the District of Columbia) offered coverage to parents at this earnings level, notwithstanding research showing that children are more likely to be enrolled in health insurance programs and access services when their parents are also eligible for coverage.

In addition, while Medicaid is an entitlement program that guarantees coverage to all eligible applicants (and this guarantee extends to SCHIP-funded Medicaid expansions), there is no entitlement to coverage under separate SCHIP programs, and access may be limited by availability of funds. Four states froze enrollment during at least some period between July 2004 and July 2005.

VI. Barriers to Enrollment

A. Lack of Information

Lack of information about program benefits and eligibility represents a significant barrier to enrollment in benefits programs by eligible families. As an example, a study in Chicago found that many working families were unaware that they could still access benefits such as food stamps and child care subsidies after leaving TANF. Additionally, in the same study, many immigrants were not aware of programs for which they were eligible and many voiced concern about the impact that enrollment would have on their immigration status.⁶ Similarly, a national survey of parents with children eligible for Medicaid or SCHIP found that almost one third of such parents did not know that their children were actually eligible for the programs.⁷

B. Stigma

Many low-income families that are eligible for benefits programs choose not to inquire about or enroll in such programs because of perceived stigma relating to public assistance. "Welfare stigma," the concept that people feel negatively about themselves when participating in public assistance programs, is sometimes thought to deter eligible people from enrolling in benefits programs. In a national survey, nearly 40% of parents with eligible children and who were aware of the existence of Medicaid and SCHIP chose not to inquire into benefits because they did not want to enroll their children in a public program or because they thought the assistance was not needed.⁸ Feeling of stigma may also derive more from a perception of unequal treatment of people enrolled in public benefits programs, rather than from a person's thoughts about themselves or the

⁶ Access to Income Supports for Working Families in Chicago, Lise McKean, Center for Impact Research, Chicago, Illinois, October 2002, available at <http://www.impactresearch.org/documents/incomesupportexecutive.pdf>

⁷ Why Aren't More Uninsured Children Enrolled in Medicaid or SCHIP?, Jennifer M. Haley, Genevieve M. Kenney, May 2001 based on data from the National Survey of America's Children, available at <http://www.urban.org/publications/310217.html>

⁸ Ibid.

program.⁹ As an example, separate windows or rooms in provider's offices for Medicaid participants or Medicaid cards that look different from other insurance cards may deter some from enrolling in that program.¹⁰

C. Administrative Barriers

Work schedules often present a barrier to applying for and retaining public benefits, since many eligible families work during the hours that state offices are open.¹¹ Additionally, many programs have complicated application processes and require unnecessary documentation, which may also deter potential applicants. Low literacy levels and limited English proficiency have also been cited as barriers to applying for benefits. Fear of dealing with government agencies, for example because of immigration status concerns, also prevents some eligible people from enrolling.¹² Waiting lists for child care present another barrier to enrollment. Many eligible families may have to wait months or years for child care benefits, which may discourage some families from applying.¹³

D. Overcoming Barriers

In order to overcome some of the barriers to enrollment in public benefits programs, states must employ outreach efforts to educate people about eligibility and benefits. Employers and schools must be encouraged to do more to educate parents and children about available programs. Simplifying the application process and ensuring that staff in local offices are able to assist in filing applications could also enable programs to reach more of those eligible.¹⁴

Some states have also taken measures to reduce the perceived stigma associated with benefits programs, for example by creating state health insurance programs that mirror private insurance programs and by using user-friendly names. The use of EBT in the Food Stamps program, which treats Food Stamps participants the same as others using debit cards to pay for their groceries, is another example of efforts towards decreasing stigma surrounding benefits programs.

⁹ Beyond Stigma: What Barriers Actually Affect the Decisions of Low-Income Families to Enroll in Medicaid?, Jennifer P. Stuber, et al, July 2000, available at http://www.gwhealthpolicy.org/downloads/beyond_stigma_no3.pdf

¹⁰ Paper on Stigma, Barbara Maticera Barr, The Robert Wood Johnson Foundation, Covering Kids National Program Office.

¹¹ Access to Income Supports for Working Families in Chicago, Lise McKean, Center for Impact Research, Chicago, Illinois, October 2002, available at <http://www.impactresearch.org/documents/incomesupportexecutive.pdf>

¹² Access to Income Supports for Working Families in Chicago, Lise McKean, Center for Impact Research, Chicago, Illinois, October 2002, available at <http://www.impactresearch.org/documents/incomesupportexecutive.pdf>

¹³ Child Care Assistance Policies 2005, National Women's Law Center, September 2005

¹⁴ Overcoming Barriers to Enrollment: A 50-state assessment of outreach and enrollment simplification strategies for the State Children's Health Insurance Program (SCHIP), by Jennifer Maier Snow, available at <http://www.mpa.unc.edu/pdfs/CapSnow.pdf>

VII. Employer Polling Data

A. Overview of Polled Employers

A random selection of small businesses operating in industries paying relatively low wages in Alabama, Nebraska and Washington were surveyed. One hundred surveys were completed for each of the three states. In South Carolina, small business decision makers in the state were surveyed. Three hundred nineteen interviews were conducted for the survey and survey respondents were chosen at random. To participate in the survey the respondent had to have an understanding of the company's wage and benefit policies.

Employers surveyed in Alabama, Nebraska and Washington had on average 9.4 hourly wage employees, earning on average between \$7.84/hour and \$12.04/hour. About one third of employers in those states provided health insurance to hourly wage employees with less than 2% on average offering child care assistance. The average percentage of costs of benefits paid by employee averaged 31.5% for the three states, with Washington employees paying 24.6%, Nebraska employees paying 32.7% and Alabama employees paying 38.1%. In South Carolina, 59% of businesses surveyed had one to five hourly wage employees, and 66% of the businesses paid \$5 to \$10 as the lowest hourly rate. Fifty-five percent of businesses surveyed in South Carolina provided no benefits to their employees. Of those employers providing benefits, 57% required employees to pay 50% or more of the benefit cost.

B. Employer Responses

Overall, employers were receptive to employee participation in supportive services programs, though some personal prejudices against such programs may be present. Among employers surveyed in Alabama, 66% replied that their company would be "very supportive" of their employees using such programs, with 46% of employers in Nebraska and 60% of employers in Washington and South Carolina responding similarly. When asked for the reasons they would not be supportive of employee participation in such programs, the top responses on average in Alabama, Nebraska and Washington were that employee salaries were sufficient, that the employers didn't know how employees could participate, that the government has enough debt and that employees should participate in such programs without employer assistance.

On average, 46% of employers in Alabama, Nebraska and Washington said they would definitely distribute information packets mailed to their office regarding eligibility requirements for public benefit programs and 44% responded that someone at their company would definitely assist employees in completing the necessary paperwork for such programs. In South Carolina, 55% of employers said they would definitely distribute the information and 58% said they would definitely help employees complete the paperwork. Of those employers who would not likely assist employees, an average of 31.8% of employers in Alabama, Nebraska and Washington cited a lack of time or resources, while 85% of employers in South Carolina listed lack of time as the reason. Employers also appear willing to provide employee income verification to federal or state

agencies, with 78% of employers in Alabama, 66% in Nebraska, 84% in South Carolina and 75% in Washington reporting that they would "definitely respond" to such requests.

