After eleven years it is time to review how well the program is protecting young children and preparing their parents for work.

April 2019
Thank you to our donors and philanthropic partners who made this report possible including:

The Rhode Island Foundation
The United Way of Rhode Island
Stoneman Family Foundation
Annie E. Casey Foundation
Carter Family Charitable Trust

Thank you also to:

Catherine Tonsberg who provided the research and initial drafts of this report.
# Table of Contents

INTRODUCTION AND OVERVIEW ......................................................................................................................................................................................... 1

WHO RECEIVES RHODE ISLAND WORKS? ........................................................................................................................................................................... 3

BENEFITS: HOW MUCH AND FOR HOW LONG? ......................................................................................................................................................... 4

HOW DOES RI WORKS HELP PARENTS PREPARE FOR AND FIND WORK? ........................................................................................................... 6

‘CHILD ONLY’ CASES ................................................................................................................................................................................................. 11

UNDERSTANDING FUNDING FOR RI WORKS ......................................................................................................................................................... 13

CONCLUSION ......................................................................................................................................................................................................... 15
Rhode Island Works (RI Works) is the state’s safety net program that provides cash assistance and work readiness services to low-income families with children under age 18. RI Works was passed in 2008, replacing the Family Independence Program (FIP) which was enacted in 1996 after federal welfare reform implemented the Temporary Assistance to Needy Families (TANF) block grant. Approximately 4,100 low-income families receive RI Works benefits.¹

The TANF block grant provides states with a fixed amount of federal funds to operate their own programs designed to meet TANF purposes. Rhode Island’s initial program, The Family Independence Program, promised to protect vulnerable children, help parents gain and sustain gainful employment, and provide support for low-income working parents through cash supplements, health care, and child care assistance.

The RI Works program provided less protection than FIP for children and curtailed the services offered to parents to help them be successful in the workforce. The more restrictive changes included:

• Repealing children’s entitlement to benefits until they turn 18 years old
• Reducing family lifetime limit from 60 months to 48
• Implementing a periodic time limit: 24 months in any 60 month period
• Repealing eligibility for legal permanent residents (green card holders) during first five years
• Requiring parents to do job search as their first activity (although RI Works was enacted in the midst of the great recession when the unemployment rate was one of the highest in the country)

Primarily as a result of these policies, from December 2007 to December 2010, the number of families receiving assistance dropped by 42% (from 9,993 families to 5,834), and the number of parents and children fell by almost 11,000, from 24,050 to 13,078.²

The RI Works program can be a valuable resource for the poorest children in the state. It provides a financial cushion for women escaping domestic violence, families experiencing homelessness and parents who are not able to sustain employment because of lack of skills or other barriers. As a workforce readiness program, it is uniquely suited for parents with young children and limited skills, by offering child care and work preparation programs tailored to meet parents’ varied needs.

But the program is not reaching all needy families: in 2017, for every 100 poor families with children, only 30 received RI Works cash assistance.³

¹ Unless otherwise noted, data in this report are from RI Department of Human Services, RI Bridges Database, December 2018.
I was homeless and staying at the Crossroads family shelter in Providence with my daughter and I was determined to give her a better life - I had goals for myself and I wanted to give her a backyard, and all that. I was determined but didn’t know how to get there.

I found out about RI Works through Crossroads and they told me I could go to school to renew my expired CNA license, which I couldn’t afford on my own. Getting up every day to go to class gave me a sense of normalcy and a mindset that I needed to be in for working. Now I volunteer at the hospital and hope to become a CNA again soon so I won’t have to work multiple double-shifts every week to pay the bills. I’m no longer on RI Works and I’m now creating this better future for myself and my daughter, taking my education even further: I’m Pre-law at Rhode Island College and plan to be a lawyer someday.

I couldn’t have done it without RI Works, and now I feel like I turned a new leaf and I can finally just breathe and not have to worry so much every day.

MEET KENYELL*

*Only first names used to protect privacy
WHO RECEIVES RHODE ISLAND WORKS?

