



To: House Committee on Finance  
From: Linda Katz, Policy Director  
Date: April 8, 2021  
Re: Support H-5683 and H-6122, Article 13, Section 5

This testimony is submitted by the Economic Progress Institute on behalf of The Raising RI Coalition, which includes 40 social service, grassroots, religious, and provider organizations and over 75 individuals that are committed to improving the economic security of families enrolled in the RI Works program. A list of the organizational members is attached to this testimony.

The Coalition strongly supports H-5683, sponsored by Representative Art Handy and Budget Article 13, Section 5 which propose changes to the RI Works program, our state's cash assistance and work-force readiness program for low-income children and their families. While both include changes that will strengthen the current and future economic security of families, H-5683 is far stronger by requiring an increase in the monthly benefit paid to families. **As discussed below, the current benefit level is an average of \$6/per person/day, leaving children to live in desperate poverty. A benefit increase is long over-due and should be adopted as part of the 2022 budget.**

Following are some key points in support of each of the changes proposed in the bill and the Budget Article. Additional information pertaining to the benefit increase is attached. We note whether the change is included in both proposals (2 changes) or in solely the bill or the Budget Article.

*Increase the monthly cash assistance payment from 30% to 50% of the federal poverty level, to move children out of deep poverty. (H-5683 )*

- The benefit payment has not been changed in 30 years. Had it kept pace with inflation, the benefit for a family of 3 would be \$1,092, more than twice the "frozen" benefit of \$554.
- Raising the benefit to 50% FPL would increase the benefit for a family of 3 from \$554 to \$915.
- RI is the only New England state that has not increased its benefit since 1991 and has the lowest payment in the region. Massachusetts increased the benefit last year. Both New Hampshire and Maine have statutorily required yearly increases.
- Living in deep poverty negatively impacts children's health, social, emotional and cognitive development which not only impacts their well-being in younger years but leads to higher rates of chronic health conditions and lower earning ability as adults.

*Provide the yearly clothing allowance to all children in the family (H-5683 and Budget Article 13)*

- Current law permits the \$100 yearly clothing allowance to be provided only to children age 4 and older and only if the child receives the RI Works payment.
- The statutory change would require the allowance to be provided to all children, including infants and toddlers, as well as children with disabilities who receive SSI benefits and do not receive the RI Works payment. The bill would also set the minimum yearly clothing allowance at \$100.

*Allow parents to attend CCRI for two years as the sole employment plan activity to increase opportunities for better-paying jobs (H-5683)*

- RI Works provides parents with opportunities to gain skills for employment and most parents are required to have an active “employment plan” as a condition of receiving benefits.
- Current rules allow a parent to attend CCRI for one year as her only employment plan activity. In the second year, the parent must be working at least 20 hours/week if she wants to continue her education at CCRI.
- According to the U.S Bureau of Labor Statistics (BLS), in 2018 workers with an associate degree had median weekly earnings of \$862, compared with just \$730 for people with a high school diploma alone. Allowing a parent to attain a post-secondary education degree or certificate will enhance the family’s long-term economic security.

*Exclude income from earnings for up to 6 months when a parent starts a job (H-5683 and Budget Article 13)*

- Under current law, when a parent starts a job, earnings are counted immediately. When a parent starts a job, even at minimum wage, the monthly earnings of \$1,743 results in the parent losing the cash benefit in the month after the job starts.
- The statutory change would allow a parent to continue to receive the cash benefit for 6 months unless she reaches the time limit or earns 185% FPL (\$3,385/month for a family of 3).
- When the parent is ineligible for cash assistance, she loses a transportation benefit and case management support. Figuring out child care and work schedules, transportation to work and to drop children at school or child care, new expenses related to work, etc. can be daunting as the parent transitions to employment. Maintaining the cash benefit and the other support can be crucial to job retention.

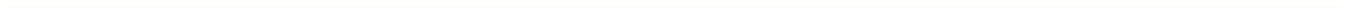
*Change the definition of dependent child (Budget Article 13)*

- Under current law, once a young person turns 18 s/he is ineligible for RI Works benefits unless s/he is enrolled in high school or other educational program and will graduate before turning 19.
- The statutory change would repeal the requirement of graduating before turning 19 and allow an 18-year-old to remain enrolled in RI Works until graduation.
- This would bring the RI law in line with the definition of ‘dependent child’ in the federal Temporary Assistance to Needy Families (TANF) program. It would remove the discriminatory impact against young people with disabilities who might not graduate before turning 19.

Rhode Island receives \$96 million in federal funds from the TANF block grant each year. The portion of the block grant devoted to support for families has dropped to 20% in 2021 from 65% in 1997. Rhode Island stopped investing its own funds to support RI Works families in 2010. There are sufficient federal funds to support the benefit increase and other changes proposed in the bill and the Budget Article. Funding the changes proposed in H-5683 and the Budget Article would result in around one-third of the TANF block grant being devoted to the primary purpose of the federal law: supporting families to safely raise their children.

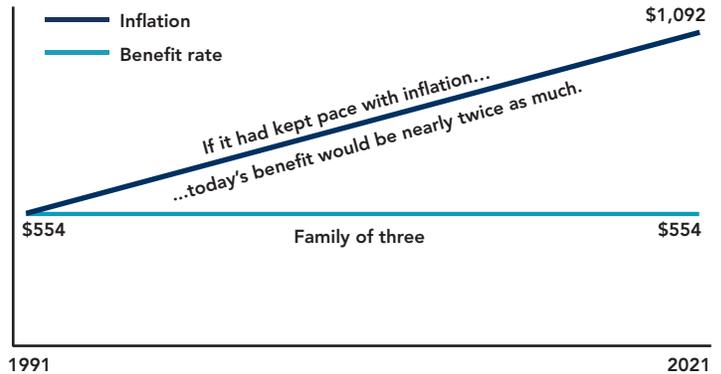
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It is not a question of whether our state has enough money to fund the changes proposed in the bill and Budget Article. We do. It is whether we have the political will to finally prioritize these families and show the children and their parents that we care about them.