While employers appear to be generally supportive of their companies encouraging employee participation in benefits programs, when asked about their personal opinion of workers enrolling in government programs, 19% of employers in Alabama, 23% of employers in Nebraska, 12% of employers in South Carolina and 12% of employers in Washington had a "somewhat unfavorable" or "very unfavorable" opinion. On average in Alabama, Nebraska and Washington 20% of employers were "not sure" of their opinion, and 10% of employers in South Carolina were "not sure."

Overall, employers appear willing to support employee participation in public benefits programs if provided with the necessary information and resources to do so. Employer outreach and education may also help employers develop more positive attitudes towards public benefits programs, which in turn would likely result in increased support of employee participation in such programs.

Appendix

I. Earned Income Tax Credit

A. State Program Information

- (a) Alabama - No State EITC
- (b) Nebraska - State EITC of 8% of a taxpayer's federal EITC.
- (c) South Carolina - No State EITC
- (d) Washington - No State EITC (No State Income Tax)

B. Eligibility Requirements

1. General Eligibility Requirements

- (a) Taxpayer must have worked at least one day during the year;
- (b) Taxpayer must meet income eligibility; and
- (c) With the exception of very low income persons, taxpayer must have a qualifying child.

2. Income Eligibility

Maximum Income Levels - Tax Year 2006

	Single	Married (filing jointly)
Two or more qualifying children	\$36,348	\$38,348
One qualifying child	\$32,001	\$34,001
No qualifying children*	\$12,120	\$14,120

* Additional eligibility restrictions apply, described below.

- Investment income for Tax Year 2006 must be \$2,800 or less, including interest.
- Child support income, alimony, welfare benefits, veterans' benefits and assets are disregarded for eligibility determination.

3. Additional Eligibility Information

- (a) Qualifying Child Eligibility: Under 19 years if not a student; under 24 years if a student. Must have lived with applicant for at least

half of the year. Taxpayer cannot be a qualifying child of another person.

- (b) If No Qualifying Children: Taxpayer must: a) be age 25 but under 65 at the end of the year, b) live in the US for more than half the year and c) not qualify as a dependent of another person.
- (c) Immigrant Eligibility: Taxpayer must be a US citizen or resident alien all year, or a nonresident alien married to a US citizen or resident alien and filing joint tax return. Must have a social security number.¹⁵
- (d) Married Persons: Must file jointly. Taxpayers who are married cannot file separately and still receive EITC.
- (e) Special Rules for Hurricane Victims, Military, Members of Clergy: See: Internal Revenue Service, Special EITC Rules: <http://www.irs.gov/individuals/article/0,,id=150708,00.html>

C. Benefits

Maximum Benefit Amount Paid

	Two or more qualifying children	One qualifying child	No qualifying children
Tax Year 2006 Maximum Credit	\$4,536	\$2,747	\$412

Tax Year 2005 EITC Benefits at Various Income Levels*

Annual Income	Two or more qualifying children		One qualifying child		No qualifying children	
	Single	Married	Single	Married	Single	Married
\$1,000	410	410	349	349	78	78
\$5,000	2,010	2,010	1,709	1,709	384	384
\$10,000	4,010	4,010	2,662	2,662	132	285
\$15,000	4,262	4,400	2,558	2,662	0	0
\$20,000	3,209	3,630	1,759	2,078	0	0
\$25,000	2,156	2,577	960	1,279	0	0
\$30,000	1,103	1,524	161	480	0	0

¹⁵ If the social security number was obtained solely to receive federally funded health benefits, such as food stamps, it is not valid for EITC purposes.

	Two or more qualifying children		One qualifying child		No qualifying children	
\$35,000	50	471	0	0	0	0

* Based on Earned Income Credit Benefits for Tax Year 2005 at Various Income Levels, 2006 Earned Income Credit and Child Tax Credit Outreach Kit, Center on Budget and Policy Priorities, available at http://www.cbpp.org/eic2006/08_Benefits.pdf

1. The Advance Earned Income Tax Credit (AEITC)

(a) The AEITC allows those taxpayers who expect to qualify for the Earned Income Tax Credit (EITC) and have at least one qualifying child to receive part of the credit in each paycheck during the year the taxpayer qualifies for the credit. For tax year 2006, the maximum credit an employer is allowed to provide throughout the year with an employee's pay is \$1,648.¹⁶

D. Participation Levels

Participation Rates (2004)

	Alabama	Nebraska	South Carolina	Washington
Number of Recipients	474,760	107,624	417,105	345,414
Amount Received	\$998,428,847	\$183,042,279	\$806,173,957	\$572,164,861

- It is estimated that eighty to eighty-five percent of those eligible claim the EITC in any given state.¹⁷

E. Process for Application

1. Documentation Required

Social Security Number

2. Applicant Application Procedures

- Must file a tax return.
- Complete and attach Schedule EIC to Form 1040 or Form 1040A and file it with the IRS.

¹⁶ Advance Earned Income Tax Credit Questions and Answers, <http://www.irs.gov/individuals/article/0,,id=96515,00.html>

¹⁷ For nationwide estimates, see Steve Holt, *The Earned Income Tax Credit at Age 30: What We Know*, The Brookings Institute, available at http://www.brookings.edu/metro/pubs/20060209_Holt.pdf.

- (c) For AEITC, get Form W-5 from employer or call: 1-800-TAX-FORM (1-800-829-3676) and submit Form W-5 to employer.

3. Action Required of Employers

To allow employees to take advantage of the Advanced Earned Income Tax Credit (AEITC), employers must determine the AEITC payment and add it to the employee's net pay.

More information for employers regarding the AEITC is available at: <http://www.irs.gov/individuals/article/0,,id=129062,00.html>

F. Employer Polling Data on EITC

1. Employer Familiarity With Benefits

The majority of employers were very familiar or somewhat familiar with the EITC in Alabama (67%), Nebraska (60%), South Carolina (72%) and Washington (66%).

2. Employee Participation

In Alabama, 22% of employers responded that they have employees participating in the EITC program. Sixteen percent of the Nebraska companies surveyed have at least one employee participating in the EITC program and in Washington, 18% of the businesses surveyed have workers benefiting from the program. In South Carolina, 6% of employers reported having at least one employee enrolled in EITC and 23% were unsure of whether they have employees enrolled in the program.

G. Contact Information

1. General

Internal Revenue Service

<http://www.irs.gov>

1-800-829-1040.

EITC Assistant:

<http://www.irs.gov/individuals/article/0,,id=130102,00.html>

2. Alabama

IRS Taxpayer Assistance Centers

Montgomery

1285 Carmichael Way.

Montgomery, AL 36106

(334) 264-2453

Birmingham

801 Tom Martin Drive
Birmingham, AL 35211
(205) 912-5333

Other office locations in Alabama:

<http://www.irs.gov/localcontacts/article/0,,id=98236,00.html>

3. Nebraska

Department of Health and Human Services
Tax Hotline: 1-877-659-7870

IRS Taxpayer Assistance Center
100 Centennial Mall N.
Lincoln, NE 68508
(402) 437-5060

Other office locations in Nebraska:

<http://www.irs.gov/localcontacts/article/0,,id=98299,00.html>

4. South Carolina

IRS Taxpayer Assistance Center
1835 Assembly St.
Columbia, SC 29201
(803) 765-5544

Other office locations in South Carolina:

<http://www.irs.gov/localcontacts/article/0,,id=98332,00.html>

5. Washington

Washington WorkFirst EITC Hotline:
1-800-755-5317
workfirst@ofm.wa.gov

IRS Taxpayer Assistance Center
915 Second Ave.
Seattle, WA 98174
(206) 220-6015

Other office locations in Washington:

<http://www.irs.gov/localcontacts/article/0,,id=98343,00.html>

H. Useful Links

1. General

State EITC Online Resource Center:
<http://www.stateeitc.com/map/index.asp>

2005 Earned Income Tax Credit Estimator:
<http://www.cbpp.org/eic2006/eitcchoose.htm>

IRS EITC Information:

<http://www.irs.gov/individuals/article/0,,id=96466,00.html>

or

<http://www.irs.gov/individuals/article/0,,id=96406,00.html>

IRS EITC Assistant (to determine eligibility):

<http://www.irs.gov/individuals/article/0,,id=130102,00.html>

2. State Specific

(a) Alabama:

National Center for Children in Poverty:

http://www.nccp.org/state_detail_AL_policy_7.html

(b) Nebraska:

National Center for Children in Poverty:

http://www.nccp.org/state_detail_NE_policy_7.html

(c) South Carolina:

National Center for Children in Poverty:

http://www.nccp.org/state_detail_SC_policy_7.html

South Carolina Appleseed Legal Justice Center:

<http://www.scjustice.org>

(d) Washington:

National Center for Children in Poverty:

http://www.nccp.org/state_detail_WA_policy_7.html

II. Child Care Subsidies

A. Federal Guidelines

- (1) States can set income eligibility limits up to a maximum of 85% of state median income.
- (2) There are no federal restrictions on lawful permanent residents access to benefits.
- (3) Children under 13 and special needs children under 18 qualify for CCDF.
- (4) Parent must work or participate in a work activity as defined by the state.
- (5) Payment rates to child care providers must be "adequate" to provide access to the child care market. Federal guidelines suggest that rates be set no lower than the 75th percentile of the local market rate based on a recent market survey.
- (6) Family co-payments must be "affordable." Federal guidelines suggest that co-payments not exceed 10% of family income no matter how many children the family has in care.

B. State Program Information

Overview of State Specific Information for CCDF*

	Alabama	Nebraska	South Carolina	Washington
Applicant annual earnings limit for 1-parent family of 3 (2005)	\$19,836	\$18,804	\$23,505	\$32,184
Recipient annual earnings limit for 1-parent family of 3 (2005) **	\$30,516	\$18,804 (\$28,992 if transitioning from TANF)	\$27,423	\$32,184
Monthly co-pay for family of 3 at 150% FPL, 1 child in care (2005)	\$215	Not eligible (\$156 per month if transitioning from TANF)	\$52	\$145
Annual co-pay for family of 3 at 150% FPL, 1 child in care (2005)	\$2,580	Not eligible (\$1,872 per year if transitioning off TANF)	\$624	\$1,740

	Alabama	Nebraska	South Carolina	Washington
Co-pay as % income, family of 3, 150% FPL, 1 child in care (2005)	11%	Not eligible (8% if transitioning off TANF)	3%	7%
Number of recipients (families) (FY2004)	16,600	7,600	11,900	33,100
Number of recipients (children) (FY2004)	29,200	13,400	20,200	54,900
Total spending (in millions) (state and federal) (2004)	\$121.5	\$52.9	\$80.1	\$272.8
Annual spending per family (2004)	\$7,319	\$6,964	\$6,735	\$8,242
Annual spending per child (2004)	\$4,161	\$3,950	\$3,967	\$4,969

* Chart based on data from the National Center for Children in Poverty, available at http://www.nccp.org/policy_index_13.html and Child Care Assistance Policies 2005, National Women's Law Center, available at http://www.nwlc.org/pdf/ChildCareSubsidyReport_September2005.pdf

** Some states, including Alabama and South Carolina, allow families that are currently receiving child care assistance to continue to receive assistance up to a higher income level than initial applicants. In Nebraska, a family transitioning from TANF is also eligible to receive child care assistance up to a higher income level.

1. Alabama

The Alabama Department of Human Resources Office of Child Care Subsidy administers the subsidized child care program funded through the Child Care and Development Fund (CCDF).¹⁸ Families who meet the income eligibility requirements will be able to choose from a list of participating child care providers. The family's child care cost is based on household income.

(a) Income Limits

- (i) Applicant annual earnings limit for 1-parent family of 3 (2005): \$19,836
- (ii) Recipient annual earnings limit for 1-parent family of 3 (2005)¹⁹: \$30,516

Initial Eligibility Monthly Income Scale

(All applicants must enter the program under this scale)

¹⁸ Alabama Department of Human Resources: <http://www.dhr.state.al.us/page.asp?pageid=649>

¹⁹ Alabama allows families that are currently receiving child care assistance to continue to receive assistance up to a higher income level than initial applicants.

Family Size	Weekly Fee						
	\$5.00	\$7.50	\$10.00	\$12.50	\$15.00	\$17.50	\$20.00
2	240-645	646-750	751-854	855-957	958-1061	1062-1164	1165-1313
3	292-857	858-995	996-1132	1133-1270	1271-1408	1409-1545	1546-1653
4	355-980	981-1138	1139-1296	1297-1454	1455-1612	1613-1769	1770-1993
5	418-1147	1148-1331	1332-1516	1517-1701	1702-1885	1885-2070	2071-2334
6	481-1315	1316-1527	1528-1738	1739-1950	1951-2161	2168-2372	2373-2674
7	544-1483	1484-1723	1724-1962	1962-2203	2204-2442	2443-2682	2683-3014
≥8	606-1651	1652-1918	1919-2185	2186-2452	2453-2718	2719-2985	2986-3354

Enrollment income limits reflect 130% of the FPL.

Families with income below the amount shown in the \$5.00 column are not required to pay a fee.

(b) Costs

- (i) Monthly co-pay for family of 3 at 150% FPL, 1 child in care: \$215 (2005)
- (ii) Annual co-pay for family of 3 at 150% FPL, 1 child in care: \$2,580 (2005)
- (iii) Co-pay as % income, family of 3, 150% FPL, 1 child in care: 11% (2005)

(c) Participation and Spending

- (i) As of December 2005, 27,324 children were in subsidized child care.
- (ii) As of early 2005, 13,260 children were on waiting lists for child care assistance.²⁰
- (iii) Number of recipients (families): 16,600 (2004)
- (iv) Number of recipients (children): 29,200 (2004)
- (v) Total spending (state and federal): \$121,500,000 (2004)
- (vi) Annual spending per family: \$7,319 (2004)
- (vii) Annual spending per child: \$4,161 (2004)

(d) Application Information:

²⁰ Child Care Assistance Policies 2005, National Women's Law Center, September 2005.

(i) Online application for subsidized child care:
http://www.dhr.state.al.us/large_docs/DHR-CMA-1973%20Revised%20CC%20Assistance%20Application.pdf

(ii) To apply, visit your local Child Care Management agency:

Family Guidance Center of Alabama - Montgomery Office
Counties Served: Autauga, Butler, Chilton, Covington,
Dallas, Elmore, Lowndes, Montgomery, Wilcox, Bullock
1230 Perry Hill Road
Montgomery, AL 36109
(334) 270-4100

Jefferson County Child Development Council
Counties Served: St. Clair, Blount, Jefferson,
Shelby, Walker, Bessemer
1608 13th Avenue South
Suite 150
Birmingham, AL 35205
(205)-397-3302

For all other locations: please visit:
<http://www.dhr.state.al.us/daycareAgency.asp>

(e) Contact Information

Jeanetta Green, Director
Department of Human Resources
Child Care Services Division
50 Ripley Street
Montgomery, Alabama 36130
(334) 242-1425 or 1-866-528-1694
Fax:(334) 353-1491
jgreen@dhr.state.al.us

For information on Family Day Care Homes, Family Nighttime Homes, Group Day Care Homes and Group Nighttime Homes, please call your local Department of Human Resources

(f) Useful Links

Alabama Department of Human Resources:
<http://www.dhr.state.al.us/page.asp?pageid=649>

2. Nebraska

The Nebraska Department of Health and Human Services (HHS) provides child care subsidies to families in which parents are employed, attending school or training sessions, going to medical or counseling appointments for themselves or another child, or who are incapacitated.

