THE ROLE OF TANF PROGRAM PROVIDING ASSISTANCE TO FAMILIES WITH VERY LOW INCOMES

HEARING

BEFORE THE

SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT

OF THE

COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

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COMMITTEE ON WAYS AND MEANS
INCOME SECURITY AND FAMILY SUPPORT SUBCOMMITTEE

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CONTENTS

Page

WITNESSES

SUBMISSIONS FOR THE RECORD

THE ROLE OF TANF PROGRAM PROVIDING ASSISTANCE TO FAMILIES WITH VERY LOW INCOMES

THURSDAY, MARCH 11, 2010

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:10 a.m. in 1100 Longworth House Office Building, the Honorable Jim McDermott [chairman of the subcommittee] presiding.

[The advisory announcing the hearing follows:]

HEARING ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

McDermott Announces Hearing on TANF's Role in Providing Assistance to Struggling Families

March 4, 2010

Congressman Jim McDermott (D–WA), Chairman of the Subcommittee on Income Security and Family Support of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing to evaluate the role of the Temporary Assistance for Needy Families (TANF) program in providing assistance to families with little or no income. **The hearing will take place on Thursday, March 11, 2010, at 10:00 a.m. in B–318 Rayburn House Office Building.** In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled to appear may submit a written statement for consideration by the Subcommittee and for inclusion in the record of the hearing.

BACKGROUND:

The TANF block grant provides fixed-funding to the States for several purposes including to "provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives." In 2008 (the most recent data available), fewer than one out of every four poor children received cash assistance through the TANF program, a steep drop compared to the percentage receiving such aid in the mid 1990s. TANF caseloads (nationwide) climbed modestly last fiscal year in response to the worst recession in many decades, but this small rise significantly lagged the increased participation in other programs designed to respond to rising need, such as food stamps and unemployment benefits.

The American Recovery and Reinvestment Act provides up to $5 billion to help States respond to rising TANF caseloads and to establish and/or expand subsidized employment programs. Funding for this TANF emergency contingency fund currently expires on September 30th.

In announcing the hearing, Chairman McDermott stated, **"During this time of great hardship, it is more important than ever to have a safety net that truly protects struggling families. However, our Nation's primary program providing financial assistance to very low-income families—Temporary Assistance for Needy Families—doesn't provide assistance to over three-quarters of America's poor children. That's not temporary assistance—it's no help at all for the vast majority of our most vulnerable children and families. We need to work on both immediate steps and longer-term solutions to ensure a helping hand for those who need it most."**

FOCUS OF THE HEARING:

The hearing will focus on the role of the TANF program in providing assistance to families with very low incomes.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, http://democrats.waysandmeans.house.gov, select "Hearings". Select the hearing for which you would like to submit, and click on the link entitled, "Click here to provide a submission for the record." Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word or WordPerfect document, in compliance with the formatting requirements listed below, **by close of business Thursday, March 25, 2010**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225–1721 or (202) 225–3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word or WordPerfect format and MUST NOT exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons, and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

Note: All Committee advisories and news releases are available on the World Wide Web at http://democrats.waysandmeans.house.gov.

Chairman MCDERMOTT. Good morning. Sorry I am late and for those of you who came to testify, I apologize for us moving this back an hour. The leadership is about to roll out a health care bill, I hear. We have been hearing that for a long time.

They called what they call a mandatory caucus. For Democrats, I do not know what that means. We do not line up very well.

We are here today to start a new conversation about the role of TANF in providing assistance to struggling families, especially during this time of great hardship for many Americans.

The starting point is this question. Do poor children deserve our help as their parents struggle to find and prepare themselves for employment.

I believe that the majority of Americans would say yes to that question. It may, therefore, come as unwelcome news to them that only 22 percent of poor children receive assistance from the TANF program, the Temporary Assistance for Needy Families program, in this country.

Furthermore, they may be concerned to hear that TANF seems far less responsive to the growing need than any other safety net program, such as food stamps or unemployment insurance.

If you look at that graph, the top line is food stamps, and you can see it is going up. You can see unemployment is going up, the yellow line. The flat line at the bottom is the caseload nationally in TANF. Very little has happened since the recession started in

November of 2007, while the other programs obviously have been going up.

The number of households receiving food stamps, which are now known as “SNAP” benefits, went up close to six million. The number of individuals receiving unemployment benefits increased by eight million. The number of families receiving TANF benefits have increased by less than a quarter of a million since the start of the recession.

We are likely to hear today a host of reasons for this very poor and low participation rate, but I believe the main underlying cause is the presumption that declining caseloads is always a measure of success.

Specific features of the TANF program such as the caseload reduction credit, not to mention over a decade of rhetoric from every level of Government, has driven this contention into the human consciousness.

We all want TANF caseloads to go down because more parents working and moving into jobs is a good idea, but if caseloads go down or stay flat, even as unemployment and poverty go up, then that should never be anyone’s definition of success. If it is, we might as well completely eliminate the TANF program right now. We would then have a caseload of zero. That would be perfect success.

Expecting a program for needy families to respond to a huge increase in needy families should be a bipartisan expectation. Nevertheless, I know some of my colleagues on the other side of the aisle may be tempted to say that helping more families through TANF will reduce the program’s emphasis on work.

However, the exact opposite is true. There are six people out there looking for every job in this country, and providing temporary assistance to more families in great need will also mean engaging more parents in work related activities and services.

The alternative is to continue to ignore these families as they struggle to create a better life for their families and perhaps wait for their children in Child Protective Services.

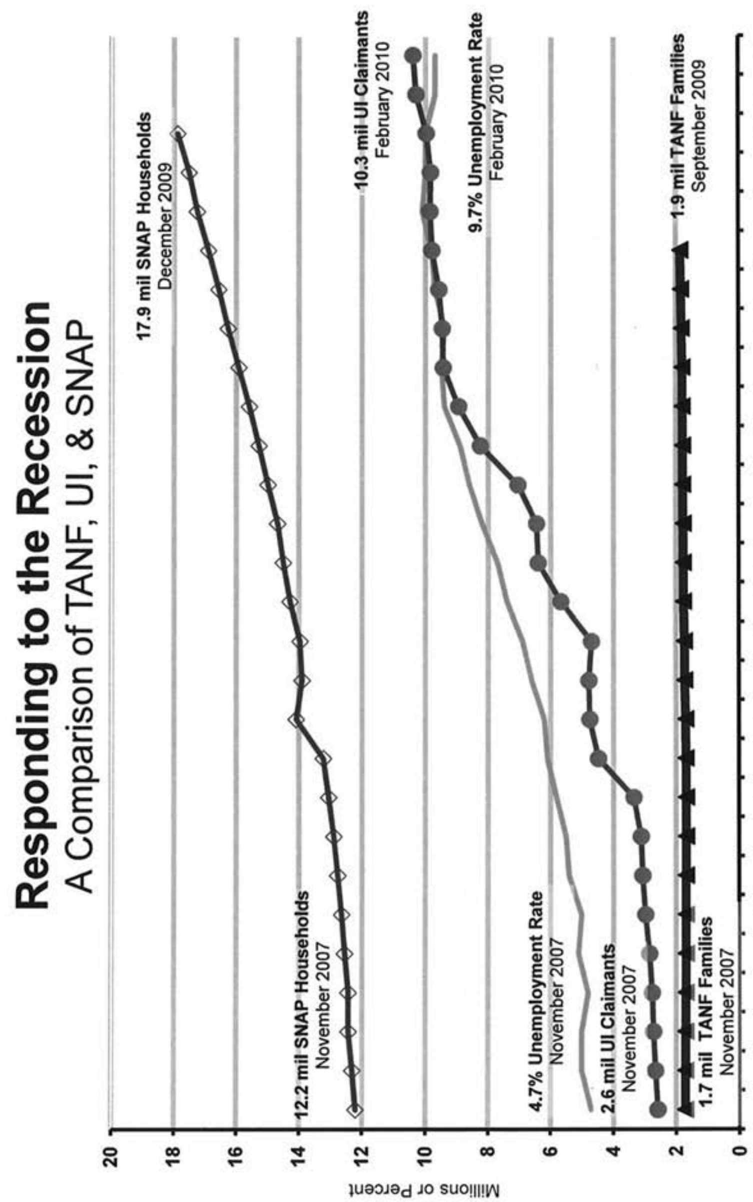
There are some steps we can take immediately to help more families and to help promote better work. The most obvious is the need to fund the TANF emergency fund which we put into the Recovery Act, and we have now got some money going into it shortly, we hope, which provides states money to respond to the rising need of this assistance and to establish and expand subsidized employment programs.

Twenty-three states are already using the contingency fund money for the establishment of programs of employment.

A broader discussion is needed on how other features of the TANF program affect this issue. Hopefully, this hearing will shed some light on all that.

I now yield to my Ranking Member, Mr. Linder. John.

[The information referred to follows:]



[The prepared statement of Mr. McDermott follows:]

Prepared Statement of Chairman Jim McDermott

We are here today to start a new conversation about the role of the TANF program in providing assistance to struggling families, especially during this time of great hardship for many Americans.

The starting point is this question: do poor children deserve our help as their parents struggle to find or prepare themselves for employment?

I believe the vast majority of Americans would say yes to that question. It may therefore come as unwelcome news to them that only 22% of poor children receive assistance from the Temporary Assistance for Needy Families or TANF program.

Furthermore, they may be concerned to hear that TANF seems far less responsive to the growing need than other safety net programs, such as Food Stamps or Unemployment Insurance.

As you can see by the chart in front of you, the TANF program has moved very little since the recession started in December of 2007, while other programs have been much more responsive.

The number of households receiving food stamps, which are now known as SNAP benefits, went up by close to 6 million. The number of individuals receiving unemployment benefits increased by nearly 8 million.

But the number of families receiving TANF has increased by less than one-quarter of a million since the start of the recession.

We will likely hear today a host of reasons for this very low participation rate, but I believe the main underlying cause is the presumption that declining caseloads always equal success.

Specific features of the TANF program, such as the caseload reduction credit, not to mention over a decade of rhetoric from every level of government, have driven this contention.

We all want TANF caseloads to go down because more parents are moving into good jobs. But if caseloads go down or stay flat, even as unemployment and poverty go way up, that should never be anyone's definition of success.

If it is, we might as well completely eliminate the TANF program right now. We would then have a caseload of zero—a perfect success.

Expecting a program for needy families to respond to a huge increase in needy families should be a bipartisan expectation.

Nevertheless, I know some of my colleagues on the other side of the aisle will be tempted to say that helping more families through TANF will reduce the program's emphasis on work.

However, the exact opposite is true.

Providing temporary assistance to more families in great need will also mean engaging more parents in work-related services and activities.

The alternative is to continue to ignore these families as they struggle to create a better life for their children.

There are some steps we can take immediately to help more families and to better promote work.

The most obvious is to continue the TANF Emergency Fund, which now provides funds to help States respond to the rising need for assistance and to establish or expand subsidized employment programs.

A broader discussion is needed on how other features of the TANF program affect this issue. Hopefully today's hearing will begin to shed light on that topic.

I now yield to the Ranking Member, Mr. Linder.

Mr. LINDER. Thank you, Mr. Chairman. Thank you for calling this hearing today.

This subcommittee has had five solo hearings in the last year. The first was last March entitled "Protecting Low Income Families While Fighting Global Warming."

Our Democrat colleagues discussed their plan to create the largest welfare program in American history, called "Energy Stamps." The policy found its way into the House-passed energy tax hike, and thankfully has appeared to have died in the Senate. Since then, 2.5 million more jobs disappeared.

Our second hearing on the Democrats' 2009 stimulus law was in April. That was a bill promising to create 3.7 million jobs. It was about jobs, jobs, jobs, as the Speaker said. Since then, the number of unemployed workers has soared 21 percent to a record 16 million.

Our third hearing last June was on a new $8 billion entitlement program that was stuffed into their trillion dollar health bill. Since then, an unprecedented six million people gave up trying to find a job and dropped out of the labor force.

Our fourth hearing last September was on foster care and adoption changes. A worthy task, but presumably foster and adoptive youth will want jobs as they become adults, too. Since then, the unemployment rate among people under 25 has reached a staggering 19 percent.

Our fifth hearing on the safety net was in October. As Chairman McDermott said, "It goes without saying that job creation is our first priority. Since then, the total job losses after stimulus reached 3.3 million."

Given the incredible gap between our hearings and reality, perhaps it should not be surprising that today the hearing is about the Democrats' desire to increase welfare rolls. Which they claim will somehow create jobs, presumably just like their stimulus bill did. Which is to say it will not and it will instead make matters worse.

To be fair, the Democrats have already tried increasing the welfare rolls but apparently it has not worked as well as they had hoped. The latest data suggests the welfare rolls have grown about five percent since the stimulus law passed and ten percent since the recession began. So I should give them their due and say they are now trying to increase the welfare rolls even more.

Last year's stimulus bill had $5 billion in new welfare funds, including if states increased their welfare rolls. According to the latest HHS figures, states have tapped less than a third of that $5 billion, mostly because they do not want to spend more of their own money. Washington can fix that.

Now Democrats propose billions more in welfare funds for states and making that money 100 percent Federally funded because unlike states that actually must balance budgets, Washington can spend any amount on anything, provided we call it an "emergency."

As we will hear from Robert Rector of The Heritage Foundation, there are two real goals here. First, accelerating spending on welfare in the name of stimulus, and second, repeal the successful 1996 welfare reforms, which led to less welfare dependence and poverty through more work and earnings.

Mr. Chairman, Americans want us to work together to solve problems. We should not cause more problems. Instead of bribing states to increase welfare rolls, or make fund make-work that will go away as soon as the funding ends, we should help more low income parents train for, look for, find and keep real jobs the a real economy to support their family. That is what the 1996 reforms did. Returning to the previous failed system will lead to more poverty and despair, not less, and we should not do it.

Thank you.

Chairman MCDERMOTT. Thank you very much. I will ask unanimous consent to enter into the record the letter from the National Governors Association imploring the Congress to extend the emergency contingent fund.

[The information referred to follows:]

NATIONAL GOVERNORS ASSOCIATION

James H. Douglas
Governor of Vermont
Chair

Joe Manchin III
Governor of West Virginia
Vice Chair

Raymond C. Scheppach
Executive Director

March 3, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Madam Speaker, Mr. Boehner, Senator Reid and Senator McConnell:

On behalf of the nation's governors, we are writing to urge your support in extending the Temporary Assistance for Needy Families Emergency Contingency Fund (TANF ECF).

Enacted as part of the American Recovery and Reinvestment Act, the TANF ECF is a $5 billion fund to help states provide greater support to children and families during the economic downturn. The fund reimburses states for 80% of their increased expenditures, and is set to expire on September 30th of this year.

As soon as the Department of Health and Human Services finalized its rules for drawing down the fund and ensuring transparency and accountability, states began utilizing the fund to help speed economic recovery through subsidized employment and training programs, and vital financial and supportive service offerings for needy families facing increased hardship. Currently, 23 states are drawing down the fund for subsidized jobs, with several more state applications pending approval. Many of these programs take time to develop and implement, and by allowing states more time to access these funds, Congress can help maximize the impact of the TANF ECF in providing crucial skill development and training to our workers.

We urge you to support extending the TANF ECF. This extension will allow us to capitalize on the resources made available in ARRA to best serve children and families, and help rebuild our nation's economy.

Sincerely,

M. Michael Rounds

Governor M. Michael Rounds
Chair
Health and Human Services Committee

Chet Culver

Governor Chester J. Culver
Vice Chair
Health and Human Services Committee

NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

February 18, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable John Boehner
House Minority Leader
U.S. House of Representatives
Washington, DC 20515

RE: TANF Emergency Contingency Fund

Dear Speaker Pelosi and Representative Boehner:

The National Conference of State Legislatures (NCSL) asks you to extend the Temporary Assistance for Needy Families Emergency Contingency Fund (TANF ECF). Addressing the expiring TANF ECF whether by simply excluding the time allowed to draw down the fund or by some other mechanism, is critical. Otherwise, states will have no choice other than to scale back their efforts to create employment opportunities and provide services for vulnerable populations.

The American Recovery and Reinvestment Act (ARRA, P.L. 111-5) contained a $5 billion TANF Emergency Contingency Fund to help states deal with an increased demand for services during the current economic downturn. The fund, made available for two years, reimburses states for 80% of the increased expenditures on basic assistance (cash welfare), short-term nonrecurring benefits and/or subsidized employment, allowing states to implement or expand activities that provide critical assistance to children and families.

Once they received guidance on the use of funds, states found TANF ECF essential in the rebuilding of our economy, especially by helping those who have lost their jobs in the recession to find new, stable employment. The latest information available shows that 23 states are already using TANF ECF for subsidized employment and even more projects are in the approval process. States are requesting more time to draw down the funds, and this is particularly important to allow states to maximize the use of funds for subsidized job programs, which require a longer time to implement and operate.

It is imperative to maintain the capacity of the TANF ECF program to improve the lives of those hardest hit by the current economic conditions. Please contact Sheri Steisel (sheri.steisel@ncsl.org) or Lee Posey at (Lee.Posey@ncsl.org) in our Washington, DC office for more information.

Sincerely,

Renee L Unterman

Senator Renee Unterman
Georgia
Chair, NCSL Human Services
and Welfare Committee

Ruth Kagi

Representative Ruth Kagi
Washington
Past Chair, NCSL Human Services
and Welfare Committee

cc: U.S. House of Representatives

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HUMAN SERVICES AND EDUCATION STEERING COMMITTEE

RESOLUTION ON THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUND

Issue: Support for Extending the TANF Emergency Contingency Fund.

Adopted Policy: The National Association of Counties urges Congress to extend the current TANF Emergency Contingency Fund past September 30, 2010 and provide additional funding through all of FY 2011 to assist counties in providing subsidized employment, cash assistance and short-term supports to needy families.

Background: The American Recovery and Reinvestment Act (ARRA) created a new Emergency Contingency Fund under the Temporary Assistance to Needy Families (TANF) program to enable states and counties to respond to increased demands for assistance. The $5 billion allocated over two years may be drawn down by states for cash assistance; non-recurrent assistance such paying for a utility bill; and/or subsidized employment.

In most states, the program was not implemented until late last fall, due to federal delays in crafting guidance for the new program and subsequent clarifications to states and counties requesting further information on activities eligible for the 80 percent federal funding and what sources of local, in-kind matches could be used under the program.

Without further congressional action, TANF-ECF will expire on September 30, 2010. Subsidized jobs supported by TANF-ECF and facilitated by counties in the public, non-profit and private sector will be terminated. Planning for additional slots will be phased out before that time, since such job slots are supported for a number of months. ECF earnings reduce greatly or eliminate the family's TANF cash grant. Work skills and relationships developed by individuals in ECF jobs help build the foundation for permanent employment. In California counties alone, nearly 15,000 jobs have been created and supported by TANF-ECF. Federal support for cash assistance grants and short-term assistance needs would also end.

In its federal fiscal year 2011 budget, the Obama Administration is proposing a new, $2.5 billion program to extend TANF-ECF for an additional year, through September 30, 2011. Subsidized employment positions would be supported with 100 percent federal funds and other activities, including additional work supports, would receive an 80 percent federal contribution.

Ways and Means Income Security and Family Support Subcommittee Chairman Jim McDermott (D-WA) has introduced H.R. 4564, a bill similar to the administration's budget proposal.

Given the need to get families back to work, state budget timelines and historic county and state fiscal stress, it is critical that the federal government act to extend the TANF-ECF program to ensure that these supports may continue after September 30, 2010.

Fiscal/Urban/Rural Impact: The bill would provide additional federal resources to assist counties in serving low-income individuals and families.

Adopted by the NACo Board of Directors
March 8, 2010

[The prepared statement of Mr. Linder follows:]

COMMITTEE ON
WAYS & MEANS REPUBLICANS
RANKING MEMBER, DAVE CAMP

OPENING STATEMENT RANKING MEMBER JOHN LINDER (R-GA)
HEARING ON TANF'S ROLE IN PROVIDING ASSISTANCE TO STRUGGLING FAMILIES
MARCH 11, 2010

(REMARKS AS PREPARED)

Thank you for calling this hearing today.

This Subcommittee has had five solo hearings in the last year.

The first was last March, titled "protecting lower-income families while fighting global warming." Our Democrat colleagues discussed their plan to create the largest welfare program in American history, called "Energy Stamps." That policy found its way into the House-passed energy tax hike bill, which thankfully has been declared dead in the Senate.

- Since then 2.5 million more jobs disappeared.

Our second hearing, on Democrats' 2009 stimulus law, was in April. That was the bill our Democrat colleagues promised would create 3.7 million jobs, since it was all about "jobs, jobs, jobs," as the Speaker said.

- Since then the number of unemployed workers has soared 21 percent to a record 16 million.

Our third hearing last June was on a new $8 billion entitlement program that our colleagues stuffed into their trillion-dollar health bill.

- Since then an unprecedented 1.6 million people gave up trying to find a job and dropped out of the labor force.

Our fourth hearing last September was on foster care and adoption changes. A worthy task, but presumably foster and adoptive youth will want jobs as they become adults, too.

- Since then the unemployment rate among people under 25 has reached a staggering 19 percent.

Our fifth hearing, on the "safety net," was in October. As Chairman McDermott said then "it goes without saying job creation is our first priority."

- Since then the total job losses after stimulus reached 3.3 million.

-OVER-

So given the incredible gulf between our hearings and reality, perhaps it shouldn't be surprising today's hearing is about Democrats' desire to increase the welfare rolls. Which they claim will somehow create jobs, presumably just like their stimulus has. Which is to say it won't, and will instead make matters worse.

To be fair, Democrats have already tried increasing the welfare rolls, but apparently it hasn't worked as well as they hoped. The latest data suggests the welfare rolls have grown about 5 percent since the stimulus law passed, and 10 percent since the recession began. So I should give them their due and say they are now trying to increase the welfare rolls *even more*.

In last year's stimulus bill, our colleagues provided $5 billion in new welfare funds, including if States increased their welfare rolls. But according to the latest HHS figures, States have tapped less than a third of that $5 billion, mostly because they didn't want to spend more of their own money. Washington can fix that. So now Democrats propose billions more in welfare funds for States, and making that money 100% federally funded. Because, unlike States that actually must balance budgets, Washington can spend any amount on anything, provided we call it an emergency.

As we will hear from Robert Rector of the Heritage Foundation, Democrats have two real goals here. First, accelerate spending on welfare in the name of "stimulus." And second, repeal the successful 1996 welfare reforms which led to less welfare dependence and poverty, through more work and earnings.

Mr. Chairman, Americans want us to work together to solve problems. We should not cause more problems. Instead of bribing States to increase welfare rolls, or fund make-work jobs that will go away as soon as the funding ends, we should help more low-income parents train for, look for, find, and keep real jobs to support their families. That's what the 1996 welfare reforms did. Returning to the previous failed system will lead to more poverty and despair, not less.

We shouldn't do it.

###

Chairman MCDERMOTT. They are using the money. It is not just Republicans or Democrats. It is both. I think even Haley Barbour, and I was surprised to see his name, but he is using this money in his state. We will have a hearing on that down the road.

We will first start with Ms. Nazario, who is here. Please come and take a seat up here. We were going to have Representative Gwen Moore from Wisconsin but she is over in the mandatory caucus under lock and key or something.

We will begin with you. Assistant Secretary Nazario is the Secretary for Children and Family Services of HHS. Ms. Nazario.

STATEMENT OF CARMEN NAZARIO, ASSISTANT SECRETARY FOR CHILDREN AND FAMILIES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES

Ms. NAZARIO. Thank you, Mr. Chairman and Members of the Subcommittee. I am pleased to appear before you today to discuss the Temporary Assistance for Needy Families program and its role as part of the nation's safety net.

Given the time constraints this morning, I will read a brief statement and submit my long statement for the record.

It is fitting that my first hearing as Assistant Secretary for Children and Families is before the Subcommittee, since you have shown such commitment to helping families in poverty, including support for the significant changes made by the Recovery Act.

We are witnessing dramatic results from these changes, including the development of innovative subsidized employment programs that are giving thousands of out of work parents what they most want and need, a job.

Unfortunately, unemployment remains high as does the need for subsidized jobs and assistance to families.

Thus, the President's budget calls for a one-year extension of the TANF Emergency Fund. I want to thank the Chairman for introducing H.R. 4564 which provides a one-year extension and makes important improvements to the emergency fund based on the experience of the past year.

This extension will provide a powerful tool for states to create jobs and reduce hardship until the economy gets back on its feet.

The TANF program is one of the nation's primary safety net programs for low income families with children. Under TANF, states have broad flexibility to design programs that promote work, personal responsibility and self sufficiency and strengthen families.

In the early years of implementation, unemployment among single mothers rose. Unfortunately, these positive trends have not been sustained. By 2008, the child poverty rate had risen to 19 percent and the percentage of poor single mothers that did not work and did not receive assistance increased from 16 to 35 percent.

Last year, the President signed the Recovery Act which included significant legislative provisions to bolster the safety net for low income children and families.

This legislation impacted the TANF program in several key ways, including the establishment of a new $5 billion emergency fund supporting basic assistance, short term needs, and subsidized employment to help families during an economic downturn.

Today, 41 states and 12 tribes have received emergency funds for a wide range of programs.

Just to highlight a few that might be of interest to the Subcommittee, Michigan offers payments to domestic violence shelters and refundable state earned income tax credit payments.

Maryland funds a homeless counselor's program and Alabama provides case management services related to child welfare activity.

The most exciting category from a job creation perspective is subsidized employment. More than 18,000 jobs have been established and by the end of the fiscal year, this number could grow to 120,000, making it the most extensive use of subsidized employment in the history of the TANF program.

San Francisco's subsidized employment program has been expanding due to the positive response from potential employers and employees. Its original goal of 1,000 placements has been increased to 2,000.

Florida has hired 75 temporary workers from their TANF eligible caseload to serve as call agents in a new state center set up to handle increased volume of public assistance inquiries. The state is about to expand the initiative to a broad spectrum of public and private organizations.

Georgia will subsidize 100 percent of the wages in its Teen Work Program, offering Summer jobs for youth who are in foster care, are developmentally disabled, or part of the state's Grandparents Raising Grandchildren program.

Although there are encouraging signs that an economic recovery is underway, serious challenges to sustain employment remain. Without action by Congress to extend availability of the emergency fund, states will soon begin to scale back this critical support effort.

In closing, I would like to mention the administration's proposal for a new $500 million investment in the creation of a Fatherhood, Marriage and Families Innovation Fund to encourage and rigorously evaluate demonstrations of proven and promising strategies to help fathers and mothers succeed both in the labor force and as parents.

I appreciate the Subcommittee's work in supporting responsible fatherhood efforts and particularly the leadership of Congressman Davis on this important issue.

States continue to face budget shortfalls and the impact of high unemployment rates. The Recovery Act took important steps to shore up the economy and provide aid to those who have borne the harshest impacts of the recession, and help states maintain critical services, but the job is not finished, too many people remain out of work and too many families struggle to make ends meet.

I look forward to working with the Subcommittee to ensure that states can continue their innovative subsidized jobs programs and to strengthen TANF child care and child support efforts.

I will be happy to answer any questions.

[The prepared statement of Ms. Nazario follows:]

Testimony of

Carmen R. Nazario

Assistant Secretary for Children and Families

U.S. Department of Health and Human Services

Before the

Subcommittee on Income Security and Family Support

House Committee on Ways and Means

The Role of TANF as a Safety Net

March 11, 2010

Mr. Chairman and members of the Subcommittee, I am pleased to appear before you today to discuss the Temporary Assistance for Needy Families (TANF) program and its role as part of the nation's safety net. I would like to take this opportunity to express my thanks to you, Mr. Chairman, for your leadership and to the Subcommittee for its efforts to strengthen programs serving low-income families.

It is fitting that my first hearing as Assistant Secretary for Children and Families be before your Subcommittee since you have shown such commitment to helping families in poverty, including support for the significant changes made to our programs by the American Recovery and Reinvestment Act of 2009 (Recovery Act). One of my highest priorities is to support low-income families in achieving economic success so that they can be full participants in, and contributing members of, our society. We work hard to assist these families in reaching economic self-sufficiency when the economy is strong and our work becomes even more difficult in times like these when the economy has faltered. I appreciate you holding this hearing today.

A number of programs under the Administration for Children and Families play a vital role in the American safety net, including the Temporary Assistance for Needy Families (TANF) program, child care, child support enforcement and child welfare. My testimony today will primarily focus on the TANF program and the impact it has had in helping low-income families and also more specifically on the Recovery Act provisions that are playing a major role in reinforcing the program. We are witnessing dramatic results from these provisions – the added funds for basic assistance and emergency and short-term needs have helped many struggling families make ends meet and, at the same time, States are using these funds to develop innovative subsidized employment programs that are giving thousands of out of work parents what they most want and need – a job. Unfortunately, unemployment remains high and the need for subsidized jobs as well as assistance to families remains high. Thus, the President's budget calls for a one year extension of the TANF Emergency Fund to ensure that States have the resources they need to continue to create jobs for struggling parents and provide a critical safety net for families as the economy begins to recover.

I want to thank the Chairman for introducing H.R. 4564 which provides a one year extension of the Emergency Fund and also makes some important improvements to the Fund based on the experience of the past year. This extension will provide a powerful tool for States to create jobs and reduce hardship until the economy is back on its feet.

I also would like to take this opportunity to discuss child care and child support, since they are key partners with TANF in supporting low-income families achieve, and maintain, economic success.

Temporary Assistance for Needy Families Program Background

The TANF program is one of the nation's primary safety net programs for low income families with children. Under this $16.5 billion block grant program, States have broad flexibility to design programs that promote work, personal responsibility and self-sufficiency, and strengthen families. Within certain Federal requirements, States can determine their own eligibility criteria, benefit levels, and the type of services and benefits available to TANF recipients.

The TANF program was intended to help families attain self-sufficiency. And, much progress has been made, particularly in the early years of implementation when child poverty fell and employment among single mothers rose. However, no single indicator can answer every question about effectiveness of the TANF program. For example, caseload decline is positive if it is accompanied by declines in poverty and increases in employment, but caseload decline that is accompanied by rising child poverty would not be a mark of success. Similarly, we are not only interested in reducing poverty, but in increasing employment among those able to work. Thus, I'd like to take a minute to describe the strengths and limitations of the TANF program to date and share with you some thoughts on how I think States and the Federal government can work together to improve outcomes for families – a goal I know we all share.

Between 1993 and 2000, the child poverty rate declined from 22.7 percent to 16.2 percent; the employment rate of single mothers rose from 58 percent to 73 percent and for single mothers with children under age three the employment rate increased from 36 percent to 60 percent; and TANF caseloads declined from about 5 million families to about 2.3 million families – a drop of 54 percent. What we witnessed during this period was welfare reform, aided by a strong economy, Earned Income Tax Credit expansions, expanded child care assistance, improved child support enforcement efforts, expanded health care coverage, and minimum wage increases, assisting families in their quest for self-sufficiency. This is not to say everything was perfect in these early years. But these indicators were moving in tandem and in a positive direction.

Unfortunately, since 2000 these positive trends have not been sustained. By 2008, and well before the recession had fully impacted the economy, the child poverty rate had risen to 19 percent and the employment rate of single mothers had dropped to 69 percent. However, the TANF caseload continued to fall to a 40-year low of 1.7 million cases.

Of concern, between 1995 and 2006, the percentage of poor children receiving assistance fell from 61.5 percent to 27 percent. The percentage of families that met the eligibility criteria for TANF assistance in their State and actually received that assistance fell from 84 percent to 40 percent between 1995 and 2005. The percentage of poor single mothers that did not work and did not receive assistance increased from 16 percent in 1995 to 35 percent in 2008. Well over half of the decline in the caseload since 1995 is due to a reduction in the proportion of poor families receiving assistance rather than a drop in the number of poor families with children.

Despite increased unemployment and economic hardship driven by the recession, the number of families receiving assistance has only risen slightly to 1.8 million cases by September 2009. The situation varies substantially by State, however. Some States have seen significant caseload increases in the past year, while others have seen virtually no caseload growth or continued caseload declines. The pattern suggests that more than the economy is at play here. Some States with some of the worst economic conditions are not seeing significant caseload increases while other similarly situated States have seen larger caseload increases. In my view, it is a very positive development when the TANF caseload is falling because families are working and fewer families are in need; but we must be certain that the program remains responsive and accessible to families when they are in need.

American Recovery and Reinvestment Act (Recovery Act)

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 which included significant legislative provisions to bolster the safety net for low income children and families. This legislation impacted the TANF program in several key ways, including the establishment of a new $5 billion Emergency Contingency Fund for States, Territories and Tribes. This Emergency Fund was structured recognizing that there are multiple ways to help families during an economic downturn by expressly providing additional funding for basic assistance, short-term needs, and subsidized employment.

I would like to spend some time discussing in more detail the features of the TANF Emergency Fund given its importance in helping States respond to the needs of poor families during this downturn and the Administration's proposal to work with Congress to extend this Fund for another year until the economic recovery is more robust.

The TANF Emergency Fund

The TANF Emergency Fund provides up to $5 billion in FY 2009 and FY 2010 to reimburse States, Territories, and Tribes that have an increase in expenditures in any of three categories: (1) basic assistance (provided the State's caseload has increased); (2) non-recurrent, short-term benefits; and (3) subsidized employment. The Emergency Fund offsets 80 percent of an increase in expenditures in any of these categories over what the State spent in either 2007 or 2008.

Cumulative combined grants from the existing Contingency Fund and the Emergency Fund for the FY 2009-FY 2010 period cannot exceed 50 percent of a State's annual Federal TANF family assistance grant. States may apply up to one month before a quarter begins on the basis of estimated expenditures, so that emergency funds are available to the State before expenses are incurred.

As of March 5, 2010, 41 States and 12 Tribes have received emergency funds exceeding $1.5 billion. While it has taken almost a year to obligate these funds, we anticipate a much swifter expenditure rate during the remainder of this fiscal year based on the applications we now are receiving from States. In addition, in March States can begin to apply for funds for the third quarter of FY 2010, and we expect a large influx of new or updated applications based on our discussions with the States. It is noteworthy that of the 13 States initially indicating that they either would not apply or were uncertain about applying, 10 have since applied for TANF Emergency Funds.

Twenty-three States and 6 Tribes have already received funds for subsidized employment programs and another 6 States have submitted applications that we hope can be approved soon. This is unprecedented – State TANF programs have never made this much use of subsidized employment. As of January, more than 18,000 jobs have been established using these funds and estimates suggest that by the end of the fiscal year that number could grow to 120,000 low-income parents and youth in subsidized employment programs, based on a survey of States reported by the Center on Budget and Policy Priorities—making it the most extensive use of subsidized employment in the history of the TANF program.

It took a significant amount of time for many States to design their targeted efforts to assist families, and additional guidance was needed from the Assistant Secretary for Children and Families (ACF) regarding acceptable uses of funds and reporting requirements. Since the passage of the Recovery Act, we have worked diligently with States to explain the options available through the Fund.

In addition to issuing policy guidance and creating a mechanism to expedite applications, ACF has implemented strong, proactive outreach through the ACF Regional Office staff to maximize our contact with State leadership, answer questions, and help them explore areas of interest where the Emergency Fund might help. We also are actively engaged with key State Associations – specifically the American Public Human Service Association (APHSA), the National Conference of State Legislatures (NCSL), and the National Governors Association (NGA) – to ensure that States fully understood how the Emergency Fund worked and how it could be used to address the diverse needs of families struggling to make ends meet during a period of high unemployment. To that end, ACF has organized or taken an active part in regional meetings of State decision-makers and nationally broadcast technical assistance conferences.

On a more technical level, as States expand their thinking on program design, questions arise in programmatic and fiscal policy arenas. We are posting questions and answers related to the Emergency Fund on our website, along with lists of examples of programs we already have approved in other States. In addition, State-to-State Technical Assistance, facilitated by the

Welfare Reform Peer TA Network, is another tool available for States to reach out to one another and share their innovative approaches.

But to maximize the impact of this fund, we needed to go beyond our contacts with States and forge stronger, collaborative relationships with our Federal partners as well. ACF has issued joint guidance with the Substance Abuse and Mental Health Services Administration (SAMSHA) and separate guidance with the Family Violence Prevention and Services Program (FVPSP) encouraging States to explore using emergency funds to help TANF recipients with mental health, substance abuse or domestic violence issues.

Outside HHS, we are teaming up with other Federal agencies. We are working with the Department of Labor (DOL) to identify opportunities for States to use TANF emergency funds to develop and expand summer youth employment programs. We have a similar partnership with the U.S. Department of Agriculture (USDA) to help States understand the circumstances in which emergency funds can be used to supplement and complement their summer food service programs. ACF has issued joint guidance with both DOL and USDA to announce these opportunities. In addition, the Department of Labor issued helpful guidance (TEGL 12-09) in January of this year, to assist States seeking to implement subsidized work-based training programs for unemployed workers and ensure compliance with employment laws.