Rhode Island Works serves approximately 4,100 families, including close to 10,000 individuals. Almost three-quarters (72%) of participants are children and 43% of the 7,200 children are under age six. There are families enrolled in RI Works in every city and town in Rhode Island, except for Block Island and West Greenwich. In nine cities, over 100 families are enrolled: West Warwick (114), East Providence (119), Newport (134), Warwick (163), Cranston (193), Central Falls (197), Woonsocket (385), Pawtucket (440), and Providence (1,816).

In over one-third (39%) of the families, only the children are receiving assistance. In these ‘child only’ cases, the parent is not receiving benefits because she is receiving federal SSI benefits, or is a caretaker relative who is not seeking assistance on their own behalf, or who doesn’t meet program eligibility requirements (see page 11 for more about child only families). Single parent families are the majority of families, with a small number of two-parent households.

The majority (87%) of adults are women. Around half (50.7%) of participants are white, a little over one-quarter (26.2%) are Hispanic, and around one-fifth (19.8%) are black.

The majority (77%) of families include one or two children.

---

4 Characteristics and Financial Circumstances of TANF Recipients FY 2017, ACF, HHS. Tables 10, 16, 17, 18.
BENEFITS: HOW MUCH AND FOR HOW LONG?

The benefit payment is based on family size and any countable income. The cash benefit amounts to less than one-third of the federal poverty line.

A family of three receives $554 per month and if the family lives in public housing, the benefit is $50 lower. A single child being raised by relatives, or a first-time pregnant woman, receives $327 per month.

The benefit has not been adjusted in almost thirty years. Had it kept pace with inflation, the current benefit payment for a family of three would be over $1,000.

<table>
<thead>
<tr>
<th>RI Works Benefit Payment</th>
<th>Monthly Benefit</th>
<th>Monthly Benefit (living in public housing)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$327</td>
<td>$277</td>
</tr>
<tr>
<td>2</td>
<td>$449</td>
<td>$399</td>
</tr>
<tr>
<td>3</td>
<td>$554</td>
<td>$504</td>
</tr>
<tr>
<td>4</td>
<td>$634</td>
<td>$584</td>
</tr>
</tbody>
</table>

Source: RI Department of Human Services, RI Bridges Database, December 2018.

TABLE 1

The Rhode Island Works Benefit Hasn’t Been Adjusted in Almost 30 Years

Source: CPI Inflation Calculator, Bureau of Labor and Statistics.

CHART 3
Families receiving cash assistance also receive SNAP benefits and RiTe Care health insurance coverage. Child care assistance is provided only if necessary for the parent to participate in her employment plan. Families in which only the children are receiving cash assistance are not eligible for the early learning opportunities provided by the child care assistance program.

Even with SNAP benefits, families receiving cash assistance have resources that are only 63% of the federal poverty line and 42% of what the Economic Progress Institute’s 2018 Rhode Island Standard of Need finds is needed for a parent to raise two children on a basic budget.

Living on such limited incomes risks exposing children to excessive levels of hardship and stress, which research shows can negatively affect their health and undermine their development, limiting their future economic and social mobility. A growing body of evidence shows that economic security programs like direct financial assistance can improve children’s long-term outcomes.5

Under the rules for the TANF program, the state can use the federal block grant funds for 60 months for a recipient and beyond 60 months for twenty percent of the caseload. The majority of states use the 60 month time limit, as Rhode Island did under FIP. The RI Works law implemented a 48 month lifetime limit for parents and children. It also implemented a periodic time limit of 24 months in any 60 month period. This means that once a family has received benefits for 24 months, the family may not be eligible for 36 months. Rhode Island is the only New England state to have a periodic time limit that applies to all families and only one of eight states around the country. Other states that apply a periodic time limit are Louisiana, Nevada, North Carolina, Ohio, South Carolina, Texas and Virginia.

Families that reach the 24 month periodic time limit or the 48 month lifetime limit can apply for ‘hardship benefits’ and continue to receive assistance as long as they participate in activities to address the need for additional benefits. This includes housing search for homeless families, or participation in employment readiness activities. Around 40 families reach the 24 month time limit each month and almost all (97%) are found eligible for hardship benefits.

---

HOW DOES RI WORKS HELP PARENTS PREPARE FOR AND FIND WORK?