(a) Income Limits

- (i) Applicant annual earnings limit for 1-parent family of 3 (2005): \$18,804
- (ii) Recipient transitioning from TANF annual earnings limit for 1-parent family of 3 (2005)²¹: \$28, 992

Families who currently receive Aid to Dependent Children (ADC) assistance and whose income increases because of an earnings increase (whether because of a new job or a salary increase) may be eligible for up to 24 consecutive months of Child Care Subsidy. The family's gross income (before any deductions are taken) must be below the following monthly income limits:

Transitional Child Care

(for families who are transitioning from Aid to Dependent Children (ADC) assistance to work)

Family Size	2	3	4	5	6	7	8+
Maximum Gross Monthly Income	\$1,980	\$2,481	\$2,984	\$3,487	\$3,989	\$4,492	\$4,995

Families who have not received ADC assistance within the last six months may be eligible for a Child Care Subsidy if the family's gross income (before any deductions are taken) is below the following monthly income limits:

Non-Transitional Child Care

(for families who have not received Aid to Dependent Children assistance within the last six months)

Family Size	2	3	4	5	6	7	8+
Maximum Gross Monthly Income	\$1,284	\$1,609	\$1,936	\$2,262	\$2,587	\$2,914	\$3,240

There is no limit on the length of time a family can receive non-transitional child care as long as a parent participates in one of the

²¹ In Nebraska, a family transitioning from TANF is eligible to receive child care assistance up to a higher income level than other applicants or continuing recipients.

approved activities. The activity must have the potential to allow the parent(s) to no longer need Child Care Subsidy. For instance, if a parent is self-employed, he/she must be able to get to the point where enough income will be earned so that he/she can privately pay for child care.

(b) Costs

- (i) Monthly co-pay for family of 3 at 150% FPL, 1 child in care: If transitioning off TANF, \$156 (2005)
- (ii) Annual co-pay for family of 3 at 150% FPL, 1 child in care: If transitioning off TANF, \$1,872 (2005)
- (iii) Co-pay as % income, family of 3, 150% FPL, 1 child in care: If transitioning off TANF, 8% (2005)

(c) Participation and Spending

- (i) Number of recipients (families): 7,600 (2004)
- (ii) Number of recipients (children): 13,400 (2004)
- (iii) Nebraska does not have a waiting list for child care assistance.
- (iv) Total spending (state and federal): \$52,900,000 (2004)
- (v) Annual spending per family: \$6,964 (2004)
- (vi) Annual spending per child: \$3,950 (2004)

Spending

Fiscal Year	Average Recipients	Total Dollars	Average Month Dollars	Average Month Exp/Child
2004-2005	15,326	\$51,611,888	\$4,300,990	\$280.64
2005-2006	17,000	\$63,200,000	\$5,266,667	\$302

(d) Contact Information

Nebraska Department of Health & Human Services
 Child Care Subsidy
 P.O. Box 95044
 Lincoln, NE 68509-5044
 Telephone: (402) 471-9325
 Local offices can be located at the following link:
<http://www.hhs.state.ne.us/map/mapindex.htm>

- (e) Useful Links
 - (i) Child care subsidy information for parents:
<http://www.hhs.state.ne.us/chs/chc/ccsubsyypa.htm>
 - (ii) General information on child care in Nebraska:
<http://www.hhs.state.ne.us/chc/chcindex.htm>
 - (iii) National Center for Children in Poverty:
http://www.nccp.org/state_detail_NE_policy_13.html

3. South Carolina

South Carolina's Advocates for Better Care (ABC) program administers CCDF in the state. Income eligible parents must be working, in school, or in a training program.

- (a) Eligibility
 - (i) Income Limits
 - (1) Applicant annual earnings limit for 1-parent family of 3 (2005): \$23,505
 - (2) Recipient annual earnings limit for 1-parent family of 3 (2005)²²: \$27,243
 - (ii) Transitional child care for families may be available for 24 months for those families transitioning from TANF with an income of up to 175% FPL.
- (b) Costs
 - (i) Monthly co-pay for family of 3 at 150% FPL, 1 child in care: \$52 (2005)
 - (ii) Annual co-pay for family of 3 at 150% FPL, 1 child in care: 624 (2005)
 - (iii) Co-pay as % income, family of 3, 150% FPL, 1 child in care: 3% (2005)
- (c) Participation and Spending

²² South Carolina allows families that are currently receiving child care assistance to continue to receive assistance up to a higher income level than initial applicants.

- (i) Participation in child care subsidies among eligible households for all eligible income groups has been estimated to be 10%²³
- (ii) Number of recipients (families): 11,900 (2004)
- (iii) Number of recipients (children): 20,200 (2004)
- (iv) South Carolina no longer maintains a waiting list for child care assistance because the great need for assistance led the list to become unmanageable.
- (v) Total spending (state and federal): \$80,100,000 (2004)
- (vi) Annual spending per family: \$6,735 (2004)
- (vii) Annual spending per child: \$3,967 (2004)

(d) Contact Information

ABC Child Care Program
1-800-476-0199

South Carolina Department of Social Services
Division Director: Leigh Bolick
P.O. Box 1520
Columbia, SC 29202-1520
Telephone: 803-898-2570

(e) Useful Links

- (i) Division of Child Care Services:
<http://www.state.sc.us/dss/childcare/index.html>
- (ii) South Carolina's Advocates for Better Care (ABC):
<http://www.state.sc.us/dss/abc/index.html>
- (iii) National Center for Children in Poverty:
http://www.nccp.org/state_detail_SC_policy_13.html

4. Washington

Washington State Department of Social and Health Services (DSHS) administers CCDF. Working Connections Child Care (WCCC) is

²³ Highlights of South Carolina Child Care Survey, June 2003, Human Services Policy Center, Evans School of Public Affairs, University of Washington, available at <http://hspc.org/publications/pdf/SCHighlights.pdf>

a DSHS child care subsidy program for working families with children (or families with children in certain job training programs).

(a) Income Limits

To be eligible for WCCC, a family's "countable income" (gross income less child support payments) must be at or under the income standards below (standards effective 4/1/2005).

Monthly Income Limits

Family Size	Maximum Monthly Countable Income
1	\$1596
2	\$2138
3	\$2682
4	\$3226
5	\$3768
6	\$4312
7	\$4856
8	\$5398

(i) Annual earnings limit for 1-parent family of 3 (2005): \$31,344

(b) Benefits and Costs

(i) WCCC will pay for licensed providers in family child care homes and child care centers.

(ii) A family pays a monthly copayment towards the cost of child care, based on countable income compared to the 200% FPL limit, which changes with family size.

Copayment Costs

Countable Income	Copayment
At or below 82% of the FPL	\$15
Above 82% of the FPL up to 137.5% of the FPL	\$50
Above 137.5% of the FPL -200% of the FPL	The dollar amount equal to subtracting 137.5% of FPL from countable income, multiplying by 44%, then adding \$50
Income above 200% of the FPL - not eligible for WCCC benefits.	