These collaborative efforts and close working relationships with States have led to numerous innovative State efforts to provide assistance to the most vulnerable children and families. Under the basic assistance category in the Emergency Fund, which includes cash payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs, 35 States and 7 Tribes have received almost $823 million to date. As assistance caseloads rose throughout FY 2009, the number of States that qualified for funding, and the amounts for which they qualified, increased steadily. We have heard from some States that if it had not been for the additional resources provided by the Emergency Fund, they would have been forced to reduce benefits, remove some families from their rolls, or make other sweeping cuts in programs that help low-income families. Going beyond simply providing cash assistance, some States have designed incentives by providing earnings supplements or bonuses for families that leave the regular cash assistance caseload for work. We note that caseload increases remain modest and concerns raised by some when the Recovery Act was enacted that States would simply build their caseloads have not come to pass.

Under non-recurrent, short-term benefits States have broad flexibility to determine the types of benefits and services funded. Examples of non-recurrent, short-term benefits include: employment/training bonuses, short-term education and training, work expenses (such as tools and uniforms), transportation support, emergency housing, assistance with utilities payments, one-time payments for a specific need (such as a back-to-school allowance), and domestic violence services. These benefits need not go only to families receiving cash assistance, but often serve a broader group of low-income families, such as those who may have seen a large drop in their earnings when one parent lost a job.

Many States, including Washington and Maryland, offer not just one short-term benefit but a wide variety of such non-recurrent, short-term benefits. A number of States provide one time, lump sum payments to help clients meet emergency needs such as car repairs, work readiness costs, utilities, rent or mortgage arrears, in order to help them avoid long-term cash assistance. States also provide other types of assistance in this category. Michigan, for instance, offers payments to emergency and domestic violence shelters, clothing allowance payments before the new school year, and refundable State Earned Income Tax Credit (EITC) payments. Maryland funds emergency and transitional housing, a crisis shelter program for homeless women, and a homeless counselors program. Alabama uses non-recurrent, short-term benefits to stabilize families during crisis periods with payments for such services as emergency shelter, clothing, food, transportation, car repairs, work supports, utilities, and household furnishings. Alabama also provides case management services as well as referral services to needy families related to child welfare activities, and short-term employment assistance.

To date, 20 States and 5 Tribes received more than $589 million to support non-recurrent short-term benefits for families struggling during this difficult economic period, and we expect that number to continue to grow over the course of this year.

Finally, the most exciting category from a job creation perspective is subsidized employment, which represents payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training. Subsidized jobs may be in the private or public sector and, as with non-recurrent, short-term benefits, States may choose broader eligibility criteria than for cash assistance. Although the specific features of these programs vary from State to State, they generally subsidize anywhere from 50 to 100 percent of an employee's wage (and sometimes fringe benefits) for a period of 4 to 12 months. The average wage generally ranges from $8 to $12 per hour and most positions are full-time jobs. The subsidized employment programs are subject to non-displacement provisions to keep employers from laying off workers in order to hire individuals that come with a wage subsidy.

San Francisco's subsidized employment program, JobsNow!, has been expanding since receiving TANF emergency funds. Due to the positive response received from potential employers and employees, its original goal of 1,000 placements has been increased to 2,000. Through the end of February 2010, San Francisco had placed over 1,800 people into jobs in the public, non-profit and private sectors, with one-half of the placements representing TANF cash aid recipients. Average hourly wages are $20.87 in the private for-profit sector, $14.10 for employment with a non- profit organization, and $12.21 in public sector positions. The program uses the TANF emergency funds to reimburse employers for 100 percent of the wages paid, but requires employers to pay wage-related costs, such as payroll taxes and workers comp. Eligible clients are recruited through the TANF program offices and through the Workforce Investment Act (WIA) One Stop Centers.

Florida is making some exciting moves with subsidized employment. In October, the State's Department of Children and Families hired 75 temporary workers from their TANF-eligible caseload to serve as call agents in a new call center the State set up to handle the increased volume of public assistance inquiries. Florida is subsidizing 100 percent of wages with TANF emergency funds through September 20, 2010. Due to the great success of this program and interest it generated among employers, the State is about to expand the subsidized jobs initiative to a broad spectrum of both public and private businesses and organizations. Working through its Regional Workforce Boards, Florida expects to have agreements with at least 850 employers to provide over 9,800 subsidized positions. ACF currently is working with the State on this broad application for funds.

With the weather we have had this winter it is hard to think of summer yet, but States already are planning for summer jobs programs for young people. TANF agencies are exploring ways to join forces with their local WIA agencies and the Emergency Fund will likely represent a linchpin for that effort. As in subsidized employment generally, some States intend to target underserved populations. For example, Georgia will subsidize 100 percent of the wages in its Teen Work Program, which provides summer job opportunities for youth 16-21 who are in foster care, are developmentally disabled, or are part of the State's Grandparents Raising Grandchildren program.

As of March 5, nearly $158 million has been awarded for subsidized employment programs and we expect this amount to grow rapidly in the coming months. In the past, few States operated subsidized employment programs and those that did tended to have small programs. Therefore, it has taken time to develop work sites, enlist employers, and get their programs off the ground. We think that States' experiences in operating subsidized jobs programs may form an important knowledge base for future welfare reform efforts. States are gaining experience in how to operate these programs. When the labor market strengthens, this experience may help them make better use of subsidized employment for those parents who, even during better times, have difficulty securing employment.

TANF Legislative Proposals

Given the difficult fiscal choices States are facing in an economy that still has high unemployment, and the recent extremely positive activity by States, the Administration strongly urges Congress to take action so that all States can access the Emergency Fund in 2011 when, unfortunately, unemployment and poverty are likely to remain elevated in the aftermath of the recession. By extending availability of the Emergency Fund through FY 2011 and providing an additional $2.5 billion, States can continue their innovative efforts to strengthen the safety net so desperately needed by many low-income children and families.

Although there are encouraging signs that an economic recovery is underway, serious challenges to sustain employment both within and outside of the TANF program remain a reality and it is likely that the need for basic assistance, short-term aid to see a family through difficulties, and subsidized employment will remain high. We must continue to spur innovation and increase the knowledge base of effective approaches to assisting families achieve self-sufficiency. Without some assurance that additional funds will be available, States will soon begin to scale back their subsidized employment, assistance, and short-term benefit programs.

The need for an extension of the Emergency Fund soon is most acute for States operating subsidized employment programs because of the time commitment involved in creating subsidized jobs. Most subsidized employment programs offer employers a wage subsidy for a minimum of six months. Therefore, States may be unwilling to extend programs, or worse, even initiate programs, without some assurance that the Emergency Fund will continue beyond the end of the fiscal year. Most States have indicated that they would have to scale back their programs as well, unless funds are guaranteed. Given the time it has taken for States to establish such programs and the widespread view that these programs are making a difference, this would be very unfortunate. Extending the Emergency Fund for one year will give States and employers the assurances they need to continue to create jobs, support needy families, and help jumpstart the economy.

Further, our legislative proposal would strengthen the Emergency Fund's focus on employment by adding a new category for employment services. Rising unemployment and assistance caseloads have increased the need for work activities to help move families from welfare to work. Our proposal ensures that these important employment-related services can be covered.

The President's proposal also raises the reimbursement for subsidized employment expenditure increases to 100 percent. The reimbursement rate for basic assistance, non-recurrent short-term benefits, and the new employment services category will remain at the current 80 percent level. This change would sharpen the focus of the Emergency Fund on work and encourage greater job creation.

Finally, under our proposal States could use FY 2009 as the base year from which to calculate expenditure increases. This would allow States whose expenditures dropped in FY 2009 to access the Emergency Fund and respond to the economic crisis.

Now, I would like to move on to a discussion of our legislative proposals for FY 2011 which would provide additional targeted support to States to fund innovative, effective efforts to help fathers and mothers succeed both in the labor force and as parents. First, the President's budget calls for the creation of a Fatherhood, Marriage, and Families Innovation Fund, a one-year, $500 million investment to encourage and rigorously evaluate demonstrations of proven and promising strategies. Specifically, the Fund would create new and equal funding streams to support two closely interrelated objectives: (1) State-initiated comprehensive responsible fatherhood initiatives, including those with a marriage component, that rely on strong partnerships with community-based organizations; and, (2) State-initiated comprehensive family self-sufficiency demonstrations that seek to improve child and family outcomes by addressing the employment and self-sufficiency needs of custodial parents who face serious barriers to achieving these outcomes. The Fund would serve as a catalyst for innovative service models that integrate a variety of service streams with the goal of building a stronger evidence base about what programs work to remove barriers to employment and increase family functioning and parenting capacity that could be replicated within TANF, Child Support Enforcement, and other State and community-based programs. I appreciate the subcommittee's work in supporting responsible fatherhood efforts and particularly the leadership of Congressman Davis on this important issue.

In addition, we are proposing to extend TANF programs for one year, providing $319 million to continue Supplemental Grants for Population Increases and $1.9 billion for the Contingency Fund. The obligations from the Contingency Fund would be limited to 20 percent of the budget authority in FY 2011.

I now would like to briefly discuss two additional supports that work in tandem with TANF in assisting vulnerable families – child care and child support.

Child Care

The Child Care and Development Fund (CCDF) provides formula grant funding to States, Territories, and Tribes to improve the availability, accessibility, and affordability of child care. In FY 2010, funding for CCDF is $5 billion ($2.1 billion in discretionary funds appropriated annually by Congress and $2.9 billion in entitlement funds appropriated pursuant to the Social Security Act). In addition, the Recovery Act provided $2 billion for States to obligate over fiscal years 2009 and 2010.

In 2008, an estimated 1.6 million children received CCDF assistance in an average month. With additional funding from TANF and the Social Services Block Grant (SSBG), the total estimated average monthly number of children served in 2008 was 2.5 million. CCDF also provides funding for a broad array of activities designed to improve the quality of child care, including training and monitoring of child care providers.

Child care funding included in the Recovery Act is helping meet the needs of low-income families during the recession, when many families have seen their earnings fall and need help paying for child care while they work at low wage jobs, look for work, or upgrade their skills. At a time when States are facing severe budget difficulties, these funds also have helped maintain and expand child care assistance, extend child care assistance for periods of job search, reduce or avoid increases in family co-payments and raise provider reimbursement rates, invest in data systems, implement Quality Rating and Improvement Systems (QRIS) that provide quality benchmarks for providers and critical information about quality to parents, and make other critical investments in the quality of care.

To sustain these efforts, the President's budget request for FY 2011 includes a $1.6 billion increase for the Child Care and Development Fund (CCDF) program -- $800 million for the Child Care and Development Block Grant on the discretionary side of the budget and $800 million for the Child Care Entitlement. This budget supports the Administration's intent to work with Congress to reauthorize the child care program—proposing a five-year, $5 billion increase in mandatory funding and supporting a strong focus on strengthening quality. Child care is a critical part of the social safety net. Access to high quality child care promotes self-sufficiency for low-income families, including families receiving TANF assistance or transitioning off TANF and those for whom child care assistance can ensure that they do not need to turn to TANF at all.

Child Support

The Child Support Enforcement Program is another critical component of the safety net that leverages private resources from non-custodial parents to help support their children. This program serves 17 million children overall, and half of all poor children. Most families in the program are low-income working families and the majority of children are born outside of marriage. Forty-five percent of these families formerly received TANF and 13 percent are currently in the TANF program.

In FY 2008, the Child Support Enforcement Program collected $26.6 billion in child support, while the total federal contribution to costs was $4.1 billion. By securing support from non-custodial parents, the Child Support Enforcement Program lifts a million people out of poverty every year and helps families avoid the need for public assistance. Child support provides about 30 percent of income for the poor families who receive it, and over 90 percent of the child support money collected by the program is distributed directly to children and families.

The Recovery Act temporarily restored federal matching funds for State expenditures made with child support incentive payments – a long-standing policy that was suspended by the Deficit Reduction Act of 2005. In the past, State programs relied heavily on this authority to fund operations and we estimate that program expenditures would be cut by over 10 percent without the continued matching funds since it is unlikely that States could afford to make up the reduction in Federal funding. The President's FY 2011 budget requests a total of $4.3 billion for the Child Support Enforcement Program and includes several legislative proposals, the most significant being a one-year continuation of the Recovery Act provision.

Conclusion

States continue to face budget shortfalls and the impact of high unemployment rates. The Recovery Act took important steps to shore up the economy, provide aid to those who have borne the harshest impacts of the recession, and help States maintain critical services. But, the job is not finished – too many people remain out of work and too many families struggle to make ends meet.

I look forward to working with this subcommittee as we continue to find ways to create jobs and ensure that children do not fall through the cracks as the economy begins to recover. Together I am confident that we can ensure that States can continue their innovative subsidized jobs programs and that we can strengthen TANF, child care, and child support efforts.

As the economy recovers, States will be better prepared to engage in a more comprehensive updating of the TANF and child support programs focusing on improving child outcomes by helping parents succeed in the labor force and provide for their children's basic needs. Over the next year we will engage in a more comprehensive examination of the TANF and child support enforcement programs in preparation for a full reauthorization of welfare reform. As part of that process, we will examine ways to better help more TANF recipients get jobs, particularly jobs that support a family, reach more poor families in need of aid, measure State performance in TANF, and build stronger families.

Again, Mr. Chairman, thank you for the opportunity to participate in this important discussion of American's safety net. I would be happy to answer any questions you may have.

Chairman MCDERMOTT. Fabulous testimony. Ten seconds over. Wonderful. We will invite you back.

[Laughter.]

Chairman MCDERMOTT. Mr. Linder, would you desire to inquire?

Mr. LINDER. Ms. Nazario, the President's budget proposal this year indicates they want to delay the re-authorization of TANF for another year. Why is that?

Ms. NAZARIO. We have been through this very tough economic period of time and we are learning a lot about how states are able to respond to these changing needs and to the various needs of families.

I think that working with Congress and particularly with the innovative approaches that we have in the 2011 budget, we will be able to have better information that will guide us in improving the program even more for where we need to go to help families.

Mr. LINDER. Coming on the next panel is Robert Rector of The Heritage Foundation, and he says "By fiscal year 2011, total Government spending on means-tested aid will rise to $953 billion, nearly a 50 percent increase since fiscal year 2007."

He said "Dividing total means-tested aid by all persons with incomes below 200 percent of the poverty level results in average welfare spending of $7,700 per person, roughly $30,000 for a family of four."

First, have you had a chance to review that testimony or that statement?

Ms. NAZARIO. No, sir. I have not.

Mr. LINDER. Is it your testimony that $953 billion is not enough?

Ms. NAZARIO. Who is to say what is enough. I think the important thing is that these programs are set up to help families and children in need so they can become self sufficient and contributing members of our community.

We have allowed our society at many levels of Government the opportunity to assist people with Government funding or tax credits and these are just opportunities for us to continue to serve the most vulnerable members of our society.

Mr. LINDER. You said who is to say what is enough. Is anybody to say how much is enough?

Ms. NAZARIO. I think together the Congress and the administration can work towards understanding the situation so that we can develop programs that really meet the needs of families.

I think TANF has demonstrated through the years that cash assistance is not the preponderant service that it used to be, so it has demonstrated that we can develop our thinking and provide assistance in work support and other means that can help families towards self sufficiency without maintaining the modalities of just cash assistance.

I think together, we can work towards a path that is responsive to families and responsible with public funds.

Mr. LINDER. There has been a fairly large increase in food stamps and an extension of unemployment insurance. Some of that is going to people qualifying for TANF also. Do you not consider that cash assistance?

Ms. NAZARIO. These other programs have a much larger eligible pool than TANF. TANF is a $16.5 billion fund. Even together with all state dollars, it is a $28 billion fund. Those other programs like unemployment insurance and child support or mortgage interest credits, tax credits for taxpayers, I am not sure where we draw the line.

I think while TANF is one of the most important safety net programs, it is modest in relation to other much more comprehensive programs in terms of eligible pools.

Mr. LINDER. Thank you, Mr. Chairman.

Chairman MCDERMOTT. Thank you, Mr. Linder.

My understanding is that the increase that Mr. Linder is talking about largely is increased spending on Medicaid, that Medicaid's funding is really the big item that has increased over the last number of years. Is that correct?

Ms. NAZARIO. I am not prepared to answer that question. I can get an analysis for you. I have not seen Mr. Rector's testimony.

Chairman MCDERMOTT. I have a chart in front of me that shows 49 percent of the increase in spending is limited to people on Medicaid. That is almost half the money goes to the medical situation. It would be good to have confirmation from the Department on that.

Ms. NAZARIO. I will certainly do that.

Chairman MCDERMOTT. I think I had better withhold my questions although I have one question I would like to ask you.

Tell me the kinds of programs that people are creating jobs in. A lot of people have always felt like well, welfare, they just do make work, there is some kind of give them a sharp stick and go out and pick up papers or something.

Tell me the kinds of programs that have been developed by states in terms of both public and private use of the money. I know there have been a lot of states that have used it all for private jobs.

Ms. NAZARIO. I mentioned a few in my short testimony. I think I was trying to give you a flavor, Mr. Chairman, of the variety of activities that are being employed by the states in the subsidized employment programs, from Government workers assisting people in need who are applying for assistance to Summer youth programs for teens to grandparents who are raising children, to handling child protective services and child welfare situations, to various forms of community jobs, case management services, also jobs in the private sector and even in the for profit sector as well as nonprofit.

Chairman MCDERMOTT. I appreciate your testimony. We will have you back. This will not be our only hearing on this issue as we move toward re-authorization.

Thank you very much for coming.

Ms. NAZARIO. Thank you, sir.

Chairman MCDERMOTT. Our next panel, if they would take their seats at the table. As with Secretary Nazario's written testimony, her testimony will be entered into the record, and so will all of yours. I hope you will use your time in some other way than just reiterating what is in there.

Our first witness is Kay Brown. She is the Director of the Education, Workforce and Income Security part of the GAO. She has done a report.

Ms. Brown.

STATEMENT OF KAY E. BROWN, DIRECTOR, EDUCATION, WORKFORCE AND INCOME SECURITY, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Ms. BROWN. Mr. Chairman and Members of the Subcommittee, thank you for inviting me here today to discuss our work on the TANF program and its assistance to low income families.

My remarks are based on our GAO report that was released today. I would like to talk about four findings from this report.

First, we studied the significant decline in the TANF cash assistance caseload from 1995, the year before welfare reform, to 2005, the most recent year for which we had data.

The solid line on this graph depicts the number of families receiving cash assistance. We found that a small part, about 13 percent of the decline, occurred because fewer families were eligible for cash assistance, either because of changes to eligibility rules or because of increased family incomes, which resulted from the strong economy in the 1990s, TANF's focus on work, increases in the minimum wage, and other factors.

A much larger share of the caseload decline, 87 percent overall, resulted from a decline in the number of eligible families who participated in the program, and these you can see in the shaded area in the graphic.

In fact, while 84 percent of eligible families received cash assistance in 1995, only 40 percent did in 2005. This drop likely results from families' responses to changes in state welfare programs, such as mandatory work activities, time limits, sanctions and diversion strategies and the value of cash benefits.

Second, we asked what if the participation rate of eligible families was the same in 2005 as it was in 1995, that is what if the rate was 84 percent instead of 40 percent.

We found that if this were the case, 800,000 fewer children would be in extreme poverty with incomes below half the Federal poverty level. Further, an estimated 3.3 million families would gain TANF benefits and would experience an increase in their net income.

However, this increase would not significantly change the number of children in poverty overall, in part, because TANF benefits are typically too low to raise the incomes of participating families above poverty.

Third, we compared the characteristics of families participating in TANF cash assistance in 2005 to those eligible but not participating that year, and we found that although all eligible families had low incomes, those not participating in TANF generally worked more, had relatively higher incomes, and were less likely to receive other public support.

However, we did identify a subgroup of eligible non-participating families who did not work or receive supplemental security income benefits. These families were more disadvantaged with lower incomes than families participating in TANF, and as shown on the graphic before you, this subgroup accounted for 11 percent of all eligible families in 2005 or about 732,000 families.

Fourth, we gathered information on the changes that 21 states were experiencing in caseloads and TANF related spending in the current recession. In 12 of these 21 states, the number of families receiving TANF cash assistance increased between June 2008 and June 2009.

However, changes in caseloads varied widely by state. For example, in one state, the caseload increased by 22 percent while in another it decreased by nine percent.

Further, we found no clear association between the change in TANF caseloads in the states and unemployment rates in this time frame. Unemployment is one of many factors that may affect a state's caseload, including specific TANF program characteristics.

In the recession, states reported drawing on their reserve funds, TANF contingency funds, which are now depleted, as well as the emergency contingency fund created by the Recovery Act.

Since the time of our state review, conditions have continued to deteriorate and the full effect of changes in the economic climate on TANF cash assistance programs is unknown.

This concludes my prepared statement. I would be happy to answer any questions you or other Members of the Subcommittee may have.

[The prepared statement of Kay E. Brown follows:]

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EST
Thursday, March 11, 2010

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Implications of Changes in Participation Rates

Statement of Kay E. Brown, Director
Education, Workforce, and Income Security

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GAO-10-495T

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to participate in today's discussion of the role of the Temporary Assistance for Needy Families (TANF) program in providing assistance to low-income families. My remarks to you are based on our report, released today, entitled *Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State.*[1] As you know, as a result of sweeping changes made to federal welfare policy in 1996 with the creation of TANF, welfare changed from a program entitling eligible families to monthly cash payments under Aid to Families with Dependent Children (AFDC) to a capped block grant that emphasized employment and work supports for most adult participants who receive such assistance. With the creation of TANF, the number of families who received cash assistance fell significantly, from 4.8 million families on average each month in 1995—just prior to the creation of TANF—to 1.7 million in 2008. During this time frame, poverty among all children initially fell, from about 21 percent in 1995 to about 16 percent in 2000, and then rose thereafter to 19 percent in 2008. Most families receiving cash assistance are single mothers with children, and children in such families have historically experienced high rates of poverty. Furthermore, the recession, which began in late 2007 and deepened nationally in 2008, put additional pressures on families living in poverty, especially families with children, who are particularly vulnerable.

Under the TANF block grant program, created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), states receive federal funds to design and operate their own welfare programs within federal guidelines. The Department of Health and Human Services (HHS) administers the TANF program, which provides states with up to about $16.5 billion each year in TANF block grant funds, and each state must contribute a specified level of its own funds to qualify for the grant. In addition, under TANF, states must involve a minimum percentage of their adult TANF cash assistance recipients in work activities for a required number of hours each week. They must also restrict most families to a lifetime limit of 60 months of federally funded TANF cash assistance. Within certain limitations, states set their own

[1]GAO, *Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State*, GAO-10-164 (Washington, D.C.: Feb. 23, 2010).

eligibility limits and benefit levels for cash recipients. States also impose financial consequences, or sanctions, on families that do not comply with TANF work or other requirements, and many states have also implemented programs or strategies intended to divert families from cash assistance. To help states in an economic downturn, PRWORA created a TANF contingency fund of up to $2 billion, and most recently, the American Recovery and Reinvestment Act of 2009 made an additional $5 billion available to states for fiscal years 2009 and 2010 through a new Emergency Contingency Fund.

In light of these issues, my remarks today—based on our February 2010 report—will focus on the following issues: (1) the factors that have contributed to the decline in the number of families receiving TANF cash assistance since the 1990s; (2) the characteristics of participating and nonparticipating eligible families; (3) the impact of higher participation in TANF cash assistance on child poverty; and, more recently, (4) the changes states are experiencing in caseloads and TANF-related spending in the current recession.

To develop our findings for this report, we used multiple methodologies. These included using microsimulation analyses conducted for us by the Urban Institute using a model known as TRIM3; analyzing relevant federal laws and regulations; and reviewing relevant research on the factors affecting the decline in the number of cash recipient families.[2] When we conducted our work, 2005 was the most recent year of publicly available TRIM3 data. We also interviewed TANF officials in 21 selected states; analyzed federal data on cash assistance caseloads and spending; and interviewed researchers, federal officials at HHS, and other experts. We assessed the data we received from TRIM3 and from state agencies for data reliability and concluded that the data were sufficiently reliable for the purposes of our report.

We conducted our work from November 2008 to February 2010 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to

[2]TRIM3 is maintained and developed at the Urban Institute under primary funding from HHS, Office of the Assistant Secretary for Planning and Evaluation. Using TRIM3 for these analyses required our input on assumptions and/or interpretations about economic behavior and the rules governing federal programs. Therefore, the conclusions presented in this testimony are attributable only to GAO.

meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this product.[3]

Because our report is now released, my written remarks today will be brief and very summarized.

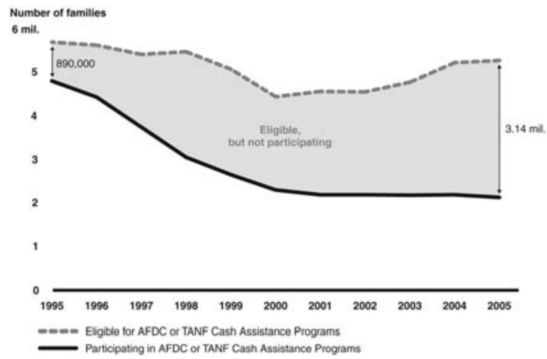
Factors Contributing to the Decline in the Number of Poor Families Receiving Cash Assistance

First, with regard to the decline in the number of poor families receiving cash assistance from 1995 to 2005, we found that the changes reflect declines on two fronts—both in the number of eligible families and in the number of eligible families who participated in the program. The strong economy of the 1990s, TANF's focus on work, and other factors such as increases in the minimum wage and the Earned Income Tax Credit contributed to increased family incomes, which in turn led to a decline in the number of families eligible for TANF cash assistance. We also found that changes to eligibility rules, such as restrictions on immigrants and the 60-month time limit, had a small impact on the number of eligible families. In total, about 420,000 fewer families were eligible for cash assistance in 2005 than were eligible in 1995, according to HHS data. However, most of the decline in the cash assistance caseload—about 87 percent—resulted from fewer eligible families participating in the program. In 1995, about 84 percent of eligible families participated, but over the decade, participation in cash assistance fell dramatically, to about 40 percent of eligible families in 2005.[4] Correspondingly, the number of families who were eligible but not participating rose substantially in this time period to about 3.14 million in 2005. (See fig. 1.)

[3]For more detailed information on our methodology, see appendix I of our report (GAO-10-164).

[4]This analysis of the share of eligible and participating families is based on trend data for an average month by calendar year in HHS's *Indicators of Welfare Dependence: Annual Report to Congress, 2008* (Washington, D.C.: 2008), which uses TRIM3 to model estimates of the TANF participation rate. In reporting participants, the data includes families receiving cash assistance through both TANF and separate state programs (SSP) using state MOE funds. TRIM3 does not model certain aspects of program eligibility, such as sanctions from a family's failure to comply with work rules or child support rules. It also does not model state diversion strategies such as the use of one-time, non-recurring benefits, or families' behavioral responses to TANF program rules, such as staying off TANF to conserve eligibility for time-limited assistance.

Figure 1: Families Estimated as Eligible for and Participating in These Cash Assistance Programs, Monthly Average, by Calendar Year, 1995 through 2005



Source: GAO analysis of data from HHS's *Indicators of Welfare Dependence*, based on the TRIM3 model.

According to our research, the decline in participation reflected, among other things, families' responses to changes in state welfare programs, including mandatory work activities, declining cash benefit levels, and time limits as well as state diversion strategies and sanctions for non-compliance with work and other program requirements. According to a research synthesis conducted for HHS, mandated work activities may have caused declines in the caseload, as families chose not to apply rather than be expected to fulfill the requirement to work. Other families may have found it difficult to apply for or continue to participate in the program, especially those with poor mental or physical health or other characteristics that make employment difficult, as we noted in previous work.[5] A decline in average cash benefits may have contributed to the decline in participation. Average cash benefits under 2005 TANF rules were 17 percent lower than they were under 1995 AFDC rules, according to our TRIM3 estimates, as cash benefit levels in many states have not been updated or kept pace with inflation. Research also suggests that, in

[5]GAO, *Welfare Reform: Moving Hard-to-Employ Recipients into the Workforce*, GAO-01-368 (Washington, D. C: Mar. 15, 2001).

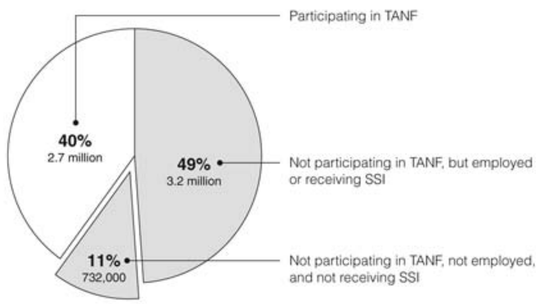
response to lifetime limits on the amount of time a family can receive cash assistance, eligible families may hold off on applying for cash assistance and "bank" their time, a practice that could contribute to the decline in families' use of cash assistance. In addition, fewer families may have applied or completed applications for TANF cash assistance because of state policies and practices for diverting applicants from cash assistance; nearly all states have at least one type of diversion strategy, such as the use of one-time nonrecurring benefits instead of monthly cash assistance. Finally, some studies and researchers noted that full sanctions for families' noncompliance—those that cut off all benefits for a period of time—are associated with declines in the number of families receiving cash assistance, although more research is needed to validate this association. While there is a general consensus that these factors played a role in contributing to the decline in the number of families receiving cash assistance, there is not agreement on the relative weight of each factor, according to researchers and other experts we interviewed.

Characteristics of Nonparticipating Eligible Families Compared with TANF Families

In examining the characteristics of eligible nonparticipants and TANF participants, we found that eligible families not participating in TANF had higher annual incomes on average than TANF participants in 2005, but that a small but distinct subgroup of non-participants had lower incomes than TANF participants.[6] While all families who were eligible to receive TANF cash assistance in 2005 had low incomes, eligible families who did not participate in TANF in any month in 2005 generally worked more and had relatively higher incomes and higher education levels than TANF families and were less likely to receive other public supports. However, a subgroup of families who were eligible but did not participate in TANF (732,000 families in 2005) did not work or receive Supplemental Security Income (SSI) benefits—a cash assistance program for low-income people with disabilities. This subgroup of more disadvantaged nonparticipants accounted for 11 percent of all families who were eligible for TANF cash assistance in 2005, according to our TRIM3 analysis. They had incomes lower than those of families participating in TANF—a median of $7,020 compared to $9,606—and a smaller portion of this subgroup received benefits from the Supplemental Nutrition Assistance Program (SNAP) and subsidized housing. (See fig. 2.)

[6]The TRIM3 estimates in this analysis are based on annual data. In comparing the characteristics of cash recipients and eligible nonrecipients, differences are statistically significant at the 95 percent confidence level unless otherwise noted.

Figure 2: Estimated Eligible Nonparticipating Families as a Share of Total Eligible Families in 2005, Annual Basis



Source: GAO analysis of TRIM3 microsimulation model data.

Impact of Participation on Child Poverty

With regard to child poverty, we found that if the percent of eligible families participating in TANF in 2005 was 84 percent—the rate of participation in AFDC in 1995—rather than about 40 percent, an estimated 3.3 million families would gain TANF benefits and experience an increase in their net income. According to our TRIM3 analysis, this higher participation would have resulted in 800,000 fewer children in extreme poverty—defined as those with incomes below half the federal poverty threshold.[7] However, some families would remain in extreme poverty even with TANF benefits, such as those with no earned income or with low earned incomes who receive the maximum cash benefit in their state. Higher participation also would not significantly change the number of children in poverty overall. This is partly because many children in poverty

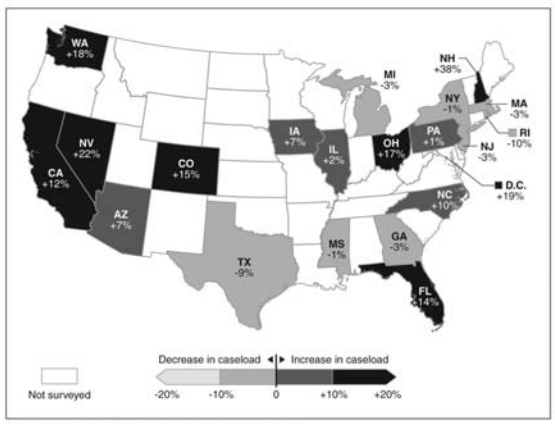
[7]Poverty is measured in the United States using the federal poverty threshold, which is calculated annually by the U.S. Census Bureau. Persons or families having income below this threshold amount are, for statistical purposes, considered to be living in poverty. The poverty threshold varies by family size and composition but does not vary by geographic location. Extreme or deep poverty is defined as income below 50 percent of the federal poverty threshold for a given family. Poverty is also measured through the poverty guidelines, which are published annually by HHS and are used by some federal programs in determining the income eligibility of individuals and families for need-based assistance. The poverty guidelines are a simplified version of the Census poverty thresholds.

are not poor enough to be eligible for TANF—since the majority of states set TANF eligibility standards at less than half of the federal poverty guidelines—and also TANF cash benefits are typically too low to raise the incomes of participating families above the federal poverty threshold.

Changes in State Caseload and TANF-Related Spending in the Current Recession

In terms of more recent TANF trends, the number of families receiving TANF cash assistance increased in 12 of the 21 states we reviewed between June 2008 and June 2009, although the recession's impact on cash assistance caseloads varied widely by state, according to state-provided data. For instance, over this time period, the number of families receiving TANF cash assistance increased by 22 percent in Nevada and decreased by 9 percent in Texas. (See fig. 3.)

Figure 3: Percent Change in the Number of Families Receiving TANF Cash Assistance, by State, June 2008 through June 2009



Sources: GAO analysis of state-provided data, U.S. National Atlas (map).

We found no clear association between the change in the number of families receiving cash assistance in a state and its unemployment rate in this time frame, although the impact of expiring extensions of unemployment insurance (UI) on state caseloads is hard to predict. For example, although Illinois, Florida, Georgia, and the District of Columbia all had similar unemployment rates of between 10 and 11 percent in June 2009, cash assistance caseloads rose to varying degrees in three of these states while falling in Georgia. (See table 1.) Unemployment is one of many factors—including the state's eligibility and asset limits, the state's application process, and other state-specific program characteristics—that may affect a state's caseload. Officials from eight states believed that the number of families receiving cash assistance in their states had not increased, or had not increased as much as might have been expected, because families were still collecting UI benefits. If jobs are still not available when UI benefits end, these families may turn to TANF for cash assistance. However, two experts we interviewed said that many TANF-eligible single mothers would not likely meet state criteria for UI receipt.

Table 1: Cash Assistance Caseload Changes and Unemployment Information in Selected States, June 2008 through June 2009

	Percent change in caseload, June 2008 to June 2009	Unemployment rate June 2009	Change in unemployment rate June 2008 to June 2009
Arizona	7.25	8.7	3.2
California	11.51	11.6	4.5
Colorado	33.29	7.6	2.8
District of Columbia	8.44	10.9	4.1
Florida	14.25	10.7	4.7
Georgia	-2.50	10.1	4.0
Illinois	3.82	10.3	3.7
Iowa	6.65	6.2	2.1
Massachusetts	-1.91	8.6	3.5
Michigan	-1.71	15.2	7.1
Mississippi	-0.83	9.1	2.2
Nevada	21.66	11.9	5.5
New Hampshire	23.39	6.8	3.1
New Jersey	-2.61	9.2	4.0
New York	-0.28	8.7	3.4
North Carolina	9.96	11.0	4.9
Ohio	16.54	11.1	4.7

	Percent change in caseload, June 2008 to June 2009	Unemployment rate June 2009	Change in unemployment rate June 2008 to June 2009
Pennsylvania	0.68	8.4	3.1
Rhode Island	-21.27	12.4	4.7
Texas	-8.51	7.5	2.7
Washington	17.76	9.2	4.0

Source: GAO analysis of state-provided data and data from U.S. Bureau of Labor Statistics.

Note: In addition to TANF block grant funds, caseload data here include two kinds of cash assistance provided by states—funds that count towards state contributions that are required to qualify for the TANF grant and funds that states provided through solely state-funded programs.

Finally, to offset higher costs of cash assistance, few states reported reducing TANF-related spending on family and/or work supports during this time period, but instead used funding sources such as the Emergency Contingency Fund that was created by the American Recovery and Reinvestment Act of 2009. According to HHS data, as of October 2009, all 21 surveyed states had applied for funds from the temporary Emergency Contingency Fund to respond to rising caseloads and/or to establish or expand subsidized employment programs. Since June 2009, state and local fiscal conditions have continued to deteriorate, and the effect of the changes in the economic climate on TANF cash assistance programs is unknown.

We provided a draft of the report we released today to HHS for its review, and a copy of the agency's written response is in appendix II of the report. In its comments, HHS said that the report was informative and the department did not disagree with our findings. HHS also provided technical comments on the draft report; in response to the comments, we made changes where appropriate.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions you or other Members of the Subcommittee may have.

GAO Contacts and Acknowledgments

For questions about this statement, please contact Kay E. Brown at (202) 512-7215 or brownke@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this statement include Alexander G. Galuten, Kathryn A. Larin, Deborah A. Signer, Shana B. Wallace, and Monique B. Williams.

Related GAO Products

Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State. GAO-10-164. Washington, D.C.: February 23, 2010.

Poverty in America: Consequences for Individuals and the Economy. GAO-07-343T. Washington, D.C.: January 24, 2007.

