

The Rhode Island Works Program Failing Children and Families

April 2010

Background

Our state's safety net and work-readiness program for families, the Family Independence Program, was replaced by Rhode Island Works effective July 2008. The Family Independence Program was enacted in 1996 with unanimous bipartisan support. FIP was designed to:

- Protect vulnerable children including an entitlement to cash assistance
- Help parents obtain and sustain gainful employment including access to training and education services
- Provide support for low-income working parents through cash supplements, health care and child care assistance.

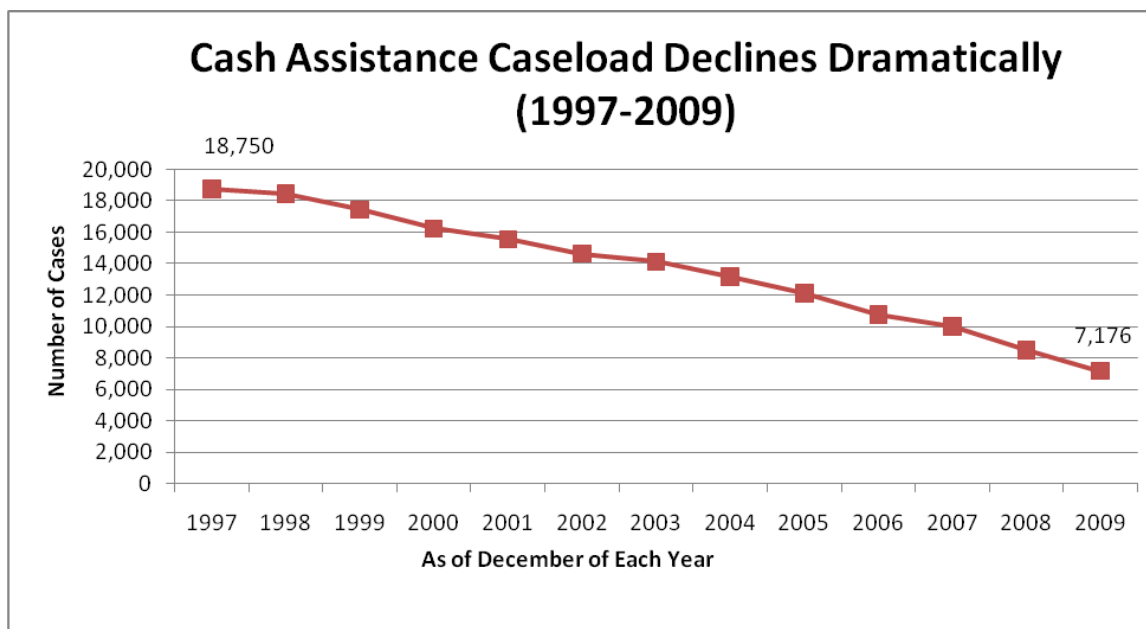
The RI Works Program was designed as a "work first" program despite the fact unemployment in Rhode Island was on the rise and many of the families who continued to rely on FIP included parents who faced numerous barriers to employment.

Rhode Island Works Policy Changes

- Eliminated children's entitlement to benefits, except if child is living with caretaker relative or parent who is disabled and receiving SSI (federal disability benefits)
- Reduced family life-time limit for cash benefits from 60 months to 48 months (12 months less than allowed under federal TANF law) and allowed only 24 months of benefits in any 60 month time period
- Allowed 3 months of benefits (to a maximum of 12 months) under a "hardship exception"
- Replaced work/training/education with "work first": the first employment plan activity for all non-disabled parents must be job search
- Limited choice of work readiness activities allowed after job search
- Required parents with disabilities to participate in vocational rehabilitation services
- Limited exemption from work activities for parents who are receiving SSI (federal disability benefits), caring for a child under one (12 month lifetime maximum), caring full time for a significantly disabled family member, or victim of domestic violence
- Eliminated the supplemental cash payment for poverty-level working families
- Increased penalty for non-compliance by stopping benefits for the entire family after 3 months of non-compliance by the parent (reduced from 6 months) and eliminating the pre-sanction conciliation process for parent to explain why they failed to comply
- Excluded lawful permanent resident families from assistance for first 5 years in status
- Authorized a time-limited bonus payment for certain parents leaving cash assistance for work (only provision that has not been implemented)

Results of 2008 Policy Changes

The cash assistance caseload under the Family Independence Program was steadily declining as families left welfare for work. After the implementation of RI Works, over 2,400 families lost benefits in a 6 month period. Over 700 families were found eligible for a 3-month “hardship extension,” with close to half of these families requesting continued assistance due to the parent’s disability or disability of a child or spouse.