Parents (or caregivers) receiving RI Works cash assistance are required to participate in an employment plan as a condition of receiving assistance. The parent participates in a minimum of 20 hours of activities a week if she has a child under age six and for 30 hours if the youngest child is six or older. If both parents are in the home, the work requirement is 35 hours. If the parent fails to participate (without good cause) a sanction is applied. For the first three instances, the family’s benefit is reduced and for subsequent failures to comply, the family’s cash is stopped. Benefits may be restored once the parent starts to participate in her employment plan.

The work readiness services offered through the program are uniquely suited to meet the varied needs of parents and importantly, child care assistance is provided at no cost to parents to make it possible for them to participate in employment readiness activities. Access to child care assistance for families not receiving RI Works cash assistance is limited: parents need to be working at least 20 hours per week or enrolled in certain short-term training programs for an equivalent amount of time. The availability of child care assistance, coupled with the cash benefit, provides a foundation for parents to make the most of their time on RI Works to gain or increase their skills.

MEET ELBA*

I came to Rhode Island from Puerto Rico after Hurricane Maria. The storm left us with nothing, and my daughter’s health was poor. I participated in the Rhode Island Works program so I would be able to get a job and support my daughter. I enrolled at Genesis Center for English classes, and I was excited when I found out that they offer Pharmacy Technician training, because I had a Pharmacy Technician certificate in Puerto Rico. I applied for the program, and was accepted. I graduated in the summer of 2018.

After graduating, I was hired by CVS as a Pharmacy Technician. I no longer receive cash assistance, and I have my own apartment in Woonsocket. My next step is to earn my Pharmacy Technician 2 license, and then study to become a pharmacist so I can provide more opportunities for my daughter. I am grateful for the Rhode Island Works program because it gave me the opportunity to get a job doing what I enjoy, and to be a role model for my daughter.

*Only first names used to protect privacy
Parents receiving cash assistance often have significant barriers to employment, including behavioral health and physical problems, and lack of work history. Many parents have limited foundational workforce skills including literacy and numeracy, digital literacy, writing proficiency and critical thinking skills.

DHS administers the Test of Adult Basic Education (TABE) to newly enrolling parents. An 8th grade reading level is generally required to enroll in training programs that can lead to a career that pays a family-sustaining wage. As shown in Charts 4 and 5, most parents do not meet this standard and math proficiency is sorely lacking.

Since the start of RI Works, DHS has provided the RI Department of Education (RIDE) with funds for Project Opportunity to address the needs of parents who read below the 3rd grade level, or below the 6th grade level and have limited work history or who are not proficient in English.

In the fall of 2017, DHS changed the way it provides employment readiness services to parents receiving cash assistance. DHS contracted with four agencies to provide all or some defined program components: supportive services, youth services, vocational training, and work preparation (job readiness, employment and retention). The agencies and components offered are shown in Table 4. The DHS Employment and Career counselors refer parents to one of the four agencies or Project Opportunity as appropriate. After completing a comprehensive assessment, CCAP and ResCare subcontract with local agencies and programs to provide services appropriate to the parent’s needs and goals.
I was a teen mom but I knew I would work hard to give my child a better life than I had. I was committed to my education and received my GED while also working a minimum wage job, but I was still struggling. I eventually met with a caseworker at DHS who told me I was eligible for the RI Works program. The cash assistance helped to alleviate a lot of the financial stress while I was struggling to find the best for myself and my child. While I learned how to make a great resume, I didn’t have much experience and it was hard for me to find a job.

After experiencing postpartum depression, after the birth of my second child, I was referred to the RIW Supportive Services program at Community Care Alliance. This helped me deal with a lot of my mental and emotional problems. It gave me the opportunity to learn important skills in a caring environment, like the Money Matters class that taught me how to budget for things I need. I learned that there were classes and funding available for me to become a student and gain skills to get a good job.

Through working with Renee and Robyn at Community Care Alliance, I’ve learned I am a good mom and a great person and I am worth a little bit more help sometimes. There are so many people who could use the empathy that the case managers and workers provided me with.

*Only first names used to protect privacy

Parents who need to address mental health, physical health, substance use or other issues that require attention before the parent can prepare for or look for work are provided ‘supportive services.’