Welfare Reform: Better Information Needed to Understand Trends in States' Uses of the TANF Block Grant. GAO-06-414. Washington, D.C.: March 3, 2006.

Welfare Reform: More Information Needed to Assess Promising Strategies to Increase Parents' Incomes. GAO-06-108. Washington, D.C.: December 2, 2005.

Welfare Reform: HHS Should Exercise Oversight to Help Ensure TANF Work Participation Is Measured Consistently across States. GAO-05-821. Washington, D.C.: August 19, 2005.

Means-Tested Programs: Information on Program Access Can Be an Important Management Tool. GAO-05-221. Washington, D.C.: April 11, 2005.

TANF AND SSI: Opportunities Exist to Help People with Impairments Become More Self-Sufficient. GAO-04-878. Washington, D.C.: September 15, 2004.

Welfare Reform: Information on Changing Labor Market and State Fiscal Conditions. GAO-03-977. Washington, D.C.: July 15, 2003.

Welfare Reform: Former TANF Recipients with Impairments Less Likely to Be Employed and More Likely to Receive Federal Supports. GAO-03-210. Washington, D.C.: December 6, 2002.

Welfare Reform: Outcomes for TANF Recipients with Impairments. GAO-02-884. Washington, D.C.: July 8, 2002.

Welfare Reform: With TANF Flexibility, States Vary in How They Implement Work Requirements and Time Limits. GAO-02-770. Washington, D.C.: July 5, 2002.

Welfare Reform: States Provide TANF-Funded Work Support Services to Many Low-Income Families Who Do Not Receive Cash Assistance. GAO-02-615T. Washington, D.C.: April 10, 2002.

Welfare Reform: States Are Using TANF Flexibility to Adapt Work Requirements and Time Limits to Meet State and Local Needs. GAO-02-501T. Washington, D.C.: March 7, 2002.

Welfare Reform: Progress in Meeting Work-Focused TANF Goals. GAO-01-522T. Washington, D.C.: March 15, 2001.

Welfare Reform: Moving Hard-to-Employ Recipients into the Workforce. GAO-01-368. Washington, D.C.: March 15, 2001.

Unemployment Insurance: Role as Safety Net for Low-Wage Workers Is Limited. GAO-01-181. Washington, D.C.: December 29, 2000.

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Chairman MCDERMOTT. Thank you very much.

Mr. Sykes, I would ask you if you would yield for a second to have my distinguished colleague, Ms. Moore, come up to the table. She managed to escape from that mandatory caucus. I would like to give her an opportunity. She was supposed to start off this whole thing.

Gwen, you are on for five minutes. Your whole statement will be in the record. Say whatever you would like for five minutes.

Ms. MOORE. Thank you so much, Mr. Chairman. It is certainly my privilege to be here with this very distinguished panel.

I will leave my testimony to be entered in full into the record and I would also like to ask your consent, unanimous consent, to put any other materials that I may refer to in the record as well.

Chairman MCDERMOTT. Without objection.

STATEMENT OF THE HONORABLE GWEN MOORE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Ms. MOORE. Thank you. We are here today talking about the systematization of poverty, I think. Many of you already know the history of welfare reform. I can say I was at the scene of the crime in Wisconsin when we ended welfare as we knew it.

Critics of the AFDC program really talked about all the welfare queens that were on welfare, the moral hazard involved in giving aid to people who were not working. Others talked about how we were trapping people into a cycle of poverty by not forcing them to work. Some even went as far as to say we were driving males away from the home and alienating male participation in the household.

One of the real clear focuses of ending welfare was to declare that only work benefits families and that only work begets work, and they were very critical of education and training programs in which many women were engaged.

Indeed, on the day we passed welfare reform in Wisconsin, 10,000 women across the State of Wisconsin were thrown out of their educational programs, even high school programs.

The promise of TANF, of course, was to end the entitlement and to block grant the funds locking in the maintenance of effort, giving states flexibility, which in the case of Wisconsin in the first year of those contracts ended up with about $18 million of bonuses that were paid to CEOs in our privatized welfare system. It rewarded states and created a very perverse incentive to decrease the rolls. It severely restricted education and training.

You will hear testimony here today, Mr. Chairman, about how there has been a tremendous increase in the SNAP program, the food stamp program, and even in this very harsh recession where we see childhood poverty accelerating, where we see unemployment, intractable unemployment, where we see the stimulus proposal provide contingency funds that have rescued states from the increase in Medicaid and poor people, that the TANF rolls have remained flat. They have remained flat because in fact this program is not responsive to a recessionary problem.

There are a few things that I want to emphasize. Number one, I think when we consider re-authorization, we should look very carefully at a few things.

First of all, we should look very carefully at the education and training programs. Here we are changing our economy, focusing on energy, jobs, jobs of the 21st Century, and the kinds of jobs that women were able to get, jobs that were temporary jobs, the kinds of pink collar jobs that women always get. They certainly were not jobs that were sustaining in any way.

We should work very, very hard to re-authorize a TANF program that will focus on eliminating poverty rather than just kicking women off the rolls, and providing them with experiences that will give them a career ladder.

We should also look at increasing the maintenance of effort, both from the Federal level and the state level. The 1996 levels certainly as we can see from our experience have not been enough.

We ought to look at child care, which is this bottomless pit of need. There are many states that do not even keep waiting lists. This is an area where we are forcing women into the workforce and not necessarily providing them with safe child care.

We should re-authorize the TANF program and guarantee women child care.

We also need to make sure that for victims of domestic violence states are required to provide options to women who face domestic violence, and there ought to be programming to help them escape domestic violence treatment, and not just the option of returning to their abusers.

I can see that my time is waning. I do want to point out that I very, very much support many of the recommendations that have been made by the Center for Law and Social Policy, also known as CLASP, for re-authorization purposes, and with that, I will yield back.

[The prepared statement of the Honorable Ms. Moore follows:]

Congresswoman Gwen Moore Statement before the Ways and Means Subcommittee on Income Security and Family Support Hearing: The Role of TANF in Assisting Struggling Families
March 11, 2010

Thank you, Chairman McDermott and the Members of the Ways and Means Subcommittee on Income Security and Family Support for holding this important and timely hearing.

In 1996, Congress passed legislation that established the Temporary Assistance for Needy Families (TANF) Block Grant in an attempt to reform our nation's welfare system. Unfortunately instead of creating a program that continued to guarantee benefits to struggling families, TANF imposed strict time limits on cash assistance, limited the amount of post-secondary education that could be counted toward core work activity, and failed to uniform the program in all states.

Access to welfare, and the amount of assistance, varied by state and locality under TANF's predecessor (Aid to Families with Dependent Children (AFDC)) due to the differences in state standards of need. However, welfare recipients under TANF are actually in completely different programs depending on their state of residence, with different social services available to them and different requirements for maintaining aid.

Moreover, this law—the end of welfare as we knew it—pushed former recipients into low-wage, unsustainable employment and did little to alleviate the problem of growing chronic poverty.

But while TANF is flawed it is an indispensible part of the safety net for impoverished families. TANF provides necessary assistance to families during times of domestic violence, disability, after the birth of a child, and unemployment. The TANF block grant is also used for a variety of work supports including child care and transportation.

While, in theory, TANF provides states with a flexible funding stream in order to provide families with as much or as little support as necessary, this practice has been defective. States have continued to use caseload reduction as a means of measuring success as dramatic declines in past year in the number of people receiving cash welfare benefits have contributed to the insane notion that welfare reform is actually working.

The actual criteria for measuring success should include whether the well-being of children and families has improved, whether there has been an increase in labor force participation, an increase in the earnings of custodial parents, and increase in child support collections passed through to the custodial parents or an increase in the number of children who as a result of TANF now reside with both parents.

While the program has now truly become temporary, it has failed to close the expanding poverty gap or build pathways to sustainable employment with an opportunity for upward mobility.

Impact of the Recovery Act

In 2008, 9.8 million people were counted as poor and 85 percent of U.S. households were food insecure throughout the entire year, the highest recorded rate of food insecurity since 1995. Moreover, between June 2007 and June 2009, the economy lost roughly 6 million jobs.

To make matters worse, the social safety net had all but fallen through as more and more Americans were forced off of TANF rolls as they reached the 5-year lifetime limit on TANF assistance.

The reality is that it is impossible to have a work-based safety net without work.

In my state of Wisconsin, employers cut more than 129,600 jobs since October 2008, the steepest year-to-year drop in 70 years of data and TANF caseloads have gone from 9,366 in October 2008 to 11,118 in October of 2009. This is an increase of nearly 2000 caseloads in just one year.

Faced with insurmountable odds and a cumulative three month job loss of 2.1 million in early February, Congress passed the American Recovery and Reinvestment Act, a bill that pumped nearly $800 billion of emergency funds into states and localities to stimulate our ailing economy and job market, and provided funds to low income communities experiencing dramatic shortfalls due to the economic downturn.

Although I applaud Congress for passing legislation that prevented more than 6 million Americans from slipping into poverty, — and created as many as 1.6 million jobs, there is still more work to be done.

We must build on the Emergency Contingency Fund created by the Recovery Act and make more funds available to states for increased expenditures in basic assistance, short-term non-recurrent benefits, and subsidized employment. I support President Obama and Chairman McDermott's efforts to extend this program so that states can continue to use these funds to create jobs in the areas that need it the most.

Extending Limits on Education

I ask that the Committee work to remove the harsh limits on basic and post-secondary vocational education in order to ensure that TANF recipients get a fair shot at sustainable and good paying jobs. TANF must create a clear pathway out of poverty through increased access to education and training programs especially during an economic recession and during times of high unemployment.

According to a 2003 Urban Institute study, the employment rate among families that left public assistance declined from 50 percent in a strong economy in 1999, to 42 percent in the weaker economy of 2002. In addition, the share of families that left welfare and are disconnected (that is, not working or living with a working spouse and not receiving welfare or disability benefits) rose between 1999 and 2002, from 9.8 of all welfare leavers to 13.8 percent. These disconnected families are more likely than other welfare-leavers to suffer from food insecurity (as measured by cutting back on the size of meals or skipping meals involuntarily because of lack of income). They also are more likely to be disabled, have low education levels, or struggle with other serious barriers to employment than other welfare-leavers.

Last Congress, I introduced legislation that would extend the current time limit on post-secondary education of 12 months to 24 months. I plan to advocate for increased access to education for TANF recipients as well as increased access to job training programs in order to aid in bridging the gap between poverty and higher education as well as career-oriented jobs.

According to research done by the Center for Law and Social Policy (CLASP), higher levels of education are closely associated with increased earnings and lower rates of unemployment. Between 1973 and 2003, the real wages of workers with less than a high school diploma declined by 20 percent while real wages of those with a college education increased by 18 percent. In 2001, adults with a high school diploma earned on average 25 percent more and had an unemployment rate about one-third lower than those with less than a high school degree.

Postsecondary education and training offers significantly greater rewards. Those with an associate degree earned 25 percent more on average and had an unemployment rate almost one-third lower than did those with only a high school education. Workers with a bachelor's degree earned nearly 75 percent more and had nearly a two-thirds lower rate of unemployment than did those with a high school education. Families headed by persons with less than a high school diploma were 2.6 times as likely to be poor than the average worker and 13 times more likely to be poor than college graduates.

Redefining Poverty

We must work to redefine the poverty line to ensure that TANF assistance and services are available to those who are truly in need.

The measure of poverty currently in use was developed nearly 50 years ago, and was adopted as the "official" U.S. statistical measure of poverty in 1969. Except for minor technical changes, and adjustments for price changes in the economy, the "poverty line" (i.e., the income thresholds by which families or individuals with incomes that fall below are deemed to be poor) is the same as that developed nearly a half century ago, reflecting a notion of economic need based on living standards that prevailed in the mid-1950s.

A congressionally commissioned study conducted by a National Academy of Sciences (NAS) panel of experts recommended, some 15 years ago, that a new U.S. poverty measure be developed.

In 2008, according to the Congressional Research Service, the U.S. poverty rate was 13.2%, accounting for 39.8 million persons as having income below the official poverty line. The 2008 poverty rate was up from 12.5% in 2007, and was at the highest level it has been over the past 11 years. In 2008, 2.6 million more persons were counted as poor than the year before, and the number of poor in that year was the highest since 1960. Also, in 2008, 24.7% of blacks (9.4 million) and 23.2% of Hispanics (11.0 million) had incomes below poverty, compared to 8.6% of non-Hispanic whites (17.0 million) and 11.8% of Asians (1.6 million). Although blacks represent only 12.6% of the total population, they make up 23.6% of the poor population.

TANF's impact on poverty largely depends on current poverty measures. Even those who do receive TANF do not receive enough cash assistance to pay their rent, buy groceries, and heat their home, not to mention pay for school or job training. In 2002 only three states, including my home state of Wisconsin, provided a TANF benefit high enough for families to obtain modest housing with less than their entire TANF grant. However, as of 2008, TANF benefit levels in no state were high enough to cover the cost of a modest apartment, even using the entire TANF grant.

In 2008, only 19.6% of poor persons lived in households that received cash assistance. An increase in the poverty level would expand eligibility to a greater amount of poor individuals who have a difficult time providing for their families and putting food on the table. In order to truly address increases in poverty, TANF must first serve all those who are living in "poor" households.

I am pleased that the Census Bureau plans to develop a supplementary poverty measure that will paint a more accurate picture of economic trends and poverty in the United States. There is no reason why we should continue to use a poverty measure that was developed in the 1960s.

In 1969, when the poverty measure was developed, food counted as one-third of a family's budget. Today food is only about one-seventh of an average family's budget due to the rise in the costs of childcare, healthcare, and housing. The new supplementary measure which will be released in 2011 will take into account other factors that affect a family's income, such as household expenses and work expenses, as well as the impact of anti-poverty policies and geographic differences in the cost of living. It will not replace the official measure, which will be still be used to administer federal programs, but it will give policymakers a better sense of whether or not a family can meet its basic needs.

Servicing Domestic Violence Victims

I also ask the Committee to ensure that we support TANF recipients who have escaped domestic violence. Now that all states have implemented the Family Violence Option (FVO) or an equivalent policy, we must now address the differences that exist between states when it comes to access, waiving of time limits, training of domestic violence counselors and staff, and domestic violence screening, and the administering of FVO programs.

The U.S. Department of Health and Human Services (HHS) has not specifically advised state TANF programs through official guidance or memoranda on best practices regarding domestic violence screening. All TANF recipients who are victims of domestic violence should be able to receive the same high quality of services from state to state. I want to work with the Committee and the Department of Health and Human Services to examine the best practices and help states to better assist victims of domestic violence.

Suspending TANF Requirements

Now that we know that TANF was not designed to work in a recession, we must consider suspending TANF requirements during times of economic crisis, high unemployment, when states run out of funding for child care, and for at least 6 months after the birth of a child.

Current federal TANF rules set a 60-month lifetime limit on TANF receipt and allow states to set a shorter limit, as about a fourth of the states do. I oppose terminating assistance to needy women and children solely because they have been poor too long. But assuming that time limits should be permitted when jobs are readily available, Congress should examine suspending TANF requirements including time limits and work requirements during times of economic crisis and high unemployment.

We must also examine suspending TANF requirements by Public Use MicroSample Area (PUMA). PUMAs are (re)defined every ten years for use in the decennial census. There is a cooperative program between the Census Bureau and the states that allows local input to suggest boundaries for them. (They are similar to census tracts in this regard.) Like census tracts, many PUMAs retain their definitions across decades. PUMAs can be defined in terms of counties, census tracts and/or places. Large urban counties are typically subdivided into multiple PUMAs with boundaries based on census tracts and/or places. In less populated rural areas PUMAs are typically comprised of smaller (population-wise) contiguous counties.

Some PUMAs will be areas of high poverty and substantial unemployment. This would mean that individuals who live in areas that have limited resources and job opportunities are not penalized for failing to meet TANF work requirements.

I also support suspending requirements for at least 6 months after the birth of a child. This would allow mothers enough time to care for their children at home without the stress have having to manage work with a newborn child.

Unemployment rates for single mothers were about a third higher than for all adult women, and poverty rates for families headed by single mothers are projected to exceed 40 percent in 2009. The 6 month suspension of TANF requirements would give mothers time to find employment as well as access affordable child care if not provided by the state.

TANF requirements should also be suspended when states fail to provide adequate child care. Child care is one of many services for which states may use TANF funding. In FY2008, the Department of Health and Human Services reported that states spent about $1.6 billion in federal TANF funds for child care within the TANF program, and $2.6 billion in state TANF and Separate State Program (SSP) Maintenance of Effort (MOE) funds. In addition, states may transfer up to 30% of their TANF allotments to the Child Care and Development Fund (CCDF), to be spent according to the rules of the child care program (as opposed to TANF rules). The transfer from the FY2008 TANF allotment to the CCDF totaled over $1.7 billion, representing about 10% of the FY2008 TANF allotment.

Due to budget shortfalls, many states had long childcare waiting lists or were not accepting applications at all. According to the Center for Law and Social Policy, in 2000, 17 states either had waiting lists or did not accept applications from eligible families. As of 2008, that number was still 17. For example the waiting lists included over 200,000 children in California, about 48,000 children in Florida, over 10,000 children in Georgia, and over 22,000 children in Texas. Some states do not authorize the keeping of a waiting list, which means that there may be demand in excess of the available subsidy money, but the states as a matter of policy have chosen not to operate waiting lists.

We simply cannot require TANF recipients with children to meet work requirements when they do not have adequate child care. It is our responsibility to make sure that we provide increased funding for childcare in order to ensure that low-income families are able to receive assistance while finding a way to juggle both work and taking care of their children.

Child Support Pass Through

Families receiving cash welfare from the Temporary Assistance for Needy Families (TANF) block grant must assign (turn over rights to) child support received from noncustodial parents to the state to reimburse it and the federal government for their welfare costs. States decide whether to pay any of the child support collected for TANF families to the family. This means that most child support received on behalf of families receiving TANF cash welfare is kept by the federal government and the states, rather than paid to families.

Instead, a policy that had been operating in Wisconsin for years called ‘child support pass through’ allows a family to keep most or all of the child support paid on their behalf. Under the previous Administration, the 100% pass-through that Wisconsin had been providing (via federal waiver) to families of children on welfare was disallowed. About the same time, the Deficit Reduction Act of 2005 (DRA) provided incentives for all states to allow a small amount of the child support collected on behalf of TANF families to go to the family without a reduction in welfare benefits. Under DRA, beginning in October 2008, the federal government would share in the cost of passing through up to $100 per month for a family with one child, and up to $200 per month for a family of two or more children, of collected child support to TANF families. Unfortunately, only about half of states have enacted pass-through laws for families receiving

TANF. Congress must mandate that all states enact laws that guarantee that 100 percent of child support collected goes to the families and children.

I have worked with the Budget Committee annually to get language in the budget resolution that supports 100 percent of child support pass through to families and children and also introduced legislation with Representative Paul Ryan in the 110th Congress.

Poor Families living without Cash Assistance

Furthermore, in my state of Wisconsin, the State Department of Children and Families investigators found 14,114 families with dependent children in October 2009 that had no income and received food stamps but did not get cash payments through Wisconsin Works or W-2, the Wisconsin version of TANF. That number is nearly twice the size of the 8,827 families that actually received payments in that same month. The problem is that many of these families who would qualify for assistance are not applying because they have not been provided information about the program.

Some potential W-2 recipients were told by caseworkers that they would not be eligible for cash benefits, even though these caseworkers would not know the applicant's status until their application was submitted. Some people said they were told the program simply wasn't available in their area, even though the program is being administered statewide.

According to an analysis of state data done by the *New York Times*, there are currently some six million Americans (one in 50 people in the US) who are living on no income other than $100 or $200 a month in food stamps. The number of people who reported that they are unemployed and receive no cash aid (neither welfare, nor unemployment insurance, pension benefits, child support or disability pay) the newspaper reported, has jumped by 50 percent over the last two years, as the recession has taken hold.

Conclusion

During the reauthorization of TANF, we must ensure that states are not discouraging potential recipients from receiving benefits as we are in the midst of a poverty epidemic.

We must streamline the Family Violence Option from state to state, expand opportunities for education and training, redefine the current poverty level, include child support pass through language in the TANF reauthorizing legislation, and suspend TANF requirements during time of recession, in areas with substantial poverty and high unemployment, when states run out of child care funding, and for at least 6 months after the birth of a child.

With nearly one in four children living in families with incomes below the poverty level of $22,050 for a family of four, we cannot afford to wait to act on this. I urge the members of this Subcommittee to work to reauthorize TANF and include much needed reforms to transform this program into one that aids in the ultimate decline of poverty in the United States. I look forward to working with the members of this Subcommittee and Chairman McDermott going forward.

Thank you.

Chairman MCDERMOTT. Thank you very much for your testimony. We have about eight minutes until this vote, so we probably have about 13 or 14 minutes to get to the floor.

You came all the way from Albany, and I feel bad not giving you five minutes, but you two guys are local and we will get you back on another day.

Mr. Sykes, who is the Chairperson for the National Association of State TANF Administrators from Albany, New York.

Mr. Sykes.

STATEMENT OF RUSSELL SYKES, CHAIRPERSON, NATIONAL ASSOCIATION OF STATE TANF ADMINISTRATORS

Mr. SYKES. Thank you, Mr. Chairman, and thank you, Ranking Member Linder. I am very proud to represent the 50 state TANF directors and territories in talking to you today.

In the interest of time, I will focus just on three areas; the critical need to extend and replenish the TANF emergency contingency fund; try to answer your question about whether TANF has been responsive to the recession, and ask if the question is premature, and how we should measure performance, and finally, states' concerns with postponing a full re-authorization discussion this year.

The emergency contingency fund was the right response at the right time, and I will tell you that my state, when the final quarter ends on September 30 of this year, will access all $1.2 billion available to us under both the regular and emergency contingency fund.

In fact, a large amount of that is going to subsidize employment and one time payments, not simply caseload reimbursement.

Some have been concerned about the slower start in accessing these funds, but candidly, start up in a new program such as this, and as helpful as HHS was, requires guidance whcih takes some time. Program rules take time to assimilate, and states did have to put up 20 percent funding of their own at a time of huge deficits in order to access the fund.

I will say to you that subsidized employment particularly takes start up time. We are trying to fill 5,000 slots in New York of subsidized jobs at a time when our unemployment rate is almost ten percent.

States have put great infrastructure in place. And we are in agreement as to why we can we not wait until later for the ECF to be replenished. None of our placements are for less than 90 days and longer.

In fact, we will have to begin to dismantle some of these programs as of July 1 at the latest, discouraging employers further. Frankly, subsidized employment is critical because it reinforces the work message at a time when jobs are scarce.

We simply need an extension. We were very disappointed with the action that was taken on procedural grounds in the Senate two days ago. Mr. McDermott, we know frankly you and the administration both have proposals to extend the fund.

States are in desperate need of this money. We spend it wisely. We track it wisely. We are really trying to help people through a difficult time.

The second point is you have asked how TANF has responded to this recession. Let me say clearly that states, if there is indeed a problem, will study it and want to know more about it. We want to see further research and we want to help craft a solution if necessary.

We ask three things. Please do not rush to judgment on access problems. Please do not assume that states are limiting access. Please do not undermine the core message of TANF being work focused. It is a false choice because we can have both strong work rules and program access.

I can tell you that in my state when families provide necessary documentation and comply with the rules of the program, they get benefits.

I also want to tell you that the existence of extended unemployment insurance benefits, the supplemental nutrition assistance program, child support collections, many of them for people previously TANF or never on TANF, provide a buffer before assistance is often needed from the TANF program.

The GAO report today shows that TANF can respond in many ways beyond offering permanent assistance. Clients themselves are often not seeking ongoing assistance as indicated by the explosiveness of one time payment, transactions to help with utility costs, prevent eviction, repair cars, secure transportation, provide stop gap child care, and numerous other forms of help.

Clients also want jobs, help finding them or subsidized employment opportunities. Many clients would get very small benefit from ongoing assistance and the transaction costs of navigating the program rules simply do not appeal to them when they have other avenues available. Others simply do not want to comply with work requirements.

The most important point I want to make is I think TANF is a lagging indicator of the recession. I think we are too early in asking the question about its responsiveness.

I think we expect in the next 12 to 24 months to see the caseload continue to grow as unemployment benefits begin to expire, even though other programs will remain available, I think we are just seeing the tip of the iceberg.

I would hope we would look at some of these things, not create invalid measures, until we have a little maturation of the process.

Finally, I will also say as my time is waning, that we were very disappointed frankly as states that we are not having a full re-authorization discussion this year because it is only in that context that we can answer some of the questions that you pose.

We know your plates are full but there are issues around TANF, including the erosion of the real dollar value of the block grant, state flexibility that has been greatly taken away, program focus on rules that make it difficult, continued unrealistic 90 percent two parent work rates, and I could go on and on, but I will not because my time is ending.

I am happy to take any questions you may have.

[The prepared statement of Mr. Sykes follows:]

NASTA

National Association of State TANF Administrators

an affiliate of the American Public Human Services Association

APHSA

American Public Human Services Association

WRITTEN TESTIMONY OF

RUSSELL SYKES, CHAIRMAN

NATIONAL ASSOCIATION OF STATE TANF ADMINISTRATORS

An affiliate of

THE AMERICAN PUBLIC HUMAN SERVICES ASSOCIATION

Submitted to the

HOUSE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT

"TANF's Role in Providing Assistance to Struggling Families"

March 11, 2010

Testimony of Russell Sykes
Chair of the National Association of State TANF Administrators
Before the Committee on Ways and Means
U.S. House of Representatives
March 11, 2010

Chairman McDermott, Ranking Member Linder, honorable members of the Subcommittee, thank you for providing me the opportunity to discuss the response of state TANF programs to this most recent recession and how the lessons learned over the past several months can allow us to have a more robust conversation about how TANF can maintain its necessary strong emphasis on work in both good and difficult economic times while at the same time providing an essential safety net that is complemented by an array of other supportive programs.

In 1996, Congress and the Clinton Administration accomplished an immensely difficult task in bringing reform to a welfare program that had lost the confidence and faith of its administrators, its clients, and the American public at large. In the years leading up to reform it was clear that those on the front lines who were working with low-income households were becoming discouraged with the high volume of families coming through the door and with being unable to effect any significant change other than issuing a monthly assistance check. With the introduction of Welfare Reform in 1996 through PRWORA, a strong and important cultural message of mutual responsibility was delivered: state agencies would design and manage programs under a block grant according to their own labor markets and client composition; able-bodied clients would be expected to work and/or prepare for work (a change reinforced by work participation rates); and TANF would continue to provide a baseline level of cash assistance for families in need but on a temporary, time-limited basis much like unemployment insurance (but in this case longer: a 60-month federal lifetime limit). Temporary Assistance and required work activities brought both a sense of urgency and focus to a goal of self-sufficiency.

For years that new program direction, presaged by the state demonstrations and evaluations that preceded PRWORA, has been successful in reducing caseloads, lessening both overall and child poverty and placing more single female household heads into employment. So a fundamental issue I want to address today on behalf of states is that the core program message must be retained in both good and bad economic times within a framework of flexibility and additional financial assistance to states to navigate these extraordinary economic times. We cannot be distracted by the false choice between work-focused assistance and program access – we can have both.

Today, TANF agencies in all states are faced with mounting pressure on multiple sides due the most recent recession. States are mostly being squeezed from two directions: a lack of jobs and an increase in service demand.

First, there are simply fewer jobs available in which TANF agencies can place clients, with the exception of health care and a few other areas where hiring remains active. Economists have forecasted that while businesses will resume growth and the country will move out of the recession – and indeed may already have done so – that growth will come from output and not through hiring.

As more people begin to exhaust their unemployment insurance benefits and gradually begin turning to the TANF program, states and localities are struggling to find the resources needed to meet the demand of new clients. The National Governors Association and the National Association of State Budget Officers paint a grim picture with their state budget survey. A decline of 7.5 percent in state revenue for fiscal year 2009 is most likely going to continue to drop in FY 2010 as the national level of unemployment continues to climb.[1] Much reasonable speculation argues that states might not see pre-recessionary revenue levels until 2012 or as late as 2014. Against the backdrop of this severely challenging fiscal landscape, state TANF agencies are already

[1] National Governors Association, "NGA, NASBO Say States Will Continue to Face Fiscal Difficulties in Coming Years; Preliminary Findings of Survey Show Fiscal Conditions Continue to Deteriorate," November 12, 2009

being forced to make extremely difficult decisions on how they will allocate declining resources. How are we to adapt to this current situation, and are we witnessing a "new normal" that could impact how we do business in state TANF agencies for years to come?

In response to this recent recession, states have been adding many more families to their caseloads. In all, 43 states have seen caseloads grow by varying degrees over the course of FY 2009, and the national monthly caseload totals from January 2008 to September 2009 show the caseload steadily marching higher.[2] It is also important to keep in mind the fact that, as in past recessions, we understand TANF to be a lagging indicator, an echo of economic downturn. In many cases, and we have seen this in states already, clients will begin to draw unemployment insurance (UI) and nutrition assistance first. UI is a benefit that has been earned through employment and nutrition is a basic federal entitlement, both of which act as a buffer to the need to seek TANF assistance. We are now starting to see TANF caseloads reflect the high levels of sustained unemployment across the country and expect further caseload increases in both single-parent and two-parent households over the next two to four years. Again, this delayed reaction, if you will, reflects the lagging nature of TANF, echoing far beyond the immediate crisis and reflecting the longer-term impact of a jobless recovery on America's families.

Some recent work in my home state of New York suggests that TANF caseload adjustments will be substantial. The New York study found that more recipients are coming onto the rolls each month and are staying longer. These changes will eventually increase the single-parent segment of New York's caseload to a level that is 37 percent higher than it would have been if the recession had not occurred. In January of this year, New York's single-parent caseload was already 17 percent higher than it would have been if the recession had not occurred.

The increase in two-parent cases may be even larger. That segment of the caseload could more than double in New York. In January, New York's two-parent caseload was already

[2] Office of Family Assistance, Administration for Children and Families

74 percent higher than it would have been if the recession had not occurred. It is important to note that part of the reason that federal welfare caseloads have increased slowly is that federal participation in the fast-growing two-parent segment of the eligible population has been reduced. The daunting 90 percent participation targets forced many states to shift two-parent cases to 100 percent state funding.

What we do know is that, as the numbers of families receiving basic cash assistance continue to grow, states have been using other options to address need outside of Basic Cash assistance, an activity that currently accounts for only 35 percent of the total expenditures of TANF programs nationwide.[3] States have been very active in working to meet the needs of low-income families outside of the traditional basic assistance payments and, thanks to the quick action of Congress and the Obama Administration, the states have been able to more aggressively pursue these important options through the TANF Emergency Contingency Fund enacted under the American Recovery and Reinvestment Act. Even so, caseload growth will begin to crowd out critical other services, including post-TANF work supports that are currently provided through base TANF block grant funding – funding that has seriously eroded in real dollar terms over the past 14 years and can only be addressed through reauthorization.

By passing ARRA and establishing the TANF Emergency Contingency Fund, Congress and the Administration have enabled states to be reimbursed for increased expenditures in three categories of spending: basic cash assistance, non-recurring short-term benefits, and subsidized employment. If we look closely at the increased expenditures for both non-recurring short-term benefits and subsidized employment, we can see significant increases in activity.

On March 4, 2010, the Office of Family Assistance reported that a total of $1.5 billion had been awarded to states through the ECF. Roughly $579 million has been awarded under non-recurring short-term benefits and $157 million through subsidized employment programs: impressive totals, to be sure, and funding that has provided

[3] Falk, Gene, "The Potential Role for TANF Block Grant in Recession, CRS, April 14, 2009

welcome relief for states and families. What makes these figures more impressive is comparing them to past levels of spending.

In FY 2006 states had spent nearly $289 million, total, on non-recurring short-term benefits. Under ARRA and the ECF, states, as of March 4, have claimed increased expenditures of almost $724 million in non-recurring short-term benefits, completely eclipsing FY 2006 spending by more than 250 percent.

For subsidized employment, the increase in spending is equally impressive. Federal data shows roughly $103 million was spent in FY 2006 on subsidized employment. As of now, states have reported nearly $196 million in increased subsidized employment expenditures for reimbursement, and we anticipate this category will continue growing as subsidized employment programs for the summer months are finalized and as existing programs mature.

In light of this activity, APHSA and NASTA appreciate the provision for additional TANF emergency funding in the President's FY 2011 budget and for the important work already done by Chairman McDermott with his introduction of legislation that would extend the TANF emergency funding through FY 2011 in addition to adding "work supports" as a reimbursable increased expenditure. It is urgent that Congress move to pass legislation that would ensure emergency funding for TANF be made available for FY 2011 and find some vehicle to accomplish this. We were very disappointed that the Kerry-Murray amendment to the Senate Jobs bill was narrowly defeated on Tuesday and so, Mr. Chairman, your efforts become even more critical. States are now being forced to begin scaling back or shutting down programs that rely on ECF for continuing support. The longer Congress delays addressing the issue of emergency funding, the greater the disruption to programs that are utilizing subsidized employment and short-term benefits.

I might add that, now that we know that the "recovery" has essentially been a jobless one, it is particularly critical for subsidized employment programs to grow and mature. Additionally, while caseloads in TANF may not seem to be rising rapidly enough for some, I will tell you that transactions in the form of emergency one-time payments have soared in my state and others as clients are seeking not permanent cash assistance but instead payments to help navigate rent, utility, transportation, and other crises. These are critical supports for our families and essential components of our TANF programs that are rising dramatically.

So, has TANF been as responsive as needed to help low-income families throughout the nation and are there reasons more families without work are not receiving TANF benefits?

Clearly, the fact that UI has been extended as many times as it has been has had some impact on keeping TANF caseloads relatively level. We do not have much information about the families that are eligible but who are not receiving benefits. If we were to begin obtaining such information, Congress, the Administration, and state program administrators would have the opportunity to assess if problems are actually related to access or if they are matters of family choice, differing eligibility rules, or other factors. This information would greatly assist the development of any new measures for TANF – which must be the most appropriate for both clients and program administrators. It may be that reasons for non-participation could necessitate program change; however, it may be equally possible that the reasons eligible families are not participating in the TANF program are actually consistent with the goals and purposes of TANF itself. It behooves us to know and understand the difference between access barriers and personal choice on a state-by-state level before assuming the worst.

The long-term picture for the TANF program is still a work in progress. For more than a year, members of NASTA have been engaged in regular meetings and discussions on what possible changes might be made to the statute that would maintain the strong message of individual responsibility with an emphasis on employment and training while providing states the flexibility to cope with the reality of a tighter employment market. Yet even as we struggle with a more competitive job market, we believe that it is essential that TANF remain a work-based program. Work-based welfare increased family well-being by increasing employment and family income. We do not want to lose what ground has been gained.

Any effort to improve TANF must start with a basic recognition that TANF is part of an array of programs designed to assist poor families. The safety net is no longer one program but numerous ones, including EITC and other tax credits, medical assistance, SNAP, WIC, food pantry programs, LIHEAP, and other forms of assistance for low-income families. Similarly, child support collections are also at an all-time high, and well over 80 percent of those payments go not to families on assistance but to those who either were previously or never have been on assistance. In short, effective child support payments collections provide a significant source of income that helps single parent families stabilize and, therefore, have less need for assistance. Each of these programs complements the others to create a truly integrated, tightly woven safety net for America's families – EITC helps workers support their families in lower wage jobs; UI and SNAP are the first programs people turn to when they lose employment; and TANF is the program families turn to after long bouts of unemployment and fewer options, which is one reason why we may only now be seeing growth in the level of caseload expansion that some expected earlier.

TANF administrators believe it would be a mistake to try to convert TANF into something that it is not. Welfare as it was prior to TANF revealed a program that ultimately took little interest in the longer-term interests of family advancement and stability or in the interaction of programs, and therefore succeeded at doing very little well. We have come a long way under TANF: there is a clear purpose, which is to help families move either into work or to SSI/SSDI if they are disabled and to step in economically when their ongoing needs go beyond the scope of what can be met outside the welfare system. It is critical that TANF does its job, but it is equally important that the other means-tested programs do their jobs as well.

The key for TANF to be able to do its job remains the program's flexibility. TANF agencies must have sufficient latitude to meet the complex challenges posed by families who often have multiple and serious needs. TANF administrators unanimously agree that there must be changes made to restore much of that flexibility, which has been eroded over the past several years as federal "mission creep" has attached a disconcerting number of mandates to the program through successive rounds of legislation and regulation. The list of restrictive changes is substantial; narrowing definitions of allowable activities, a high participation rate for two-parent families, more burdensome reporting requirements, and an even more troubling return to applying a national improper payment error rate regime to a block grant program that varies from state to state. NASTA believes that all of these developments have shackled TANF programs and impeded their ability to address client need.

NASTA looks forward to working with the Administration to develop access measures that accurately reflect the state-by-state differences in access and responsiveness. Just as GAO has outlined today, there are numerous ways to measure TANF responsiveness beyond the numbers of possible eligible families or children receiving permanent assistance, including one-time emergency payments, subsidized employment, work supports including child care, transportation, and wage supplements. We simply ask that each state's responsiveness be more deeply explored to understand the many reasons families may not be seeking permanent assistance. We are looking forward to the next round of analyses to give us a better indication of how well TANF functions as an anti-recession strategy. States are willing to make changes as needed, but would like to see any suggested changes in TANF program measures be more fully researched, validated, and vetted within the context of broader reauthorization.

