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Testimony Re: House Bill 7686-Rhode Island Works

House Finance Committee

May 9, 2024

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Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony today. Rhode Island KIDS COUNT would like to voice its strong support for House Bill 7686 and thank Representative Handy for sponsoring and Representatives Vella-Wilkinson, Cruz, Potter, Kazarian, Sanchez, Morales, Slater, Diaz, and Batista for co-sponsoring. This legislation seeks to amend the Rhode Island Works Program by eliminating the waiting period for lawful permanent residents to receive benefits and increasing the monthly cash benefit to 50% of the federal poverty level, effective July 1, 2024. It also implements yearly cost of living adjustments to maintain this benefit at no less than 50% of the federal poverty level and eliminates the practice of full family sanctions.

The Rhode Island Works Program

The Rhode Island Works (RI Works) Program assists very low-income families in meeting their basic needs through various forms of support, including cash assistance, employment services, food assistance, health insurance, and subsidized childcare. As of December 2023, there were 2,475 adults and 5,644 children under age 18 enrolled in RI Works. Seventy percent of RI Works beneficiaries were children, and 41% of the children enrolled in RI Works were under the age of six. House Bill 7686 would strengthen the current program by providing targeted policies that improve the economic security of families and support children with the greatest need.

Rhode Island KIDS COUNT is the lead convener of The Raising RI Coalition, a coalition of 60 advocacy, faith, health care and social service organizations dedicated to lifting children out of poverty by increasing the RI Works benefit and to breaking the cycle of poverty by providing parents with education and training opportunities leading to well-paying, secure jobs. Coalition members include the Economic Progress Institute, Newport Partnership for Families, Rhode Island AFL-CIO, The Rhode Island Interfaith Coalition to Reduce Poverty, the Right from the Start Campaign, United Way of Rhode Island, The Rhode Island Chapter of the American Academy of Pediatrics, The Rhode Island Coalition Against Domestic Violence, and many more.

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We thank the General Assembly for the significant reforms it has made over the past few years to improve the lives of families enrolled in RI Works, including the first benefit increase in 30 years, extending the lifetime limit from 48 to 60 months, amending the work requirements to allow a parent to attend the Community College of Rhode Island for two years, providing pregnant individuals access to benefits from the onset of their pregnancy increasing the earnings disregard from \$170 to \$300 a month, and increasing the asset limit from \$1,000 to \$5,000 so families can have savings and build a financial safety net. These improvements have made a difference in the lives of Rhode Island families; however, additional reforms are needed to ensure that Rhode Island children and families living in deep poverty get the support they need to live healthy lives.

We urge the General Assembly to make the following improvements to the program.

- **Protect Rhode Island children and families from deep poverty and the effects of inflation:** In 2021, the benefit was increased for the first time in 30 years, increasing the benefit from 30% to 40% of the federal poverty level (FPL). This was improvement, but still left children living in extreme poverty, a circumstance that not only impacts their immediate health and well-being, but also their behavioral, educational, and social outcomes and has long-term consequences for their success in life.

We urge the General Assembly to increase the benefit to 50% FPL and to include a cost-of-living adjustment so the benefit will continue to be adjusted to follow changes in the FPL. Currently, the benefit (\$721 per month for a family of three) is equal to only 30% of the 2023 federal poverty threshold. Without a cost-of-living increase, the benefit will continue to lose value. Funds from the federal TANF block grant can be used to fund this increase.

- **Undo harm to children:** Rhode Island's original TANF program, the Family Independence Program (FIP) enacted in 1997, was crafted to ensure that children would always be supported and that parents were provided services to help them obtain jobs that paid a family-sustaining wage. Under FIP, sanctions for parents who did not comply with their employment plan or with other program rules only reduced the family benefit by the parents' share, so children would not be harmed. (For example, when a parent was sanctioned, the monthly payment for a family of 3 was reduced from \$721 to \$584.)

Subsequent changes to the law required that after a sanction is applied three times during the 60-month lifetime limit the family receives assistance, the case is closed, and children stop receiving cash assistance. The three incidents do not need to be consecutive – so a parent might be sanctioned in 2015, then in 2017, and in 2019 – and the case would be closed after the next occurrence. The parent must reapply for assistance and the family is not eligible for benefits until the month after the parent has participated in an employment plan. This leaves children without any assistance for at least one month and perhaps longer. National research has demonstrated that sanctions harm children.

Full family sanction falls disproportionately on parents with significant barriers, including physical and mental health challenges, limited education, and domestic violence, and does not improve program compliance.

In addition, reopening cases is an administrative burden for the Rhode Island Department of Human Services. It is time to repeal full family sanctions and keep cases open for children. Funds from the federal TANF block grant can be used to fund this change.

- **Support the well-being of immigrant families:** In 1996, along with 'welfare reform' that led to enactment of TANF, Congress put in place restrictions to public benefit programs for immigrants who were lawfully living in the U.S., including prohibiting lawful permanent residents (LPRs) (people with green cards) from receiving SNAP, Medicaid, and TANF until they had been in this status for five years. When the Family Independence Program was enacted, LPR families were eligible for assistance if they met program rules, without a five-year wait. The state used general revenue to provide assistance. When FIP was replaced by RI Works in 2007, the state repealed the eligibility for LPR families to save general revenue.

Eliminating the five-year waiting period for LPRs, will help immigrant children sooner. By providing RI Works benefits to LPR families, Rhode Island would join 13 other states in supporting the well-being of these residents. State general revenue would be required for this change.

Rhode Island currently receives \$95 million in federal funds through the TANF block grant and there is **approximately \$97 million in unspent funds**. In 2021, Rhode Island spent 12% of its TANF funds on cash assistance, significantly lower than the national share of 23%. TANF block grants are meant to be spent on basic assistance, so we have room to grow in this area and use more of these funds for its primary purpose – supporting our poorest children and families. In Rhode Island in 2022, there were 23,487 children living in poverty, with 12,400 living in deep poverty (defined as being 50% below the federal poverty line). However, only 3,101 families received cash assistance. We can make important changes to the RI Works program by investing more of these funds on direct assistance for the 3,101 families that are currently enrolled.

We encourage the General Assembly to support the proposed improvements to the Rhode Island Works program. These changes have been long needed and are essential for improving families' current economic security and the future success of our children.

Thank you for this opportunity to testify today.