Parents who disclose that they are victims of domestic violence are referred to the Family Violence Option Program (FVOP), hosted by the Women’s Resource Center. Trained domestic violence advocates provide victims/survivors with immediate crisis counseling and safety planning as well as connection to assistance with emergency shelter, obtaining orders for protection and other necessary services. The FVOP advocates also make recommendations about the parent’s employment plan to the DHS staff.

Parents who are ready to work are assisted with finding a job and services to help them stay employed.

Youth services are provided to pregnant and parenting teens under age 20. They are assisted in completing their high school education or obtaining a GED. In December 2018, there were 77 parents under age 20 enrolled in RI Works.
Parents who have the requisite math and reading skills can participate in vocational training. Under current law, vocational training can be the parent’s only activity for a maximum of 12 months, either consecutively or over the 48 month limit. To pursue additional education (e.g., to complete a two year program at CCRI), the parent must be working 20 or 30 hours (depending on child’s age) in addition to going to school.

Only federal TANF funds are used for workforce readiness services, including $7.6 million for services provided by and through the four community agencies and $1 million to RIDE for services for parents with limited literacy or English language skills.

Only one-third of parents report completing 12th grade, one in ten finishing 10th or 11th, and half reporting completing less than 10th grade. Securing educational gains while receiving RI Works benefits, whether that’s completing a high school equivalency diploma, an occupational certificate, or post-secondary degree, is an important step toward economic security. As shown in Chart 6, ‘the more one learns, the more one earns’ and workers with more education are less likely to be unemployed.

Median Weekly Earnings (in dollars) and Unemployment Rate (in percent) by Educational Attainment

![Chart showing median usual weekly earnings and unemployment rate by educational attainment.]


CHART 6

“What we do is like putting scaffolding around our parents to build them up so they can be successful in achieving their goals”

*Patricia, Comprehensive Community Action Program Case Manager*
Case management staff are critical to helping parents succeed on their journeys to work. Many parents may participate in more than one component activity at a time, especially combining ‘supportive services’ with work readiness. A snapshot from December 2018 shows the mix of activities in which parents were engaged (Chart 7). Supportive services include assessment and treatment for physical health and behavioral health challenges and addressing homelessness. Education and Training includes: Adult Basic Education, English as a Second Language, studying for a GED, and vocational training.

RI Works Activity Participation, December 2018

- **Supportive Services**: 44%
- **Education & Training**: 31%
- **Job Search**: 25%
- **Job/Work Readiness**: 13%
- **Employment**: 4%
- **Teen/Family Development**: 4%

*Approximately 20% of parents engaged in multiple activities during the month.*

*Numbers show what percentage of parents are engaged in each activity, whether parents engaged in one or more activities. Therefore, percentages add up to more than 100%.*

Source: RI Department of Human Services, RI Bridges Database, December 2018; some cases may have a work exemption and work activity/activities during the same month.
‘CHILD ONLY’ CASES

Over one-third (39%) of families enrolled in RI Works are families in which only the children receive a cash benefit. Of these 1,639 families, almost two in three (63%) are families in which the parent receives SSI benefits because she has been found to have a severe and permanent disability. Others are families in which the child is being raised by a caretaker relative or families in which the parent does not qualify for benefits due to lack of eligible immigration status.

Other than processing financial eligibility for cash assistance for the children, and eligibility of the family for SNAP and Medicaid, the Department of Human Services does not provide any assistance to these families either to help the adults prepare for work or provide services for their children. Child care assistance is only available if the parent is participating in an employment plan, which means that children in ‘child only’ families do not have access to early learning opportunities. Social caseworkers do not meet with families to review child or parent well-being and need for supportive services. These families are essentially on their own.

Parents Receiving SSI Benefits

An adult is eligible for federal SSI benefits if she is poor and has physical and/or mental impairments that will last longer than a year or result in death, and prevent her from engaging in substantial gainful activity. When a parent receives SSI benefits, the children can receive a RI Works payment based on the number of children in the family. Although these families have more combined SSI and RI Works income than a family in which all members receive RI Works, total income is below the poverty level and there are additional challenges for these families related to the parent’s disability.