To illustrate this I would like to point out some state concerns with several approaches suggested in the past year to determine if state TANF programs are adequately serving needy families, especially in these tough times.

- Some researchers and policymakers have relied on Census data. Unfortunately, TANF receipt is underreported on the Census by as much as 50 percent. This makes it appear that TANF usage by vulnerable populations is much less than is actually the case.

- A second set of analyses compares state-reported data on the number of recipients to Census-derived estimates of the number of people who are eligible. This approach avoids most problems related to TANF underreporting but requires complex statistical adjustments. These adjustments delay the publication of measures by two to three years, so they cannot be used to provide current information on state programs. Moreover, critical adjustments may have been left out of these analyses, including whether an adult could comply but chose not to with existing work requirements. Under current law, these families are ineligible and should not be counted as eligible when state programs are assessed.
- The most recent state program assessments look at how the TANF caseload has increased in response to the recession. These studies also suffer some deficiencies. Like the stock market, caseload response is difficult to interpret for a variety of statistical reasons. Caseload adjustments may be delayed especially at the beginning of a recession when potential TANF recipients are using alternatives like UI resources and other avenues to get by. Only now are we at the point where we can begin to understand how caseloads will adjust in the future.

We believe that the reauthorization discussion is essential. There are some impediments that can be directly addressed by the Administration through regulatory interpretation and, as you know, critical short-term funding needs that can be addressed by extension of and replenishment of funding for TECF. However, there are still many more issues that can only be fixed through reauthorization. We had hoped that reauthorization would provide the opportunity to fully discuss *all* aspects of the TANF program. Accordingly, NASTA developed consensus recommendations for such a fuller reauthorization that addresses issues of additional funding for the block grant, the need to restore flexibility to states (particularly in regard to allowable countable activities), and ideas to substantially improve the employment focus of the program.

Although we are disappointed that the Administration has not recommended reauthorization, APHSA and NASTA appreciate the additional TANF emergency funding in the President's FY 2011 budget and we appreciate Chairman McDermott's legislation that would extend the emergency funds through FY 2011 in addition to adding "work supports" as a reimbursable increased expenditure. We do, however, look forward to a much broader discussion on the role of TANF and what direction the program will take in the future as soon as possible.

On behalf of the American Public Human Services Association and the National Association of State TANF Administrators, I appreciate the opportunity to comment here today. I will point you to several attachments to this testimony that we hope will be helpful as you pursue your fact-finding efforts to make a good program even better. The attachments include the aforementioned NASTA Executive Summary of TANF reauthorization recommendations and a chart showing caseload trends over the last two years after numerous years of decline. Please know that we are happy to continue to work with you and the Administration to provide whatever information will be helpful as we work together to assure appropriate supports for our nation's families in this difficult time.

Thank you.

APHSA
American Public Human Services Association

NASTA
National Association of State TANF Administrators
an affiliate of the American Public Human Services Association

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM
RECOMMENDATIONS FOR 2010 REAUTHORIZATION

Prepared by the National Association of State TANF Administrators
An Affiliate of the American Public Human Services Association

January 2010

EXECUTIVE SUMMARY

Overview

The National Association of State TANF Administrators (NASTA), an affiliate of the American Public Human Services Association, believes strongly that the Temporary Assistance for Needy Families program should be reauthorized in 2010 with adequate funding; additional flexibility for states; and a continued emphasis on preparing clients for work, moving clients into employment, and facilitating access to work supports by low-income workers. The specific recommendations can be framed by four overarching priorities for the reauthorization of TANF:

- **Adjust the TANF block grant to reflect current purchasing power and index funding going forward.**
- **Maintain a focus on work as the expected avenue for most program participants to attain economic security, while providing the necessary ability to tailor work preparation activities in a manner that is often necessary to help stabilize families and most appropriately prepare able-bodied parents to both enter and maintain employment.**
- **Restore and enhance areas of state flexibility that were greatly undermined in the Deficit Reduction Act.**
- **Provide a state option to develop additional performance measures over and above the work participation rate (WPR).**

The recommendations themselves are the product of a year of work by state TANF administrators who met regularly to review the current program and develop recommended changes to the TANF statute and regulations that will help states and localities effectively serve their varied clientele. To better focus this effort, NASTA divided the recommendations into four broad categories:

- Appropriate level of TANF funding;
- Allowable uses of TANF funds;
- Employment services and outcome measures; and
- Special program and population concerns related to TANF.

Considerable weight should be given to the recommendations advanced by TANF state administrators, since they have clear first-hand experience regarding TANF's attributes as well as its shortcomings with respect to serving low-income families throughout the nation. They operate the programs and have developed these recommendations based on the operational realities associated with state TANF administration. The flexibility within the original 1996 TANF block grant legislation allowed states to develop programs to address the self-sufficiency needs of each family on assistance, not just those who may be most ready for full-time employment. The TANF program also provided states the needed flexibility to provide non-assistance services to low-income families to help avoid the need for assistance and to support work efforts. Unfortunately, the 2005 Deficit Reduction Act (DRA) greatly reduced the very state flexibility that made the program successful.

Perhaps most importantly, TANF has changed the cultural message of financial assistance for the better, as clients recognize that although a temporary safety net exists, they are ultimately held responsible for acting on their own behalf and on behalf of their children. Public perception of the program has been greatly enhanced by this sense of mutual responsibility and the focus on work for able-bodied recipients. The recommendations included in this report are intended to further advance these efforts.

Level of TANF Funding

The amount of the TANF block grant was established in the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) statute based on historical state spending. This amount has not been adjusted to take into account the declining purchasing power of the dollar since that time and the enormous change in the populations served under the block grant. Today, states continue to try to meet the needs of 2010 with funding fixed at 1996 levels. The work focus under TANF has helped numerous households move to employment and to be better off economically, while the success of caseload reduction has enabled states to make significant investments to help stabilize families in the workforce through such means as child care, transportation, expanded employment services, earnings disregards, and state tax credits that supplement low wages and other critical work supports. Currently, as caseloads begin to again rise in response to the severe recession, the resultant increased costs of cash assistance payments could jeopardize these post-TANF investments for working poor households if overall funding is not increased. Without adequate funding it will be very difficult to sustain this important dual focus of providing a cash safety net and stabilizing other low-income families in employment. It is critical that the level of funding available to states under the TANF block grant be sufficient to reflect current realities and the multiple services and supports the program provides to those on assistance as well as economically struggling working families. The following changes should be included in reauthorization:

- **Maintain the base TANF funding and formula allocation, and fold current supplemental funds into each eligible state's base.**
- **Increase the current level of overall funding for the basic TANF block grant using the Consumer Price Index (CPI) increase since 1996 and employ reasonable allocation methodologies for new funds.**
- **Extend availability of existing Emergency Contingency Funds (ECF) through FY 2011 and explore adding funds prior to reauthorization.**
- **Replenish the base Contingency Fund and create reasonable access during emergency periods.**
- **Increase funding for the Child Care and Development Fund (CCDF).**

Use of TANF Funds

TANF began in 1996 as a very flexible state block grant that shifted both expenditure and policy choices to states within a defined level of funding. Over the past several years the program has become more narrowly defined. Additionally, erosion of the real dollar value of available funds, inflexible restrictions on the allowable uses of TANF funding, and limitations of countable state maintenance-of-effort (MOE) funding have become an increasing barrier to states looking to effectively (1) work with a varied caseload on assistance, some of whom have complicated barriers to employment and (2) serve post-TANF households to help them avoid the need to return to TANF. Additionally, a disturbing trend has been the reemergence of a quality control-based (QC) evaluation of TANF that was expressly eliminated in favor of measuring work preparation and work participation program outcome measures in the 1996 legislation. This QC approach interferes with the program's core goals and diverts valuable staff resources away from an outcome focus.

NASTA recommends the following changes should be included in TANF reauthorization:

- **Establish a standardized MOE requirement at 75 percent.**
- **Restore counting MOE under TANF purposes 3 and 4 without restriction to "eligible families."**
- **Oppose establishment of a national error rate for TANF and child care under the Improper Payments Information Act (IPIA).**
- **Exclude transportation and child care expenditures from the definition of "Assistance."**
- **Align Income Eligibility Verification System (IEVS) mandates for TANF with the SNAP program and/or allow alternative verification methods.**

Employment Services, Data Reporting, and Penalties

Since enactment of PRWORA, TANF has been a program predicated on employment but also cognizant of the need for individualized activities that help stabilize families, promote full engagement, and support job retention. It has often been difficult to balance the expectation of work and personal responsibility and the need to provide critical services to families so that children are best served. It is vital that cash assistance should be underpinned in both good and bad economic cycles by the fundamental goal of employment, job retention, and the provision of TANF work supports for those who can work; this powerful work message has led to major cultural changes that have effectively helped clients and gained broader acceptance for the program. A complementary goal is to ensure that those who are eligible for federal disability benefits seek and are assisted in accessing those benefits, since they are more likely to require long-term cash assistance. The Work Participation Rate in TANF is an important measure that should be maintained, but must be tempered with the recognition that many reasonable work preparatory activities are no longer countable as they were prior to the DRA. Additionally, the provision of TANF work supports, which comprise over 60 percent of TANF expenditures, is often not reflected in the basic WPR measurement that states must achieve. The following changes would be most beneficial for the TANF program going forward:

- **Maintain a focus on work in balance with individualized activities that help stabilize families and prepare able-bodied adults for employment.**
- **Restore and enhance state flexibility regarding activities that are countable toward the WPR.**
- **Maintain the Caseload Reduction Credit (CRC) and Excess MOE credit.**
- **Establish a pro-rata credit for partial work/hourly participation for all countable hours, including non-core activity hours, with the condition that such credit shall only be granted if at least 10 hours of core activities are satisfied.**
- **Eliminate the 90 percent two-parent rate and maintain the 50 percent all-families rate.**
- **Restore the pre-DRA exclusion of families without an aided adult from the WPR calculation.**
- **Allow states, on a case-by-case basis, to remove cases from the WPR during the month of application and the month following application.**
- **Expand countable work hours to include activities such as Voc Ed for up to 24 months; Job Search/Job Readiness training for longer periods of time; and ESL as Job Readiness training.**
- **Exclude teens and low-income working families from the 30 percent cap on countable vocational education activities.**

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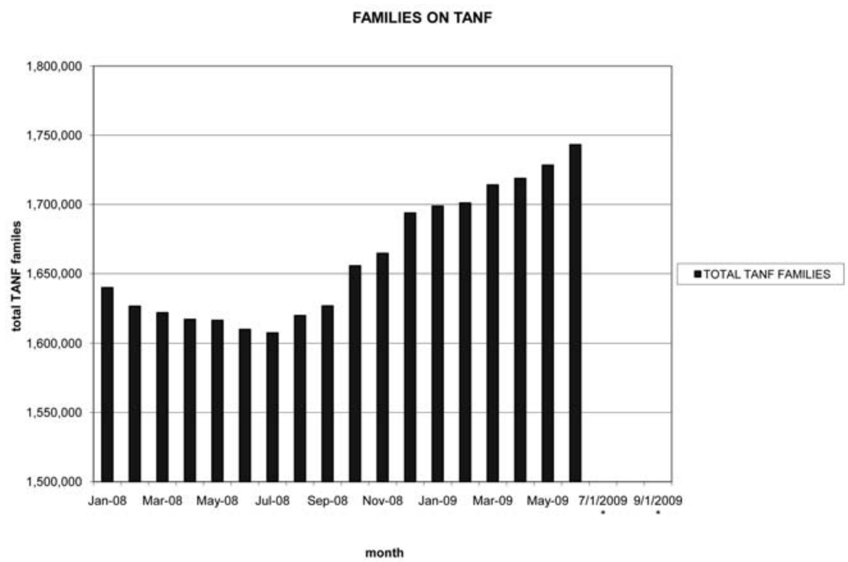
- **Establish additional performance measures for employment wages and job retention and provide states the option to utilize alternative performance measures to mitigate WPR penalties.**
- **Add language requiring that the Administration for Children and Families ACF must negotiate with states to waive penalties for failing to meet the WPR for the current recessionary period of FFs 2008-2010, if the failure is clearly attributable to the economic environment and/or the state's status as a "needy state."**
- **Modify work verification plan requirements and related penalties.**

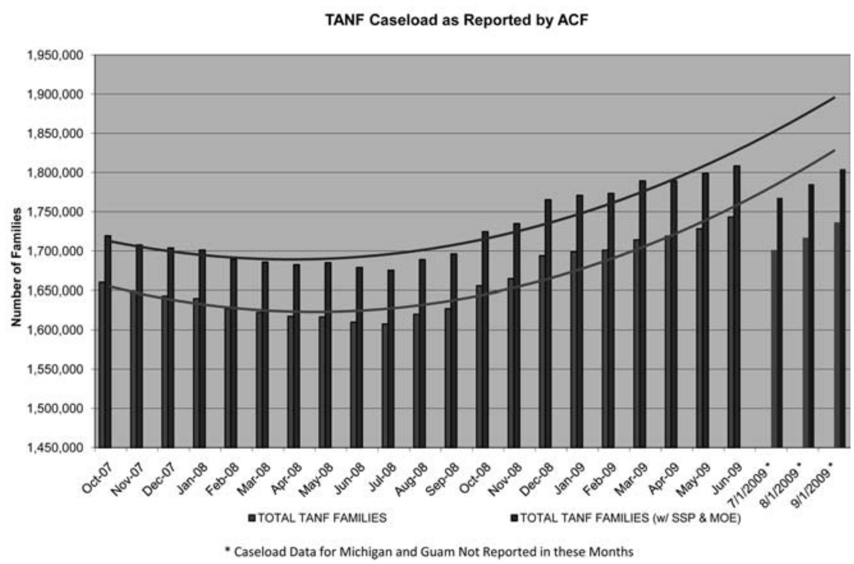
Related Population and Policy Considerations

As a state block grant with a broad mission outlined by the program's four purposes, TANF touches many of the other human service programs. Some additional recommendations of related concern include the following:

- **Enact child support reforms including restoration of federal 66 percent match for reinvested child support incentive funds; encouraging "family first" distribution of child support at state option; providing temporary 90 percent FFP in child support for automated systems upgrades; and eliminating the assessment of child support penalties to TANF.**
- **Establish TANF law that would encourage collaboration and give states the option to share basic information between TANF and child welfare agencies.**
- **Enhance responsible fatherhood programs and employment training programs for low-income non-custodial parents by increasing overall funding.**
- **Increase the level of child care funding under CCDF to support those on TANF transitioning to employment as well as low-income working families.**
- **Amend the TANF statute to exclude from the WPR those persons receiving state TANF funds who live in Alaska Native/American Indian reservations where unemployment is particularly high.**
- **Provide adequate overall funding for states to address the often unique circumstances of child-only cases.**
- **Continue to address avenues to prevent teen pregnancy.**

For further information please contact Robert Ek at APHSA, Robert.Ek@aphsa.org, or Russell Sykes, NASTA Chair, Russell.Sykes@otda.state.ny.us.





Chairman MCDERMOTT. Thank you very much for your testimony. Your full testimony will be in the record.

Mr. Edelman and Mr. Rector, each of you will have three minutes.

Mr. EDELMAN. Everybody knows him. He was here when welfare was being reformed and knows what it was like before and after.

Peter.

STATEMENT OF PETER EDELMAN, J.D., PROFESSOR OF LAW, GEORGETOWN UNIVERSITY LAW CENTER

Mr. EDELMAN. Thank you, Mr. Chairman. I am glad to have the opportunity to testify before you and Mr. Linder.

I just want to say a couple of things. Welfare caseloads actually fell in 20 states in 2008, and it seems to me that there is something wrong with that picture when we are in the middle of a recession.

This is about women and children. It is about children and women.

The welfare rolls are now down from the peak in 1994 from about 14 million to just over under 4 million people. That is one and a third percent of the population of this country. That is only a tenth of the number of people who are counted as poor in this country. Of course, some of those are elderly and so on. Still, it is a tiny fraction.

In 1991, 12 percent of poor women in this country had no job and no welfare. It is now 34 percent. At the same time, we have seen a very disturbing increase in extreme poverty, poverty below half the poverty line, which is now up to 17.1 million people. Again, it is very disproportionately families headed by single mothers and disproportionately people of color.

That is what we need to be looking at. To me as a lawyer, that is res ipsa loquitur, it speaks for itself, and we need to look at every state.

In Wyoming in 2008, they were down to 281 families in the entire state who were receiving welfare. Again, what is it about that picture? We need to know about that. It is very troubling.

We have six states that have under ten percent of poor children in their states on welfare. Again, very troubling.

We have 51 stories to look at because this is a block grant. Some of them are good and some of them are very disturbing in terms of what I just said.

Too many states are—again it is state by state that we need to look at—not letting people on in the first place. Forty-two states have rules that discourage enrollment.

Sanctioning people off, 22 states use a full family sanction for the first offense. Time limits have an increasing effect as time passes. More and more families are hit by them. Seventeen states have initial time limits of under five years. Then the recession comes and we have this lack of responsiveness.

We need to look at all of this. We want to pursue two aims, I would suggest. One is helping people get jobs and get out of poverty. That is absolutely vital, but we need to do it right. We need to do it better. As Ms. Moore said, more emphasis on education and training. And we need to have TANF be a safety net.

The conversation here is about a program of $16.5 billion, not $950 billion. that figure includes many other things. When we have so many women and children who are in poverty, without welfare and without a job, we really need to figure out why that is, and we need to do better. And I hope I can have a chance to work with you, Mr. Chairman, as you undertake the inquiry for re-authorization.

Thank you.

[The prepared statement of Mr. Edelman follows:]

Testimony of Peter Edelman. Professor of Law, Georgetown Law Center
Subcommittee on Income Security and Family Support
Committee on Ways and Means
U.S. House of Representatives
March 11, 2010

Mr. Chairman and members of the subcommittee:

Thank you for the opportunity to testify today. This is an important hearing and I thank you for convening it.

We are battling the greatest economic crisis since the Great Depression. Millions of people are out of work. Poverty is on the rise. Yet Temporary Assistance for Needy Families (TANF) – cash assistance that goes primarily to female-headed families with children – is playing only a bit part in ameliorating the impact of the recession. The needle on welfare receipt has barely moved and as of last September was still just a little over 4 million recipients, up by about 6 percent since the beginning of the recession. By contrast, the SNAP program – food stamps – is up by about 30 percent since the recession began and now helps some 37 million people. The number of new SNAP recipients is about 35 times the number of new welfare recipients.

Why? What accounts for this disparity? What does it tell us about how we should improve the TANF program to be more relevant in the immediate future and the longer term? TANF's weakness as a countercyclical policy reveals areas in which it should be strengthened for good times as well as bad.

TANF should be a work-based safety net that strengthens families. It should serve two purposes: one, to help adult recipients find and keep jobs that (coupled with other policies like the Earned Income Tax Credit) get them out of poverty; and two, to be a safety net for families who are out of work (or have very low-wage work) and need cash help to get along.

These two purposes are somewhat in tension with one another, especially in good times, but both are vital. The challenge as we move toward reauthorization is to adjust the policy so that it functions well in fulfilling both purposes.

A key underlying premise of the 1996 law – correct in my view, then and now – was that the old welfare framework had fallen short in getting adult recipients off the rolls and into jobs, and consequently had allowed too many people to stay on the rolls for long periods of time. Aid to Families with Dependent Children had 14.3 million recipients by 1994, which was too many in my view. And too many of these 14.3 million – about 5 million adults – were long-term recipients who could and should have succeeded in getting and keeping a job.

We now have almost fourteen years of experience with TANF. We can see what has happened. There are issues both about how successful TANF has been in helping people succeed in the job market and about how well it has functioned as a safety net.

As to the job market there are two categories of questions: one, whether TANF has facilitated the kind of education and training that would enable recipients to make full use of their potential; and two, whether TANF has provided recipients who face multiple barriers to success with the wherewithal to surmount those barriers.

As to the safety net, the extraordinary decline in the number of recipients raises substantial questions, especially in light of the failure of so many states to use the program to respond to the undeniable recession-related needs of people (and in contrast to the help that SNAP has been for millions of people).

I hope that we can look at the facts and come to some agreements about changes in the law that will improve the program.

There are some national facts and, more important, some state-by-state facts. TANF is a block grant (not to mention that AFDC was also a program that allowed for great variance among the states, especially regarding benefit levels), so states can vary widely in their programs. A few states have used TANF to work with recipients on an individualized basis, helping in tailored ways as to both jobs and income support More are distinctive in a positive way for one or a few aspects of their program, whether it be transitional jobs or child care or something else. Quite a few others are notable for their single-minded focus on trimming the rolls. We can see and learn from the array of variations.

Speaking nationally, cash help for families with children has become an ever-smaller piece of the panoply of programs for low-income people, and the fraction of poor children reached by TANF has become steadily smaller as time has passed. Specifically, it has shrunk from reaching almost two-thirds of poor children to a point where less than a third of poor children live in families that receive TANF. In some states TANF has virtually disappeared. A number of states have cut their rolls by 90 percent from the time when welfare rolls were at their peak in 1994.

It will not do to say flatly, without a closer look, that this degree of caseload reduction is in itself the proof that welfare reform is working. What one should want to know, of course, is why the rolls shrank so much, what actually happened to the people who left the rolls, and what happened to those who could not obtain assistance in the first place. We actually know quite a lot about these issues.

States have utilized two major strategies to reduce their rolls so much. One is to deny people access to the rolls when they come in to apply. An analysis by the Urban Institute showed that 42 states have rules that discourage enrollment, such as requiring an extensive job search even when, as now, there are no jobs to be found. The other is to make use of strong sanctioning policies that remove people from the rolls, temporarily and sometimes permanently, for sometimes minor infractions of various rules governing recipients.

Research by Urban Institute scholars over the years provides important information. It reveals, first, that about three out of five people leaving welfare found jobs, and about half of those did not escape poverty. These facts are informative in themselves, but even more important is what happened to the two in five recent leavers who did not find work. As of 2002, about half of them, or about one out of five leavers overall, were disconnected – had no job and also did not have a working spouse and did not obtain disability benefits. A study by the Congressional Research Service found that 34 percent of poor single mothers were neither working nor receiving TANF benefits, up from 12 percent in 1991. Many of these in the increased number were undoubtedly people who had applied for welfare and were turned away.

These fractions reflect large numbers. The welfare rolls shrank from more than 14 million people in 1994 to under 4 million in 2007, and have risen only slightly since. A finding that one out of five recent leavers is disconnected translates into a substantial number of people. The CRS figure represents an even larger number.

It is probably not surprising, therefore, to find that over the past decade there has been a striking increase in extreme poverty – having an income of less than half the poverty line, or less than $9100 for a family of three (in 2009). The number in extreme poverty went from 12.6 million people in 2000 to 17.1 million in 2008. As early in the decade as 2002 one in three recent welfare leavers had an income below half the poverty level, and this did not include the incidence of extreme poverty among those who were denied help. Recent research about SNAP is congruent. Currently about six million people receive only food stamps and have no other source of income. Food stamps by themselves offer an income that is about 30 percent of the poverty line. The shrinking of welfare must surely be a key factor in these disturbing trends about extreme poverty.

Nor has the recession increased access to welfare in the typical state. In many states there was no change in the policies that had reduced the rolls so substantially. Caseloads actually fell in 20 states in 2008. Fourteen of 24 states that responded to an Urban Institute survey said they had not changed any of their TANF policies or practices in response to higher unemployment.

If those who have left the rolls and those who never get on have suffered serious consequences, in most states those who do get on the rolls receive little help. Thirty states pay a maximum benefit that is less than 30 percent of the poverty. Mississippi, at 9 percent of the poverty line, is the most parsimonious.

Nationwide there has been no increase in federal funding since the 1996 law was enacted, so the value of that funding has eroded substantially over the past 14 years. There were great disparities between the states under the old AFDC program. These have persisted, and the purchasing power of the benefits has declined with the stagnation in federal funding.

Turning to the future, we need to think about TANF as one piece of a larger jobs and income strategy for low-income people. Its work promotion purpose needs to be pursued in tandem with the full menu of policies we have in that area, linked to education and training programs that lead to the jobs of the 21st century. Its income support purpose needs to be seen as a part of a framework that also includes unemployment insurance, SNAP, the Earned Income Tax Credit, the Child Tax Credit, and SSI. There has been a tendency, both substantively and politically, to view TANF recipients in isolation. This needs to change.

In light of all of the foregoing, what is the agenda for TANF reauthorization?

1. *The TANF Emergency Fund.* An immediate concern is to extend the TANF Emergency Fund enacted in the Recovery Act. This is essential to forestall what otherwise might be a need in some states to cut benefits, and to build on the subsidized job programs that have been an encouraging step in a number of states in recent months. TANF itself should be reframed to make it more automatically responsive to future economic downturns.

2. *Funding.* The federal contribution to TANF must be increased. The flat funding of the program for 14 years has been demonstrably difficult to deal with and gets in the way of making the program more adequate for people who have genuine needs. For the future, funding should be adjusted annually to reflect increases in the cost of living. Congress should create a special Program Innovation Fund, including evaluation funds, to develop new knowledge on how best to assure seamless interaction between the work promotion and income support functions of TANF.

3. *A Performance Measure Approach to Work Promotion.* Congress should adopt performance measures for TANF. Caseload reduction should be a means to an end. The aims should be stable and sustainable employment and reduction of poverty, and performance measures should be adopted to encourage pursuit of those aims. The current percentage requirements for work participation by people now on the rolls, including the rigid limits on education and training, are in conflict with the policy that underlies the basic block-grant structure. A new set of performance measures that focuses on employment outcomes and other measures of family well-being would afford states the flexibility they should have to design their own strategies to help people get education and training and find jobs. Federal policy should incentivize states to develop plans that evaluate people on an individual basis and respond to their individual situations. Congress should create a specially targeted initiative to help states develop transitional employment programs for adults who need more than routine job search help.

4. *Reweaving the Safety Net.* The reauthorization should include an effort to reweave the safety net function, the damage to which has been so vividly demonstrated in the current recession. Some of this can be accomplished through the messages sent to the states from Washington. A considerable number of states have time limits shorter than five years, are not using the 20% exception after the five years, and do not use the child-only exemption from time limits. In addition, standards for access to benefits and sanctioning rules should be developed to set outer limits on policies in those states that have essentially abolished welfare as a meaningful part of the social safety net. The law should encourage states to use TANF as an income supplement for very low-wage workers and provide that such a use of TANF benefits does not count against the time limits. And it should provide exceptions to time limits and work requirements for recipients who are caring for chronically ill children or aged and infirm relatives, and for recipients in high school or college or another approved postsecondary or job training program. (Overall, the total number of people affected by time limits grows with the length of time the 1996 law has been in

effect.) HHS should collect and report data that indicate how effective states' TANF programs are as safety nets, especially with regard to children and families in deep poverty.

5. *Legal Immigrants.* Legal immigrants should be eligible for TANF and other means-tested benefits without a five-year wait, and the matter of eligibility should not be left to state option.

6. *Child Support Passthrough.* States collecting child support on behalf of TANF recipients should be required to pass those funds along to the children for whose benefit the money has been paid.

I want to close where I began. TANF should be a work-based safety net that strengthens families. The history of the past fourteen years shows the way to improving it for the future. It would be more successful in promoting work if it analyzed the individual needs and challenges of recipients and provided tailored education, training, support services, and other assistance to help people get and keep jobs. It would be more successful as a safety net if benefits were increased and if people in need could succeed in greater numbers in gaining access to the program.

Thank you for the opportunity to offer these remarks today.

Chairman MCDERMOTT. We will have some of you back. I feel like I am doing this on the back of a galloping horse, and I hate it. I want a chance to question you.

Mr. Rector is a Senior Research Fellow at The Heritage Foundation. Mr. Rector.

STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION

Mr. RECTOR. Thank you, Mr. Chairman.

When you are talking about increasing welfare spending, it is important that you have to look at this picture holistically. There are over 70 different means tested programs, and if you simply look at one program in isolation, you can create an image of need when in fact you have extravagant spending.

The simple reality is that in 2011, Government will spend around $475 billion on means tested assistance to low income families with children. That is over $30,000 for each family with an income below 200 percent of poverty.

I have spent 25 years on the budget of welfare. I cannot even begin to fathom where all that money is going.

I would think that before we increase spending, we at least figure out where the $475 billion is going.

We just heard the administration say they did not know how much was enough, but they certainly knew they wanted to spend more money, and that is the way the Congress operates here.

Most of the statistics that you hear in this hearing and hear today are the result of not counting almost all of that assistance.

TANF cash is three percent of total spending, means tested spending, on families with children. If you focus on that three percent and ignore the 97 percent, then you can create an image of need.

What we know from just one example is the CRS has told us if you look over the first years of reform up through 2008, every single level of single parent families showed an increase in income if you count all their sources of income.

If you ignore major sources of income such as income from relatives or EITC or food stamps or something, then you can create this picture of decline.

Similarly, most of these numbers concerning TANF receipt are based on the current population survey, which misses half of the TANF caseload. It is just not there. We pretend that is some kind of valid number. It simply is not.

The whole point of reform was to reduce dependence on TANF, increase things such as earned income tax credit earnings, support by relatives, support by boyfriends.

When you look in that holistic manner, what you see is not only did single mothers advance, but every category of single mothers advanced under this program, and in complete distinction to what happened prior to reform.

Again, the simplest thing is we are going bankrupt as a nation, and before we decide to spend $1 billion here, $1 billion there, you have to have some kind of sense of how much we are spending.

It is like going into a store and I would like that, this, I would like that, and you never add up how much the whole bill is when you come to the check-out counter.

Well, the bill is very, very large. Spending has increased by 50 percent over the last four years, and it is almost like you say well, all the other 70 means tested programs, they got a 50 percent increase, so this one has to have a big increase, too.

No, it really does not. It is not necessary for all 70 programs to be growing gang busters.

[The prepared statement of Mr. Rector follows:]

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CONGRESSIONAL TESTIMONY

Is $950 Billion per Year in Means-tested Aid Enough?

Testimony before

The Subcommittee on Income Security and Family Support

Committee on Ways and Means
United States House of Representatives

March 11, 2010

Robert Rector
Senior Research Fellow
The Heritage Foundation

My name is Robert Rector. I am a Senior Research Fellow at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

This hearing is to examine proposals to expand spending in the Temporary Assistance to Needy Families (TANF) program. However, it is misleading to examine spending in a single government program in isolation. Most families receiving TANF benefits also receive from many other programs.

Proposals to expand spending in a single program must be examined holistically, in the context of overall government spending. In the case of TANF spending, it is important to consider TANF spending in the context of overall means-tested assistance to low income families with children. In FY 2011, such means-tested aid will reach $475 billion, or roughly $33,000 for each family with children in the lowest income third of population.

Understanding the Means-tested Welfare System

Since the beginning of the War on Poverty, government has spent vast sums on welfare or aid to the poor; however, the aggregate cost of this assistance is largely unknown because the spending is fragmented into over 70 separate programs. (See the table at the end of this testimony for a list of these programs.)

Even before the present recession, means-tested welfare or aid to poor and low-income persons was the third most expensive government function. Its cost ranked below support for the elderly through Social Security and Medicare and below government expenditures on education, but above spending on national defense. Prior to the current recession, one dollar in seven in total federal, state, and local government spending went to means-tested welfare.

Means-tested welfare spending or aid to the poor consists of government programs that provide assistance deliberately and exclusively to poor and lower-income people. By contrast, non-welfare programs provide benefits and services for the general population. For example, food stamps, public housing, Medicaid, and Temporary Assistance to Needy Families are means-tested aid programs that provide benefits only to poor and lower-income persons. On the other hand, Social Security, Medicare, police protection, and public education are not means-tested; they provide services and benefits to persons at all income levels.

In the typical year, around 71 percent of means-tested spending comes from federal funds and 29 percent from state funds. Nearly all state means-tested welfare expenditures are matching contributions to federal welfare programs. Ignoring these matching state payments into the federal welfare system results in a serious underestimation of spending on behalf of the poor.

In FY 2008, 52 percent of total means-tested spending went to medical care for poor and lower-income persons, and 37 percent was spent on cash, food, and housing aid. The remaining 11 percent was spent on social services, training, child development, targeted federal education aid, and community development for lower-income persons and communities. Roughly half of means-tested spending goes to disabled or elderly persons. The other half goes to lower-income families with children, most of which are headed by single parents.

Growth of the Welfare State

Welfare spending has grown enormously since President Lyndon B. Johnson launched the War on Poverty. Welfare spending was 13 times greater in FY 2008, after adjusting for inflation, than it was when the War on Poverty started in 1964. (See chart 1.) Means-tested welfare spending was 1.2 percent of the gross domestic product (GDP) when President Johnson began the War on Poverty. In 2008, it reached 5 percent of GDP. Over the next decade, total means-tested spending is likely to average roughly 6 percent of GDP.

Annual means-tested welfare spending is more than sufficient to eliminate poverty in the United States. The U.S. Census Bureau, which is in charge of measuring poverty and inequality in the nation, defines a family as poor if its annual income falls below official poverty income thresholds. If total means-tested welfare spending were simply converted into cash benefits, the sum would be nearly four times the amount needed to raise the income of all poor families above the official poverty line.

Since the beginning of the War on Poverty, government has spent $15.9 trillion (in inflation-adjusted 2008 dollars) on means-tested welfare. In comparison, the cost of all other wars in U.S. history was $6.4 trillion (in inflation-adjusted 2008 dollars).

Welfare Spending Increases under the Obama Administration

Table 1 shows the growth in means-tested spending over recent years. In FY 2007, total government spending on means-tested welfare or aid to the poor was a record high $657 billion. By fiscal year 2011, total government spending on means-tested aid will rise to $953 billion, nearly a fifty percent increase.

Table 1. Growth in Means-Tested Spending

	Federal Spending (in billions)	State Spending (in billions)	Total Spending (in billions)
FY 2007	$468.7	$189.2	$657.9
FY 2008	$522.3	$191.6	$714.1
FY 2009	$612.7	$167.2	$779.9
FY 2010	$695.3	$192.7	$888.0
FY 2011	$735.4	$218.0	$953.4

President Obama's increase in federal means-tested welfare spending during his first two years in office is two and a half times greater than any previous increase in federal welfare spending in U.S. history, after adjusting for inflation.

Under President Obama, government will spend more on welfare in a single year than President George W. Bush spent on the war in Iraq during his entire presidency. According to the

Congressional Research Service, the cost of the Iraq war through the end of the Bush Administration was around $622 billion. By contrast, annual federal and state means-tested welfare spending will reach $888 billion in FY 2010. Federal welfare spending alone will equal $695 billion in that year.

While campaigning for the presidency, Obama lamented that "the war in Iraq is costing each household about $100 per month." Applying the same standard to means-tested welfare spending reveals that welfare will cost each household $560 per month in 2009 and $638 per month in 2010.

Supporters of the President's spending might counter that these spending increases are merely temporary responses to the current recession. But that is not the case; most of Obama's spending increases are permanent expansions of the welfare state. According to the long-term spending plans set forth in Obama's FY 2010 budget, combined federal and state spending will not drop significantly after the recession ends. In fact, by 2014, welfare spending is likely to equal $1 trillion per year.

According to President Obama's budget projections, federal and state welfare spending will total $10.3 trillion over the next 10 years (FY 2009 to FY 2018). This spending will equal over $100,000 for each taxpaying household in the U.S.

Means-Tested Welfare Spending on Lower-Income Persons

With more than 70 overlapping means-tested programs serving different low-income populations, it is difficult to determine the average level of benefits received by low-income persons. One way of estimating average welfare benefits per recipient would be to divide total means-tested spending by the total number of poor persons in the United States. According to the Census Bureau, there were 39.8 million poor persons in the U.S. in 2008, the most recent year for which data are available. An additional 1.5 million persons lived in nursing homes. (These individuals, though mostly poor, are not included in the annual Census poverty and population survey.) Total means-tested spending in 2008 was $708 billion. If this sum is divided by 41.3 million poor persons (including residents in nursing homes), the result is $17,100 in means-tested spending for each poor American.

However, this simple calculation can be misleading because many persons with incomes above the official poverty levels also receive means-tested aid. Although programs vary, most means-tested aid is targeted to persons with incomes below 200 percent of poverty. Thus, a more a accurate sense of average total welfare spending per recipient can be obtained, if total welfare aid is divided among all persons within this larger group. Dividing total means-tested aid by all persons with incomes below 200 percent of poverty results in average welfare spending of $7,700 per person, or around $30,000 for a family of four.

Means-tested Spending on Families with Children

Another way of examining spending levels is to look at welfare spending on families with children. In FY 2011, total means-tested spending will be $950 billion. About half of this spending ($475 billion) will go to families with children. (Around one-third of this spending will go to medical care.)

If the $475 billion in welfare spending were divided equally among the lowest income one third of families with children (around 14 million families), the result would be around $33,000 per low income family with children.