(c) Participation and Spending

- (i) In a telephone survey of approximately 500 low income families in Washington,²⁴ 33.2% of eligible families received benefits under the WCCC program.
- (ii) Number of recipients (families): 33,100 (2004)
- (iii) Number of recipients (children): 54,900 (2004)
- (iv) Washington does not have a waiting list for child care assistance. All those who are eligible receive assistance.
- (v) Total spending (state and federal): \$272,800,000 (2004)
- (vi) Annual spending per family: \$8,242 (2004)
- (vii) Annual spending per child: \$4,969 (2004)

(d) Application Information

Applicants can apply online at:

https://wvs2.wa.gov/dshs/onlineapp/introduction_1.asp

(e) Contact Information

- (i) Rachael Langen, Director
Division Director
Division of Child Care & Early Learning (DCCEL)
Telephone: (360) 725-4665
Fax: (360) 413-3482
E-Mail Address: Langera@dshs.wa.gov
Resource & Referral Network Child Care Information Line
1-800-446-1114
Web Address:
<http://www1.dshs.wa.gov/esa/dccel/parents.shtml>
- (ii) Division of Child Care and Early Learning
P.O. Box 45480
Olympia, WA 98504
 - (1) Region 1: (509) 227-2802
 - (2) Region 2: 1-877-980-9140

²⁴ Going It Alone: Why Eligible Families Choose Not to Receive Public Benefits, Debbie Zeidenberg, WorkFirst Performance Team, January 7, 2005, available at <http://www.ofm.wa.gov/humanserv/survey2004/fullreport.pdf>.

- (3) Region 3: (425) 438-4971
- (4) Region 4: 1-800-337-1835
- (5) Region 5: 1-866-755-4834
- (6) Region 6: 1-877-980-9180

(f) Useful Links

- (i) Washington State Department of Social and Health Services (DSHS): <http://www1.dshs.wa.gov/>
- (ii) Child Care Subsidies and Early Childhood Education Options (quick reference guide):
<http://www.dshs.wa.gov/pdf/publications/22-859.pdf>
- (iii) National Center for Children in Poverty:
http://www.nccp.org/state_detail_WA_policy_13.html

(g) Washington ECEAP

- (i) Early Childhood Education and Assistance Program (ECEAP) is a part-time pre-school program funded by the State of Washington Office for Community Development and by state municipalities. It provides early education for four-year-old children (and three-year-old children in some programs) in income-eligible families and encourages families to become involved in their children's educational development. ECEAP also provides nutrition and health services and family support.
 - (1) Early Childhood Education and Assistance Program
906 Columbia Way SW
PO Box 42525
Olympia, WA 98504-2525
Telephone: (360) 725-2830
Fax: (360) 586-0489
Email: ECEAP_Admin@cted.wa.gov
 - (2) Application available at
http://cted.wa.gov/_CTED/documents/ID_2051_Publications.pdf
 - (3) Information on Seattle's ECEAP:
<http://www.ci.seattle.wa.us/humanservices/fys/ECEAP/default.htm>

B. Employer Polling Data on Child Care Subsidies

1. Employer Familiarity With Benefits

The majority of employers were not familiar with available child care subsidies in Alabama (60%), Nebraska (68%) and Washington (62%). In South Carolina, 38% of employers were not familiar with child care subsidies and 36% were somewhat familiar with them.

2. Employee Participation

In Alabama, 14% of the employers surveyed reported that they have employees participating in child care subsidies programs. In Nebraska, 13% of employers responded that their employees participate in child care subsidies programs and in Washington, 12% of employers surveyed said that they have employees in such programs. In South Carolina, 3% of employers reported having at least one employee enrolled in child care subsidies programs and 18% were unsure of whether they have employees enrolled in such programs.

III. Food Stamps

A. Eligibility Requirements

1. Income Limits

Income Eligibility

Household Size	Gross Income Limits	Net Income Limits
1	\$12,444	\$9,576
2	\$16,680	\$12,840
3	\$20,928	\$16,092
4	\$25,164	\$19,356
5	\$29,400	\$22,620
6	\$33,636	\$25,872
7	\$37,872	\$29,136
8	\$42,108	\$32,400
For each additional member	\$4,248	\$3,264

- Households in which all members receive TANF funded services or SSI benefits do not have to meet gross income or asset eligibility criteria.

2. General Eligibility Criteria

(a) Asset Limit:

- All states: \$2,000 per household (FY 2006)
- All states: \$3,000 for households containing an elderly or disabled member (FY 2006)
- The following assets are excluded from the asset limit: home and lot, the resources of people who receive Supplemental Security Income (SSI), the resources of people who receive Temporary Assistance to Needy Families (TANF), and most retirement (pension) plans. Licensed vehicles meeting certain requirements are also excluded.

(b) Immigrant Eligibility:

- Federal restrictions on lawful permanent residents' (LPRs) access to benefits: Adults are generally barred during their first five years as LPRs.

- LPRs eligible for state-funded benefits when barred from federal:

Alabama: No

Nebraska: Yes

South Carolina: N/A (South Carolina does not have a state-funded food stamps program)

Washington: Yes

- (c) Work Requirements: Generally, must work or register for work and accept suitable job offers.
- (i) Exemptions from work requirements include exemptions for persons caring for a dependent child under age 6 or unable to find adequate child care for children ages 6-12.
- (ii) States may institute other exemptions, such as South Carolina, which does not require participation in an employment and training program in order to be eligible for food stamps.

B. Benefits

Maximum Allotment Paid *

Household Size	Maximum Allotment (Monthly)	Maximum Allotment (Annually)
1	\$152	\$1,824
2	\$278	\$3,336
3	\$399	\$4,788
4	\$506	\$6,072
5	\$601	\$7,212
6	\$722	\$8,664
7	\$798	\$9,576
8	\$912	\$10,944
For each additional member	\$114	\$1,368

* Allotment is based on a household with no income and is reduced as income increases.

C. Participation Levels

Participation Rates (2003, unless noted)

	Alabama	Nebraska	South Carolina	Washington
Number of recipients (households with children)	103,000	21,000	108,000	83,000
Number of recipients (children)	225,000	46,000	226,000	171,000
Average monthly participation (persons) (2005)	558,596	117,415	521,125	508,472
Participation rate ²⁵	56%	56%	65%	60%
Federal spending per household per year	\$2,519	\$2,101	\$2,400	\$2,046

D. Process for Application

1. Documentation Required

(a) Alabama

- (i) Proof of identity (driver's license, birth certificate)
- (ii) Check stubs
- (iii) Proof of unearned income (child support, social security, or SSI)
- (iv) Rent receipts
- (v) Medical bills
- (vi) Bank statements
- (vii) Day care receipts

(b) Nebraska

- (i) Proof of identification for each family member in household
- (ii) Proof of resources (e.g., bank accounts, property owned other than home, automobiles)
- (iii) Proof of income
- (iv) Proof of expenses

(c) South Carolina

²⁵ Estimated based on Mathematica Policy Research Study, November 2005

- (i) Proof of identification for each family member in household
- (ii) Proof of resources (e.g., bank accounts, property owned other than home, automobiles)
- (iii) Proof of income
- (iv) Proof of expenses
- (d) Washington
 - (i) Bank statements
 - (ii) Life insurance policies
 - (iii) Loan statements
 - (iv) Pay stubs
 - (v) Social security card
 - (vi) Tax return
 - (vii) Utility bills

