

Testimony in Support of *H* 7686
An Act Relating to Human Services - the Rhode Island Works Program House Committee on Finance
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The Economic Progress Institute strongly supports Representative Handy's H7686, which would improve the Rhode Island Works program by increasing the monthly cash benefit to 50% of the Federal Poverty Level, repealing full family sanctions, and allowing lawful permanent residents to receive benefits without a five-year waiting period.

Rhode Island families deserve safety and security; no families should be living in deep poverty in our state. Rhode Island Works is a financial and employment assistance program for parents and families with little to no income. RI Works aims to eliminate and reduce the harmful effects of poverty on families and children by fostering opportunities for economic independence, through cash assistance, childcare assistance, food assistance, and workforce development. RI Works provides amazing benefits, but right now they are not sufficient to help families meet their basic needs.

Until 2021, the RI Works program had not increased the cash benefit amount in 30 years. While the 2021 increase moved the needle on economic well-being for the 5,000 children receiving benefits, unfortunately the increase was not sufficient, and the cost of food and housing have dramatically increased since then – with Providence experiencing the highest rent increase in the country in 2023. The Federal Government classifies deep poverty as families with income lower than 50% of FPL, which for a family of three is \$1,075/month.¹ Rhode Island Works currently provides impoverished families approximately half of that amount, at \$584/month for a family of three. As of November 2023, more than 8,000 parents and children were benefiting from RI Works, with 65% of the caseload being single parent households and 28% being child-only cases.² H 7686 would increase the cash benefit up to 50% of the Federal Poverty Level (FPL), which is \$1,075/ month for a family of three, and tie RI Works benefits to the FPL's annual cost of living adjustments going forward - ensuring that benefits keep pace with need. This bill would also improve equity, as the majority of children living in poverty in RI are children from historically marginalized communities.

Additionally, H7686 would restore eligibility for Legal Permanent Residents (LPR) and repeal the current 5-year waiting period. Prior to 2007, this waiting period did not exist in Rhode Island. Since 2007, children and families suffering in deep poverty have been excluded from this critical resource due to an arbitrary waiting period. Rhode Island would join 13 other states in repealing

¹ Financial Condition and Health Care Burdens of People in Deep Poverty, ASPE

² DHS Caseload Estimating Conference Testimony, p. 4 & 15



the five-year waiting period for LPRs to access RI Works. This exclusion primarily harms poor children, due to things entirely out of their control.

Representative Handy's H7686 would also repeal full family sanctions, which currently allows benefits for children to be canceled because of sanctions incurred by parents. Sanctions disproportionately impact parents who face significant barriers (such as unstable housing, domestic violence, and mental and/or physical health challenges) and undermines RI Works goal of alleviating poverty and improving workforce readiness for participants.³ Taking people on and off benefits because of sanctions also creates an unnecessary administrative burden for the state that this bill would eliminate.

Rhode Islanders deserve access to the resources they need, and RI Works is one of those critical programs that helps the poorest Rhode Islanders escape cycles of poverty. Poverty is not an accident; it is a policy choice. The Economic Progress Institute strongly urges Rhode Island's elected officials to choose better. We urge passage.

³ <u>Do Welfare Sanctions Help or Hurt the Poor? Estimating the Causal Effect of Sanctioning on Client Earnings</u>