In addition, most of these lower-income families have earned income. Average earnings within the whole group are typically about $16,000 per year per family, though in the midst of a recession, earnings will be lower. If average welfare aid and average earnings are combined, the total resources is likely to come to between $40,000 and $46,000 for each lower-income family with children in the U.S. It is very difficult to reconcile this level of spending with conventional claims that millions of lower-income families are chronically hungry, malnourished, or ill-housed.

TANF Emergency Fund Overturns Welfare Reform

The proposed extension of the TANF emergency fund not only appears unnecessary in light of the dramatic increase in overall means-tested spending on behalf of families with children – it is objectionable on two other grounds.

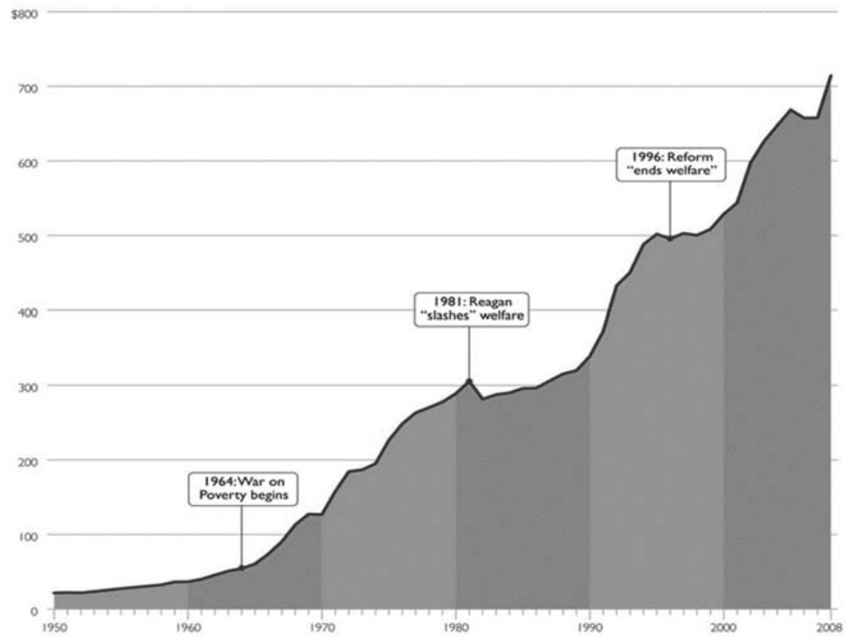
First, the TANF emergency fund overturns the fundamental principles of welfare reform. One of the core concepts of welfare reform was that the federal government should stop its historic practice of financially rewarding states to increase welfare caseloads and dependence. The TANF emergency fund reverses this and explicitly returns to the pre-reform system of paying states more if they increase their welfare caseloads. (The current fund, created in the stimulus bill, pays states 80 cents on the dollar for each added case that falls into three defined categories.) Second, the demand for this additional funding appears limited. The stimulus bill offered states up to $5 billion in added emergency funds starting in the spring of last year and continuing through FY2010. But, so far, only $1.5 billion of these funds have been spent.

Conclusion

Government will spend around $475 billion on means-tested aid for families with children in FY2011. This amounts to over $30,000 for each low income family with children. At the same time, the federal budget deficit in FY2011 will be $1.2 trillion, or 8.3 percent of gross domestic product. The nation simply cannot afford the current level of spending. In this context, the call for even more TANF funding is unsupportable.

History of Total Welfare Spending

Spending in Billions of 2008 Dollars



Source: The Heritage Foundation, from current and previous OMB budget documents and other official government sources.

Chart 3 • SR 67 heritage.org

Welfare Spending, FY 2008, in Millions of Dollars

Categories		Budget Code	Federal Spending	State Spending	Total Spending
Cash					
01	SSI/Old-Age Assistance	75-0406-0-1-609; 28-0406-0-1-609	43,872.00	5,146.00	49,018.00
02	Earned Income Tax Credit (refundable portion)	20-0906-0-1-609	40,600.00		40,600.00
03	Child Credit (refundable portion)	20-0922-0-1-999; 20-0922-0-1-609	34,019.00		34,019.00
04	AFDC/TANF	75-1501-0-1-609; 75-1552-0-1-609	7,889.40	7,582.00	15,471.40
05	Foster Care Title IV-E	75-1545-0-1-506; 75-1545-0-1-609/.01	4,525.00	4,040.00	8,565.00
06	Adoption Assistance Title IV-E	75-1545-0-1-506/.04	2,038.00	1,316.00	3,354.00
07	General Assistance Cash	None		2,625.00	2,625.00
10	General Assistance to Indians	14-2100-0-1-452; 14-2100-0-1-999	118.00		118.00
11	Assets for Independence	75-1536-0-1-506/3.06	24.00		24.00
Cash Total			**133,085.40**	**20,709.00**	**153,794.40**
Medical					
01	Medicaid	75-0512-0-1-551	201,426.00	150,666.65	352,092.65
02	SCHIP State Supplemental Health Insurance Program	75-0515-0-1-551	6,900.00	2,021.00	8,921.00
03	Medical General Assistance	None		4,900.00	4,900.00
04	Indian Health Services	75-0390-0-1-551	2,925.00		2,925.00
05	Consolidated Health Centers/Community Health Centers	75-0350-0-1-550/.10	2,021.00		2,021.00
06	Maternal and Child Health	75-0350-0-1-550.18	666.00	499.50	1,165.50
06	Healthy Start	75-0350-0-1-550/.19	100.00		100.00
Medical Total			**214,038.00**	**158,087.15**	**372,125.15**
Food					
01	Food Stamps	12-3505-0-1-605	39,319.00	3,482.00	42,801.00
02	School Lunch	12-3539-0-1-605/.91	7,863.00		7,863.00
03	WIC—Women, Infant and Children Food Program	12-3510-0-1-605	6,170.00		6,170.00
04	School Breakfast	12-3539-0-1-6050/1.91	2,307.00		2,307.00
05	Child Care Food Program	12-3539-0-1-605/2.91	2,029.00		2,029.00
06	Nutrition Program for the Elderly, Nutrition Service Incentives	12-3503-0-1-605; 75-0142-0-1-506/1.07	756.00	105.84	861.84
07	Summer Program	12-3539-0-1-605/3.01	312.00		312.00
08	Commodity Supplemental Food Program	12-3512-0-1-605; 12-3507-0-1-605/.91	141.00		141.00
09	TEFAP—The Emergency Food Assistance Program	12-3635-0-1-351; 12-3507-0-1-605/2.01; 12-4336-0-3-999	190.00		190.00
10	Needy Families	12-3505-0-1-605.06	54.00		54.00
11	Farmers' Market Nutrition Program	12-3507-0-1-605/4.01	20.00		20.00
11	Special Milk Program	12-3502-0-1-605/3.02	15.00		15.00
Food Total			**59,176.00**	**3,587.84**	**62,763.84**

Welfare Spending, FY 2008, in Millions of Dollars (cont.)

	Categories	Budget Code	Federal Spending	State Spending	Total Spending
Housing					
01	Section 8 Housing (HUD)	86-0302-0-1-604	24,467.00		24,467.00
02	Public Housing (HUD)	86-0304-0-1-604	7,526.00		7,526.00
03	State Housing Expenditures	None		2,085.00	2,085.00
04	Home Investment Partnership Program (HUD)	86-0205-0-1-999; 86-0205-0-1-604/.01	1,969.00		1,969.00
05	Homeless Assistance Grants (HUD)	86-0192-0-1-604/.01	1,440.00		1,440.00
06	Rural Housing Insurance Fund (Agriculture)	12-2081-0-1-371	1,312.00		1,312.00
07	Rural Housing Service (Agriculture)	12-0137-0-1-604	926.00		926.00
08	Housing for the Elderly (HUD)	86-0320-0-1-604	1,008.00		1,008.00
09	Native American Housing Block Grants (HUD)	86-0313-0-1-604	572.00		572.00
10	Other Assisted Housing Programs (HUD)	86-0206-0-1-999	584.00		584.00
11	Housing for Persons with Disabilities (HUD)	86-0237-0-1-604	320.00		320.00
Housing Total			**40,124.00**	**2,085.00**	**42,209.00**
Energy and Utilities					
01	LIHEAP Low Income Home Energy Assistance	75-1502-0-1-609/.01	2,663.00		2,663.00
02	Universal Service Fund—Susidized Phone Service for Low-Income Persons	27-5183-0-2-376	819.00		819.00
02	Weatherization	89-0215-0-1-999; 89-0215-0-1-272; 89-0224-0-1-999; 89-0321-0-1-270/.12	291.00	159.30	450.30
Energy and Utilities Total			**3,773.00**	**159.30**	**3,932.30**
Education					
01	Pell Grants	91-0200-0-1-502/1.01	18,000.00		18,000.00
02	Title One Grants to Local Education Authorities	91-0900-0-1-501	14,872.00		14,872.00
03	Special Programs for Disadvantaged (TRIO)	91-0201-0-1-502/2.01	885.00		885.00
04	Supplemental Education Opportunity Grants	91-0200-0-1-502/2.01	759.00		759.00
05	Migrant Education	91-0900-0-1-501/.13	425.00		425.00
06	Gear-Up	91-0201-0-1-502/2.02	303.00		303.00
07	Education for Homeless Children and Youth	91-1000-0-1-501/.09	64.00		64.00
06	LEAP, formerly State Student Incentive Grant Program (SSIG)	91-0200-0-1-502	64.00	64.00	128.00
07	Even Start	91-0900-0-1-501/.08	66.00		66.00
Education Total			**35,438.00**	**64.00**	**35,502.00**

Welfare Spending, FY 2008, in Millions of Dollars (cont.)

Categories		Budget Code	Federal Spending	State Spending	Total Spending
Training					
01	TANF Work Activities and Training	75-1552-0-1-609	1,963.58	540.00	2,503.58
02	Job Corps	16-0174-0-1-1504/.18	763.00		763.00
03	WIA Youth Opportunity Grants (formerly Summer Youth Employment)	16-0174-0-1-504	984.00		984.00
04	WIA Adult Employment and Training (formerly JTPA IIA Training for Disadvantaged Adults & Youth)	16-0174-0-1-504/.01	827.00		827.00
05	Senior Community Service Employment	16-0175-0-1-504	483.00	53.13	536.13
06	Food Stamp Employment and Training Program	12-3505-0-1-605/.03	351.00	166.00	517.00
07	Migrant Training	16-0174-0-1-504/.11	83.00		83.00
08	YouthBuild	16-0174-0-1-504/.24	60.00		60.00
08	Native American Training	16-0174-0-1-504/.10	53.00		53.00
Training Total			**5,567.58**	**759.13**	**6,326.71**
Services					
01	TANF Block Grant Services	75-1552-0-1-609	5,704.09	1,383.00	7,087.09
02	Title XX Social Services Block Grant	75-1534-0-1-506	1,843.00		1,843.00
03	Community Service Block Grant	75-1536-0-1-506/3.01	654.00		654.00
03B	Social Services for Refugees Asylees and Humanitarian Cases	75-1503-0-1-609/.01	592.00		592.00
04	Title III Aging Americans Act	75-0142-0-1-506	351.00		351.00
05	Legal Services Block Grant	75-0142-0-1-506	346.00		346.00
06	Family Planning	75-0350-0-1-550/.32	300.00		300.00
07	Emergency Food and Shelter Program	58-0103-0-1-605; 70-0707-0-1-605/1.01	154.00		154.00
08	Healthy Marriage and Responsible Fatherhood Grants	75-1552-0-1-609/.09	150.00		150.00
09	Americorps/Volunteers in Service to America	95-2728-0-1-506/.04	93.00		93.00
Services Total			**10,187.09**	**1,383.00**	**11,570.09**
Child Care and Child Development					
01	Headstart	75-1536-0-1-506/1.01	6,877.00	1,719.25	8,596.25
02	Childcare and Child Development Block Grant	75-1515-0-1-609/.01	4,164.00	2,176.00	6,340.00
03	TANF Block Grant Child Care	75-1552-0-1-609	1,735.67	1,045.00	2,780.67
Child Care and Child Development			**12,776.67**	**4,940.25**	**17,716.92**
Community Development					
01	Community Development Block Grant	86-0162-0-1-451	7,849.00		7,849.00
02	Economic Development Administration (Commerce)	13-2050-0-1-452	238.00		238.00
03	Appalachian Regional Development	46-0200-0-1-452	74.00		74.00
04	Empowerment Zones, Enterprise Communities, Renewal Communities	86-0315-0-1-451	17.00		17.00
05	UDAG—Urban Development Action Grant	86-0170-0-1-451	3.00		3.00
Community Development Total			**8,181.00**	**0.00**	**8,181.00**
2008 Total			**522,346.74**	**191,615.37**	**714,121.41**

Source: The Heritage Foundation, from current and previous presidential budget and OMB documents, and other historical data from official government agency Web sites and resources.

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Chairman MCDERMOTT. Thank you very much for your testimony. I am frustrated by having to terminate this hearing because we have no time left and about 150 members have not voted with six votes over on the house floor. We have to go.

This will not be our last hearing. I would say to any member on either side, most of them were not able to get here today, if they want to submit questions in writing, and to the people in the audience, go home and tell your members they can submit questions in writing to the various panelists.

I appreciate all of you coming. I again apologize for a truncated hearing and delays and all the rest, but what can I do? I am not in charge.

The hearing is adjourned.

[Whereupon, at 11:5 a.m., the subcommittee was adjourned.]

[Questions for the Record follow:]

House Ways and Means Income Security and Family Support Subcommittee
Questions for the Record
March 11, 2010 TANF Hearing
HHS Witness: Assistant Secretary Nazario

You noted in your written testimony that despite the increase in economic hardship driven by the recession, the number of families receiving TANF assistance has only risen slightly, and these increases vary substantially by State. In your view, what accounts for the substantial variability among States in their TANF caseloads during this recession?

ANSWER:

It is clear that there has been significant variation in State caseloads during the downturn; however, the reasons for that variation remain unclear. One factor is likely that the downturn did not affect all States to the same extent. Another factor could be that State responses to the flexibility provided by TANF vary. While the TANF block grant levels for most States and required Maintenance of Efforts (MOE) levels have not changed since the program's inception, States have chosen very different approaches to helping needy families. Some States have responded to rising need by expanding their assistance caseloads (which are the only caseloads reported to the Federal Government); others have chosen to provide emergency non-recurrent short-term benefits, and others are focused more on creating jobs. Thus, many of the efforts States have undertaken during this period of economic hardship are not reflected in the official caseloads statistics.

Second, since TANF's inception, caseload reduction has been a major focus of the program in many States and that continues even during the current economic climate. Some State policies may make it difficult both for applicants to become eligible for cash assistance and for recipients to stay on the rolls. For example, some States require participation in work activities prior to approving an application for cash assistance.

States also continue to be under extreme budget pressures. Forty-eight States had budget shortfalls in FY 2009 and it is expected that shortfalls will continue. This creates challenges for States to meet the costs of increasing caseloads. For this reason, the Administration is requesting an extension of the TANF Emergency Contingency Fund to help States address increases in cash assistance caseloads or short-term non-recurrent needs, as well as subsidized employment.

Approximately 22% of children who lived in poverty received cash assistance under the TANF program in 2008, compared to over 60% in 1995 under the AFDC program. Should we be concerned that fewer poor children are receiving services under the program? In your view, how should we respond to the very low participation rate for TANF?

ANSWER:

We should be concerned that the percentage of poor children receiving TANF cash assistance has been declining. Well over half of the decline in the caseload since 1995 is due to a reduction in the proportion of poor families receiving assistance rather than a drop in the number of poor families with children. This decline may be due to a variety of factors, including difficulties faced during the application process, diversion, stigma, time limits, misinformation about eligibility criteria, and other reasons. In addition, because eligibility thresholds are often below the poverty line, it could be the case that a low-earning family is in poverty but above the eligibility threshold for TANF assistance. We should examine indicators that measure access to TANF benefits and services in order to ensure that eligible individuals are able to receive the help they need. This could include measures such as the percentage of eligible families receiving assistance or data on TANF application approval rates.

Of even greater concern to me is the number of families with children in which poor, single mothers were not working or receiving assistance. The share of poor single mothers who neither worked nor received assistance has increased from 16 percent in 1995 to 35 percent in 2008. This is a clear indication that we need more effective strategies for reaching, engaging, and promoting work among poor families with the most serious difficulties in entering or sustaining employment.

At a time when the number of children in poverty has increased, it becomes particularly important to continue the Emergency Fund through FY 2011. Although the unemployment rate has declined from its peak in December 2009, it is likely to remain high through FY 2011. By reimbursing States for increases in basic assistance costs, the Emergency Fund can help keep this percentage from declining further than it other wise might as a result of State fiscal troubles.

The new GAO report on TANF participation levels (released at the hearing) highlights that there is a population of very low-income individuals that are neither working nor receiving TANF or Supplemental Security Income (SSI) benefits. How do you suggest we engage these individuals in services and activities?

ANSWER:

It is important to determine why some very low-income individuals are neither working nor receiving cash assistance. We should ensure that barriers to participation are removed, particularly for those who have disabilities or others with hardships that make accessing the TANF cash assistance program difficult. States are increasingly using their TANF funds to provide a wide range of other benefits to help families go to work or address other needs. Some of these services can help families reconnect with the assistance system, for example, by helping them through the SSI application process. In addition, our proposed Fatherhood, Marriage, and Families Innovation Fund is designed to provide States resources to undertake comprehensive demonstrations geared towards improving child outcomes for custodial and noncustodial parents who face serious barriers to self-sufficiency. We hope that through the strategies demonstrated under the Fund we will identify more effective approaches.

Would you agree with the premise that it is possible to have a work-based welfare system while still providing vulnerable families with access to benefits?

ANSWER:

Yes, I would agree with your premise. The TANF program combines cash assistance with work requirements to ensure that States provide parents capable of work with work-oriented activities and services to lead them toward self sufficiency. States receiving TANF emergency funds for basic assistance and short-term needs have helped many struggling families make ends meet. At the same time, states have used these funds to give thousands of out of work parents what they most want and need – a job.

The President's budget proposal would continue TANF's focus on short-term assistance leading to employment by extending the emergency fund for one year and providing additional funding of $2.5 billion. Rising unemployment and assistance caseloads have increased the need for work activities to help move families from welfare to work. Our proposal ensures that these important employment-related services can be covered.

House Ways and Means Income Security and Family Support Subcommittee
Questions for the Record
March 11, 2010 TANF Hearing
HHS Witness: Assistant Secretary Nazario

1. You suggest in your testimony that the Administration wants to extend the TANF welfare emergency fund "for another year until the economic recovery is more robust." (page 6) The President's budget includes the Administration's latest economic projections. Those projections suggest unemployment in 2011 will average 9.2 percent, or about half a percentage point less than today's 9.7 percent.

a. Is 9 percent unemployment what you consider the measure of a "robust" recovery?

ANSWER:

The Administration's budget explains, "The recovery is projected to gain momentum slowly in 2010 and to strengthen in 2011-2013. Unfortunately, even with healthy economic growth there is likely to be an extended period of higher-than-normal unemployment lasting for several years." My remarks about extending the Emergency Fund until the recovery is "more robust" were intended to convey the importance of this initiative during a weak economic period. When conditions improve, the need for this additional support will diminish.

b. Are you willing to commit that, even if the unemployment rate is as high as 9 percent, the Administration will support ending this welfare emergency fund next year, if it is extended this year?

ANSWER:

The Administration believes the Emergency Fund should be a temporary measure and that the overall funding level for the TANF program should be considered as part of the reauthorization process. However, it would be premature to make any long-term commitment about whether or not to extend the Emergency Fund without knowing more about the condition of the economy and the fiscal condition of State budgets and TANF programs. There are many factors that should be considered and the appropriate time to make such decisions is during the next budget cycle.

2. The Administration proposes increasing the Federal matching rate for some spending from the welfare emergency fund from the current 80% to 100%.

a. Does HHS operate other programs that have 100% Federal matching rates – that is, are entirely Federally funded? If so, what are those programs?

ANSWER:

While I am not familiar with all programs at HHS, most ACF programs that provide grants to states require that the states provide either maintenance of effort or matching funds or both. However, the following state grant programs are entirely Federally funded: Child Care and Development Block Grant (CCDBG discretionary), Low-Income Home Energy Assistance Program (LIHEAP), Social Services Block Grant (SSBG), Refugee and Entrant Assistance - Transitional and Medical Services, Refugee and Entrant Assistance - Social Services, Refugee and Entrant Assistance - Targeted Assistance, Community Services Block Grant (CSBG), CAPTA State Grants, State Councils on Developmental Disabilities, Protection and Advocacy Programs, state formula grants under the Family Violence Prevention and Services Act, Help America Vote Act program, and the Children's Justice Act (which is operated by ACF but appropriated to the Department of Justice).

b. Do States ever leave funds unspent in such 100% Federally funded programs? When and involving which programs?

ANSWER:

From FY 2007 - FY 2009, only one of the ACF programs described above that are 100 percent Federally funded has unspent funds. With respect to FY 2009, one state is in the process of returning their Help America Vote Act grant. In all of the other programs, the grants to States have been fully obligated to the states. It is noted that, unlike the TANF Emergency Fund, most of these 100 percent Federal programs are distributed based on a formula where each State automatically receives a set allocation.

c. Why is the Administration proposing to add more money into the welfare emergency fund that still has billions of dollars in funding available, instead of adding money to the contingency fund created in the 1996 welfare reform law that has run out of money? Wouldn't adding funds to the depleted contingency fund make more sense?

ANSWER:

The regular Contingency Fund and the Emergency Fund are both important. The Administration's budget proposes to extend the regular Contingency Fund. The economic downturn has placed a strain on all agencies that use TANF funds for a broad spectrum of activities. The regular Contingency Fund helps States continue to serve families in these broad areas. By contrast, the Emergency Fund provides targeted assistance to help States address increases in cash assistance caseloads or short-term non-recurrent emergency needs, and also encourages them to use the funds to create jobs through subsidized employment programs. In this time of economic need, we believe this targeted form of aid is an important addition to the regular Contingency Fund, because it reimburses States for program increases in these three important categories.

3. Last summer New York State used welfare emergency fund dollars to make one-time $200 per child "back to school" payments to welfare and food stamp recipients, and chaos ensued. Some recipients used the money, as CBS News put it, to purchase "flat screen TVs, iPods and video gaming systems." Convenience stores in low-income areas "noted marked increases in beer, lotto and cigarette sales."

a. Do you support States using this "emergency" money for "back to school" payments that end up being spent on alcohol, lottery tickets, and flat screen TVs?

ANSWER:

The Administration believes in State flexibility, the cornerstone of the TANF program. States and localities are in the best position to identify the needs of their citizens and structure programs to meet them. If problems arise with how some of the funds are spent, States have every incentive to address these concerns. States have used this flexibility to provide subsidized jobs and a wide array of short-term benefits to address a crisis situation or episode of need, including emergency shelter expenses, domestic violence services, and support services to ease the transition from welfare to work.

b. Is there anything in the latest Administration proposal to extend and expand the welfare emergency fund – which was the source of those "back to school" payments in New York – to keep States from using these funds for the type of unfettered "one time payments" made last summer in New York?

ANSWER:

The Administration believes in State flexibility, the cornerstone of the TANF program. States and localities are in the best position to identify the needs of their citizens and structure programs to meet them. If problems arise with how some of the funds are spent, States have every incentive to address these concerns. States have used this flexibility to provide subsidized jobs and a wide array of short-term benefits to address a crisis situation or episode of need, including emergency shelter expenses, domestic violence services, and support services to ease the transition from welfare to work.

4. The Administration's budget proposes to extend and expand the welfare emergency fund created in the 2009 stimulus law. In particular you want to provide 100% Federal funds that States would turn around and pass out to businesses, government agencies, or nonprofits to use to hire new workers or keep other workers on the job. What evidence can you point to that these jobs will continue to exist after the Federal funding ends?

ANSWER:

Rigorous research using random assignment experiments has shown that a variety of subsidized employment programs for welfare recipients can be effective in increasing the employment or earnings of welfare recipients, even after the subsidies no longer exist. Some of the successful programs include the National Supported Work Demonstration (1970s), the AFDC Homemaker-Home Health Aide Demonstrations (1980s), and the on-the-job-training wage subsidy component of the Job Training Partnership Act (JTPA) program for adult women (late 1980s and early 1990s). More recently, programs like the Center for Employment Opportunities (CEO) program in New York City and the Transitional Work Corporation (TWC) in Philadelphia have shown positive short-term impacts for participants. We would be happy to provide a longer list and more detail surrounding these programs and their findings if the Committee would find that information useful.

We realize that, in some cases, the jobs may not continue in the absence of subsidy, but at a time of high unemployment, we think it is a positive thing to provide funds that make it possible for individuals to be employed. The creation of these jobs can be good for individuals, local businesses, and their communities even if they are temporary jobs. Some estimates suggest that by September 30, 2010, the Emergency Fund will have placed about 120,000 low-income parent and youth in subsidized employment programs.

5. You mention in you testimony literally dozens of ways that TANF funds can be spent by States. Some involve "non-recurrent, short-term benefits" like employment bonuses, short-term training, work expenses, transportation support, and so on. You specifically mention on page 10 of your testimony that those benefits go to "a broader group of low-income families" not on cash assistance.

a. How many families each year fall into the "broader group of low income families who get help supported by TANF funds but who are not counted as "participating" in TANF?

ANSWER:

States use TANF funds for multiple programs beyond cash assistance. These programs serve a broad group of low-income families. We collect expenditure data in broad categories, but we do not have caseload data for these programs. This has been the case since the inception of TANF. While such information would be useful, we do not have the authority to collect this information per section 417 of the Social Security Act.

b. Would people in transitional jobs programs supported by TANF funds be counted as "participating" in TANF, under this methodology?

ANSWER:

Transitional jobs program participants would be counted in the TANF caseload only if they receive TANF-funded assistance while they were employed in the program.

6. What is the latest amount of unspent TANF funds across all States, and for each State?

ANSWER:

The unobligated balance of TANF block grant funds at the end of FY 2008 was $1.871 billion. Ten States have no unobligated funds and 23 States have less than 10 percent of their TANF funds unobligated. In many States the unobligated balances would fund less than one month's worth of expenditures under the TANF program. Most States have some unspent funds because the timing of expenditures and claims. Unobligated Federal TANF funds are those that have not been spent or committed and remain in the Federal Treasury until States draw them down. In addition, States had $1.343 billion in unliquidated obligations. Unliquidated obligations represent Federal TANF funds that have been committed (usually through a contract), but not yet spent. This information is available on our website at:
http://www.acf.hhs.gov/programs/ofs/data/2008/tableA_spending_2008.html. We are currently reviewing FY 2009 data and will make it available to the Committee when it is finalized.

Response to Post-Hearing Questions for the Record
TANF's Role in Providing Assistance to Struggling Families

Subcommittee on Income Security and Family Support
Committee on Ways and Means
House of Representatives

March 11, 2010

Questions for Kay E. Brown
Director, Education, Workforce, and Income Security
U.S. Government Accountability Office

Questions for the Record Submitted by Chairman Jim McDermott

1) Is it fair to conclude that the GAO report on TANF participation levels found that the vast majority of caseload decline in the TANF program is due to fewer poor families receiving benefits, as opposed to fewer families being poor?

Our analysis examined the number of eligible families receiving TANF cash assistance, rather than the number of poor families receiving cash assistance. We found that the caseload decline reflected declines on two fronts—both in the number of eligible families and in the number of eligible families who participated in the program. Overall, we found that the majority of TANF caseload decline—87 percent–was due to fewer eligible families participating in the program.

It is reasonable to conclude that the decline in the number of families receiving TANF cash benefits reflects fewer poor families receiving such benefits, since the majority of states set their TANF eligibility standards at less than half of the federal poverty guidelines.[1] However, we did not examine the much larger universe of poor families.

2) What is the estimated impact of monthly TANF cash assistance receipt on the income of a family living in poverty?

According to our estimates using Illinois, the state that has the median maximum TANF benefit, TANF-eligible families would have higher incomes if they received TANF cash assistance, but their incomes would not be enough for them to reach the poverty threshold, and so they would remain in poverty. In this analysis, a single working adult with one child would receive $81 per month in TANF benefits in 2005,

[1] The United States has two commonly used federal poverty measures. The federal poverty guidelines are published annually by the Department of Health and Human Services (HHS) and are used by some federal programs in determining the income eligibility of individuals and families for need-based assistance. The HHS guidelines are a simplified version of the federal poverty threshold, which is calculated annually by the U.S. Census Bureau. The federal poverty threshold used by the Census Bureau reflects estimates of the amount of money individuals and families of various sizes need to purchase goods and services deemed minimally adequate based on 1960s living standards, and is adjusted each year using the consumer price index. Persons or families having income below this amount are, for statistical purposes, considered to be living in poverty.

in addition to their earnings and other income, but their family income would fall short of the poverty threshold by \$359. A single working adult with two children would receive \$185 per month in TANF benefits in 2005, in addition to their earnings and other income, but their income would fall short of the poverty threshold by \$444.

3) Based on your analysis, is it reasonable to say that TANF benefits do not lift more families out of poverty because the income eligibility requirements and the monthly benefit levels are so low that they can't adequately lift most TANF families out of poverty?

The receipt of TANF benefits does not lift more families out of poverty for three reasons: First, many families in poverty are not eligible for TANF benefits, since the majority of states set their eligibility standards at less than half of the federal poverty guidelines, published annually by the Department of Health and Human Services. In 2006, 56 percent of children in poverty lived in states that set their eligibility standards for TANF cash assistance below half of the federal poverty guidelines. In states with very low eligibility standards, TANF participation would not significantly affect the number of children in poverty because many poor families in such states would not be eligible to receive TANF cash benefits at all. Second, TANF benefits—which are determined by states– are typically too low to raise families in poverty above the federal poverty threshold. The maximum cash benefit level available in a state ranged from \$170 per month in 2006 for a family of three—or about 12 percent of the federal poverty guidelines for this family size—to \$723 per month for a family of three—or about 52 percent of the federal poverty guidelines.[2] Furthermore, according to our estimates, average cash benefit levels were 17 percent lower in 2005 than in 1995 because cash benefit levels in many states have not been updated or kept pace with inflation. Finally, some TANF families have incomes above the federal poverty threshold, since seven states in 2005 allow a family of three with an income just above the poverty threshold to keep their TANF eligibility for at least two months. Twenty-eight percent of all children living in poverty and 35 percent of children receiving cash assistance lived in these states in 2005.

[2]This range is for the continental United States.

Response to Post-Hearing Questions for the Record
TANF's Role in Providing Assistance to Struggling Families

Subcommittee on Income Security and Family Support
Committee on Ways and Means
House of Representatives
March 11, 2010

Questions for Kay E. Brown
Director, Education, Workforce, and Income Security
U.S. Government Accountability Office

Questions for the Record Submitted by Ranking Member John Linder, The Honorable Charles Boustany, and The Honorable Peter Roskam, Subcommittee on Income Security and Family Support Committee on Ways and Means House of Representatives

1) Does the "gap" you find between those who are eligible for TANF and those who actually "participate" in TANF (which generally means collect TANF welfare checks) include some people who are not collecting welfare checks but are getting TANF-funded benefits like bus passes, one-time emergency payments, or even salaries through subsidized employment programs?

a) How many people fall into that category of receiving help funded by the TANF program, but not a regular welfare check or other assistance that qualifies them as "participating" in TANF as described in your testimony?

In our report and subsequent testimony,[1] when we refer to TANF participants, we are referring only to recipients of cash assistance, which was the study's requested focus. To receive cash benefits, TANF recipients are generally required to participate in work activities such as job search, job skills training and employment for a minimum number of hours per week. As we noted in the report, the TANF block grant also funds supports and services for a broader group of low-income families, whether or not they are eligible for TANF cash assistance. These services include transportation assistance, work supports, child care, one-time nonrecurring emergency payments, and/or services supporting pregnancy prevention and two-parent family formation. Although eligible families who do not receive TANF cash assistance could receive TANF-funded supports and services, the number of families is not known because individual recipients of non-cash supports and services are not reported or tracked under the TANF block grant structure. With regard to this question, GAO examined non-cash recipients in 2002 and found the following:

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[1] GAO, *Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State*, GAO-10-164 (Washington, D.C.: Feb. 23, 2010) and GAO, *Temporary Assistance for Needy Families: Implications of Changes in Participation Rates*, GAO-10-495T (Washington, D.C.: Mar. 11, 2010).

> We estimated that at least 46 percent more families than are counted in the reported TANF caseload are receiving services funded, at least in part, with TANF/MOE funds. This estimate includes many low-income families who are receiving child care funded by TANF and the Child Care and Development Fund (CCDF).
>
> The data that states collect and report on families receiving services have many limitations that restrict their usefulness in producing a full count of all families served with TANF/MOE funds.

We have not examined this question more recently. For more information see our reports, *Welfare Reform: States Provide TANF-Funded Services to Many Low-Income Families Who Do Not Receive Cash Assistance*, GAO-02-564 (Washington, D.C.: Apr. 5, 2002) or *Welfare Reform: States Provide TANF-Funded Work Support Services to Many Low-Income Families Who Do Not Receive Cash Assistance*, GAO-02-615T (Washington, D.C. . April 10, 2002.)

2) Does the definition of "income" you use in your report include key government benefits like food stamps, which have been rapidly rising? How about the EITC, which was one of the work supports expanded in the 1990s and which is an important incentive for families to engage in work over welfare?

In our report and testimony, income is defined as all gross cash income except for means-tested benefits such as Supplemental Security Income (SSI). Income does not include benefits from the Supplemental Nutrition Assistance Program (SNAP), formerly called food stamps, or the Earned Income Tax Credit (EITC). The definition of income used in the report is designed to be consistent with income as defined in the official federal poverty measure used by the U.S. Census Bureau. Currently, the federal government measures poverty using the federal poverty threshold, which is established annually by the U.S. Census Bureau. The threshold reflects estimates of the amount of money individuals and families of various sizes need to purchase goods and services considered minimally adequate based on 1960s living standards. The poverty threshold is adjusted each year using the consumer price index.

> **a) Doesn't the absence of these major cash and near-cash benefits—which are understood as key work supports and whose receipt has been rising—suggest that the data presented in your testimony paints a somewhat incomplete picture of the total resources available to tens of millions of low-income families today?**

While our report focused on TANF cash assistance, as requested, we also provided data comparing participating and nonparticipating families' receipt of other public supports such as SNAP, subsidized housing, and child care subsidized through the Child Care and Development Fund, as well as on other characteristics of eligible families.

Including non-cash benefits and tax credits, as well as work-related and health care expenses, as proposed by a National Academy of Sciences panel, may provide a more comprehensive picture of a family's resources and expenses. As we noted in our report, the official Census measure of poverty has been criticized for, among other things, not fully capturing the value of public supports and benefits, such as SNAP or

EITC, and for not considering health care and work-related costs. In 1995, a National Academy of Sciences panel recommended that changes be made to the threshold to count noncash benefits, tax credits, and taxes; deduct certain expenses from income such as child care and transportation; and adjust income levels according to an area's cost of living. In recent years, such noncash benefits and supports have comprised larger portions of the assistance package for families with low incomes. In response to these issues, several pieces of legislation have been proposed to update the federal poverty measure, although none had been passed as of the date of our February 2010 report. According to the latest Census Bureau data, using an alternative poverty measure that incorporates non-cash benefits and taxes and adjusts for living costs, 12.8 percent of individuals and 14.3 percent of children would have been counted as poor in 2008.[2] This compares with 13.2 percent of individuals and 19.0 percent of children considered poor in 2008 under the official definition of poverty.

[2] This Census alternative measure incorporates noncash benefits, child care, and work-related expenses, adjusted for inflation by the Consumer Price Index, but does not incorporate a geographic adjustment for the poverty threshold. In this alternative measure, medical out-of-pocket expenses are subtracted from family income before comparing the income to the family's threshold.

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

March 16, 2010

Mr. Russell Sykes
Chairperson, National Association of State TANF Administrators
40 North Pearl Street
Albany, New York 12243

Dear Mr. Sykes:

Thank you for taking time out of your busy schedule to appear at the hearing before the Subcommittee on Income Security and Family Support on the role of the Temporary Assistance for Needy Families (TANF) program in providing assistance to struggling families. As you are aware, the Subcommittee is very interested in learning more about the level of participation of poor children and families in the TANF program. I found your testimony to be very informative.

Please respond in writing to the following questions related to the hearing. Your written responses will be submitted as part of the Subcommittee hearing record. As a result of the limited time in which the hearing record will be open for additional comments, I ask that you submit your responses no later than March 31, 2010.

If you have any questions regarding this request, please contact Ms. Sonja Nesbit at (202) 225-1025. Once again, thank you for appearing before the Subcommittee to discuss an issue that is of great importance to us. I look forward to reading your responses.

Sincerely,

Jim McDermott

Jim McDermott
Chairman
Subcommittee on Income Security and
Family Support

Additional Questions for Mr. Russell Sykes:

- In the past five years, Congress has acted legislatively on TANF twice – once in 2006 and once in 2009. Can you tell us how those two bills have affected your ability to move TANF recipients into employment or prepared them for employment? In other words, please compare the Deficit Reduction Act with the American Recovery and Reinvestment Act (ARRA) in terms of their impact on your programs.