The cash assistance paid to 2,500 families receiving RI Works benefits has not been raised in 30 years and is 30% of the Federal Poverty Level (FPL).



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

State	Mo. Benefit for Family of 3
New Hampshire	\$1,086
Vermont	\$699
Connecticut	\$698
Massachusetts	\$652*
Maine	\$610
Rhode Island	\$554*

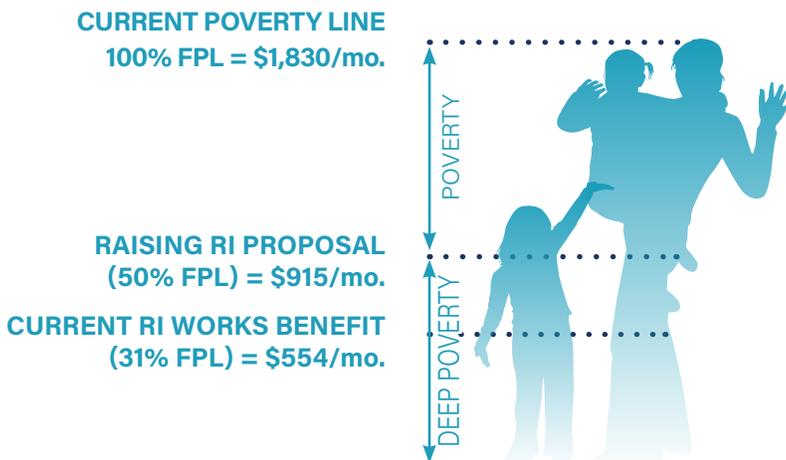
\*The benefit rate is \$50 lower for families living in public or subsidized housing.

Rhode Island is the only state in New England that has not adjusted the benefit since 1991 and the payment is the lowest in the region.

Massachusetts recently increased the benefit by 10%.

New Hampshire and Maine adjust the benefit annually.

**Rhode Island Works Families Are Living In Deep Poverty**



In 1996, the monthly benefit payment covered about 87% of HUD fair market rent.

In 2020, the payment covered only 50% of HUD fair market rent.

The RI Works benefit leaves families well below the Federal Poverty Line.

A family of 3 lives on \$6/person/day.

(Fair market rent for a 2 bedroom apartment. Benefit payment for single parent with 2 children.)

## It's Time to Raise the Rhode Island Works Benefit



### For Our Children

- Just over  $\frac{3}{4}$  of RI Works recipients are children, 43% of whom are under age 6.
- Children experiencing poverty are more likely to enter school behind their peers, score lower on achievement tests, work less and earn less as adults, and have worse health outcomes over their lifetime.



### For Women

- 87% of adults enrolled in the RI Works program are women.
- Women with more employment and income are less vulnerable to abuse and better able to make choices concerning marriage.

## To Redress the Impact of Institutional Racism

- The poverty rate for Black Rhode Islanders (21.5%) is more than twice as high as the rate for White Rhode Islanders (9.0%). The rate for Latinx Rhode Islanders (27.1%) is three times as high and for Asian Rhode Islanders (15.9%) the rate is not quite twice as high compared to White residents.
- While White recipients are the single largest racial group (40.4%) of RI Works families, the majority of recipients (59.6%) are people of color, including 31.4% who identify as Latinx and 24.1% who identify as Black.

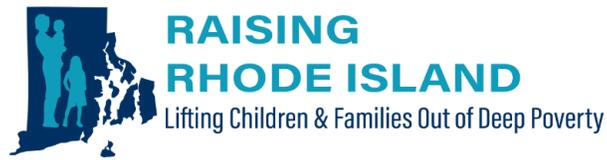
## To Show that Children are a Priority - Target TANF funds for Kids

### Invest \$10M of the \$96M federal block grant funds

- RI Works is the state's cash assistance and work readiness program established under the federal Temporary Assistance to Needy Families (TANF) Block Grant.
- The state receives \$96 million each year in federal TANF funds to support low-income families with children under 18, especially to assist needy families so children can live with their parents or relatives.
- Federal funds can be used to pay for the estimated \$10M cost to increase the benefit. This would increase the share of the federal block grant used to support children and their families from 20% to 34%
- The share of the federal block grant spent on cash assistance has significantly declined since the program was started (from 65% in 1997 to 20% in 2021) and since 2010, no general revenue funds have been spent to support children.

Join the Campaign for Our Kids and Families. Help Us Pass S-226 (Murray) / H-5683 (Handy) to Increase the Benefit Amount\* and Lift Families Out of Deep Poverty.

**VISIT: [WWW.RAISINGRI.ORG](http://WWW.RAISINGRI.ORG)**



## Raising RI 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
- Facilitate Change
- Family Service of Rhode Island
- Foster Forward
- Genesis Center
- Goodwill of Southern New England
- Jonnycake Center of Peace Dale
- National Association of Social Workers Rhode Island Chapter
- Newport Partnership for Families
- ResCare Workforce Services
- Rhode Island AFL-CIO
- 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
- Rhode Island Parent Information Network
- Scandinavian Church
- Sojourner House
- St. Paul Catholic Church
- Temple Sinai Social Action Committee
- The Economic Progress Institute
- The Jewish Alliance of Greater RI
- 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