2. Application Procedures

- (a) Alabama
 - (i) Complete the Alabama Food Stamp Application:
http://www.dhr.state.al.us/large_docs/Food%20Stamp%20Application.pdf
 - (ii) Or, apply at a local office:
<http://www.dhr.state.al.us/Counties.asp>
- (b) Nebraska
 - (i) Complete the Application for Benefits and return to a local Health and Human Services office:
<http://www.hhs.state.ne.us/fia/EA-117.pdf>
 - (ii) Office locations available at:
<http://www.hhs.state.ne.us/map/mapindex.htm>
- (c) South Carolina

(i) Complete the Application and return to the Department of Social Services: <http://www.healthyhelpings.org/3800.pdf> and <http://www.healthyhelpings.org/3800sp.pdf> (in Spanish)

(ii) Office locations available at: 1-800-768-5700

(d) Washington

(i) Apply online:
https://wvs2.wa.gov/dshs/onlineapp/introduction_1.asp

(ii) Or, apply at a local office:
<https://wvs2.wa.gov/dshs/onlinecso/findservice.asp>

E. Employer Polling Data on Food Stamps

1. Employer Familiarity with Benefits

The majority of employers were very familiar or somewhat familiar with food stamps in Alabama (64%), Nebraska (52%), South Carolina (84%) and Washington (69%).

2. Employee Participation

Twenty-six percent of employers surveyed in Alabama reported that some of their employees were receiving food stamps. In Nebraska, 7% of employees reported that any of their employees were participating in the food stamps program. Eleven percent of employers in Washington responded that some of their employees were receiving food stamps. In South Carolina, 7% of employers reported having at least one employee enrolled in the Food Stamps Program and 15% of employers were unsure of whether they have any employees enrolled in the program.

F. Contact Information

1. Alabama

Alabama State Information/Hotline Number:
(334) 242-1700

2. Nebraska

Nebraska Department of
Health and Human Services
P.O. Box 95044
Lincoln, NE 68509-5044
(402) 471-2306

Local offices can be located at the following link:
<http://www.hhs.state.ne.us/map/mapindex.htm>

3. South Carolina
South Carolina Department of Social Services
P.O. Box 1520
Columbia, SC 29202-1520
(803) 898-7601
http://www.healthyhelpings.org/food_stamp.htm
South Carolina State Information/Hotline Number:
1-800-768-5700
4. Washington
Washington State Department of Social & Health Services, Community Services Division:
<http://www1.dshs.wa.gov/esa/outreach/index.shtml>
Washington State Information/Hotline Number: 1-800-865-7801

G. Useful Links

1. Alabama
 - (a) To find the nearest food stamp office:
<http://www.dhr.state.al.us/Counties.asp>
 - (b) Department of Human Resources:
<http://www.dhr.state.al.us/page.asp?pageid=159>
 - (c) United States Department of Agriculture:
<http://www.fns.usda.gov/fsp/outreach/states/alabama.htm>
 - (d) National Center for Children in Poverty:
http://www.nccp.org/state_detail_AL_policy_20.html
2. Nebraska
 - (a) Nebraska Health and Human Services System:
<http://www.hhs.state.ne.us/fia/fstamps.htm>
 - (b) National Center for Children in Poverty:
http://www.nccp.org/state_detail_NE_policy_20.html
 - (c) Nebraska Appleseed
<http://www.NeAppleseed.org>
3. South Carolina
 - (a) United States Department of Agriculture:
<http://www.fns.usda.gov/fsp/outreach/states/south-carolina.htm>

- (b) National Center for Children in Poverty:
http://www.nccp.org/state_detail_SC_policy_20.html
- (c) South Carolina Appleseed Legal Justice Center
<http://www.scjustice.org>
- (d) South Carolina Department of Social Services
http://www.healthyhelpings.org/food_stamp.htm

4. Washington

- (a) United States Department of Agriculture:
<http://www.fns.usda.gov/fsp/outreach/states/washington.htm>
- (b) Washington Basic Food Program:
https://wvs2.wa.gov/dshs/onlinecs/food_assistance_program.asp
- (c) Family Food Hotline: *<http://www.familyfoodline.org/>*
- (d) National Center for Children in Poverty:
http://www.nccp.org/state_detail_WA_policy_20.html

IV. Public Health Insurance - Medicaid and SCHIP

A. Federal Information

- (1) Medicaid rules require states to offer coverage to children <6 years old up to at least 133% of the FPL and <19 years old up to 100% of the FPL. With SCHIP funds, states may extend coverage for children <19 years old who are not eligible for Medicaid up to 200% FPL or up to 50 percentage points above regular Medicaid income limits.
- (2) Lawful permanent residents (LPRs) are generally barred during their first five years as LPRs, but their citizen children are eligible. However, all immigrants, regardless of status, are eligible for Emergency Medicaid.
- (3) Under federal requirements, Medicaid plans for children (including SCHIP-funded expansions) must include certain services, such as family planning and Early and Periodic Screening, Diagnosis, and Treatment (EPSDT). Other important services, such as dental care, are optional, and states have additional flexibility in separate SCHIP plans.
- (4) In Medicaid (including SCHIP-funded expansions), nearly all cost-sharing is prohibited for children covered based on family income. In separate SCHIP plans, states may impose premiums, deductibles or other cost-sharing, but fees may not exceed 5% of income (additional limits apply for children in families with income of 100-150% of the FPL)

B. State Program Information

1. Alabama (Has a Separate SCHIP called ALL Kids)

Alabama's SCHIP, the ALL Kids program, is separate from the Medicaid program. If a child qualifies for Medicaid, he or she is ineligible for ALL Kids participation.

(a) Medicaid Program

(i) Eligibility

(1) Income Limits

- a. Medicaid income limit for children ages 0-1 in family of three: \$22,078/year (2006) (133% of FPL)

- b. Medicaid income limit for children ages 1-5 in family of three: \$22,078/year (2006) (133% of FPL)
- c. Medicaid income limit for children ages 6-18 in family of three: \$16,600/year (2006) (100% of FPL)
- d. Medicaid income limit for working parents in family of three: \$ 3,154/year (2006) (19% of FPL)
- e. Medicaid income limit for pregnant women in family of three: \$22,078/year (2006) (133% of FPL)

Income Guidelines Chart (as of Feb. 1, 2006)

Family Size	Annual Gross Income Children Under 6 years			Annual Gross Income Children Ages: 6-18 Years		
	Medicaid	ALL Kids Low Fee	ALL Kids Fee	Medicaid	ALL Kids Low Fee	ALL Kids Fee
1	\$0-13,034	\$13,035-14,700	\$14,701-19,600	\$0-9,800	\$13,035-14,700	\$14,701-19,600
2	\$0-17,556	\$17,557-19,800	\$19,801-26,400	\$0-13,200	\$17,557-19,800	\$19,801-26,400
3	\$0-22,078	\$22,079-24,900	\$24,901-33,200	\$0-16,600	\$22,079-24,900	\$24,901-33,200
4	\$0-26,600	\$26,601-30,000	\$30,001-40,000	\$0-20,000	\$26,601-30,000	\$30,001-40,000
5	\$0-31,122	\$31,123-35,100	\$35,101-46,800	\$0-23,400	\$31,123-35,100	\$35,101-46,800
6	\$0-35,644	\$35,645-40,200	\$40,201-53,600	\$0-26,800	\$35,645-40,200	\$40,201-53,600
7	\$0-40,166	\$40,167-45,300	\$45,301-60,400	\$0-30,200	\$40,167-45,300	\$45,301-60,400
8	\$0-44,688	\$44,689-50,400	\$50,401-67,200	\$0-33,600	\$44,689-50,400	\$50,401-67,200
Each Add'l Person, add	\$4,522	\$4,590	\$6,800	\$3,400	\$5,100	\$6,800

- (2) Assets: Assets are not considered in eligibility determination.
 - (3) Immigrant Eligibility: LPRs are not eligible for state-funded benefits when barred from federal benefits, but their citizen children are eligible.
- (ii) Benefits

Medicaid provides health care services to those who are eligible.

