

Testimony in Support of HB-5992 The Rhode Island Works Program House Committee on Finance May 22, 2025 Divya Nair, Senior Policy Analyst, the Economic Progress Institute

The Economic Progress Institute strongly supports Representative Handy's HB-5992,

which would improve the Rhode Island Works program by increasing the monthly cash benefit to 50% of the Federal Poverty Level, expanding the child support passthrough, 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. Children growing up in deep poverty often face long-standing barriers such as limited access to quality education, healthcare, and stable employment opportunities, perpetuating cycles of poverty throughout generations.

The Federal Government classifies deep poverty as families with income lower than 50% of FPL, which for a family of three is \$1,110/month or \$13,325/year.<sup>1</sup> Unfortunately, Rhode Island Works currently provides impoverished families with far less than that, at \$865/month or \$10,380/year for a family of three. SB-658 would increase the cash benefit up to 50% of the Federal Poverty Level (FPL), which would also tie RI Works benefits to the FPL's annual cost of living adjustments going forward, to ensure that benefits keep pace with need. Until 2021, the RI Works program had not increased the cash benefit amount in 30 years. While the 2021 and 2024 increases to the benefit amount moved the needle on economic well-being for the 6,000 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.

Additionally, it is critical that Rhode Island restores eligibility for Legal Permanent Residents (LPR) and repeal the current 5-year waiting period. Prior to 2007, this waiting period did not exist in RI. 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 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. At a time when immigrant

<sup>&</sup>lt;sup>1</sup> Financial Condition and Health Care Burdens of People in Deep Poverty, ASPE



communities around the country are being targeted for unfair scrutiny and treatment this would be a strong show of support for our immigrant neighbors.

Senator Murray's SB-658 would also expand the child support pass-through from \$50 to \$100 for one child and \$200 for more than one child. States collect child support and can pass through child support collected to the custodial parent or guardian of the family with a current or former RI Works case instead of keeping the funds to reimburse the state and federal government.<sup>2</sup> Rhode Island could promote long-term financial stability through consistent and regular child support payments going directly to single-parent households rather than as a method of cost recovery to the state itself. Expanding the child support pass-through is another opportunity to put more cash directly into the pockets of struggling single-parent households. Eighteen states pass through more child support money to low-income parents than Rhode Island does currently. Seven states currently provide the pass-through for at this level of \$100 for one child and \$200 for more than two children. Rhode Island has an opportunity here to set the standard in New England by expanding the child support pass-through in this way.

Rhode Islanders deserve access to the resources they need for economic stability and social mobility, 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 passage.

<sup>&</sup>lt;sup>2</sup> <u>Understanding TANF Cost Recovery in the Child Support Program, 2024, Center on Budget and Policy</u> <u>Priorities</u>.