



RHODE ISLAND KIDS COUNT

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Testimony Re: Senate Bill 658 – The Rhode Island Works Program

Senate Finance Committee

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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 Senate Bill 658 and thank Senator Murray for sponsoring and Senators DiPalma, Felag, Thompson, Sosnowski, DiMario, Ciccone, Tikoian, Britto, and McKenney for co-sponsoring. This legislation seeks to make several improvements to the Rhode Island Works Program. These improvements would include:

- Increasing the monthly cash benefit to 50% of the federal poverty level
- Providing annual cost-of-living adjustments to maintain the benefit at no less than 50% of the federal poverty level
- Raising the amount of child support that goes directly to families to \$100 for one child and \$200 for families with two or more children
- Eliminating the waiting period for lawful permanent residents to receive benefits

Although not part of this bill, we are also advocating for passage of the Baby Bond Act, which would provide a \$3,000 investment for each child born into a family receiving RI Works.



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 child care. As of December 2023, there were 3,151 families including 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. Senate Bill 658 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 co-lead convener of the Raising RI Coalition, a group of 60 advocacy, faith-based, 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, 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.

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 two benefit increases after 30 years of stagnant benefits. 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.

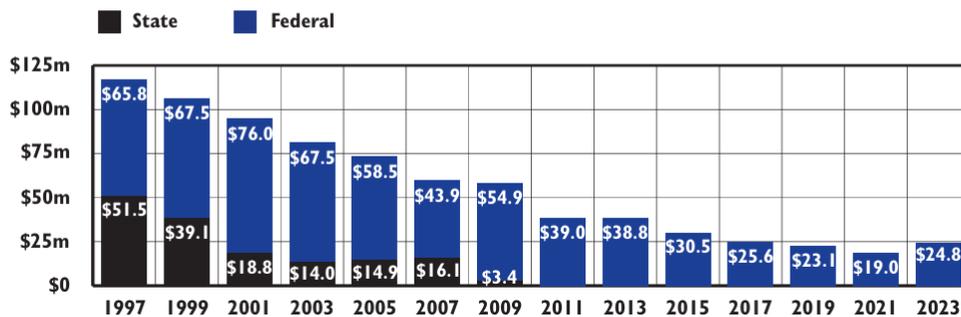
We urge the General Assembly to make the following improvements to the program.

- **Protect Rhode Island children and families from deep poverty and the effects of inflation:** In 2024, the benefit was increased for the second time in 30 years, increasing the benefit from 40% to 41% of the federal poverty level (FPL). This was an 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 (\$865 per month for a family of three) is equal to only 41% of the 2024 federal poverty level. Without a cost-of-living increase, the benefit will continue to lose value. **This increase can be funded using the federal TANF block grant and would not require any additional state dollars**



Rhode Island Cash Assistance Expenditures, State Fiscal Years 1996-2023



- **Increasing The Child Support Pass-Through:** In Rhode Island, only the first \$50 of child support payments goes directly to the custodial parent receiving RI Works assistance. Child support is a critical resource for low-income families and plays a significant role in reducing child poverty. These payments can greatly improve the

financial stability of children in single-parent households, often nearly doubling the income of those living in poverty. **In State Fiscal Year 2024, a total of \$3,108,948.00 was retained, of which \$1,380,805.00 was retained by the state to reimburse itself for providing RI Works benefits. However, the state does not contribute to the RI Works program. In SFY 2023—marking the fourteenth year in a row—no state general revenue was allocated for cash assistance.**

Under federal guidelines, states have the flexibility to pass through up to \$100 for one child and \$200 for two or more children to families each month without penalty. States can count the portion of child support passed through and disregarded for families receiving assistance toward their TANF maintenance of effort obligations, as the state uses its own funds to increase cash payments to families. In Maryland, for example, families receive up to \$100 for one child and up to \$200 for two or more children through the pass-through policy.

- **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.

- **Create a Rhode Island Baby Bond Trust for RI Works recipients':** Provide every child who is born to a family receiving RI Works with a \$3,000 investment at birth. The state will invest the money until the child turns 18 and yield approximately \$12,000 for the child to use for wealth building purposes such as education or buying a home or starting a business in RI.

Baby bonds are important for building wealth because they create a foundation of financial security from an early age. These government-funded savings accounts are set up for children, particularly benefiting those who might not otherwise have assets. The Rhode Island Baby Bond Trust for families with babies receiving RI Works will help reduce economic disparities and support lasting upward mobility.

Rhode Island currently receives \$95 million in federal funds through the TANF block grant. In 2022, Rhode Island spent 15% 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. We can make important changes to the RI Works program by investing more of these funds on direct assistance for the 3,151 families in this program and make even more of a difference if we invest state funds in our most vulnerable children and families.

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.