A study of families in San Francisco where a single parent receives SSI benefits and the child(ren) receive cash assistance highlights this as an area of great concern. Poor mental and physical health pose extra burdens on these families aside from financial struggles. Depression and isolation are disproportionately high in such cases. Being resourceful with limited funds is likely more difficult when physical mobility is a barrier. Over 60% of the parents involved in the San Francisco study reported their children having behavioral problems, and about 20% of their children were in poor health.

Families in which the parent is receiving SSI could also be engaged through the RI Works program to offer work opportunities to the parent. SSI recipients who are able and interested in working can do so without jeopardizing their full SSI benefit. Parents may want the opportunity to increase family income or appreciate being in the workforce.

Non-Parent Caregivers
Children are eligible for RI Works if they live with a relative. If the relative chooses to receive benefits with the children, she is required to participate in an employment plan. If she chooses not to be part of the RI Works payment, then her income is not counted in determining the benefit amount for the child. The relative and the children can receive SNAP benefits as a household, if income is below the limit. If the relative is working at least 20 hours/week and earning less than the income limit, she can receive subsidized child care.

A research synthesis of studies concerning ‘child only’ cases found that about two-thirds of children in non-parental cases live with grandparents. Generally these caregivers are in their early 50s and many report health problems and difficulties with activities of daily living. While these families may be better off financially (when the non-parent caregiver has her own income), children have higher rates of poor mental health, trauma and educational difficulties than other children receiving TANF. This same study notes that “the intersection between TANF and child welfare policies is critical since evidence suggests that from one-third to one-half of children in non-parental, child-only units have had some contact with child protective services.” State child welfare policies and state TANF policies need to be aligned to provide safety for children and financial security for families.

Non-qualified Immigrant Parents
Prior to 1996, lawfully present immigrants were eligible for cash assistance and other federal benefits that helped families make ends meet. After the federal law required lawful permanent residents (green card holders) to be in status for five years before becoming eligible for federally-funded benefits, many states, including Rhode Island through the Family Independence Program, continued to provide cash assistance using state funds. With passage of RI Works, lawfully present immigrants became ineligible for benefits during their first five years. Fourteen states currently use state funds to provide cash assistance and work preparation services through their welfare programs during the immigrant families’ first five years.

Parents who are not eligible for benefits due to their immigration status can apply for benefits for their citizen children. In some families, the parent may not have an authorized immigration status. Understanding the challenges that these families face (including stress from fear of deportation) and providing assistance for the children can help ensure that these young residents are prepared for a secure future.

---

7 TANF Child-Only Cases, OPRE Brief #3, Jan. 2012.
UNDERSTANDING FUNDING FOR RI WORKS

Federal Funding
Rhode Island’s annual TANF block grant funding is $96 million. For 2019, DHS projects spending $99 million in federal funds, including $3 million in TANF carryover funds.

Of the block grant, direct spending for families receiving RI Works includes cash assistance, work readiness, transportation, and some child care spending, accounting for less than half of all federal funds.

State Funding
Additionally, Rhode Island must demonstrate that it expends a minimum amount of general revenue funds for TANF and TANF-related activities under what is known as the maintenance of effort (MOE) requirement. The minimum MOE for Rhode Island (based on a percentage of what the state spent on the predecessor program) is $64 million.

After enactment of the Family Independence Program, state funds were appropriated to help pay for the monthly cash benefit for eligible families, but as of 2010, state funds were ‘zeroed out’ as shown in Chart 10. There are no state funds spent directly for any services for RI Works families.

Rhode Island Spending on Benefits (in millions)
State Fiscal Years 1996-2018

Source: Rhode Island KIDS Count 2019 Factbook

CHART 9

CHART 10
In order to meet the MOE requirement, the state counts expenditures for other programs and services for families with income up to 225% of the federal poverty level, as identified in the state’s TANF State Plan. The majority of the MOE is from state expenditures at the Department of Children, Youth and Families (DCYF).

The reported MOE for 2017 was $77 million. Of that, $40 million (52%) is from expenditures for DCYF, including residential services. Another $19 million (25%) is counted from the state Earned Income Tax Credit for working families and the balance is attributed to state expenditures for Head Start, Weatherization, and grants to the Rhode Island Community Food Bank and other basic needs supporting agencies. The expansion of identifying existing sources of state funds to count toward MOE has allowed the state to reduce direct investments in the very needy families who receive RI Works.