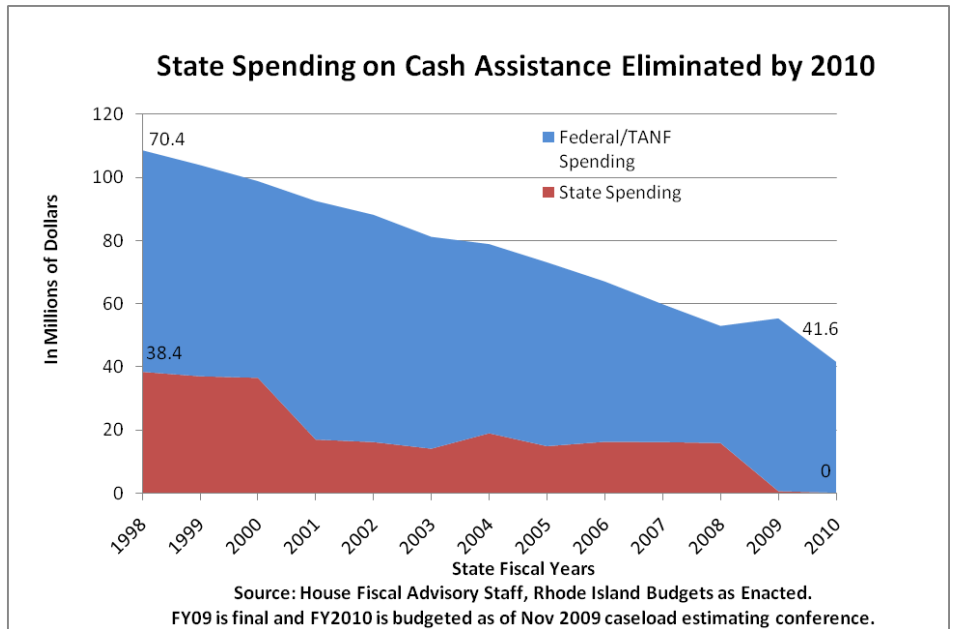


Funding

RI Works is funded through the federal Temporary Assistance to Needy Families (“TANF”) block grant. Rhode Island’s TANF block grant is \$98 million a year. The state’s “maintenance of effort” (MOE) which is the amount Rhode Island must spend to receive the federal funding is \$64.4 million. The state can meet the MOE requirement by state spending on cash assistance, employment and training services, child care and other programs and services that meet a TANF purpose.¹ Over the years, state spending for cash assistance for families has been reduced and as of 2010, there are no general revenue funds for cash assistance. Spending for child care for working families has also declined. The state has increasingly identified sources of state funds to meet its MOE that do not directly benefit low-income families. Some of these funds arguably do not support any of the TANF purposes, including, for example, \$18,000,000 that the state spends for residential services for children in state care.

¹The TANF purposes are: assisting needy families so that children can be cared for in their own homes; reducing the dependency of needy parents by promoting job preparation, work and marriage; preventing out-of-wedlock pregnancies; and encouraging the formation and maintenance of two-parent families.

This chart shows that state spending for cash assistance has been reduced to zero. The amount of the federal block grant that is spent on cash assistance is \$41.6 million, less than half of the \$95 million federal allocation. The remaining 66% of funds pay for child care subsidies, transportation and staff at the Departments of Human Services and Children, Youth and Families. It is worth noting that the benefit for a family of 3 is \$554 per month, an amount that has not been increased in over twenty years.



Current Caseload Picture

| RI Works Caseload By the Numbers: December 2009 | |
|---|---|
| Total Families: | 7,176 |
| • Child Only: | 2,502 (35%) |
| • Families with parent: | 4,674 |
| ○ Two Parent: | 549 |
| ○ Single Parent: | 4,125 |
| Teen parents: | 529 |
| Total Individuals: | 16,117 |
| • Children | 10,846 (54% are under age 6) |
| • Adults | 5,271 |
| Education Levels of Parents: | 44% of parents enrolled in RI Works report not finishing high school |
| Reading Levels of Parents: Based on recent testing | |
| • 6 th Grade or Lower in English | 30% tested at or below the 6 th grade reading level |
| • 6 th Grade or Lower in Spanish | 71% of Spanish-speaking participants tested at or below 6 th grade |

Rhode Island Works is not fulfilling its mission of supporting vulnerable families during tough economic times.

