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Testimony Re: Department of Labor & Training FY 23 Budget, FY 2022 Revised and Capital Budget for the Department of Labor and Training, **Funding for Information Technology Investment Fund for the TDI system**
House Finance Committee
March 30, 2022
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Rhode Island KIDS COUNT coordinates the Right from the Start Campaign, a state policy coalition led by eight organizations to advance state policies and budget priorities that will help families with young children.

Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support the use of \$19.4 Million of the proposed FY2022 surplus to go to the Information Technology Investment Fund (ITIF) to replace the Department of Labor and Training's legacy mainframe with modern systems to manage the Temporary Disability Insurance/Temporary Caregivers Insurance program, which would allow the state to adopt progressive wage replacement to help low-wage workers.

Rhode Island is a leader in providing paid family leave for families with babies, newly adopted or foster children, and seriously ill family members through the Temporary Caregiver Insurance (TCI) program. One of only 10 state based paid leave programs, TCI provides up to five weeks of partial (about 60%) wage replacement for workers who need to take time from their jobs to care for a new child or seriously ill family member.

Rhode Island's wage replacement during paid family leave is the lowest in U.S. Rhode Island's TCI wage replacement is currently at 60%, meaning that workers only receive up to 60% of their regular pay when on leave. This wage replacement is the lowest amongst all paid family leave policies in the country. **Expenses increase significantly when a new baby or child joins a family**, and families need their full paycheck to cover both their regular living expenses and to meet the needs of a baby.

Access to Rhode Island's paid family leave program is not equitable. The lowest-wage workers use the TCI program at lower rates than they contribute to it. Data shows that workers with the lowest incomes, less than \$20,000 per year, made up 38% of the people who contribute to the TDI/TCI fund, but only 30% of the people who file claims to take leave. With Rhode Island's wage replacement at 60%, these workers may be unable to afford to take the paid leave they contribute to.

The DLT needs to upgrade its data systems so they can better manage the TDI/TCI programs, so it is prepared to increase wage replacement rates across the board and/or to adopt progressive wage replacement, which several states use to help low-wage workers take family leave when needed to care for a new baby or seriously ill family member.