



Social service providers talk hard economy ***Agencies urged to contact state legislators*** ***regarding budget losses***

By Emily Dupuis

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WESTERLY — Local social service providers who work in the trenches heard hard data Thursday about the expected impact of proposed state budget cuts.

Linda Katz, policy director for The Poverty Institute at Rhode Island College, said the proposed fiscal 2008 supplemental budget and fiscal 2009 budgets include measures that she said will be felt by low and moderate income earners, children and senior citizens across the state.

“You probably could talk to your neighbor and figure out ... that one of these issues impacts them,” Katz said. “This isn’t just about poor people or subsidized housing or welfare. It’s all of us.”

She urged around 10 members of the Basic Needs Network — a network of local nonprofit agencies — who attended the talk at Dunn’s Corner Community Church to call or write to their state legislators.

“He has to hear that you are not happy with all this,” she said of Westerly Democrat Rep. Peter Lewiss, who sits on the House Finance Committee.

“You all know these issues better than anybody,” Katz added. “It’s getting your neighbors involved who may not be directly involved in service delivery.”

The House Finance Committee passed a supplemental fiscal 2008 budget on Tuesday, and the spending plan is expected to be voted on this afternoon on the House floor. Legislators had projected a \$168 million deficit for this fiscal year, followed by \$384 million in fiscal 2009.

Heidi Collins, of One RI, said the impacts of the proposed budgets include:

- As of June or July, health insurance for low-income families, RItE Care and RItE Share, would be eliminated for 2,800 non-citizen children, including 1,300 legal permanent, or green card, residents. Eligibility for parents would also be rolled back from those earning 185 percent of the federal poverty level to 133 percent.

- The elimination of the Comprehensive Child Care Program for low-income children in fiscal 2009, impacting 300 children. The proposal would also restrict child care choice by eliminating subsidies when children are cared for by non-certified providers, including family members.
- The elimination of state funding for Head Start, a WHAT program. This step is expected to impact 400 children in Rhode Island and save \$3.3 million.
- The Family Independence Program (FIP), the state's cash assistance and work preparation program for lowskilled parents, stands to see ideological changes, not monetary ones. The governor has proposed reducing the lifetime eligibility limit from 60 months to 24 months, expected to result in the closure of over 5,000 families' cases. Parents would also be eligible for work-readiness services, training or education if they first seek and fail to find a job.
- No cost of living increase for the state's 32,000 social security recipients in January 2009, a move expected to save \$2.7 million. • In fiscal 2009, funding for the Neighborhood Opportunities Program, which provides funds to develop affordable housing, would be eliminated and emergency housing assistance reduced. Brenda Clement, executive director of Statewide Housing Action Coalition, said she believes the proposed budget puts Rhode Island Housing, a public housing agency, in jeopardy.

To offset these costs, the Poverty Institute has proposed ways to raise state revenues, including reigning in what Katz described as numerous tax incentives and restoring the capital gains tax to 5 percent. She also proposed repealing the alternative flat tax, which goes to residents earning more than \$500,000 annually, and broadening the sales tax currently 37th highest in the nation — to include personal services and recreational activities.

However, Katz said, "We're not saying it's as easy as ... restoring capital gains or getting rid of the flat tax or freezing the flat tax."

She said education for lowskilled residents is key to attracting skilled industries and making Rhode Island a higher-wage state.

Rev. Jean Barry, director of the WARM Shelter, said legislators crunching budget numbers do not look at the big picture and she fears the public is unaware of the looming impact.

"I think people really don't understand what's happening," she said.

Laura Jaworski, director of Harvest Homes, a local transitional housing program, shared her frustration with the budget cuts, which she described as "nickel and diming." She said her clients work some more than one job - and still can't make ends meet. The loss of child care could prevent some from working, she said.

“They are doing everything they should be doing to come up and they can’t do it,” she said.

Jaworski pointed to the cuts as unjust.

“It totally breaks the social contract and it’s leaving our most vulnerable in the dust,” she said.

Thursday’s presentation was hosted jointly by the Children’s Policy Coalition and One RI, a coalition of more than 160 social service, religious, labor and advocacy organizations.