

**Testimony in support of H 8057 to repeal the 24 month periodic time limit
House Finance Committee
May 31, 2016**

The Rhode Island Works program is the state’s “welfare program” funded by the federal Temporary Assistance to Needy Families (TANF) block grant that serves around 5,000 very poor families. Over two-thirds of the recipients are children. The program provides minimal cash assistance: the benefit for a family of three is \$554 per month and has not been adjusted in over 30 years. RI Works is an employment readiness and job search program for the low-skilled parents who seek cash assistance for their families. Parents are required to participate in job readiness or job search activities and are entitled to child care if they need it while they are participating in activities.

Under current law, families can receive benefits for no longer than 48 months in their lifetime (lifetime limit) and are restricted to receiving benefits for 24 month in any 60 month period (periodic time limit). Rhode Island is one of only 9 states that has 2 time limits in their TANF program. The 48 month lifetime limit is shorter than the 60 month time limit funded under the TANF block grant and that most states employ.¹

There is no evidence that the 24 month time limit is a necessary part of the RI Works framework to achieve good outcomes for parents. And in fact, the opposite is true. It is time to repeal this provision of RI Works and we support Chairman Abney’s bill (H 8057) that would eliminate the periodic limit.

Why Rhode Island Should Repeal the 24 Month Time Limit Now

Improve the work participation rate: Families receiving RI Works benefits are required to have an employment plan. The number of required hours of participation is determined by whether the family is a single or two-parent family and the age of the child as follows:

- Single parent, child under age 6: 20 hours a week
- Single parent, child age 6+: 30 hours a week
- Two-parent family: 35 hours (can be shared by both parents)

Parents who are working may be eligible to continue to receive a supplemental RI Works payment because an “earnings disregard” to encourage employment is applied to gross wages. For example, a single parent with a child under age 6 who is working at a minimum wage job for 20 hours/week is eligible for a payment of \$106 in RI Works (a reduction from the full \$449/month full benefit). A two-parent family of 4 in which one parent is working at a minimum wage job for 25 hours/week and the other parent is engaged in another countable activity could receive a RI Works payment of \$200/month (a reduction from the full \$634/month full benefit).

¹ Urban Institute’s Welfare Rules Database of 2014

Once these families reach the 24 month time limit, however, they are no longer eligible for assistance – and they do not qualify under a hardship exception. If the 24 month limit were repealed, these families could continue to receive a reduced RI Works benefit for up to 48 months, while they increased their job skills to get a better paying job. These families would all count toward the federal work participation rate that the state must meet, and it would cost the state less, since these families would receive a reduced benefit.

Simplify program administration : Parents that move from “regular” RI works benefits to “hardship” benefits receive the same amount of cash assistance and have the same employment-plan requirement. The only difference is that while RI Works eligibility is determined once/year (with required reporting by recipients of changes), eligibility for “hardship” is determined 3x/year: once for an initial 6 months period of eligibility and then again for 2 3-month eligibility periods.

Facilitate program re-design: DHS is engaged in re-designing RI Works to better serve families and achieve better employment outcomes. Repealing the 24 month time limit would support this effort.

Provide sufficient time for parents with limited literacy and English language skills to become “work-ready”. Adult education programs presented testimony that for the most challenged parents, it may take longer than 24 months to help them gain the skills they need to succeed in the workforce.

Join the mainstream: Rhode Island is one of only 9 states with 2 time limits.

The State Can Afford This Change

Rhode Island receives \$95 million in federal TANF funds and has a “maintenance of effort” requirement (MOE) of \$64 million in state dollars. Since 2010, Rhode Island has used only federal TANF funds to provide benefits to families. Any cost resulting from repealing the 24 month time limit should be able to be covered by the federal block grant.

Moreover, the percent of TANF and MOE funds that our state invests in cash assistance for families is significantly lower than both the national average and all New England states:

	Basic Assistance Spending as percent of TANF & MOE (2014) ²
Maine	52.9%
New Hampshire	35.1%
Massachusetts	26.6%
Vermont	20.0%
Connecticut	16.8%
Rhode Island	13.0%
National Average	26%

² Source: Center on Budget and Policy Priorities: “How States Use Federal and State Funds Under the TANF Block Grant)” October 15, 2015