Looking at total federal block grant and MOE spending in 2017, compared to national expenditures, Rhode Island falls behind in direct investments for families enrolled in RI Works—with lower expenditures for cash assistance, work activities and supportive services. While the state exceeds the percentage of expenditures on child care assistance, this is primarily for families who are not receiving cash assistance. The improvements and investments in the child care assistance program over the past several years are critical both for families transitioning off of cash assistance and for those who have never been on the program, but these investments should not come at the cost of meeting the needs of the poorest families.

<table>
<thead>
<tr>
<th>2017 Federal and State TANF Spending by Category</th>
<th>Rhode Island</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Activities</td>
<td>(millions of dollars)</td>
<td>(share of spending)</td>
</tr>
<tr>
<td>Basic Assistance</td>
<td>$24</td>
<td>10%</td>
</tr>
<tr>
<td>Work Activities</td>
<td>$11</td>
<td>7%</td>
</tr>
<tr>
<td>Work Supports and Supportive Services</td>
<td>$2</td>
<td>1%</td>
</tr>
<tr>
<td>Child Care</td>
<td>$42</td>
<td>25%</td>
</tr>
</tbody>
</table>

Note: Spending for Core activities totaled $79 million and spending for Non-core activities totaled $87 million. Non-core activities include: Administration and Systems, Tax Credits, Pre-K, Child Welfare, and other Services.

Source: How States Use Funds Under the TANF Block Grant, Center on Budget and Policy Priorities, February 19, 2019.
CONCLUSION

How well is the RI Works Program providing support to families so their children can thrive and so parents are on a pathway to jobs that pay a family-sustaining wage?

Our answer: Needs Improvement.

A Safety Net program for poor families
The RI Works program has time-limits that are not related to families’ needs and the program no longer allows lawfully present immigrant families to access benefits and services. These policies have led to significantly fewer very poor families qualifying for the cash assistance that can provide them with a modicum of protection against poverty. In addition, the outdated benefit amount leaves families unable to meet basic needs.

We recommend repealing the 24 month periodic time limit and reviewing the policies that have limited access to this safety net benefit program for so many children and their parents. Providing a reasonable increase in the monthly benefit paid to families should also be considered.

Preparing for work
The “work first” focus of the RI Works law has been shown to be a mismatch with the needs of parents enrolled in RI Works. The new work-readiness process implemented in 2017, which includes a more in-depth assessment of parents’ readiness for work, shows that many parents need to address behavioral health, physical health, homelessness and other barriers before being able to make it in the workforce. TABE testing tells us that significant numbers of parents need basic literacy, numeracy and English language services to be able to make progress.

We recommend that DHS ensure that there is clear and consistent data collected about the workforce readiness of parents that can be used to inform the development of programs appropriate to meet their needs. DHS should monitor how well contracted agencies are providing services and incorporate feedback from the agencies about program design changes necessary to help parents succeed. It is time to review the program design and funding for Project Opportunity with input from experts who provide adult education services. The work-readiness program should encourage parents to complete a GED or participate in vocational education to improve their earnings power. Rhode Island should design the work-readiness program to respond to parents’ varied needs and be creative about using federal and state TANF dollars to fund the program design.

Child Only Cases
RI Works does not address the significant needs of the large number of ‘child only’ cases. The majority are children living with parents who are disabled and receiving SSI benefits, as well as children living with a relative caretaker or with a parent who is not eligible for benefits.

We recommend that DHS consider policies that will promote the well-being of children in these families, including for example, enrolling children in early learning programs and providing child care assistance to children being raised by relatives.
Funding
Rhode Island does not invest any state funds in the families receiving RI Works, either for benefits or work-readiness services, and the amount of federal funds from the TANF grant to support families has been shrinking. Spending of state and federal funds combined for the monthly cash benefits and work supports for RI Works families lags behind national spending.

We recommend using state and federal funds, as necessary, to support changes to RI Works that will help more families access this important safety net program, improve employment outcomes for families by aligning work-readiness services with needs, improve services for child only families and provide more resources to families to help meet basic needs.