- In his testimony, Robert Rector noted that it was his belief that the TANF Emergency Contingency Fund established in ARRA effectively overturns the fundamental principles of welfare reform. Do you agree this assertion?

- The National Association of State TANF Administrators list of recommendations for TANF reauthorization includes a request to expand the countable work hours mandated under TANF to include activities such as vocational education for up to 24 months, job search/job readiness training for longer periods of time, and English as a Second Language as a job readiness activity. Why is it important that these activities be extended for longer periods of time? What impact would it have on States' ability to move recipients into good jobs?

- In the past five years, Congress has acted legislatively on TANF twice – once in 2006 and once in 2009. Can you tell us how those two bills have affected your ability to move TANF recipients into employment or prepared them for employment? In other words, please compare the Deficit Reduction Act with the American Recovery and Reinvestment Act (ARRA) in terms of their impact on your programs.

  The DRA placed unnecessary administrative burdens on states which were inappropriate given the success states have had moving people into employment and which forced states to divert resources from service provision to administrative "bean counting." Since the passage of PRWORA states have been actively engaged in evolving a work-based welfare system. These efforts have been remarkably successful. By restricting the states, the DRA got in the way of success.

  The TANF Emergency Contingency Fund (ECF) allowed states to fund subsidized jobs. Even if a recovery begins in the near future, job growth is predicted to be sluggish. Historically it is the poor who "recover" last in an economic crisis. Subsidized jobs help recipients and stimulate recovery by lowering labor costs to employers. The enhanced federal share has permitted states to do more and invest more in employment efforts which has been critical considering most states are facing considerable budget crises.

  The ECF also authorized and expanded the opportunities for 80% federal reimbursement for one-time non-recurring benefits. This too has been extremely helpful since there has been exponential growth in these types of payments to clients who may not desire ongoing assistance but need help navigating an immediate or crisis need.

- In his testimony, Robert Rector noted that it was his belief that the TANF Emergency Contingency Fund Established in ARRA effectively overturns the fundamental principles of welfare reform. Do you agree with this assertion?

  Mr. Rector stated that the ECF overturns the fundamental principle of welfare reform by rewarding states for increasing welfare caseloads and dependence. The ECF was intended to address the national economic crisis and to bridge gaps in State TANF block grants when the need goes beyond the capacity of the individual block grant in each state. It does not "reward" states for increased caseloads as Mr. Rector contends. Shrinking staff and revenues are sufficient incentive for states to keep caseloads to a minimum. Moreover, the days are long past when states concerned themselves with organizing welfare programs to maximize federal drawdown. One of the lessons that welfare reform has taught us is that what matters is the engagement of clients and the structure and quality of the strategies that we employ to help clients become more self-sufficient, build skills, and often supplement low wages. These fundamentals were not changed by the ECF. The ECF contains the same TANF requirements including work participation requirements and time limits as other types of assistance.

In fact, contrary to Mr. Rector's contention, it is arguable that the ECF, through its focus on transitional employment at a time when unsubsidized job opportunities are meager in what has been basically a jobless recovery, allows states to maintain the TANF focus on work for those who are able-bodied. Similarly, federal reimbursement for one-time non-recurring benefits which have risen dramatically is quite often a way that households, by their own choice, can avoid the need for ongoing assistance by resolving an immediate or crisis need.

- The National Association of State TANF Administrators list of recommendations for TANF reauthorization includes a request to expand the countable work hours mandated under TANF to include activities such as vocational education for up to 24 months, job search/job readiness training for longer periods of time, and English as a Second Language as a job readiness activity. Why is it important that these activities be extended for longer periods of time? What impact would it have on State's ability to move recipients into good jobs?

The current restriction that permits job search for only six weeks in any year with only four consecutive weeks of participation permitted is overly cumbersome and only serves to reduce efforts to secure employment. Looking for work is an essential part of any work or training program and expecting six weeks (twelve weeks for needy states) to be sufficient, particularly for those who may have limited work histories or education, is not realistic. The current economic recession has demonstrated that even those with substantial work histories and job skills have required considerable time to secure employment. It is reasonable to have some limitation on stand-alone job search to ensure that additional strategies are pursued to help individuals secure employment, but six weeks is overly limiting. Additionally, the requirement that no more than four weeks be consecutive creates unnecessary administrative barriers to effective program development.

Job Readiness activities are often needed to supplement work efforts as individuals continue to develop appropriate work habits or continue to participate in medically necessary treatment in addition to part-time work efforts. Failure to support this participation often has the unintended consequence of the individual's medical condition worsening, further limiting employability and even jeopardizing any current employment.

Current law limits an individual's participation in vocational education to 12 months over the course of a lifetime. NASTA recognizes that vocational training can provide meaningful education and job skills training opportunities for individuals, including those with lower basic literacy levels, often by combining adult basic education with occupational skills training. States should be encouraged to engage TANF participants in occupational skills training that will enable them to obtain jobs in demand occupations. Vocational education can also offer some adults the opportunity to secure post secondary education, which has clearly demonstrated to increase income opportunities and reduce period of unemployment.

The portion of the TANF population with Limited English Proficiency (LEP) should be allowed to participate in English language instruction as a job readiness training activity because they face the significant barrier of not being able to effectively communicate in English which greatly limits their available employment opportunities. HHS has established that activities that ameliorate the effects of barriers in order to allow an individual to be able to work including mental health and substance abuse treatment can be considered to be job readiness training. That same logic should apply to language barriers, permitting up to 12 weeks of full-time language instruction, if needed, to enable an individual to participate in a work based activity.

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

March 16, 2010

Mr. Russell Sykes
Deputy Commissioner
New York State Office of Temporary and Disability Assistance
40 North Pearl Street
Albany, New York 12243

Dear Mr. Sykes:

Thank you for your March 11th testimony to the Committee on Ways and Means, Subcommittee on Income Security and Family Support at its hearing on TANF's role in providing assistance to struggling families. In order to complete our hearing record, I would appreciate your response to the following questions:

1. Peter Edelman, who also testified at the hearing, wrote in a December 2009 article that *"Welfare reform also provided the states with nearly complete discretion over how to administer benefits. Most states responded with gusto, reducing welfare rolls nationally by two-thirds in just a few years. So when the Great Recession came along, the government safety net for families with children was in tatters. The United States was no more prepared for massive unemployment than New Orleans had been prepared for its levees to fail...In the rapidly expanding service economy of the 1990s, many former welfare recipients did find jobs, but most did not escape poverty, and a significant number were pushed off the rolls without finding work."*

    a. Is that how you see things? Did States "push" welfare recipients off the rolls, or otherwise keep people from collecting welfare checks they should have gotten?

    b. Or did States continue to make receipt of welfare benefits conditional on an individual's participation in work, education or other productive activities, consistent with the Federal law President Clinton signed in 1996?

2. Who decides what the size of the welfare rolls will be, in your view? Is it generally States, as Mr. Edelman has suggested, or individual low-income adults, who make rational decisions about participation in TANF given its work requirements and other rules?

Committee on Ways and Means Republicans
Subcommittee on Income Security and Family Support
Page 2
March 16, 2010

3. Last summer New York State used welfare emergency funds to make one-time $200 per child "back to school" payments to welfare and food stamp recipients. Some recipients used the money, as CBS News put it, to purchase "flat screen TVs, iPods and video gaming systems." Convenience stores in low-income areas "noted marked increases in beer, lotto and cigarette sales."

    a. Was that a wise use of taxpayer money, in your view?

    b. Does New York State or – to your knowledge, representing APHSA – any other State plan to issue "back to school checks" this summer like those New York paid last summer that were spent on alcohol, lottery tickets and flat screen TVs?

    c. If so, do you plan to utilize welfare emergency funds for such one-time payments again?

4. Your testimony calls for a number of funding increases for TANF and related programs in its coming reauthorization.

    a. How much specifically are you proposing to increase Federal spending in all?

    b. How would State spending be affected by these changes?

    c. What recommendations do you have for paying for these Federal spending increases?

I would appreciate your response to these questions by March 30, 2010. Please send your response to the attention of Matt Weidinger, Staff Director, Subcommittee on Income Security and Family Support, Committee on Ways and Means Republicans, U.S. House of Representatives, B-316 Rayburn House Office Building, Washington, D.C. 20515. In addition to a hard copy, please submit an electronic copy of your response in WordPerfect or Microsoft Word format to Mike.Stober@mail.house.gov and Moyer.McCoy@mail.house.gov.

1. Peter Edelman, who also testified at the hearing, wrote in a December 2009 article that

   "Welfare reform also provided the states with nearly complete discretion over how to administer benefits. Most states responded with gusto, reducing welfare rolls nationally by two-thirds in just a few years. So when the Great Recession came along, the government safety net for families with children was in tatters. The United States was no more prepared for massive unemployment than New Orleans had been prepared for its levees to fail...In the rapidly expanding service economy of the 1990s, many former welfare recipients did find jobs, but most did not escape poverty, and a significant number were pushed off the rolls without finding work."

   a. Is that how you see things? Did States "push" welfare recipients off the rolls, or otherwise keep people from collecting welfare checks they should have gotten?

   b. Or did States continue to make receipt of welfare benefits conditional on an individual's participation in work, education or other productive activities, consistent with the Federal law President Clinton signed in 1996?

   Peter Edelman paints a picture in which the states forced families off the welfare rolls and into dire circumstances. That is not what happened. What actually happened is that able-bodied adults were engaged in job search, training and other work activities aimed at improving their economic circumstances. The main result was that many welfare recipients, predominantly female heads of households, went to work and improved their own lives and the lives of their children. Contrary to Mr. Edelman's statement, many <u>did</u> escape poverty. A New York State study showed that, holding demographic and other factors constant, the poverty rate for single-parent, female-head households declined by a remarkable 13 percentage points as a result of welfare reform.

   Even if families do not achieve immediate success, work is better than welfare, because working families benefit from tax credits like the EITC and continue to receive SNAP and other benefits. Many states have their own independent refundable tax credits in addition to federal credits; most states offer generous earnings disregards; provide supportive services such as child care, transportation and case management, and have aggressively increased child support collections, most of which support previously or never TANF recipients. In New York, for example, the average wage for families leaving welfare is $8.50 per hour. With the federal and state EITC, SNAP and other tax credits and benefits, this wage becomes the after-tax equivalent of $16.50 per hour, an amount that places a family of three at 183 percent of the federal poverty level. This is illustrated in two charts that we have included for the record.

   Mr. Edelman seems concerned that state programs force clients to leave welfare before they are ready. This thinking was prevalent prior to reform when clients never seemed to be ready, but welfare reform taught us that most clients are capable of finding work. In fact, most have worked prior to being on welfare.

Though they may differ, every state operates its TANF program within set rules. Clients are not sanctioned without cause or prior notice. In fact, state programs offer clients numerous opportunities to avoid sanction and many states allow clients to cure sanctions that have been imposed. Some states have developed intensive casework approaches designed to get clients to engage. State TANF programs exist to help people transition from welfare to work when they are able to do so, not to generate sanctions, and to claim otherwise, either implicitly or explicitly, does a disservice to the state TANF programs and those who run them. States stand ready to make needed changes where program access problems are legitimately identified.

Over 60% of TANF funds provide support to low income families, post-TANF as a way to stabilize them in the workforce. States have also not ignored those who are not able-bodied, increasing their efforts to move likely eligible recipients to an SSI or SSDI track and providing treatment and other support services as necessary to stabilize individuals with substance abuse and mental health issues.

Welfare reform allowed States to give families the tools, supports, assistance and services that they needed to become self-sufficient. Families responded, proving to be significantly more resilient than many expected. States did not push clients off the welfare rolls because states did not have to. Once families became involved in work activities and understood the opportunities and responsibilities present in the reformed welfare system, they found their own solutions.

Nonetheless, TANF and state maintenance of effort programs provide a safety net of benefits for those who are truly needy. I expect that assistance caseloads may continue to trend upwards over the next 12-18 months as the impact of the recession is fully realized and as more people exhaust UIB and other avenues of support.

2. Who decides what the size of the welfare rolls will be, in your view? Is it generally States, as Mr. Edelman has suggested, or individual low-income adults, who make rational decisions about participation in TANF given its work requirements and other rules?

A combination of factors dictates the size of the welfare rolls. The biggest factor contributing to welfare rolls is neither state program rules nor the client's decisions concerning work requirements. The leading factor is the economy. Welfare reform made structural changes that produced a one-time reduction in caseload. Since that reduction occurred, the main driver of the size of the caseload is neither states nor clients, but the level of economic activity, available employment, and the buffers provided by other programs such as extended UI benefits and SNAP benefits.

Mr. Edelman implies that states can control the size of the caseload by manipulating program rules. This is not the case. State programs are governed by certain common federal requirements and purposes under TANF, but predominantly by state law and regulation, which do not change rapidly or in ways that mitigate the effects of economic changes.

The reality is much simpler than the theories concerning caseload. When clients need benefits, they apply. When they meet program requirements they receive benefits. Since TANF and state maintenance of effort programs are the safety net of last resort for people, TANF is often the last program to be affected when the economy declines. I expect TANF caseload growth to accelerate until economic conditions significantly improve and we see steady growth in employment.

3. Last summer New York State used welfare emergency funds to make one-time $200 per child "back to school" payments to welfare and food stamp recipients. Some recipients used the money, as CBS News put it, to purchase "flat screen TVs, iPods and video gaming systems." Convenience stores in low-income areas "noted marked increases in beer, lotto and cigarette sales."

   a. Was that a wise use of taxpayer money, in your view?

      For the record, in my testimony before the subcommittee, I was representing the National Association of State TANF Administrators (NASTA), an affiliate of the American Public Human Services Association (APHSA). Accordingly I testified as chair of NASTA, but since you have taken the opportunity to ask a question specific to New York State where I am the Deputy Commissioner responsible for the TANF Program, among other areas, I will be pleased to address the issues you raise.

      Last summer, States were faced with a choice. They could simply continue to weather the economic storm or seize the opportunity presented by the ARRA, to use every available resource to assist low income households with children and simultaneously stimulate floundering local economies. In New York, we choose to act quickly and decisively to do both.

      Back to school payments were one part of this rapid response strategy, but an important part. Unlike many stimulus initiatives, New York's Back to School Initiative put money where it was most needed, in the hands of struggling families. Secondarily, the Back to School Initiative put money in the hands of merchants in distressed neighborhoods.

There were some negative reports in the media like the CBS News report that apparently prompted your question, but most of what we heard from the media and from clients was positive. We have attached for publication in the record many examples of positive media coverage, as well as, a letter to Senator Charles Schumer from OTDA Executive Deputy Commissioner Elizabeth Berlin that provides additional detail regarding the Back-to-School Initiative.

Was the Back to School Initiative a "wise use of taxpayer money?" Yes. The Back to School Initiative provided financial relief where and when it was most needed. Was the Back to School Initiative perfect? No. Like any cash assistance program, recipients sometimes make poor spending choices. If we had the luxury of time, it might have been possible to develop the computer systems, casework infrastructure and procedures to help people make the right choices. We choose not to wait and not to reduce the stimulus benefit of the ARRA by wasting money on single-use procedures. Simply put, we trusted parents to make good choices for their children and we believe that most parents did.

b. Does New York State or – to your knowledge, representing APHSA – any other State plan to issue "back to school checks" this summer like those New York paid last summer that were spent on alcohol, lottery tickets and flat screen TVs?

We have responded already in (a) above to your contention stated again here regarding possible misuse in isolated instances of back to school payments, but it bears repeating that we have attached two items for the formal record that dispute your claims.

Our understanding is that Texas and Michigan were issuing back to school payments before ARRA funds were made available, and are considering continuing to issue back to school payments after the expiration of ARRA funding. At this time, New York State is not planning to issue back to school payments again this summer and never had any intention to do so beyond the one-time payment made in August of 2009 that benefitted over 800,000 children, the vast majority of whom were not on TANF but were SNAP only cases.

c. If so, do you plan to utilize welfare emergency funds for such one-time payments again?

Not applicable. See response to b. above.

4. Your testimony calls for a number of funding increases for TANF and related programs in its coming reauthorization.

   a. How much specifically are you proposing to increase Federal spending in all?

As reflected in the National Association of State TANF Administrators (NASTA) recommendations, we are requesting that the current TANF BG amount and structure be maintained, states be allowed the ability to maintain unexpended dollars and, in addition to the existing block grant, increase the funding availability at a level adjusted to the Consumer Price Index (CPI) as indexed from the original 1996 passage of TANF. The core block grant must be increased to ensure funding remains consistent and stable and states should be assured of an adequate source of funding to be able to maintain the programs and services they have developed to support low income families in need of assistance in securing and retaining jobs and to provide a safety net of services, including cash assistance. In addition to providing direct assistance, states use the funding for programs that provide services including work supports to address the needs of various populations within each state. Since 1996, the costs of providing these benefits and services and the costs of the benefits and services themselves have significantly increased. Additionally, states are experiencing caseload increases as a result of the current economic crisis. Increased TANF BG funding would allow states to meet the demands of increasing caseloads and low income working families who need additional supports. Additionally, child care funding should be increased at least $6 billion over five years consistent with the amount the Senate recommended in its version of the 2005 reauthorization.

b. How would State spending be affected by these changes?

NASTA is recommending that states continue to be held responsible for a 75% Maintenance of Effort (MOE) requirement for the current TANF block grant amounts. An increased MOE requirement attached to any funding increases, however, is not feasible at this time given the current economic climate and budget shortfalls facing states.

c. What recommendations do you have for paying for these Federal spending increases?

We understand that the federal government, like states, must decide between a myriad of competing and worthy priorities, but we feel it is critical that the federal government make the decision to continue to invest and support programs that serve low income families and to develop strategies to address the increased need faced by states. We believe it is incredibly important to continue to support state efforts to invest in programs that assist our nation's most vulnerable families' to support themselves through employment whenever possible.

... "Times are really tough right now. The situation is bad with money. So it's easy to want to use the money for other things," said Ana Barcos, 31, of Corona, Queens, where 200 people waited outside a check-cashing business.

"But if the money's supposed to be for my kids, then I will use it for my kids."

... "It's a help," said Tania Gomez of Chelsea, who withdrew $600 for her kids. "Every penny counts nowadays. It's really something that was unexpected."

... Storekeepers were glad to hear about the program, too - and the notebooks, clothes and backpacks it would buy.

"It's good for everyone," said Aziz Boughroum, 31, who works at Stevdan Pen & Stationers in the West Village.

- *New York Daily News, Tuesday, "Back to school spree: Billionaire, feds give out $175M to aid neediest students around the state," August 11th 2009*

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... Middle Country School District Superintendent Roberta Gerold said that "families who are struggling will find this a great benefit."

- *Newsday, "Philanthropist's aid helps needy kids buy school gear," August 11, 2009*

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... "For many families this will be a welcome supplement," said Christopher R. Rediehs, St. Lawrence County Department of Social Services commissioner.

... "It's the first time we've had a payment like this, and it's a bit of a pleasant surprise for many this year, given the difficult economic times," he said. "It's a big deal."

- *Watertown Daily Times, "Back-to-school grants going to needy families," August 12, 2009*

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... Some folks already started spending the money. In fact, Brothers Hip Hop on South Salina Street, noticed a lot of business Tuesday. The manager tells us many families came in looking for sneakers; it was a rush common to what they see during the weekends.

- *WSYR-TV (Channel 9-Syracuse), "Extra money for welfare recipients: The Real Deal," August 12, 2009*

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… For parents like Bess Thomas, the money came at just the right time. Thomas herself is attending college while raising two young children. She wasn't expecting the extra $200, but calls it "angel sent."

"I do have a daughter who is in school right now, so it was a relief. It helped me out a lot, especially for clothing," she said.

After a trip to Staples, her nine-year-old daughter Cleopatra is prepared for third grade.

Jerome Shaw got some good deals on school supplies for his teenage son.

"We bought some tablets for a penny, notebooks, and book bags," Shaw said.

He plans to spend most of the money to buy clothing.

"It will get them sneakers and jackets, little small things they need for school," he added.

- *WHAM-TV (Channel 13-Rochester), "Families Get Money for School Supplies," August 12, 2009*

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… Chavona Neal received $600 dollars from New York State on Tuesday morning with no strings attached, just the intention to purchase clothes and school supplies for her three boys.

Neal, who is also a single mom, told NEWS10, "I'm a parent that's struggling right now and I'm glad that (the state) gave back this money to help me and other parents out there out with school supplies and school clothes."

… Another one of those recipients is Maryann Montepare of Green Island.

"My son is gonna' look good for his very first day," she beamed to NEWS10.

As soon as Montepare, who is also a single mom, and her fourteen-year-old-son David found out about the $200 Tuesday, they took the bus to Walmart and purchased a cache of back to school needs.

"I called food stamps to make sure they did not make a mistake and they told me, yes, it is mine to go and get my son ready for school and I did," Montepare said.

… Montepare says she spent $201 on her son Tuesday; $189 for clothes and school supplies at two different stores and $12 for a haircut.

- *WTEN-TV (Channel 10-Albany), "Needy NY families get $200 school supply grants," Aug 11, 2009*

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… Carmen Guzman has five children. She and other parents celebrated a gift seemingly out of nowhere.

"Here, I'm texting every mother on my phone, anybody that has kids. I was like, this is awesome. This is the best time. It came with perfect timing because I was struggling more than ever," Guzman said.

… "I have four kids. They need sneakers, pants, shirts, underwear, socks. So this money is a big blessing for me," said Dorothy Farmer of Troy.

"I'm putting it together with the money I already have and we're going to 34th Street on September 1st to go school shopping because clothes are much cheaper down there," said Michelle Kennie, also of Troy.

That means something for her four-year-old to wear to school.

… Troy Pastor Willie Bacote saw, first-hand, the immediate effect.

"But I received calls and parents were excited and started going shopping and buying school clothes and sneakers and everything that they weren't able to afford before this came out," said Bacote.

… Many local parents called the surprise on their benefit cards, a blessing.

"I went and I hit the store and I got to get my kids school clothes. I feel so content and so relieved that I was able to do that," Guzman said.

- *WNYT-TV (Channel 13-Albany), "School shopping grants draw praise, criticism," Posted at: 08/11/2009 2:55 PM*

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… "The most cost effective way to help the economy is to give money directly to poor people," said Mark Dunlea with Hunger Action Network, who said the lowest income people are more likely to spend in their own neighborhoods and less likely to save or invest the money.

- *WXXI Radio, "Paterson Announces $200 Back to School Grants for Needy," (2009-08-11)*

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… "It was a very pleasant surprise," said Jacqueline Velez, 34, of Flushing, Queens, who said she would use the money to pay for sneakers for her 14-year-old daughter.

… Cynthia Smith, a 34-year-old retail sales clerk from the Highbridge section of the Bronx, was waiting at the same store. She had called a friend on Monday night to ask about the grants for her two children, 8 and 12. At 12:30 a.m., she called the automated line for her benefits account. It had no balance. But it did seven hours later, when she called again.

Ms. Smith and other benefits recipients praised the Obama administration and Mr. Soros for the benefit. Some of those in line said they used check-cashing businesses to withdraw from their benefits accounts — despite the fees such businesses charge — because their cards often did not work in regular A.T.M.s or because those machines also charged fees.

Some of the parents said they intended to use the money to pay bills, even though the program is intended for school-related clothing and supplies.

Luz Jimenez, 37, an unemployed cashier from Bedford-Stuyvesant, Brooklyn, said she planned to use the cash grants for her eligible children, ages 3 and 16, and to help pay the rent, as well as credit card and cable television bills. Whatever is left over will go to school supplies, she said.

- *New York Times (City Room Blog), "Low-Income Families Flock to Cash Aid Program," August 13, 2009*

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… "To me, it was a blessing," said Christine Castro of Cheektowaga, the single mother of a 12-year-old daughter who applied for food stamps after losing her retail sales job about a year ago. "It's tough for everybody out here," she said. "I have credentials. But right now is not the time for people to find the jobs that they want. I was told never to look a gift horse in the mouth." Castro said she spent some of the $200 Tuesday at a Walmart on pencils, paper, notebooks and a dry erase board.

- *Buffalo News, "Some use grant funds to buy frills," August 13, 2009*

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… He says the Governor's office has received plenty of letters from grateful parents praising the program, like Albany resident Shaqueena Putnam. She has two kids of her own and custody of her two younger sisters. Putnam says the money is a godsend.

"Well me, I'm struggling, $200, that's $200, $400, $600, $800. That's $800 right there. That's a hunk of change," Putnam said.

- *Capital News 9, "Back-to-School program gets mixed reviews," 08/13/2009 09:25 PM*

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… Though all the grants may not be used for school supplies, getting cash into the hands of those who don't have it stimulates the economy faster because they spend the money sooner than wealthy people, said economist and social worker Irwin Garfinkel, a professor at the Columbia University School of Social Work.

"In terms of the stimulus, you couldn't do better," Garfinkel said.

- *Rochester Democrat & Chronicle, "Brooks says aid program flawed," August 14, 2009*

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… Lisa Laraway was thrilled to get the money.

"We didn't know how to pay for school supplies. We were going to recycle last year's book bag and I was trying to get into a program that gives us free supplies," she said.

Laraway said she spent every dime on school supplies and clothes, "We got book bags, pencils, notebooks, rulers, pretty much everything on my daughter's list."

"It's money for your kids. Spend it on your kids. I feel bad for the kids," said Laraway.

- *WHAM-TV: County Executive, "'Rampant Abuse' in School Supply Program," August 14, 2009*

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… "I have seven children and I received it for six of the seven," she said Monday.
The program, funded by philanthropist George Soros and the federal government, provides $200 per child to families receiving food stamps or cash assistance.

"I've already spent it," said the woman, who agreed to speak to The Daily Star if her name was not disclosed.

"I bought them sneakers, backpacks, clothes, other things they need for school," she said.

"I even bought a razor because my boys like to have their heads shaved and now I'll be able to save the cost of going to the barber during the year."

The money, which came directly from the state, was "a complete surprise," she said. "I heard something about it at Family Services, but I didn't think it would apply to us." Then she was told by someone who receives aid that she should check her electronic benefit card, and when she did, she found it had been credited with $1,200 for school expenses.

"It's made a big difference for us this summer," she said. "I have a cousin who got it too and she's bought school clothes."

... Dan Maskin, executive director of Opportunities For Otsego, said that while some may spend the money unwisely, "what we've heard is more an expression of relief'" from parents now able to get their children ready for school.

- *Oneonta Daily Star, "Fund aims to aid poor," August 18, 2009*

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... "It helped out a lot," said Justine Harris of Rochester, a mother of three school-age children, who said she bought towels, soap, school supplies, socks and underwear.

... Yevette Jackson, 46, has two school-age children and lives in southwest Rochester. She took the cash out and went to several stores to buy back-to-school clothes, including Rainbow Kids, Foot Locker for sneakers and Wal-Mart for underwear.

- *Rochester Democrat and Chronicle, "Families grateful for back-to-school grants," August 21, 2009*

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... Neasey Hendricks, single mother of five, says she's putting the money to good use.

"Definitely sneakers, try to save a little bit for a haircut, a couple of pairs of pants, some shirts, get the girls a few skirts," Hendricks says.

... In Rochester, the Rev. Marlowe V.N. Washington, Pastor of the Baber African Methodist Episcopal Church, contacted CBS News to say that hundreds of grateful local residents have been helped by the back-to-school funds, and that it's unfair for anyone to assume they didn't spend the money on school supplies. "That is offensive, attacking and mean spirited," Washington told us. "People need to hear how stimulus funds have benefited American families and not hurt them."

- *CBSNews.com, "Unplugged Exclusive: Stimulus Funds for School Supplies Misused," September 2, 2009*

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Gov. David Paterson, philanthropist and financier George Soros and others recently announced a back-to-school initiative providing $200 stimulus payments to low-income families with school-age children to purchase school supplies and clothing.

Unfortunately, some poorly informed individuals have disparaged the initiative, which will help hundreds of thousands of families across New York and pump $175 million into retail stores and local economies. Many states are struggling to find ways to take advantage of the "TANF Emergency Fund" used to pay for this initiative because of strict guidelines on how the money can be used.

In addition to a 20 percent matching requirement, the funds are only available for short-term, non-recurrent benefits or subsidized employment for TANF-eligible families with children. They can't be used to offset property taxes or for ongoing social services related costs, as some have suggested.

New York was able to creatively leverage $140 million in federal stimulus dollars without having to spend a single state or county dime, thanks to George Soros, who provided the 20 percent match to draw down the stimulus funds.

The Paterson administration deserves thanks, not criticism. At a time of skyrocketing unemployment and food stamp caseloads, it has acted quickly and compassionately to help low income students prepare for the school year.

- *Albany Times Union, "Letter to the Editor: Guidelines strict for school money," By Anne Erickson and Kristin Brown Lilley, Empire Justice Center, August 18, 2009*

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Last week, Gov. David A. David Paterson, George Soros, New York City Mayor Michael Bloomberg and others announced a back-to-school "bonus." This initiative provides $200 in stimulus payments to low-income families with school age children receiving Temporary Assistance to Needy Families (TANF) or food stamp benefits. These payments are intended to help buy school supplies and clothing for the upcoming school year.

Unfortunately some poorly informed individuals have publicly disparaged the back-to-school initiative. Those who begrudge low-income children $200 for school supplies appear to have no problem with other federally funded initiatives that provide $4,500 payments to purchase new cars or $8,000 payments to buy homes and are not targeted to those in need.

Fact is, this back-to-school initiative is remarkable. It will help hundreds of thousands of low-income families across New York State purchase the items their children need for school. As a result of these stimulus payments, local economies struggling through the recession will benefit as $175 million are pumped into retail stores across the state by families purchasing necessary school-related supplies.

What may be most remarkable is that New York was able to creatively leverage $140 million in federal stimulus dollars without having to spend a single state or county dime, thanks to the Open Society Institute and Soros, who agreed to provide $35 million to meet the federal government's 20 percent match requirement.

Across the country, many states are struggling to find ways to take advantage of the opportunity Congress and the president provided when they created the "TANF Emergency Fund," a small but critical piece of the American Recovery Act. The challenge arises because of strict guidelines on how the money can be used.

In addition to the 20 percent expenditure necessary, these funds are available only for specific types of services for TANF-eligible families with children. Funds must be used for either short-term, non-recurrent benefits or to create subsidized employment. The funds can't be used to offset property taxes or for ongoing social services costs, as some have incorrectly suggested. The TANF Emergency Funds have already been used by the governor and the Legislature to create three new subsidized employment programs (transitional jobs, health care jobs, green jobs corps program) each of which will provide much-needed employment and income to New Yorkers in need.

The Paterson administration, Soros and the Open Society Institute deserve thanks, not criticism. At a time of skyrocketing unemployment and burgeoning food stamp caseloads, they have acted creatively and compassionately to help low-income students prepare for the school year.

Anne Erickson is president and Kristin Brown Lilley is legislative director of the Empire Justice Center.

- *Buffalo News, "Leaders deserve thanks for creative school program," By Anne Erickson and Kristin Brown Lilley, August 23, 2009*

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In a few short weeks, yellow school buses will begin to roll down our streets and the sounds of school will once again be heard. Many Rochester families will follow the same back-to-school ritual they have in years past, including shopping for school supplies and clothes.

But for others, given the current economic crisis, this year will be devastatingly different. It's no secret that our city has one the highest concentrations of poverty in the nation.

With nearly 90 percent of students qualifying for free or reduced-price lunches, many of our families are struggling to put food on the table or pay the rent. The added expense of school supplies is a burden they cannot shoulder alone.

I applaud the governor's initiative of giving one-time grants of $200 per child to low-income families so they can buy what their children need, from books and pencils to shoes and school uniforms.

These children will be able to wake up on the first day of school without having to worry about whether they have appropriate, properly fitting clothing to wear. They will be able to sit in their classrooms without having to worry about what materials they're going to use to take notes.

The governor's office estimates that more than 800,000 children across the state, including more than 32,000 in Monroe County, will be eligible for these one-time grants.

Sixty-eight percent of these children are from families whose income is low enough that they qualify for food stamps but too high to qualify for public assistance. These families often are low-wage earners, receiving unemployment or receiving disability or veterans' benefits.

They are or were part of the workforce but, like many New Yorkers, are not earning enough to make ends meet.

The grants would not have been possible without a public/private partnership. The Open Society Institute, through its Foundation to Promote Open Society, gave New York state $35 million, which the state used to obtain federal stimulus matching funds of $140 million.

As a result, $175 million will be spent in communities across the state, providing additional stimulus to local economies. As our state and local budget deficits continue to grow, so does the importance of these kinds of partnerships.

There are no state or county shares involved in these grants, and the federal funds would have gone to another state had New York not successfully applied for them.

Many of us take for granted that we will have money available to ready our children for school. Not all families have that comfort level. This year, the back-to-school initiative helps. It is about making sure that children start school equipped and ready to learn. It is about fairness, equality and compassion during an unprecedented period of economic difficulty.

Jean-Claude Brizard is superintendent of the Rochester School District.

- *Rochester Democrat & Chronicle, "$200 grants help kids with back-to-school needs," By Jean-Claude Brizard, August 22, 2009*

Additional Questions for Mr. Peter Edelman:

- In his testimony, Robert Rector stated that total government spending on means-tested aid will rise to over $950 billion in FY2011 and that "…annual means-tested welfare spending is more than sufficient to eliminate poverty in the United States." Do you agree these assessments?

- You noted in your written testimony that a study conducted by the Urban Institute on individuals that have recently left welfare found that while 3 out of the 5 people surveyed found work, half of which were living in poverty. The study also concluded that 2 out of 5 people who recently left welfare were unable to find work and, in the case of half of this population, they also did not have a working spouse or collected disability benefits.

  What typically happens to a family who leaves welfare, but is unable to find work or continues to struggle in poverty while working? How are they meeting their basic needs? Is it reasonable to believe that they are receiving sufficient assistance from other safety-net programs?

- One of the recommendations that you make in your testimony is for the creation of a special Program Innovation Fund in the TANF program? Why is this important? How might this program benefit recipients?

Answers to additional questions for Peter Edelman

1. **Comment on Robert Rector calculation.** Mr. Rector labels his analysis as covering "annual means-tested welfare spending." What he is actually calculating is not welfare spending in the sense of cash assistance. That is a tiny fraction of the programs he lists. He includes health care, education (both K-12 and postsecondary), housing, job training, community development, and much more.

There are four major points to be made here. First, significant portions of the spending that Mr. Rector labels as "welfare" go for health care and income support for the elderly and the disabled. Second, the antipoverty policies represented by the expenditures are mostly not about income maintenance. The programs he points to are focused significantly on helping people succeed in supporting themselves and their families. Third, without the portion of the programs that does support people's incomes in various ways, the number of people living in poverty would be far larger. And fourth, the income-related portion of the programs is as high as it is not because it is supporting only people who are not employed (although support for the unemployed is of course higher at the moment because of the recession), but because of the extremely large number of low-wage jobs in our economy. The Earned Income Tax Credit and the Child Tax Credit go only to people who have jobs, and large portions of Medicaid, food stamps, child care assistance. housing vouchers, Pell Grants, and many of the other programs listed are either income supplements or have a cash equivalent value that in effect adds to the income of low-wage workers who would otherwise have a much more difficult time making ends meet.

2. **What happens to families who leave welfare but do not find work?** They are having a very difficult time, as are many of the families who are unable to get TANF even though their income is low enough to make them eligible. These are of course mainly families headed by a single mother. Some move in with extended family. Some get married. Some move in with a man to whom they are not married. (Some get SSI.) Many of those arrangements are untenable, and about half of those who end up without a job and without welfare end up "disconnected" – having none of the arrangements that I just mentioned. How they are getting by is something of a mystery. Many get food stamps – and recent analysis shows there are six million people in the country who have no income other than food stamps (and food stamps by themselves produce an income that is less than 40% of the poverty line). Some get Medicaid, housing vouchers, child care assistance, and a few other bits and pieces of help. But housing vouchers reach only one in four of those who are eligible and federal funded child care assistance reaches only about one in seven of those who are eligible. The huge increase in extreme poverty over the past decade seems almost certainly to be connected in significant part to the increase in the number of women and children who have no job and are not receiving cash assistance. This is a dismal picture.

3. **Why is a Program Innovation Fund for TANF important?** With all of the experience of the past fourteen years of TANF, we know far too little about three major issues. One, what combination of policies would help the maximum number of low-income mothers find their way into the labor market and into jobs that make the most use of their talents? This includes women who face substantial barriers to work success. (Of course jobs have to be available.) Two, what would constitute an appropriate safety net role for TANF? And three, what is the correct intersection between work promotion done in a constructive way and the safety net function of TANF? A TANF Innovation Fund could put money into carefully designed demonstrations, accompanied by rigorous evaluation, that would help us understand better how to design and implement sensible policy. We have a degree of knowledge about program components – transitional job programs, assistance with transportation, lump-sum one-time grants, and other specific initiatives. We don't know enough about how to design a sensible three-dimensional system to contribute to poverty reduction based largely on work but including a thoughtful and adequate safety net component. A Program Innovation Fund could help us move toward a better overall policy.

