

## **HELP PREVENT 3,000 FAMILIES FROM LOSING THEIR CASH ASSISTANCE BENEFITS IN THIS HARSH ECONOMY**

### **THE PROBLEM**

On June 30<sup>th</sup> more than 3,000 very poor families – including over 5,000 children – will lose their cash assistance benefits through the RI Works Program.

The RI Works Program is our state's safety-net program for children and their parents. Families rely on the cash assistance (\$554/month for a family of 3) to pay rent and put food on the table. Last year, RI Works replaced the Family Independence Program.

RI Works requires most parents to look for work as soon as they apply for assistance. New programs to help parents find work and to address the needs of parents with limited skills or disabilities were planned. RI Works also imposed shorter time limits on receipt of benefits than those allowed under the federal law that helps fund the program.

When the new law was passed, the state's economy was not in the terrible shape it is today. With the unemployment rate over 10%, these parents (over half of whom lack a high school education) are not able to find a job. In addition, the state is just now fully implementing the promised programs to help parents prepare for or find a job.

### **THE SOLUTION**

To prevent thousands of families from facing homelessness and hunger and to allow parents to participate in the new programs promised by RI Works, as well as new opportunities that will be available through the economic stimulus bill, we ask policy makers to:

- Postpone the new time limit for twelve months.
- Act immediately to make the necessary legislative changes and avoid having the 3,000 families close in June.

Federal funds from the Temporary Assistance to Needy Families (TANF) block grant. can be used to pay for the benefits. Rhode Island receives \$95 million per year in TANF funds. The first priority for use of these funds should be to support families during this economic downturn.

The Governor proposes that some of these families can continue to receive assistance by requesting a "hardship extension" This is not a solution for two reasons. 1) families need continued benefits because of the economy not because of individual circumstances 2) DHS does not have the capacity to process 3,000 individual requests for extensions. This is a crisis situation that calls for a simple systemic solution.