- (iii) Participation and Spending²⁶
 - (1) Number of children in Medicaid: 312,248 (2005)
 - (2) Percentage of low-income children without health insurance (2003-2004): 16%
 - (3) Spending per child in Medicaid (FY 2002): \$1,480

- (iv) Application Information

Online application at Insure Alabama:
<https://www.insurealabama.org/>

or

Alabama Department of Public Health
<http://www.adph.org>

- (v) Contact Information

Alabama Medicaid Agency (SOBRA or MLIF)
P.O. Box 5624
Montgomery, AL 36103-5624
1-800-362-1504

- (vi) Useful Links

Alabama Medicaid Agency
<http://www.medicaid.state.al.us/>

- (b) ALL Kids Program

- (i) Eligibility

- (1) Income Limits

SCHIP (separate program) income limit for children in family of three: \$33,200/year (2006) (200% of FPL)

Also, see Income Guidelines Chart in section (a)(i)(1) above.

- (2) Assets: Assets are not considered in eligibility determination

²⁶ State Medicaid Fact Sheet, The Kaiser Commission on Medicaid and the Uninsured, available at <http://statehealthfacts.org>.

(3) Immigrant Eligibility: LPRs are not eligible for state-funded benefits when barred from federal benefits, but their citizen children can receive ALL Kids coverage as long as they meet income eligibility.

(ii) Benefits

(1) ALL Kids provides health insurance for a low or reduced fee to children who do not qualify for Medicaid but cannot afford private insurance coverage.

(2) Alabama SCHIP provides health insurance to children in eligible families for \$50 per child per year, \$150 maximum per family per year (at 100-150% FPL) and for \$100 per child per year, \$300 maximum per family per year (151-200% FPL). There are no exclusions for pre-existing conditions. Once approved, coverage will begin on the first day of the month after the application for enrollment is received.

(iii) Participation and Spending

(1) Number of children in SCHIP: 65,912 (2006)

(2) Total SCHIP spending: \$103,134,985, (FY 2005)

(iv) Application Information

Online application at Insure Alabama:

<https://www.insurealabama.org/>

or

Alabama Department of Public Health

<http://www.adph.org>

(v) Contact Information

Children's Health Insurance Program

201 Monroe Street, Ste. 250

Montgomery, AL 36104

P O Box 303017

Montgomery, AL 36130-3017

1-334-206-5568

1-877-774-9521

ALL Kids
P.O. Box 304839
Montgomery, AL 36103-5624
1-888-373-KIDS (5437)
Se Habla Español

(vi) Useful Links

Alabama Department of Public Health:
<http://www.adph.org/allkids/>

2. Nebraska (Has Medicaid-expansion SCHIP called Kids Connection)

(a) Medicaid/SCHIP Eligibility

(i) Income Limits

- (1) Medicaid income limit for children ages 0-1 in family of three: \$30,710/year (2006) (185% of FPL)
- (2) Medicaid income limit for children ages 1-5 in family of three: \$30,710/year (2006) (185% of FPL)
- (3) Medicaid income limit for children ages 6-18 in family of three: \$30,710/year (2006) (185% of FPL)
- (4) Medicaid income limit for working parents in family of three: \$7,716/year (2006) (46% of FPL)
- (5) Medicaid income limit for pregnant women in family of three: \$30,710/year (2006) (185% of FPL)

If a child has health insurance and is thus not eligible for Kids Connection, the child may still be eligible for Medicaid health benefits to supplement the insurance if his or her family's income meets the federal requirements of up to 133% of FPL for children under 6 and up to 100% of FPL for children ages 6-18.

**Coverage For Children Age 0 To 18 (185% of Poverty Level)
(2006)**

Number of family members	Adjusted Monthly Income	Adjusted Annual Income
1	\$1,510	\$18,130
2	\$2,035	\$24,420
3	\$2,559	\$30,710
4	\$3,083	\$37,000
5	\$3,607	\$43,290

6	\$4,131	\$49,580
For each additional family member add	\$525	\$6,290

(ii) Assets:
Assets are not considered in eligibility determination

(iii) Immigrant Eligibility:
LPRs are eligible for state-funded benefits when barred from federal benefits

Pregnant women, regardless of immigration status, are eligible for prenatal care and all immigrants, regardless of immigration status, are eligible for Emergency Medicaid.

(b) Benefits

(i) Medicaid provides health care services to those who are eligible. Eligible pregnant women can receive pre-natal care.

(ii) Nebraska SCHIP provides free health insurance to children in eligible families.

(c) Participation and Spending

(i) Number of children in Medicaid (including Medicaid SCHIP): 128,107 (FY 2006)

(ii) Number of children in Medicaid expansion SCHIP: 23,697 (2004)

(iii) Percentage of low-income children without health insurance (2003-2004): 16%

(iv) Spending per child in Medicaid (including Medicaid SCHIP) (FY 2002): \$1,637

(v) Total SCHIP spending (FY 2004): \$49,061,368/year

(d) Application Information

(i) Application available at:
Nebraska Health and Human Services:
<http://www.hhs.state.ne.us/med/kidsconx.pdf>
Submit with proof of income to:
Kids Connection
P.O. Box 94926
Lincoln, NE 68509-4926

(e) Contact Information

- (i) Nebraska Department of Health & Human Services Finance & Support
P.O. Box 95026
Lincoln, NE 68509-5026
Telephone: (402) 471-8845
E-mail: deb.scherer@hhss.ne.gov
- (ii) Kids Connection: 1-877-632-5437

(f) Useful Links

- (i) Nebraska Health and Human Services:
<http://www.hhs.state.ne.us/med/kidsconx.htm>
- (ii) Nebraska Appleseed
<http://www.NeAppleseed.org>

3. South Carolina (Has Medicaid-expansion SCHIP called Partners for Healthy Children)

(a) Medicaid/SCHIP Eligibility

- (i) Income Limits - Up to 150% of FPL, with limited exceptions
 - (1) Medicaid income limit for children ages 0-1 in family of three: \$30,710/year (2006) (185% of FPL)
 - (2) Medicaid income limit for children ages 1-5 in family of three: \$24,900/year (2006) (150% of FPL)
 - (3) Medicaid income limit for children ages 6-18 in family of three: \$24,900/year (2006) (150% of FPL)
 - (4) Medicaid income limit for working parents in family of three: \$16,102/year (2006) (97% of FPL)
 - (5) Medicaid income limit for pregnant women in family of three: \$30,710/year (2006) (185% of FPL)

**Coverage For Children Age 1 To 18 (150% of Poverty Level)
Effective March, 2006**

Family Size	Monthly Income	Annual Income
1	\$ 1,225	\$ 14,700
2	\$1,650	\$19,800
3	\$2,075	\$24,900

Family Size	Monthly Income	Annual Income
4	\$2,500	\$30,000
5	\$2,925	\$35,100
6	\$3,350	\$40,200
For each additional family member add	\$425	\$5,100

- (ii) Assets are not considered in eligibility determination
- (iii) Immigrant Eligibility:
LPRs are not eligible for state-funded benefits when barred from federal benefits

(b) Benefits

- (i) Medicaid provides free health insurance to those who are eligible.
- (ii) South Carolina SCHIP provides free health insurance to children in eligible families with no copayments.