[Submissions for the Record follow:]

Testimony By Christina Schnetzer

I have been on and off the system, for more years than I'd like to admit, but I have almost always worked, at least part time and raised two wonderful girls, and went to school. To better myself and my children, but what I find most disturbing is that in this horrendous economy, where unemployment rises and extensions dry up, people are going to be desparate enough to steal and hurt each other to feed their families. It's already happening. I feed a family of two for $207.00 a month. And I deeply appreciate it. We usually run out by midmonth. I am a thrifty woman, but when a meal with meat a veggie and a starch or roll costs about ten dollars to prepare, the 6 dollars a day allotted doesn't go far, and that's for one meal. I don't get monetary assistance at this time, but my meds are over $800.00 a month, for complications of a brown recluse bite, I take no pain pills, and my doctor doesn't do pain management, so my many problems that include: Spondolathesis, sponolytis, vertebral bones spurs, compressed and deteriorated spine, two bones separated in a car crash, at the shoulder, and now, problems with bladder cyst, an inability to eat because of stress and gall bladder removal and the complications, someone should be equipped to send me to a specialist. My doctor said he would refer me to a Ear Nose specialist, if I could find one, that takes my medicaid plan and I can't. All the while I am losing my hearing due to an inner ear infection that has gone through 3 courses of antibiotics to no avail, I have to arrange for the injectible antibiotic, which still hasn't arrived 2 weeks later. But at the same time, I can and want to contribute, I have been blocked from several jobs, because my daughter getting medicaid is a conflict of interest in my county, so I was even forced to leave a job on the premises, twice . . . because I received Govt. benefits. I was denied PRC's I was never granted one, and lost another job because of not being able to fix my car, while a neighbor received $3,000.00 to fix their car, and THEY WEREN'T EVEN WORKING, while I was. There are some people who have to ruin things for everybody and I realize there is fraud that takes place on behalf of recipients, but there are corrupt folks within the agencies, and Legal Aide . . . Does Not HELP . . . anyone. We feel as poor citizens, that we would like to see stimulus jobs of the same nature as the California Model. We need extensions on benefits and unemployment, at least until the unemployment rate dips back below 8%, some people are never going to work . . . More expedient service from SSA, as people have to be FLAT BROKE, NO UNEMPLOYMENT, ETC FOR A YEAR BEFORE THEY FILE, AND WAIT 5 TO 10 YEARS FOR AN ANSWER . . . this is how we treat the downtrodden in our society, as parasites, when in fact I will come clean your trash cans and commodes for a living wage job, I have in the past, and now two college degrees later, I will again if needed. 2 weeks ago I saved a director of the Treasury's life, as she was choking, in the senate lunchroom, I do have value as a human being. I do want to work! I live in a society of closing stores, emptying houses, joblessness and hopelessness. Don't yank out the safety nets that are much needed at this time to keep me and mine alive. Give time for education, make the biological dad fill the work requirements, instead of babying him, so the mother can raise the babies, make 50% of first shift work open for moms who want to work, but don't want to turn their kids to the streets from unsupervision. Extend food and shelter benefits, why are there so many empty houses and no one who can afford to live in them? There are so many obvious solutions, but maybe they can only be seen, by looking up, not down. Thank You.

BEST FRIENDS FOR THE BEST FUTURE

BEST MEN

"Challenging boys to become men worthy of respect."

March 31, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a representative of the current ACF Healthy Marriage Demonstration Grant (HMDG) and Promoting Responsible Fatherhood (PRF) grantees around the country to express our concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal. Our primary area of concern is total funding for Relationship Education being cut from an estimated $111 million per year under the current HMDG/PRF grants to only $7.5 million per year under the proposed FMFIF. This proposal eliminates funding for the highly successful HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown. The Best Friends Foundation has seen amazing results and here is our data from our 2009 National Youth Leadership Summit.

QUESTIONS		GIRLS	BOYS
Do you want to get married someday?	Yes	100%	81%
How sure are you that you can tell someone about the benefits of marriage?	Yes	84%	68%
Do your friends respect your goal to get married someday?	Yes	92%	84%
Is it best for children to be born into married, two-parent families?	Yes	96%	81%
Is it best to wait until marriage to start a family?	Yes	100%	90%
What are your plans for the future for having sex?	Wait Until Married	76%	61%
Do you understand the difference between love and sex?	Yes	72%	84%

As you can see from the data above, the HMDG has proven to educate students on the benefits of marriage. The Best Friends Foundation is requesting that HMDG programs be included with TANF funding for an additional year. Funding for each grantee can be contingent upon their ability to demonstrate the effectiveness of their program so far. The research will prove that these programs are effective in educating teens about the benefits of Healthy Marriage and Healthy Relationships.

Sincerely,

Elayne Bennett

Elayne Bennett
President and Founder

Best Friends Foundation
Best Friends, Best Men, Diamond Girl Leadership and Best Men Leadership Programs
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LEGAL
momentum

The Women's Legal Defense
and Education Fund

STATEMENT OF LEGAL MOMENTUM

Submitted to the Subcommittee on Income Security and Family Support of the House Committee on Ways and Means to be included in the record of the Subcommittee's March 11, 2010 Hearing on TANF's Role in Providing Assistance to Struggling Families

395 Hudson Street New York, NY 10014 T 212.925.6635 F 212.226.1066 www.legalmomentum.org

We applaud the Subcommittee for holding a hearing on the problem of TANF's failure to reach most poor children. TANF's failure to aid so many poor children is an injustice that cries out for action. We agree completely with Chairman McDermott's statement that:

> Temporary Assistance for Needy Families doesn't provide assistance to over three-quarters of America's poor children. That's not temporary assistance – it's no help at all for the vast majority of our most vulnerable children and families. We need to work on both immediate steps and longer-term solutions to ensure a helping hand for those who need it most.

We are submitting this statement to bring to the Committee's attention a recent survey and report on how TANF responds – and fails to respond - to women fleeing family violence who turn to TANF for assistance.

The report, ***Not Enough: What TANF Offers Family Violence Victims****,* was produced by Legal Momentum and the National Resource Center on Domestic Violence. The report explains the findings of a survey that was completed by some 600 staff members from domestic violence programs and legal aid and anti-poverty agencies who work with family violence victims. The report exceeds the ten page limit for inclusion in the printed hearing record, but copies have been provided to the Subcommittee staff, and the report is available at http://www.legalmomentum.org/assets/pdfs/not-enough-what-tanf-offers.pdf.

KEY FINDINGS FROM SURVEY ON TANF AND FAMILY VIOLENCE

TANF is an important resource for victims

Some studies have found that over half of the women receiving welfare have reported being battered. (See studies cited in ***Not Enough*** endnote 3.) Over 96% of our survey respondents answered "yes" to the question "is access to TANF financial assistance an important resource for a significant number of family violence victims." Seventy-one percent estimated that at least half of the victims served by their agency needed TANF as part of their safety plan. Here are some illustrative comments:

> *I have worked with many survivors that would have never left their abusive situation had they not had TANF as a resource.*

[TANF] is often the difference between survivors jumping from shelter to shelter, living in unsafe conditions or returning to their abuser, and actually gaining their own safety, stability, and self sufficiency.

Survey responses show that some victims in some places are getting the TANF resources – a financial bridge to safety – that they need. In these instances, TANF represents the difference between safety and continued violence for a victim and her children. Unfortunately though, the survey data also reveal a different reality – one marked by bureaucratic black holes, indifferent or even hostile staff, inadequate benefits, rules and practices that effectively bar victims from needed assistance, and in some circumstances, mandates and errors that put victims in more danger than before they sought help. For too many victims, TANF does not provide what they need to be safe. It is not enough.

Many victims face roadblocks in accessing TANF

Many victims are unable to access the TANF benefits for which they are eligible. The survey asked respondents to estimate the percentage of victims served by their agency who were able to access TANF benefits when needed as part of their safety plan. Forty-three percent of respondents estimated that fewer than half of victims were able to access benefits and twenty percent estimated that fewer than one quarter of victims could access benefits. Forty-seven percent of respondents estimated that over half of victims served by their agencies required an advocate's assistance to obtain TANF benefits.

Application delay is common

The TANF system often takes much too long to respond to a victim's application. When a victim and her children are fleeing a violent, dangerous situation, delays in processing applications and receiving benefits keep TANF from being the important resource victims need it to be. Although some respondents reported quick turn around times and even expedited processes for victims, many others described long delays with significant consequences.

From the time a victim applies for TANF until her first check can be upwards of 6 weeks. When a woman has left an abusive environment she doesn't often have 6 weeks to wait on a check. She is looking for work and trying to keep her children in a safe environment but when you're wondering where your next meal is coming from, many of the victims think it's better to go back to the abusive relationship than her children going hungry.

It is taking too long now for anyone to get benefits and it is eating up resources and we are having to turn people away [from our shelter] because the long staying residents cannot get any assistance to help them get their own place.

Grant amounts are inadequate

Grant amounts are far below the poverty level. As of July 2008, the monthly TANF benefit for a family of three in every state was far below the official 2008 poverty guideline of $1,467, ranging from a low of 12% of the poverty guideline in Mississippi to a high of 50% of the guideline in Alaska, and equaling 29% of the guideline in the state with the median TANF benefit. Many survey respondents commented on inadequate benefits and the potential harm these posed for family violence victims:

The grant is so low that going back to a violent relationship seems like a more viable option.

The benefits grant is too low. Housing is not affordable for TANF people and low-income housing has dried up completely. This forces homelessness or substandard, unsafe living options.

The amount of money a person gets from TANF is ridiculously low and no one could possibly live on that. If a woman can't support her kids, she can't leave her abuser and TANF doesn't offer her the ability to financially do that.

Nnon-compliance with family violence protective provisions is widespread

There is widespread non-compliance with the protections that are supposed to be available to victims under TANF's so-called FVO (Family Violence Option). By adopting the FVO, a state certifies that it will screen to identify domestic violence victims while maintaining their confidentiality, will refer those victims to supportive services, and will waive program requirements such as time limits on the receipt of benefits, work requirements, or cooperation with child support enforcement if those requirements make it more difficult to escape the violence or would unfairly penalize the victim. All states have either formally certified adoption of the FVO (41) or reported to the federal government adoption of a comparable policy.

Respondents were asked to rate eleven features of their state FVO/family violence response policies, including the choices "Works well", "Works OK" or "Doesn't work." The list included such family violence-specific features as screening, extension of time limits, exemption from work requirements, and referrals to domestic violence programs. None of these eleven features received a "Works well" rating from more than 23% of the respondents. The percentages of respondents rating those same features as "Doesn't work" ranged from 17% (Referrals to local domestic violence and/or sexual assault programs) to 36% (FV specific employment services). Here are some illustrative comments:

> *Screening is not happening properly. We constantly see clients who say they reported domestic violence at all steps in the application process, and they are still not assessed and referred properly.*
>
> W*orkers constantly harass victims to establish support, even when it will expose them and their children to mortal danger.*
>
> *In our area we have had a worker require a woman to give the name of her rapist to pursue child support.*

CONCLUSION

It is imperative that Congress amend the TANF statute to address these issues. Victims should be given a legally enforceable right to be screened, to be referred for services, and to be exempted from program requirements that endanger them and/or their children. The federal TANF statute should require that benefit levels be no less than the official poverty level. TANF applicants should have the same statutory application rights as Food Stamp applicants, including the right to apply on the first day they come to the TANF office and the right to a prompt application decision.

(For further information, contact Timothy Casey, tcasey@legalmomentum.org, 212 413-7556)

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Testimony of

Rochelle Jackson

Welfare Advocate/Organizer

Just Harvest

Attention:

Subcommittee on Income Security and Family Support

House Committee on Ways and Means

The Role of TANF in providing assistance to families with little or no income

I would like to first extend my sincere thanks to you, Chairman and the Members of the Ways and Means Subcommittee on Income Security and Family Support for holding this very important hearing on The Role of TANF in Assisting Struggling Families.

Background

In 1996 welfare as we knew it was forever changed. There had been many attempts prior to 1996 to change welfare because there was a misperception that welfare breeds dependency on the government. Under the Clinton Administration, Aid to Families with Dependent Children (AFDC) ended and Temporary Assistance for Needy Families was created (TANF). TANF is a block grant that was created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PWORA) which combined AFDC, Emergency Assistance and the Job Opportunities and Basic Skills training program together. PWORA imposed certain requirements on states as a condition of receiving the block grant, but it also gave states great flexibility to design their own welfare programs within the pre-established federal boundaries. TANF provides cash assistance to poor families and children, as cash assistance programs have done since 1935.

Under TANF states have a MOE requirement and are required to use federal TANF dollars to: (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies; (4) encourage the formation and maintenance of two-parent families. The government is required to make sure that everyone who is income-eligible gets aid, *however, whether or not they have designed or structured the program in a way that would help families become self-sufficient or at least able to earn a "living wage*" is debatable. The federal law requires that welfare consumers have limited time on TANF and engage in a work-related activity for at least 30 hours a week and this is problematic for most states.

Consequences of Time Limits

Welfare was reformed when the job market was booming and jobs were readily available. There were many families that successfully worked hard to get off of welfare when it was reformed and caseloads were reduced. Researchers contribute this success to a rise in single-mother employment rates, a strong economy, state welfare-to-work efforts and strong work support programs like EITC. However, the economy took a turn for the worse beginning in 2001 and families were once again in need of a strong safety net to catch them. Hundreds of thousands of families exhausted their lifetime limit on TANF and had no where else to turn. In addition, many families have lost their benefits due to sanctions that were imposed for failing to meet the program requirements or don't have benefits due to procedural barriers that make it difficult for them to apply for assistance. It is important to also note that the caseloads have decreased because there are less families enrolling in the program. Since 1996, the number of families on welfare went from 4.8 million to 1.7 million and it is not because we have fewer families in poverty. As employment of single mothers declined child poverty grew. It is impossible to put a time limit on poverty.

Inflexible TANF Rules
Many families left TANF not because they found a job, but because they were terminated from the program for non-compliance to the rules. In Pennsylvania, our TANF caseload has steadily declined since 1996. Our TANF caseload has reached its lowest point since 1961, even in a recession. In December 2009, Pennsylvania received 18,029 applications for TANF but only authorized 9,227 of those applications. The increased application rejections are not because applicants are ineligible, but because of red tape. There is no evidence that applicants today are less needy or less capable of handling red tap than in prior years. The bureaucracy has simply become more difficult to navigate. Likewise, in PA over 1,000 families were sanctioned in December 2009. Many families don't comply with the requirements because they have barriers to employment, such as mental and physical disabilities, substance abuse, domestic violence or low literacy skills. There needs to recognition that these families face many obstacles and should be afforded the flexibility within the program to navigate them while they work to overcome them.

Extend Education Provisions
Statistics show: (1) 15.7% of single-mother households fall into poverty each year; (2) 50% of those who become poor get out of poverty; (3) more than 66% of households in poverty for at least five years return to poverty within five years. Increases in education level accompany an exit out of poverty. Our own President Obama stated that "A high school diploma no longer guarantees a good job". Welfare Reform had a high emphasis on work first which placed extreme limitations on how long clients may pursue education and training. The ultimate goal of welfare reform was to reduce the caseloads, but I feel the goal of welfare reform should be to help families achieve self-sufficiency. Even clients who lack basic literacy skills are often ordered to get a job rather than take literacy classes. Consumers who decide to pursue education and training in addition to meeting the work requirement are not fully given credit for the time they spend in education and training, making it very hard for them to balance home, school, work and welfare. The current law only allows for 12 months of vocational education and it takes a lot of consumers that long to just get their basic skills to college level. If we really want to see poor families rise above poverty, then we have got to make more provisions for education and training.

Conclusion
A lot of decision-makers feel the problem with welfare is that it breeds dependency on the government, but I know for a fact that no one on welfare "wants" to be on welfare. The average welfare consumer did not grow up as a child aspiring to be on welfare. However, poverty is often a cross-generational issue and it is not something that you can fix by telling individuals "to pull themselves up by the boot strap and get a job". There are barriers and obstacles that policy-makers could never foresee or imagine. And in order for real change to take place, it is going to take the very people who are impacted by poverty to come to the table with decision-makers to come up with "real" solutions to end poverty. The program that was created in 1996 does not provide an adequate safety net for families and the reauthorization of TANF in September 2010 is an opportunity to undo some of the wrongs in this program. The reauthorization debate should include a discussion about the current TANF program's ability to respond to the increased need during the recession and how the program can be improved to better meet the needs of

struggling families. According to the U.S. Department of Health and Human Services data for 2005, states were only providing TANF cash assistance to 40% of the families that were very poor enough to qualify for the program. By contrast, during the 1980's and early 1990's the former AFDC program provided cash assistance for 80% of the very poor that qualified for the program. There is an obvious hole in this safety net. The following comments are from former and current consumers.

Donovan Dumus

I feel that "DPW" should increase their cash assistance grant, to provide more money.

Jessica Barge

Child support needs to be more than 50 dollars. You cannot support a child on that. I would suggest an increase because it's very expensive to raise a child on your own.

Rayna

I think that I shouldn't have to go to those classes to take care of my kids (get benefits) If I miss two classes I won't get my benefits to pay my bills. The only good thing is they give you money to pay for your books and bus passes. The caseworkers should know how to talk to us, and not get smart.

Aurelia

I am a single parent, I have 2 children and my only income is provided through DPW. I have been in the EARN program which is very help to certain people. There are a lot of supportive workers in the ALCOA building. They will get you on the right track and in the right place. I have had some problems in the past, which led them to place me in supportive work program. At Life's work in a lot of ways they were helpful with positive and effective job placement. We set goals and it seemed as if no one helped us truly reach them. I have experienced this myself, and also witnessed other people being there for 20-30 hours a week being placed on a computer, being told to fill out applications on line. I thought it was the Supported Work Program (SWP) because they are supposed to assist you with learning different skills and ways to apply yourself in the workforce. If it was as easy as filling out a job application online, we wouldn't need SWP. I think the State should send people to evaluate their work center.

Carmella Jones

What works and what does not work?

I believe that the current supportive work centers/ job training centers really need to focus on the client's inability to keep a job or other barriers that prevent them from seeking employment. These centers need to quit focusing on trying to place the clients, and focus on the needed skills and behaviors that a person should have in order to find employment and keep employment. I hear too many stories about these work centers just placing clients at a computer and tell them to fill out applications, and act like they are seeking employment. They need a place to teach clients how to dress and how interact with others. There are certain skills that a person needs to have in order to become employable but if they are not taught these skills then it defeats the purpose of making them look for employment. They will be right back at the same center months later. These centers know who needs workforce training, and who needs to be placed in job centers.

Earn Centers
Most of these clients haven't worked a day in their life; they don't know how to interact with business people. They need:

- To be inspired and motivated from the start
- Supportive staff who inspire and motivate clients
- Life skills workshops (interpersonal, communication, balancing work and family)

Supportive Work Centers
They are placed there because they have issues that prevent them from obtaining employment or keep a job. Focus on the client's strengths, and interests. Motivate the clients to seek employment in a career, not just a job. Staff needs to focus on the clients barriers and provide resources. Support the client, don't enable them to stay where they are. Punish these centers that are not fulfilling their responsibilities as a provider, especially if clients keep coming back to the centers.

Education/Training
If clients are showing progress in school, continue to support (childcare) after one year. Clients should be permitted to go to four-year programs, as long as they are progressing and meeting the work requirement.

My journey with welfare has been an eye opener for myself and my friends. I have been very grateful for the help that I received from welfare, I am thankful that my Earn case manager had the experience to know that I was suffering from depression, and she told me to seek professional help. I was referred by my case worker to the MPP program, and this program was suppose to help me with my barriers, and assist me to become self sufficient. It helped me and it didn't, because every time I thought that I had things in control, and I was ready to become workable again, another issue would come up and I would be referred back to the program.
I have heard similar stories about how this program is ineffective in helping the most vulnerable clients become self sufficient. I hope that the necessary people take charge to change welfare because it needs something new, and effective to help these individuals.

Trinity Church

March 24, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a representative of the current ACF Healthy Marriage Demonstration Grant (HMDG) and Promoting Responsible Fatherhood (PRF) grantees around the country to express our grave concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. I will begin by listing our broad areas of concern, and then elaborate upon each area, below. Our primary areas of concern are as follows:

#1 – Total funding for Relationship Education would be cut from an estimated $111 million per year under the current HMDG/PRF grants to only $7.5 million per year under the proposed FMFIF.

#2 – This proposal would eliminate funding for the highly successful HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown.

#3 – This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work".

#4 – The proposed FMFIF would replace the balanced 3-pronged approach that Fatherhood Programs have been operating under for the last several years with a unidimensional approach that would spend more money on programs that already have considerable funding in place.

#5 – This proposed FMFIF would virtually destroy the national Marriage Education Movement that the HMDG grants have put into place.

#6 – This proposed FMFIF would virtually eliminate the most promising preventive approach for dealing with poverty that the country has ever attempted.

Let us look at each of the above items in more detail:

#1 – Total funding for Relationship Education would be cut from an estimated $111 million per year under the current HMDG/PRF grants to only $7.5 million per year under the proposed FMFIF.

The attached appendix, "Comparison of the Four Funding Streams", compares the amount of funding available for Relationship Education under the current Marriage/Fatherhood grants with that which would be available under the proposed FMFIF. Here are the results:

1) Seven of the eight allowable activities (78.5%) for HMDG were directly related to Relationship Education.
2) Eleven out of the seventeen activities (65%) for PRF were directly related to Relationship Education.

Thus, multiplying those percentages by the $100 million for HMDG and the $50 million for Fatherhood yields an estimated $111 million per year spent on Relationship Education programs under the combined HMDG/PRF programs.

In contrast:

1) Only one of the eleven activities (9%) listed for the Fatherhood and Marriage Fund, specifically "co-parenting services and conflict resolution" can be interpreted as being related to Relationship Education.

2) None of the four activities listed for the Families Innovations Fund is related at all to Relationship Education.

Thus, multiplying those percentages by the $167 million per year expected to be available under the 3-year grants that the $500 million FMFIF yields only an estimated $7.5 million per year likely to be spent on Relationship Education in the proposed budget.

That $7.5 million represents a 93% reduction in funding for an innovative and extremely promising approach to reducing poverty across the United States.

#2 – This proposal would eliminate funding for the highly successful and cost-effective HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown.

This bullet encompasses two main points:

A) That the HMDG programs are successful;
B) That the HMDG programs are cost-effective.

We know that the HMDG programs are <u>successful</u> based upon the following:

1) Seven published meta-analytic studies have demonstrated that Marriage/Relationship Education programs work to improve couples' communication skills, problem-solving skills and relationship satisfaction. Brief descriptions of the results of those studies are contained on pages 23-25 in the "Healthy Marriages, Responsible Fatherhood" booklet available for download at www.CaMarriage.com.

2) Current HMDG grantees have received thousands of positive testimonials from program participants.

3) In California, where we have been doing this work for a longer period of time than most other parts of the country have, <u>we are already seeing a differential decline in the number of</u>

divorce filings occurring in the counties in which we have made the greatest investment in Marriage Education when compared with counties where we have made lower investments. These data are compelling and we expect to see these results replicated in other HMDG-supported communities across the country.

We know that the HMDG programs are cost-effective for the following reasons:

1) Marriage/Relationship Education programs utilize a highly cost-effective delivery mechanism. Last year, for example, CHMC, the largest ACF marriage grantee in the nation, utilized our $2.4 million per year HMDG grant to deliver at least 8 hours of Marriage/Relationship Education to approximately 20,000 people across the state. That translates into a unit cost of only $120 per person served and only $15 per delivered Marriage Education Service Hour.

2) The cost savings realized through the reduction in the number of divorces more than pays for the cost of these federal grants. In Orange County, for example, which has received federal funding for Marriage Education services since 2003, there has been a decline of more than 600 divorce filings per year from pre-grant days. Using a conservative cost-savings estimate of $30,000 per eliminated divorce[1], that reduction in divorces equates to a savings of more than $18 million per year. If we multiply that by the seven years we have seen these savings, we estimate a total savings in Orange County alone of $126 million. That savings is striking in comparison with less than $2.5 million of federal funding for Marriage/Relationship Education invested in Orange County over those seven years, and represents more than a 50 to 1 ratio of benefit to cost.

   We are seeing similar results in Fresno County, the 2nd most active Marriage/ Relationship Education county in California. In Fresno County there has been a decline of more than 300 divorce filings per year, from 2006 to 2009 – which equates to savings of over $9 million per year. The declines in divorce filings in the counties in which the most federal funds have been spent for the longest period of time stand in stark contrast with the number of divorce filings in other counties within California, which have tended either to increase or stay approximately the same over this same time period. In other words, we know from our work in California that, when done properly, a community-saturation approach to providing Marriage/Relationship Education can be very effective in driving down the divorce rate, and as such, is an extremely cost-effective intervention.

#3 – This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work".

During his election campaign, President Barack Obama pledged that, if elected President, he would "fund programs that work and stop funding programs that don't work". Pulling the plug on the HMDG/PRF programs at this time would violate that pledge because we, the HMDG/PRF grantees, have not been given the opportunity to present our evidence that these programs do, in fact, work.

[1] Schramm, David G. "Individual and Social Costs of Divorce in Utah". *Journal of Family and Economic Issues*. Vol. 27, Number 1, April 2006, pp 133-151.

#4 – The proposed FMFIF would replace the balanced 3-pronged approach that Fatherhood Programs have been operating under for the last several years with a unidimensional approach that would spend more money on programs that already have considerable funding in place.

When the former Assistant Secretary for ACF, Dr. Wade Horn, and his advisors designed the Promoting Responsible Fatherhood (PRF) grant program, they did so utilizing a three-pronged model. The three prongs of this model are:

- Economic stability
- Parenting education
- Healthy relationship between the parents

This model is still in use as evidenced by the first sentence of the Promoting Responsible Fatherhood program web page at http://fatherhood.hhs.gov/2006Initiative/index.shtml.

At ACF grantee conferences over the past few years, this model is often presented as a triangle, with Economic Stability at the bottom – because of the importance of grounding Fatherhood Programs in interventions that enable Fathers to earn enough money to support their families; and the two sides of the triangle support each other. We also believe that Parenting Education is important for helping Fathers learn how to raise, interact and play with their children. And, the 3rd leg of the triangle is equally important: we need to provide Fathers with the skills and information on how to develop and sustain a long-term healthy relationship with the Mother of their child. The best way to ensure that a Father stays involved with his children over the long run is to ensure that he has a good relationship with their Mother, and this is sorely lacking for millions of families. As one recent research study found:

> **"The best predictor of father presence is marital status; when a father's romantic relationship with the child's mother ends, more likely than not, so does father involvement with their children".** (Source: "Divorce, Dads, and the Well-Being of Children". Institute of American Values, Center for Marriage and Families, *Research Brief* 23, July 2008)

We fully subscribe to this 3-pronged approach as the best way for the Fatherhood programs to obtain the types of outcomes they were designed to achieve. We were disappointed, therefore, upon examining the components of the proposed FMFIF program, to discover that this 3-pronged approach has been virtually eliminated and replaced with a unidimensional approach focused almost solely on the Economic Stability leg of the triangle. Our objections with this proposed approach are as follows:

1) It takes away the preventive muscle that has long characterized HMDG/PRF programs;

2) The U.S. government already spends billions of dollars on work force development and child support enforcement projects. While we do not dispute their value, we do not think that it makes sense to consider obliterating a program that has such tremendously great potential just to shift a small amount of additional money into programs that are already receiving

considerable funding. That $150 million is all we have for helping couples form and sustain healthy relationships, but it will just be a rounding error when added to the other workforce developments projects already in place.

#5 – This proposed FMFIF would destroy the national Marriage Education Movement that the HMDG grants put into place.

The HMDG/PRF grants provided funding for a national Marriage Education movement with grantees in forty-six of the fifty states receiving funding under HMDG. (The only states that do not have any HMDG grantees are Rhode Island, Delaware, West Virginia and Idaho). As such, these 46 states have been able to launch their own versions of a Marriage Education movement. Unfortunately only four of those initiatives are likely to survive under the FMFIF, since only 4 states will receive funding under the Fatherhood and Marriage portion of that program.

We are reminded of the old advertising slogan "A mind is a terrible thing to waste", which could be transmogrified here as "A national movement is a terrible thing to waste", because that is what shifting away from the HMDG/PRF grants to the proposed FMFIF program would do: it would destroy the nationwide infrastructure that the HMDG/PRF grants have allowed to be put in place and deal a critical blow to the highly promising Marriage/Relationship Education national movement.

#6 – This proposed FMFIF would virtually eliminate the most promising preventive approach to dealing with poverty that the country has ever attempted.

In 2004, Dr. Wade Horn, who was then the Assistant Secretary for ACF, stated "ACF spends $46 billion per year operating 65 different social programs. If one goes down the list of these programs…the need for each is either created or exacerbated by the breakup of families and marriages".

While, most of ACF's programs deal with "cleaning up the mess" after it has been made, <u>the HMDG/PRF programs stand out as programs that have the potential to significantly reduce the problems that ACF is trying to address **before they occur**.</u> Why would we want to kill these low-cost, highly effective programs before they have had the chance to prove themselves?

Looking at the ratios here is quite interesting. The $150 million per year we have been investing over these past few years in the combined HMDG/PRF programs is less than one percent of the entire TANF budget and only about 3/10 of one percent of the ACF budget figure that Wade Horn quoted. Wouldn't it be wise to allow such a low-cost high-potential experiment to run for a few more years – rather than killing it before we have even had a chance to see if it is working? This is especially true since the preliminary results (as quoted elsewhere in this letter) seem so very promising.

Back in June of 2000, the Heritage Foundation published a *Backgrounde*r report entitled "The Effects of Divorce on America" which stated:

> "Fiscal conservatives should realize that federal and state governments spend $150 billion per year to subsidize and sustain single-parent families. By contrast, only $150 million is spent to strengthen marriage. Thus, for every $1,000 spent to deal with the effects of family disintegration, only $1 is spent to prevent that disintegration. Refocusing funds to preserve marriage by reducing divorce and illegitimacy not only will be good for children and society, but in the long run will save money."

We believe that statement is as true today as it was when it was written 10 years ago. We are deeply saddened to see that this powerful preventive approach implemented within the HMDG/PRF grants would be eliminated under the current FMFIF approach.

Where do we go from here?

We realize that the 5-year TANF reauthorization period under the Deficit Reduction Act of 2005 is nearly up and that based upon the contents of the entire TANF budget proposal for 2011, President Obama and/or ACF has decided to simply extend most of the current TANF funding forward one year, so as to be able to focus on higher priority issues right now and deal with the larger issue of TANF reauthorization next year. That's completely understandable. What we propose is that, rather than prematurely killing these HMDG/PRF programs before we, the grantees, have had a chance to prove their effectiveness, that you include these programs along with the rest of TANF that you roll over for one year, and give us that extra year to compile and present the data that show their effectiveness. In the meantime, we see the following three options as to how to handle the grant funding for the additional (sixth) year:

- Option A – issue a new RFP for a single year of funding;
- Option B - simply extend each of the existing HMDG/PRF grants for a sixth year;
- Option C – make the sixth year of HMDG/PRF funding for each grantee contingent upon their ability to demonstrate the effectiveness of their program so far.

We propose going with Option C–re-funding for that sixth year only those HMDG/PRF programs that can demonstrate their effectiveness. If, by the time that Continuation Applications for the sixth year would be due (probably in the spring of 2011), individual HMDG/PRF grantees are not able to demonstrate their programs' effectiveness, those grants should be pulled and their funds redistributed to the other HMDG/PRF grantees who are able to document the effectiveness of their programs.

These very promising HMDG/PRF programs make up less than 1% of the total TANF budget. In fact, the individual block grants to about half of the states are larger than this $150 million figure. In our estimation, the current budget proposal clearly and unfairly villainizes these two highly promising programs. Thus, here is the modification we would request you make to the one sentence from the bottom of page 301 of that budget proposal: Instead of reading "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs, except the Healthy Marriage and Responsible Fatherhood program", we suggest that sentence be re-worded as follows: "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs."

We know that you all care very deeply about insuring that the work of ACF has maximum value for children and families across America, and we hope that you see the critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation that we have laid.

Sincerely yours,

Crystal Agnew, MBA
Operations Manager
Trinity Church Peacemakers Family Center
www.peacemakers.com

Statement of Vikki Finley, Spaulding for Children

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as one of the current ACF Healthy Marriage Demonstration grantees. Our particular demonstration grant falls under Post-Adoption Services and Marriage Education. Our project is enhancing outcomes for children adopted from the Foster Care system, by providing culturally relevant marriage education for adoptive parents both prior and subsequent to legal adoption. This project is advancing the ACF goal to strengthen marriage and promote family life providing a unique approach to promote child safety, stability, and well-being, while simultaneously enhancing the relationship between adoptive parents.

Without this Healthy Marriage Demonstration Grant (HMDG), a primarily Hispanic population of Adoptive Parents in South Texas (the Rio Grande Valley along the Texas and Mexico Border and just north in Corpus Christi, Texas) would not have access to the Marriage Education classes and support services directed specifically toward these adoptive families.

To remove this funding from ACF and putting it under the TANF budget definitely would not help the adoptive families form and sustain the healthy relationships needed to promote the permanency for children currently in the foster care system. These children have already suffered the trauma of abuse and neglect from their birth families, and then again from the system as they are moved 3 to 4 times while in Foster Care provoking more difficult behaviors. With these more difficult behaviors, children need families who will remain committed to them. To keep the commitment alive, the Adoptive families need a great deal of support. It is not uncommon for these older, more emotionally disturbed children to divide and conquer their new parents. "The physical and emotional toll of caring for traumatized children can be overwhelming. Children project hurt onto parents and blame parents for feelings of loss and despair. Parents must understand both the complexities of foster care and adoption, and their child's unique needs."

Through the Marriage Education and Family Enrichment services provided by our HMDG, we are able to promote the safety and well-being of all family members. We are able to assist families in resolving crises and connect the family with appropriate services which are enhancing parental abilities to create that safe, stable, nurturing home.

Of all the families who have taken the Marriage Education course there has only been a 1% disruption rate in the Adoptions in those families. This is far lower than the national average of older child adoption disruptions of 12%. Some of the parents who have taken the course have opted out of the adoption process entirely, which could mean their relationship was not as strong as it needed to be. The program has effectively intervened and made referrals for a couple of families who may have otherwise disrupted the adoption of four children and possibly seen the divorce of two couples. But with the support provided through the HMDG, these families have remained intact and their relationships are growing.

This is what our families say about the Marriage Education and Family Enrichment services which they receive under this HMDG:

- "*We are learning how to apply communication, listening, stronger connections with our spouse and then passing it to our adoptive children."*
- *"Acknowledging what is taking place w/in my relationship and being given the tools to change the things I don't like or things where there is conflict."*
- *"I feel as though this course was helpful in restoring the spark."*
- *"It opened up a better way for me to communicate with my husband. It made me realize I need*

to let go of things I have been harboring in me and get on with the happy healthy life we had before."

Other statements from couples regarding the importance to have time to focus on themselves as a couple:
"*…it was the first time we have been alone since we got (name of child)*."
Another stated that the strongest part of the training was
"That it is only for couple; and it makes us detach from children and have contact with each other."

We concur with the letter from Mr. Dennis Stoica from the California Healthy Marriages Coalition. To dismantle the infrastructure which has been created would undermine the "critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation which has been laid."

Sincerely,

Vikki Finley, President/CEO
Spaulding for Children
HMDG "Project Corazón"

Statement of Agnes G. Zarcaro, LCSW

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as one of the current ACF Healthy Marriage Demonstration grantees. Our particular demonstration grant falls under the Post-Adoption Services and Marriage Education. Our project is enhancing outcomes for children adopted from the Foster Care system, by providing culturally relevant marriage education for adoptive parents both prior and subsequent to legal adoption. This project is advancing the ACF goal to strengthen marriage and promote family life providing a unique approach to promote child safety, stability, and well-being, while simultaneously enhancing the relationship between adoptive parents.

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Of the 83 families who have taken the Marriage Education course there has only been a 1% disruption rate in the Adoptions in those families. This is far lower than the national average of older child adoption disruptions of 12%. Some of the parents who have taken the course have opted out of the adoption process entirely, which could mean their relationship was not as strong as it needed to be. The program has effectively intervened and made referrals for a couple of families who may have otherwise disrupted the adoption of four children and possibly seen the divorce of two couples. But with the support provided through the HMDG, these families have remained intact and their relationships are growing.

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"That it is only for the couple; and it makes us detach from children and have contact with each other."

We concur with the letter from Mr. Dennis Stoica from the California Healthy Marriages Coalition. To dismantle the infrastructure which has been created would undermine the "critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation which has been laid."

Sincerely,

Agnes Zarcaro, LCSW

Manager, South Texas Programs

Project Manager of Project Corazón

March 24, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

As a grantee of a Promoting Responsible Fatherhood (PRF) program, I am writing to you today to convey our reservations about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. Our primary concern is the following:

- Total funding for Relationship Education would be cut from an estimated $111 million per year under the current Healthy Marriage Demonstration Grant (HMDG)/PRF grants to only $7.5 million per year under the proposed FMFIF.

