



**Testimony in Support of Budget Article 15, Sections 7 and 8.
Senate Finance Committee
July 28, 2020**

The Raising Rhode Island Coalition, facilitated by The Economic Progress Institute, writes in support of the two changes to the RI Works Program included in the Governor’s proposed budget and asks the Committee to consider two other changes to the program.

The Coalition is comprised of community, healthcare, social service, policy, religious and advocacy organizations that serve families with low incomes. A list of the organizational members is attached to this testimony and there are 200+ individuals who support the Coalition’s efforts.

RI Works is our state’s safety net and workforce development program for low-income children and parents. It currently serves around 3,500 families, including 8,500 individuals, 72% of whom are children. RI Works is funded through the federal Temporary Assistance to Needy Families (TANF) block grant. Rhode Island receives \$96 million annually in federal funds and must spend \$64 million annually in state funds as a “maintenance of effort” requirement.

The changes to the program in Article 15 will (1) encourage 18 year old youth to stay enrolled in high school to improve their pathway to college or career and (2) smooth the transition to work when a parent starts a job and increase the likelihood that parent will remain employed. We discuss why these changes are important in more detail below.

We would also like this committee to consider two other important changes to the RI Works Program. First, amend the RI Works statute to allow infants and toddlers to receive the annual clothing allowance. Second, amend the statute to increase the monthly benefit.

Allow infants and toddlers to receive the annual clothing allowance: The Governor’s budget for RI Works assumes funding to increase the yearly clothing allowance from \$30 to \$100. However, the statute (RIGL 40- 5.2-33) permits DHS to provide the payment only to “school aged children.” Children receiving RI Works benefits are living in deep poverty with income that is only 30% of the federal poverty level. The clothing allowance provides a little relief to these families living in deep poverty, but 1,884 infants and toddlers do not receive the payment¹. It would cost under \$200,000 to provide the one-time \$100 clothing allowance to these youngsters.

¹ Proposed Statutory Amendment:

§ 40-5.2-33. ~~School-age children.~~ Children’s clothing allowance

Subject to general assembly appropriation, one month each year, each ~~dependent school-age child as defined by the department of human services~~ receiving cash assistance under this chapter in that month shall be given a supplementary payment for the purchase of clothing in accordance with Title IV-A of the Social Security Act, 42 U.S.C. § 601 et seq.

Increase the monthly RI Works benefit

Senator Murray has submitted legislation (S-2203) to increase the RI Works benefit to 50% of the federal poverty level, over the course of two years to lift children out of deep poverty. The benefit has not been adjusted in close to 30 years. Rhode Island is the only New England state that has not raised the benefit, and the payment is the lowest in the region.

We encourage the Committee to take the lead in addressing the egregious poverty in which RI Works families are living. We recognize the challenges for the 2021 budget, but we urge you to provide some relief for children living in impoverished conditions in our state, by increasing the benefit amount. At such a minimal cost, the legislature should at least increase the clothing allowance and provide the once-annual payment to all children in the family, so that infants and toddlers may have access to funds for clothes too.

Support for Article 15, Section 7. Changing the Definition of Dependent Child

Under current state law, when a child turns 18, s/he remains eligible for RI Works benefits only if s/he is enrolled in high school and will graduate before turning 19. This is more restrictive than the TANF definition which provides that an 18 year old is eligible for benefits as long as s/he is enrolled in high school or vocational training (45 CFR 260.30). The budget article would repeal the “turning 19” requirement so the state definition matched the federal definition. High school students who will not graduate before 19 because of their date of enrollment in kindergarten, or because they have learning disabilities, or for other reasons would be able to stay enrolled in RI Works. This is an equity issue as well as promoting student high school completion by providing the cash assistance that the youth and family rely on to help meet basic needs.

Support for Article 15, Section 8. Implementing a Six-Month Earnings Disregard

We support the six-month earnings income exclusion for RI Works parents who start a job for the following reasons:

Families Receiving the Rhode Island Works Benefit Have Income that is Far Less than the Poverty Level

Parents participate in the Rhode Island Works program when they have no other way to support their families. Since the program provides a very minimal cash benefit, when a parent has increased income from a job, the transition can be very challenging to manage. According to the [2018 Rhode Island Standard of Need](#)² assessment, a family of three has unsubsidized expenses of \$55,115/year. However, the maximum monthly benefit amount for a family of 3 is only \$6,648/year, or \$554/month, just around 12% of what it costs to meet their basic needs. Even with other benefits provided in addition to cash assistance, such as SNAP, child care and transportation, families receiving RI Works live in very deep poverty. As such, when families obtain employment, and move from ‘welfare to work,’ it is a giant leap.