(c) Participation and Spending

- (i) Number of individuals eligible for Medicaid (2005): 1,706,000
- (ii) Number of individuals receiving Medicaid (2005): 877,210
- (iii) Number of children in Medicaid expansion SCHIP (2004): 51,469
- (iv) Percentage of low-income children without health insurance coverage (2003-2004): 16%
- (v) Spending per child in Medicaid (FY 2002): \$1,372
- (vi) Total SCHIP spending (2004): \$64,328,414

(d) Application Information

- (i) Application for South Carolina Partners for Healthy Children available at:
<http://www.dhhs.state.sc.us/dhhsnew/QandAResults.asp?formID=FM%20505&incomeID=phc>.

Application for South Carolina Partners for Health
available at:

<http://www.dhhs.state.sc.us/dhhsnew/QandAResults.asp?FormID=FM+910>

(ii) Mail application and proof of income to:
South Carolina Department of Health and Human Services
Division of Central Eligibility Processing
PHC, Post Office Box 100101
Columbia, South Carolina 29202-3101

(iii) Or call for an application: 1-888-549-0820

(e) Contact

(i) South Carolina Department of Health and Human Services:
<http://www.dhhs.state.sc.us/dhhsnew/InsideDHHS/Bureaus/BureauofEligibilityProcessing/phc.asp>

(ii) Partners for Healthy Children
P.O. Box 1000101
Columbia, SC 29202-3101
Toll-Free: 1-888-549-0820

(f) Useful Links

South Carolina Appleseed Legal Justice Center:
<http://www.scjustice.org>

4. Washington (Has a Separate SCHIP called Healthy Kids Now)

(a) Medicaid, Children's Health Program and Basic Health

(i) Eligibility

(1) Income

- a. Medicaid income limit for children ages 0-1
in family of three: \$33,200/year (2006)
(200% of FPL)
- b. Medicaid income limit for children ages 1-5
in family of three: \$33,200/year (2006)
(200% of FPL)
- c. Medicaid income limit for children ages 6-
18 in family of three: \$33,200/year (2006)
(200% of FPL)

- d. Medicaid income limit for working parents in family of three: \$13,446/year (2006) (81% of FPL)
- e. Medicaid income limit for pregnant women in family of three: \$30,710/year (2006) (185% of FPL)
- f. Children's Health Program income limit for family of three: \$16,600 (2006) (100% of FPL)

Qualifying Income, as of 4/1/06

Number of People in Family (includes parents & children)	Children's Health Program (approx. income per month)	Medicaid (Free Health Insurance) and Basic Health (approx. income per month)	SCHIP Low-cost Health Insurance (approx. income per month)
1	Up to \$817	Up to \$1,634	\$1,634 to \$2,042
2	Up to \$1,100	Up to \$2,200	\$2,200 to \$2,750
3	Up to \$1,384	Up to \$2,767	\$2,767 to \$3,459
4	Up to \$1,667	Up to \$3,334	\$3,334 to \$4,167
5	Up to \$1,950	Up to \$3,900	\$3,900 to \$4,875
More	Add \$284 for each additional family member	Add \$567 for each additional family member	Add \$708 for each additional family member

(2) Assets :

Assets are not considered for eligibility determination

(3) Immigrant Eligibility:

Children who do not qualify for Medicaid due to immigration status with family income less than levels listed in the above chart are eligible for the state funded Children's Health Program.

Low income immigrant children are also eligible for Emergency Medicaid (if they have a medical emergency) and for state-funded Basic Health, which has premiums, limited benefits, cost-sharing and at times a waiting list.

(ii) Benefits

Medicaid and Children's Health Program provides free health insurance to those who are eligible. Benefits are comprehensive.

Children's Health Program (CHP) provides medical coverage to non-citizen children under the age of 18 with family income at or below 100% Federal Poverty Level who are ineligible for Medicaid due to immigration status. Funding for the program is limited and will only allow enrollment to a limited number of children.

Basic Health provides health insurance to families for premiums on a sliding scale starting at \$17 per month depending on income level, ages and number of enrollees. Benefits are limited and exclude or restrict some services covered by Medicaid, SCHIP and CHP, such as dental care, mental health, medical equipment and supplies, therapies. There is a 9-month pre-existing condition waiting period.

(iii) Participation and Spending

(1) Number of children in Medicaid (FY 2002):
613,900

(2) Percentage of low-income children without health insurance: (2003-2004): 15%

(3) Spending per child in Medicaid (FY 2002):
\$1,039/year

(iv) Application Information

Basic Health:

<http://www.basicealth.hca.wa.gov/doc/application.pdf>

(v) Contact Information

Washington Department of Social and Health Services,
Medicaid Assistance Administration

P. O. Box 45530

Olympia, WA 98504-5530

1-800-562-3022

<https://fortress.wa.gov/dshs/maa/HealthyOptions/>

Basic Health

1-800-660-9840

<http://www.basicealth.hca.wa.gov/>

Children's Health Program:

<https://fortress.wa.gov/dshs/maa/Eligibility/ChildrensHealth.html>

(b) SCHIP (Healthy Kids Now)

(i) Eligibility

(1) Income

a. Income limit for SCHIP for children in family of three: \$41,500/year (2006) (250% of FPL)

b. See qualifying income chart above

(2) Assets

Assets are not considered for eligibility determination

(3) Immigrant Eligibility

LPRs are not eligible for state-funded benefits when barred from federal benefits. Citizen children of immigrant parents are eligible.

(ii) Benefits

SCHIP provides health insurance to children in eligible families for \$15 per child per month, for a maximum of \$45 per family per month. Benefits are comprehensive.

(iii) Participation and Spending

(1) Number of children in SCHIP (2004): 13,585

(2) Total SCHIP spending (FY 2004): \$26,219,988

(iv) Application Information

SCHIP:

<http://fortress.wa.gov/dshs/maa/chip/Howtoapply.html>

(v) Contact Information

Healthy Kids Now, 1-877-543-7669,

<http://www.healthykidsnow.net/>

Washington Department of Social and Health Services,
Children Health Insurance Plan:

<http://fortress.wa.gov/dshs/maa/chip/>

(c) Useful Links

National Center for Children in Poverty:

http://www.nccp.org/state_detail_WA_policy_23.html

United States Department of Health & Human Services:

<http://www.cms.hhs.gov/LowCostHealthInsFamChild/schipaspi/list.asp>

B. Employer Polling Data on Medicaid/SCHIP

1. Employer Familiarity With Benefits

The majority of employers were not familiar with Medicaid/SCHIP in Alabama (55%), Nebraska (57%) and Washington (60%). In South Carolina, 37% of employers were not familiar with these programs.

2. Employee Participation

In Alabama, 17% of employers surveyed have employees benefiting from the Medicaid/SCHIP program. In Nebraska, 13% of employers responded that some of their employees are enrolled in Medicaid/SCHIP. In Washington, 5% of businesses surveyed reported having employees enrolled in Medicaid/SCHIP. In South Carolina, 14% of employers reported having at least one employee enrolled in Medicaid/SCHIP and 15% of employers were unsure of whether they have employees enrolled in the program.