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## **MAJOR REFORM TO WELFARE PROGRAM LEAVES RHODE ISLAND FAMILIES AT RISK**

*1 out of 5 FIP recipients to lose their benefits over the coming months*

**PROVIDENCE, RI (June 19, 2008)** – The House of Representatives passed a state budget last night that cuts millions of dollars to programs that provide early education, adult education, affordable energy, and health insurance to low-income Rhode Islanders.

The Family Independence Program (FIP), the state’s cash assistance welfare program, has been drastically transformed as the new Rhode Island Works Program. The changes will affect thousands of Rhode Islanders as stricter limits will be imposed on time limits, eligibility and sanctions. More than 5,000 FIP recipients – a majority of them children – will be dropped from cash assistance over the next few months as a result of time limits imposed on children’s participation and the decision not to provide assistance to legal permanent residents who have lived in this country less than five years.

“It’s truly shocking that a major overhaul of the welfare program would be made through the budget process – and not through an evidence-based approach of determining how best to move parents into sustainable employment. These are changes based on ideology and were not even necessary to balance the budget,” said Kate Brewster, Executive Director of The Poverty Institute.

*(more...)*

Among the changes made to the welfare program, the most notable are as follows:

- The Rhode Island Works Program will mandate a lifetime limit of 48 months for families. In addition, families are limited to a total of 24 months of cash assistance benefits in any five-year period. This is compared to the current FIP law in which the lifetime limit is 60 months and there is no periodic limit.
- Legal permanent residents in the country for less than five years will no longer be eligible for cash assistance. These soon-to-be-citizens are eligible under current law, but will lose their benefits under the Rhode Island Works Program.
- New legislation will require most parents to immediately engage in a job search, even if they lack the literacy or vocational skills to find a job. Under the FIP law, the employment plan included skills development and training if that is necessary for the parent to succeed in the work force.

The assumptions in this new approach are that “work first” (requiring parents to look for a job even if they lack the skills to do so), shorter time limits and stricter sanctions will achieve the goal of enabling parents to support their families through employment. This is an especially difficult task given the failing economy and high unemployment rates.

“It’s imperative that the new program be closely monitored to ensure that parents will in fact enter the job market and find work that offers a livable wage,” said Brewster. “One thing is certain, however, if this reform is not successful, this will be the most harmful policy decision for children and families that this state has made in decades.”

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### **About The Poverty Institute**

The Poverty Institute is a non-partisan organization that develops and promotes policies to improve the economic security of low and modest-income Rhode Islanders and to ensure that tax and budget policies are equitable and adequate to fund vital public services.