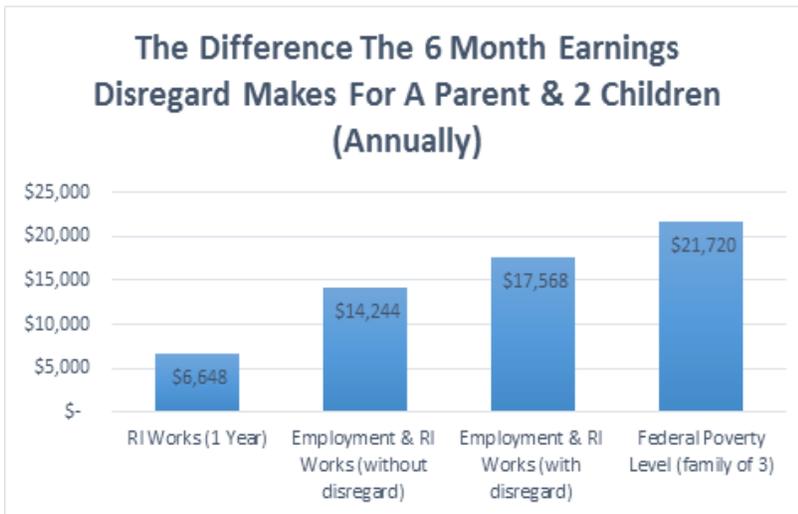
We want to point out that a primary cause of the chasm between the cash benefit and employment is the paucity of the RI Works benefit itself. The benefit hasn’t been raised in close to 30 years, and had it kept pace with inflation, would have been almost double the current amount. While implementing an earned income disregard can help smooth the financial leap from welfare to work,

² Economic Progress Institute, *2018 Rhode Island Standard of Need*, www.economicprogressri.org/RISN

another way to close the gap is to increase the benefit amount. This would have the additional benefit of better supporting families as the parent gains the skills to succeed in the workforce.

The Transition to Work and Change in Income for Families Is Too Abrupt

Families need more time to settle into their jobs, meet up-front working expenses (such as purchasing uniforms, tools, or equipment), and paying past-due bills that may have accrued while they were unable to work. Under current rules, if a parent with 2 children starts to earn \$1,270/month, the family is closed to RI Works soon after starting a job. The family not only loses the cash assistance, but help paying for transportation and other services. Implementing the 6-month earnings disregard provides a steady, understandable, and predictable transition which would allow families better plan for a change in their circumstances.



Federal Poverty Level (2020) U.S. Department of Health & Human Services.

The Six-Month Earning Disregard Would Improve Families Economic Stability

The 6-month earnings disregard would provide a newly employed RI Works parent with an income bridge between deep poverty and meeting their families' needs without the cash benefit. The chart shows the income of a family of 3 over a 12 month period when the parent works at a 40 hour/week minimum wage job for six months. Without any earnings, a family of 3 has annual income of \$6,648 from RI Works.

Under the current rules, when a parent starts a full-time minimum wage job, the RI Works benefit stops – so for 6 months the family has RI Works only and for six months the family has only earnings, for a total of \$14,244 (67% of the federal poverty level). With the 6 month disregard, the family's 12 month income rises to \$17,568, bringing the income closer to the poverty level for a family of 3. The proposed change would enable families to move towards getting out of poverty, help them meet necessary expenses, and experience a less intense period of poverty.



Raising Rhode Island Coalition Members

- Center for Southeast Asians
- Community Action Partnership of Providence
- Community Care Alliance
- Comprehensive Community Action Program
- Cranston Clergy Association
- Direct Action for Rights and Equality
- Domestic Violence Resource Center of South County
- Dorcas International Institute of Rhode Island
- East Bay Community Action Program
- Facilitate Change, LLC
- Foster Forward
- Genesis Center
- Jonnycake Center of Peace Dale
- Neighborhood Health Plan of Rhode Island
- Newport Partnership for Families
- Providence Public Library
- ResCare Workforce Services
- Rhode Island Coalition for Children and Families
- Rhode Island Community Action Association
- Rhode Island Health Center Association
- Rhode Island Kids Count
- Rhode Island National Organization for Women
- Scandinavian Church
- Sojourner House
- St. Paul Catholic Church
- Temple Sinai
- The Economic Progress Institute
- The Latino Policy Institute
- The Rhode Island Chapter of the American Academy of Pediatrics
- The Rhode Island Coalition Against Domestic Violence
- The Rhode Island Interfaith Coalition to Reduce Poverty
- The Womxn Project
- Tri-County Community Action Agency
- United Way of Rhode Island
- Washington County Coalition for Children
- Westbay Community Action
- Woodridge Congregational Church
- Working Cities Newport