- This proposal would eliminate funding for the highly successful HMDG/PRF programs – without giving grantees the opportunity to further demonstrate the success these programs have already shown.

- This proposed FMFIF would virtually destroy the national Marriage Education Movement that the HMDG grants have put into place.

We know that the work we have been doing here at the Village for Families and Children has affected the lives of over 300 fathers in a program that recruits fathers to participate on a voluntary basis. We believe strongly in the value of making certain that fathers are prepared to have an active role in the lives of their children and to also be acknowledged by the community as role models for their families and friends. We know and are able to document that father involvement effects children's social, emotional, physical and cognitive development. We recognize that when fathers are ***more visible*** with their families their children have stronger coping and adaptation skills are more likely to stay in school, avoid truancy and other risky behaviors.

It is disconcerting to think that given the progress that has been made with families that the redirection of the funding under the proposed FMFIF would do little to sustain this progress. The action being proposed would do little to encourage families and fathers in particular to live as a single unit committed to supporting the well being of their children. One-parent households potentially increase the need for subsidized living by the government. Two parent families reduce the need for subsidized services. Healthy families that are skilled

March 24, 2010

contribute to the overall economic health of the community, reduce the generational dependency of subsidized living because single parent families are being reduced. Family time is greatly reduced in single parent households. When the health of the single parent is in jeopardy, the family is jeopardized. The overall cost-benefit needs to be designed to promote responsible fatherhood and develop programs around the family. Many things have been tried to keep the father out of the family.

In closing, we believe that all who are involved in the work of helping to develop and nurture strong families, recognizes the value of the work done by ACF through the HMDG/PRF. These efforts have confirmed to all that have been involved in this work that we are laying the groundwork for making, sustaining and keeping the family whole a priority.

Sincerely,

Earl W. Gardner, Director
VFC Fatherhood Program

Opportunities Industrialization Centers of Broward County
2800 W Oakland Park Blvd., Suite 300, Ft. Lauderdale, FL 33311◆ (954) 535-2100◆Fax (954) 535-2200
www.oicofbrowardcounty.org

March 23, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

Relationship and marriage education programs effectively address some of today's most pressing social problems including adolescent pregnancy, violence, poor parent-child relations, and marital distress.

Attitudes about relationships and marriage form at an early age. With increasing numbers of children born to parents who divorce or were never married, fewer children have examples of good marriages from which to learn. Prevention is the key and the time is now, to begin teaching our youth these skills needed to assess and manage their behaviors and attitudes in relationships before they marry. Thus teaching the skills needed to form and sustain a healthy marriage, teens can make better choices about who they date and why.

The benefits of teaching youth relationship and marriage skills include:

- Significantly reduce the onset of sexual activity by increasing self-awareness, self-discipline, the ability to delay gratification and develop long term goals.
- Decrease peer-to-peer physical violence, improve communications with parents, and change negative attitudes towards marriage and marriage education.
- Improve students' ability to resist sexual pressure and decrease negative behaviors at home and at school.
- Show promise in reducing dating violence and abuse.

I am writing as a representative of the current ACF Healthy Marriage Demonstration Grant (HMDG) and Promoting Responsible Fatherhood (PRF) grantees around the country to express our grave concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. I will begin by listing our broad areas of concern, and then elaborate upon each area, below. Our primary areas of concern are as follows:

#1 – Total funding for Relationship Education would be cut from an estimated $111 million per year under the current HMDG/PRF grants to only $7.5 million per year under the proposed FMFIF.

#2 – This proposal would eliminate funding for the highly successful HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown.

#3 – This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work".

#4 – The proposed FMFIF would replace the balanced 3-pronged approach that Fatherhood Programs have been operating under for the last several years with a unidimensional approach that would spend more money on programs that already have considerable funding in place.

#5 – This proposed FMFIF would virtually destroy the national Marriage Education Movement that the HMDG grants have put into place.

#6 – This proposed FMFIF would virtually eliminate the most promising preventive approach for dealing with poverty that the country has ever attempted.

Let us look at each of the above items in more detail:

#1 – Total funding for Relationship Education would be cut from an estimated $111 million per year under the current HMDG/PRF grants to only $7.5 million per year under the proposed FMFIF.

The attached appendix, "Comparison of the Four Funding Streams", compares the amount of funding available for Relationship Education under the current Marriage/Fatherhood grants with that which would be available under the proposed FMFIF. Here are the results:

1) Seven of the eight allowable activities (78.5%) for HMDG were directly related to Relationship Education.
2) Eleven out of the seventeen activities (65%) for PRF were directly related to Relationship Education.

Thus, multiplying those percentages by the $100 million for HMDG and the $50 million for Fatherhood yields an estimated $111 million per year spent on Relationship Education programs under the combined HMDG/PRF programs.

In contrast:

1) Only one of the eleven activities (9%) listed for the Fatherhood and Marriage Fund, specifically "co-parenting services and conflict resolution" can be interpreted as being related to Relationship Education.

2) None of the four activities listed for the Families Innovations Fund is related at all to Relationship Education.

Thus, multiplying those percentages by the $167 million per year expected to be available under the 3-year grants that the $500 million FMFIF yields only an estimated $7.5 million per year likely to be spent on Relationship Education in the proposed budget.

That $7.5 million represents a 93% reduction in funding for an innovative and extremely promising approach to reducing poverty across the United States.

#2 – This proposal would eliminate funding for the highly successful and cost-effective HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown.

#3 – This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work".

During his election campaign, President Barack Obama pledged that, if elected President, he would "fund programs that work and stop funding programs that don't work". Pulling the plug on the HMDG/PRF programs at this time would violate that pledge because we, the HMDG/PRF grantees, have not been given the opportunity to present our evidence that these programs do, in fact, work.

#4 – The proposed FMFIF would replace the balanced 3-pronged approach that Fatherhood Programs have been operating under for the last several years with a unidimensional approach that would spend more money on programs that already have considerable funding in place.

When the former Assistant Secretary for ACF, Dr. Wade Horn, and his advisors designed the Promoting Responsible Fatherhood (PRF) grant program, they did so utilizing a three-pronged model. The three prongs of this model are:

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We fully subscribe to this 3-pronged approach as the best way for the Fatherhood programs to obtain the types of outcomes they were designed to achieve. We were disappointed, therefore, upon examining the components of the proposed FMFIF program, to discover that this 3-pronged approach has been virtually eliminated and replaced with a unidimensional approach focused almost solely on the Economic Stability leg of the triangle. Our objections with this proposed approach are as follows:

1) It takes away the preventive muscle that has long characterized HMDG/PRF programs;

2) The U.S. government already spends billions of dollars on work force development and child support enforcement projects. While we do not dispute their value, we do not think that it makes sense to consider obliterating a program that has such tremendously great potential just to shift a small amount of additional money into programs that are already receiving considerable funding. That $150 million is all we have for helping couples form and sustain healthy relationships, but it will just be a rounding error when added to the other workforce developments projects already in place.

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We are reminded of the old advertising slogan "A mind is a terrible thing to waste", which could be transmogrified here as "A national movement is a terrible thing to waste", because that is what shifting away from the HMDG/PRF grants to the proposed FMFIF program would do: it would destroy the nationwide infrastructure that the HMDG/PRF grants have allowed to be put in place and deal a critical blow to the highly promising Marriage/Relationship Education national movement.

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Looking at the ratios here is quite interesting. The $150 million per year we have been investing over these past few years in the combined HMDG/PRF programs is less than one percent of the entire TANF budget and only about 3/10 of one percent of the ACF budget figure that Wade Horn quoted. Wouldn't it be wise to allow such a low-cost high-potential experiment to run for a few more years – rather than killing it before we have even had a chance to see if it is working? This is especially true since the preliminary results (as quoted elsewhere in this letter) seem so very promising.

Back in June of 2000, the Heritage Foundation published a *Backgrounde*r report entitled "The Effects of Divorce on America" which stated:

> "Fiscal conservatives should realize that federal and state governments spend $150 billion per year to subsidize and sustain single-parent families. By contrast, only $150 million is spent to strengthen marriage. Thus, for every $1,000 spent to deal with the effects of family disintegration, only $1 is spent to prevent that disintegration. Refocusing funds to preserve marriage by reducing divorce and illegitimacy not only will be good for children and society, but in the long run will save money."

We believe that statement is as true today as it was when it was written 10 years ago. We are deeply saddened to see that this powerful preventive approach implemented within the HMDG/PRF grants would be eliminated under the current FMFIF approach.

Where do we go from here?

We realize that the 5-year TANF reauthorization period under the Deficit Reduction Act of 2005 is nearly up and that based upon the contents of the entire TANF budget proposal for 2011, President Obama and/or ACF has decided to simply extend most of the current TANF funding forward one year, so as to be able to focus on higher priority issues right now and deal with the larger issue of TANF reauthorization next year. That's completely understandable. What we propose is that, rather than prematurely killing these HMDG/PRF programs before we, the grantees, have had a chance to prove their effectiveness, that you include these programs along with the rest of TANF that you roll over for one year, and give us that extra year to compile and present the data that show their effectiveness. In the meantime, we see the following three options as to how to handle the grant funding for the additional (sixth) year:

- Option A – issue a new RFP for a single year of funding;
- Option B - simply extend each of the existing HMDG/PRF grants for a sixth year;
- Option C – make the sixth year of HMDG/PRF funding for each grantee contingent upon their ability to demonstrate the effectiveness of their program so far.

We propose going with Option C–re-funding for that sixth year only those HMDG/PRF programs that can demonstrate their effectiveness. If, by the time that Continuation Applications for the sixth year would be due (probably in the spring of 2011), individual HMDG/PRF grantees are not able to demonstrate their programs' effectiveness, those grants should be pulled and their funds redistributed to the other HMDG/PRF grantees who are able to document the effectiveness of their programs.

These very promising HMDG/PRF programs make up less than 1% of the total TANF budget. In fact, the individual block grants to about half of the states are larger than this $150 million figure. In our estimation, the current budget proposal clearly and unfairly villainizes these two highly promising programs. Thus, here is the modification we would request you make to the one sentence from the bottom of page 301 of that budget proposal: Instead of reading "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs, except the Healthy Marriage and Responsible Fatherhood program", we suggest that sentence be re-worded as follows: "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs."

We know that you all care very deeply about insuring that the work of ACF has maximum value for children and families across America, and we hope that you see the critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation that we have laid.

Sincerely yours,

Newton Sanon
President and CEO
OIC of Broward County, Inc.
Healthy Relationship/Marriage Program

Live the Life.org

2252 Killearn Center Blvd
Suite 100
Tallahassee, FL 32309

(850) 668-3700
Fax (850) 893-0932

March 24, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a current ACF Healthy Marriage Demonstration Grant (HMDG) grantee to express my very serious concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. My primary concerns are as follows:

- This proposed violates President Obama's pledge to "fund programs that work and stop funding programs that don't work."

- This proposal would eliminate funding for the highly successful HMDG programs – without allowing the opportunity to demonstrate their success.

- This proposed FMFIF would virtually eliminate the most promising preventive approach for dealing with poverty America has ever attempted.

#1 – This proposal violates President Obama's pledge to "fund programs that work and stop funding programs that don't work."

Pulling the plug on the HMDG programs at this time would violate the President's pledge because we, the HMDG grantees, have not even been given the opportunity to present the evidence that these programs do work.

#2 – This proposal would eliminate funding for highly successful HMDG programs – without allowing the opportunity to demonstrate their success.

The HMDG programs are successful AND they are cost effective. Seven published meta-analytic studies have demonstrated that Marriage/Relationship Education improves couples' communication skills, problem-solving skills and relationship satisfaction.

In Tallahassee, after reviewing the impact of our marriage programs on couples in the critical areas of Marital Satisfaction, Closeness, Forgiveness, Withdrawal, Effective Arguing, Efficacy, Constructive Communication, and Demand-Withdraw, our Independent research evaluator, Dr. Frank Fincham with the Florida State University Family Institute, concluded "It can be seen that for all of the areas assessed participants showed statistically reliable changes in functioning after their participation in the program."

Since 1999, as a result of many community partners working together under Live the Life's Tallahassee Community Marriage Initiative, the divorce rate in Leon County has dropped 29.6%

We know that the HMDG programs are cost-effective. The cost savings realized through the reduction in the number of divorces more than pays for the cost of these grants. For example, using a conservative cost-savings estimate of \$30,000 per eliminated divorce[1], it takes only a small reduction in divorce rates to pay for these programs. Using this formula, there has been a total savings in Orange County, CA alone of \$126 million, which equates to more than a 50 to 1 ratio of benefit to cost.

[1] Schramm, David G. "Individual and Social Costs of Divorce in Utah". *Journal of Family and Economic Issues*. Vol. 27, Number 1, April 2006, pp 133-151.

Strengthening marriages and families (1998-2010)

#3 – This proposed FMFIF would virtually eliminate the most promising preventive approach to dealing with poverty that the country has ever attempted.

While most of ACF's programs deal with "cleaning up the mess" after it has been made, the HMDG program has the potential to significantly reduce the problems that ACF is trying to address before they occur. This is consistent with President Obama's approach to health care where he clearly recognizes the value of preventive medicine. Why would we want to kill these low-cost, effective, prevention programs before they have had the chance to prove themselves?

The $100 million per year that we have been investing in the HMDG programs is less than one percent of the entire TANF budget and less than 3/10 of one percent of the ACF budget. Wouldn't it be wise to allow such a low-cost high-potential experiment to continue – rather than killing it before even determining its value?

In conclusion, for less than the cost of ONE F-35 Fighter Jet ($113 million)[2] Congress could keep Marriage Education programs going in 46 states.

I know that you care very deeply about ensuring that the work of ACF has maximum value for children and families. Many have worked hard to set in place the groundbreaking HMDG foundation to assist you in this effort. Please allow us to continue this vital work and build on it.

Sincerely yours,

Sincerely,

Richard Albertson
Founding President and CEO

[2] USA Today March 3, 2010 "Pentagon: F-35 fighter jet cost doubles"

Beech Acres Parenting Center
Strengthening Families for Children

March 23, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a representative of the current **ACF Healthy Marriage Demonstration Grant (HMDG) and Promoting Responsible Fatherhood (PRF)** grantees around the country to express my grave concern about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. Please find an alternative to diverting funding from these existing, highly successful programs.

While, many Administration for Children and Families programs deal with "cleaning up the mess" after it has been made, these two programs clearly stand for reducing the problems that ACF is trying to address before they occur!

According to the Institute for American Values, "family fragmentation costs U.S. taxpayers *at least $112 billion each and every year*, or more than $1 trillion each decade. Public debate on marriage in this country has focused on the "social costs" of increases in divorce and unmarried childbearing. Research suggests that the social costs are indeed extensive. When parents part, or fail to marry, their children suffer from increased risks of poverty, mental illness, infant mortality, physical illness, juvenile delinquency, adult criminality, sexual abuse and other forms of family violence, economic hardship, substance abuse, and educational failure, such as increased risk of dropping out of school."

As a Healthy Marriage Demonstration Grant recipient, Beech Acres Parenting Center and our program partners have demonstrated significant success in the area of healthy relationship development. As an organization, we bring over 160 years of experience with a simple, yet critical mission of *strengthening families for children.*

We see every day that the services offered through this **critical Healthy Marriage Demonstration program are at the core of family stability, which ultimately contributes to economic security.** Since the inception of our program, Beech Acres Parenting Center has provided a wide range of programs and services in three diverse communities (Rural, Suburban & Urban) in Greater Cincinnati. Our programs serve at-risk couples, non-married expectant mothers and dads, married couples, singles, and high school students.

In the first three years of this program **4,465** participants have completed a minimum of eight hours of healthy relationship classes. A sampling of topics include: Communication, Commitment, Conflict Resolution, and Domestic Violence. In addition, 75 married couples have received one on one consultation and 74 couples were mentored by trained married mentors. A total of 2,356 students in nine High Schools participated in classes on healthy relationships, dating, conflict resolution, etc.

A sampling of program outcomes achieved over the past three years includes:

Outcomes	Percentage
All participants increased knowledge of marriage and relationship skills	90%
Participants increased knowledge and awareness of the benefits and value of marriage and committed relationships.	91%
Expectant moms and dads increased knowledge of how the parent's relationship affects children.	86%
Expectant moms and dads increased stability and family functioning.	75%
Participants increased relationship satisfaction with their partners.	85%
Participants improved their awareness of community resources.	80%
Participants increased their conflict resolution skills.	84%
High school participants report increased knowledge of dating violence.	85%

I want to express my strong concern about the proposed diversion of funds from the existing HMDG/PRF grant projects to the proposed FMFIF. This proposal would eliminate funding for the highly successful HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown. In addition, this proposed approach violates President Obama's pledge to **"fund programs that work and stop funding programs that don't work."**

We know that you all care very deeply about ensuring that the work of ACF has maximum value for children and families across America. We hope that you see the critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation that we have laid.

I welcome the opportunity to share more information about the success of this program and its vital contribution to family stability and economic security.

Thank you for your consideration.

Sincerely,

Jim Mason

James R. Mason
President and CEO
Beech Acres Parenting Center

March 23, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a representative of current ACF Promoting Responsible Fatherhood (PRF) grantees around the country to express my concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. My primary areas of concern are as follows:

- The way this proposal is written, it would eliminate Promoting Responsible Fatherhood (PRF) grant funding (i.e., $45 million in funding from FY 2006 through FY2010) and replace this funding with a new Fatherhood, Marriage and Families Innovation Fund. Proposed allocations for this new fund are $50 million for FY2011. **This budget proposal extends all other TANF programs for one year.**

- The proposed Fatherhood, Marriage, and Families Innovation Fund would direct funding solely to state-initiated programs to primarily address the self-sufficiency needs of custodial parents and ultimately bolster the effectiveness of state's Child Support Enforcement (CSE) activities.

This proposal would effectively eliminate funding for private, non-profit Promoting Responsible Fatherhood (PRF) programs that have a proven track record of success serving a population of fathers and their families that have historically been greatly underserved. Many of the Promoting Responsible Fatherhood grantees are local organizations that provide research–based, outcome-driven parenting education and support programs for diverse, high-risk populations that are disproportionally effected by the current economic crisis. Specifically, Promoting Responsible Fatherhood parent education programs provide fathers and families with the skills and supports to become effective and nurturing parents; provide knowledge about age-appropriate child development; assist fathers to improve relationships with the mother of their child(ren) and develop strong parent-child bonding.

We are deeply aware that Congress and President Obama are concerned with providing maximum support to states to improve outcomes of custodial parents who face serious obstacles to self sufficiency. We are urging you, however, to provide a one-year extension to the TANF program that includes level funding of ACF Promoting Responsible Fatherhood (PRF) grantees. This would ensure funding through FY 2011. For a population of fathers and families that are seriously affected by our poor economic climate, withdrawing services that support the health and well-being of high-risk children and families could be catastrophic.

Sincerely yours,

Linda Stacey, LCSW
Child Abuse Council, Inc.
3108 W. Azeele St.
Tampa, FL. 33609

March 24, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing because of my strong concern about the proposed diversion of funds from the existing HMDG/PRF grant projects to the proposed FMFIF fund.

It is my understanding that only one of the fifteen allowable activities under the FMFIF program could be considered to be relationship education. Currently, under the HMDG/PRF grant projects one of their hallmarks has been the strong emphasis on teaching relationship education skills. I feel very strongly that this is necessary to support families across the nation. Children need a stable, loving home in which to grow and learn to the best of their abilities. Relationship education is one way which strengthens the family unit.

Under the FMFIF proposal the funding for the grants would go to the states, rather than to individual community-based or faith-based organizations, as they are with the HMDG/PRF grants. This means that an organization such as Operation Us would not even be eligible to apply to ACF for one of these grants. It seems incomprehensible not to let an existing program demonstrate the success it has already shown.

Another concern of mine is that only eight states will receive any funds at all under the FMFIF program. I do not understand how this is equitable for all Americans.

Since the FMFIF funds would be split evenly between the two main areas of the fund, "Family and Marriage" and "Family Innovation Fund", and since the Family Innovation Fund would provide no funding whatsoever for relationship education funds, only four of the eight grants awarded to the states would contain any funding for any relationship education programming. In other words, this proposal, if it proceeds as now written, would completely eliminate federal funding for the types of relationship education that the existing HMDG/PRF grants now provide in 46 of the 50 stated in the country. I believe this would virtually destroy the national Marriage Education Movement that the HMDG grants have put into place.

I urge you to reconsider the proposed Fiscal Year 2011 TANF Budget with the following modification to the one sentence from the bottom of page 301 of that budget proposal: Instead of reading "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs, except the Healthy Marriage and Responsible Fatherhood program", I suggest that sentence be re-worded as follows: "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs."

I know you all care deeply about insuring that the work of ACF has maximum value for children and families across America, and I hope that you see the critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation that has been laid.

Sincerely yours,

Phyllis

Administrative Assistant

Operation Us

www.operationus.org

You&Me.WE
Relationships for Life
A program of Family Resources

March 24, 2010

Dear Members of the Subcommittee on Income Security and Family Support in service to the Congressional House Ways and Means Committee:

I am writing today to express my concern about the proposed TANF budget that President Obama has submitted which eliminates all funding for the current ACF Healthy Marriage and Responsible Fatherhood Grants. As a representative of the above mentioned groups I am compelled to comment on this situation and to ask my elected officials to reconsider dismantling these two very worthy initiatives.

I may be naïve but I happen to believe that in the final analysis everything which is truly important in life comes down to relationships. The importance of safe, stable and healthy marriages as well as safe, stable and healthy relationships in general can not be overestimated.

The irony is most Americans don't know much about what it takes to form and to sustain healthy relationships. Prior to Healthy Marriage funding, very few people were fortunate enough to have been exposed to evidence based relationship building attitudes, behaviors and skills. The truth is most of us do not handle conflict very well. Far too many American adults don't know the first thing about relationship violence and far too many of our teens are traumatized by dating violence. Many of the teens that I have worked with are unable to describe what a healthy relationship looks like and it is precisely this inability for teens to be discerning which leads to much suffering.

Sadly, American society as a whole has still not embraced the concept of prevention. We haven't quite grasped the advantages of educating and supporting people **before** they fall of the proverbial cliff. Our society continues to rely on costly fixes which do not restore broken families and shattered dreams. The cost of divorce to American taxpayers should be enough to make each one of us pause. Not every marriage can or should be reconciled but that really isn't the point. What is pertinent is the vast body of research enumerating the myriad of benefits of marriage education as a primary tool to prevent marital strife in the first place. Relationships of all types can be immunized through education and skills training against challengers that are common to us all.

In closing, I would like to share the words of a couple who attended a recent marriage education workshop:

> "This was it, we were either going to learn something new or we were going to end our marriage of seven years. The kids were going to have a happy home to grow up in or they were going to go between parents every weekend for the rest of their lives. This program helped us to realize that we are not alone and we are not crazy! We have tools that we can actually use to say what we want and mean what we say. Thank you to the staff who opened our eyes and hearts, you literally saved our marriage."
>
> Lisa and Ronald; St. Petersburg, Florida March 2010.

5180 62nd Ave North, Pinellas Park, Florida 33781 ♦ (727) 528-5777 ♦ cjones@family-resources.org

It is not too late; reauthorize the Healthy Marriage and Responsible Fatherhood grants in September 2010 and in the words of our President:

"…preliminary research shows that MARRIAGE EDUCATION workshops can make a real difference in helping married couples stay together and in encouraging unmarried couples who are living together to form a more lasting bond."

Barack Obama
Audacity of Hope, 2006, p. 334, in chapter titled "FAMILY"

Most Sincerely,

Carol Jones

Carol Jones RN MA
Director
You&me.WE
Relationships For Life
www.You&Me.WE
5180 62nd Avenue North
Pinellas Park, Florida 33781
(727) 528-5777
cjones@family-resources.org

I would like to submit this material for the record.

family bridges
lazos de familia

March 22, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a representative of one of ACF Healthy Marriage Demonstration Grant (HMDG) and Promoting Responsible Fatherhood (PRF) grantee for the Chicagoland region in Illinois to express our concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANIF Budget proposal that President Obama submitted a few weeks ago. Our primary concern is that the proposed approach would contradict the pledge made by the Obama administration to fund programs that work and to stop funding programs that don't work and that it would eliminate a promising preventative approach for dealing with poverty and reaching undeserved minorities and communities such as the Hispanic community.

#1: This proposed approach would contradict President Obama's pledge to "fund programs that work and stop funding programs that don't work."

The HMDG programs are successful. In the Chicagoland region, outcome measures for over 25,000 singles, couples and students participating in our programs indicate that overall participants completing our programs show an increase in conflict-resolution by 50.8 %and communication skills by 51.9% for individuals and couples. Moreover, 52% of parents completing our workshops indicate improved relationships with their children demonstrating that healthy relationships are a cornerstone for fatherhood and family enrichment programs. Please take a moment to view a brief testimonial from a father and his family in terms of the impact made by their participation in the healthy relationship program by visiting the following link http://www.p3mediaworks.com/FB_fatherhood_v5/ (can be clicked directly in the body of the email).

These healthy relationship skills have a promising impact for reducing violence and for reducing health care costs.

Violence.

1. *Students.* Among the overall high school students participating in the healthy relationship programs, 81.2% of them reported increasing their conflict-resolution skills and 83.9% of them indicated their increased communication skills. Moreover, High school students participating in healthy relationship modules offered have shown improvement in their ability to understand unhealthy risky behaviors that can lead to dating violence. Poor conflict-resolution and communication skills increase the risk of oppositional, defiant and aggressive behaviors. Faced with the overwhelming pressure of failing economic system, deteriorating conditions in schools, lack of social support

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programs, oppressed neighborhoods, and lack of orientation on how to cope with crippling stressors; too many youth resort to violent measures. The violence found in the streets of a Chicago neighborhood has earned the national audience of media and of policy makers. A survey conducted in Chicago actually indicated that youth named Family as one of the key denominators responsible for the violence and aggression witnessed in the city. In spite of all the economic and societal pressures, youth raised in safe homes with healthy role models have an increased opportunity to use non-violent forms of communication. Offering workshops for high students that are aimed to give teens a positive and encouraging model for committed and healthy relationships, is a proven way to steer teens away from accepting or making light of dating violence.

2. *Single Parents.* Single parents completing the healthy relationship programs increase their awareness of what is a healthy relationship versus an abusive relationship. Outcome measures for participants completing our programs in Illinois suggest that 60.4% of them reported learning more about support and safety in intimate relationships which indicates that participating in such programs helps them understand the importance of safety and risk in their relationships.
3. *Couples.* 79.2% of the couples completing the healthy relationship programs increased their communication skills by 48.4% and their conflict-resolution skills by 50.8%. As couples are equipped with the necessary skills to handle stressors they are less likely to resort to unhealthy patterns. Engaged and pre-marital couples that are equipped with the necessary tools to face the inevitable conflicts in their marriage are better equipped to avoid power and control struggles that can be enacted through acts of domestic violence.

The HMDG is the first of its kind that actually takes a preventative stance with promising implications for the impact it may have with regards to the reduction of violence because ultimately youth and children raised in homes with healthy relationships do not face the need to belong in gangs and participate in gang-driven violence; because co-parenting optimally occurs when parents have a healthy relationship and the benefits of employing sound parenting skills are children and youth who do not readily resort to oppositional, defiant and violent behaviors. The conflict-resolution and communication skills that allow healthy relationships to grow are a much needed antidote for dating violence, street violence and domestic violence.

Health care costs.

Participants attending our healthy relationship programs indicate an overwhelming number of stress factors such as issues with basic needs (7.5%), financial issues (19.1%), work problems (14.9%) and mental health issues (6.2%). These stressors have been noted to impact marital satisfaction rates by 7.9%. On the other hand, married participants completing our workshops have shown an increase in their marital satisfaction by 15.5% and a subsequent reduction in stressors faced. Studies have shown American Business loose 6 billion dollars a year because of increased absenteeism, decreased presenteeism and increased health insurance costs due to relationship stress that is spilled over into the workplace. Increased relationship stress and a poor outlook for relationship health perpetuate more distress followed by physical and mental health deterioration. Health care costs drop when individuals are better able to manage relationship stressors. In Chicago, a medical clinic working with low-income individuals has documented improvements in their patient care for individuals that have attended the healthy relationship programs. The clinics behavioral health program administrators and providers indicate that they have found the healthy relationship programs an essential treatment for their patients as they have seen the positive health gains associated with patients who have attended the healthy relationship programs. If HMDG is extended, more rigorous research methodologies could be implemented to highlight the medical benefits of healthy relationship programs and the implications for reduction in health care costs.

#2: This proposed FMFIF would eliminate a promising preventative approach for dealing with poverty and for reaching underserved minorities such as the Hispanic community.

In Chicago, where 70% of participants served fall under the poverty line, the HMDG program has had a real impact in reaching underserved communities. Moreover, the Hispanic community has embraced the healthy relationship program given the family-based orientation of Hispanics (70.7% of participants identifies themselves as Hispanics). The success of reaching so many Hispanics in the Chicago region has been due to the grass-roots efforts involved. When historically, underserved individuals have shown distrust in state and government agencies, the HMDG increased access to services as individuals participated in programs because they easily put their trust in faith-based and community-based organizations. This grass-roots and community-based approach promoted by HMDG and that has provided a means by which Hispanics and many other minority groups and low-income communities received services is in danger of being eliminated since funding proposed would only be disseminated to a few select states instead of through grants disseminated to organizations with a wider reach.

Recommendations

As you consider the revisions made to the TANIF fund HMDG funds, we would ask that you indeed give the HMDG an opportunity to demonstrate the positive impact evidenced by the outcomes based on evaluation measures implemented and by anecdotal testimonials of participants by extending funding opportunities for HMD programs for one more year as all the other TANIF funds have been extended. Moreover, incorporate the community-based approach embraced by the HMD programs as best-practice models in offering effective services and programs to low-income and underserved communities as you develop the new fatherhood, marriage and family innovations fund instead of limiting it to State funding.

Sincerely,

Alicia E. La Hoz, Psy.D.
Family Bridges Program Director

[Type text]

FLORIDA STATE UNIVERSITY
FAMILY
INSTITUTE

March 23, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a current ACF Healthy Marriage Demonstration Grant (HMDG) grantee to express my very serious concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. My primary concerns are as follows:

- This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work".
- This proposal would eliminate funding for the highly successful HMDG programs – without allowing the opportunity to demonstrate their success.
- This proposed FMFIF would virtually eliminate the most promising preventive approach for dealing with poverty that the country has ever attempted.

#1 – This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work".

President Barack Obama has pledged that he would "fund programs that work and stop funding programs that don't work". Pulling the plug on the HMDG/PRF programs at this time would violate that pledge because we, the HMDG grantees, have not even been given the opportunity to present the evidence that these programs do work.

I believe the President is a man of integrity and that he would be shocked at this proposal if he knew personally about this detail in his proposed budget.

#2 – This proposal would eliminate funding for highly successful HMDG programs – without allowing the opportunity to demonstrate their success.

Simply stated the HMDG programs are successful AND they are cost effective.

As a university professor, I read a lot of research and seven published meta-analytic studies have demonstrated that Marriage/Relationship Education improves couples' communication skills, problem-solving skills and relationship satisfaction.

Further, I have personally documented the impact of two local HMDG programs. Following statistical analyses, the data show that reliable changes occur as a function of participating in these programs. In addition, in my own program we serve 2,000-2,500 participants a year and many have provided testimonials on the impact it has had on their lives.

We know that the HMDG programs are cost-effective for the following reasons:

Marriage/Relationship Education programs utilize a highly cost-effective delivery mechanism. Last year, for example, we used our grant to provide 13 hours of Marriage/Relationship Education to over 2,000 people. That is a cost of \$240 per person served and only \$18.50 per delivered Marriage Education Service Hour.

The cost savings realized through the reduction in the number of divorces more than pays for the cost of these federal grants. For example, using a conservative cost-savings estimate of \$30,000 per eliminated divorce[1], it takes only a small reduction in divorces rates to pay for these programs. I believe that Mr Stoica has written you illustrating a total savings in Orange County, CA alone of \$126 million that equates to more than a 50 to 1 ratio of benefit to cost.

#3 – This proposed FMFIF would virtually eliminate the most promising preventive approach to dealing with poverty that the country has ever attempted.

While, most of ACF's programs deal with "cleaning up the mess" after it has been made, the HMDG program has the potential to significantly reduce the problems that ACF is trying to address **before they occur**. *This is consistent with President Obama's approach to health care where he clearly recognizes the value of* ***preventive medicine***. Why would we want to kill these low-cost, effective, prevention programs before they have had the chance to prove themselves?

After all, the \$100 million per year that we have been investing in the HMDG programs is less than one percent of the entire TANF budget and less than 3/10 of one percent of the ACF budget. Wouldn't it be wise to allow such a low-cost high-potential experiment to continue – rather than killing it before even determining its value?

I know that you care very deeply about ensuring that the work of ACF has maximum value for children and families. Many have worked hard to set in place the groundbreaking HMDG foundation to assist you in this effort. Please build on it.

Sincerely yours,

F. Fincham

Frank Fincham Ph.D.
Eminent Scholar and Director, FSU Family Institute

[1] Schramm, David G. "Individual and Social Costs of Divorce in Utah". *Journal of Family and Economic Issues*. Vol. 27, Number 1, April 2006, pp 133-151.

ELIZABETH'S
NEW LIFE CENTER

Marriage Works! Ohio

March 23, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

My name is Greg Schutte and I work as the Director of Marriage Works! Ohio, a department of the Elizabeth's New Life Center. Marriage Works! Ohio is funded by the ACF Healthy Marriage Demonstration Grant (HMDG). I am writing to express my strong concern about the proposed diversion of funds from the existing HMDG/PRF grant projects to this proposed "Fatherhood, Marriage and Families Innovation Fund" (FMFIF). Our primary areas of concern are as follows:

1) **– This proposal would eliminate funding for the highly successful HMDG programs without giving grantees the opportunity to demonstrate the success these programs have already shown.**

At Marriage Works! Ohio we have been able, in three and a half year of the five, to touch the lives of over 13,000 individuals, many of whom are in a committed relationship and were looking for relationship education to provide stability in their lives. Many are in need of building relationships with the children, or in establishing some sort of employment in their lives but were hindered by the lack of stability in their marriage or long term relationship. We have testimonials of numerous couples, who were on the brink of divorce or in neglectful relationships that have acquired and are actively utilizing healthy communication and conflict resolutions skills in their relationships. This has resulted in a multitude of saved marriages and people who are reporting to us more stability in their lives.

We are also working in High Schools, teaching kids who are in the early stages of relationship building, how to keep balance, protect themselves from abusive relationships, and how to build healthy boundaries. These programs are vital as a preventative measure. We spend so many resources in our world today, on "picking up the broken pieces" of people's lives (which is still very important). However, what we are doing under the HMDG, is giving many people the tools to prevent the pieces from getting broken in the first place and giving their children the same opportunity in the future.

Participants in Marriage Works! Ohio programs express very high rates of satisfaction with the services they have received. Since the inception of the grant, **98.5%** of marriage and relationship education participants report being "satisfied with the quality of service," and **97.7%** "would recommend this program to family and friends." High school students report similarly high rates of satisfaction, with **91.5%** rating the program as "Excellent" or "Good" on the follow-up survey.

I am a strong supporter in helping workforce development/child support enforcement programs, which seems to be the primary focus of the FMFIF. However, through our current grant we have been able to see the foundational need for helping people build basic interpersonal relationships, especially with their spouse or significant other first, in order for them to have more success in building bonds with their children, managing work effectively[1], reducing episodes of domestic violence, and improving overall health[2]. These skills spill over into their relationships with their children, co-workers and other community relationships.

I am concerned that not factoring the information and data that we and other grantees under the HMDG have worked so hard to procure and collect over the past years, into the decision for future grants, is doing a disservice to our communities that are greatly in need of the services that we are providing. Since starting our grant back in 2006, we are already seeing a differential decline in the number of divorce filings occurring in the counties in which we have made the greatest investment in Marriage Education when compared with counties where we have made lower investments. The divorce rate in Montgomery County, Ohio alone (in which we are located) has steadily dropped. In 2006, there were 1,500 new filings; in 2007 – 1,443; and as of 2009 – 1,362.

2) **– This proposed FMFIF would virtually destroy the national Marriage Education Movement that the HMDG grants have put into place and would virtually eliminate the most promising preventive approach for dealing with poverty that the country has ever attempted.**

The HMDG/PRF grants provided funding for a national Marriage Education movement with grantees in forty-six of the fifty states receiving funding under HMDG. As such, these 46 states have been able to launch their own versions of a Marriage Education movement. Unfortunately only four of those initiatives are likely to survive under the FMFIF, since only 4 states will receive funding under the Fatherhood and Marriage portion of that program.

Our programs have now picked up steam and are being recognized by our communities and community leaders as strong relationship building resources. The news and media outlets are utilizing our information in order to get the message out to people about how to have more success in marriage, relationships and in reducing domestic violence. As the community has grown to know who we are, are classes have been overfull and we have community sites lined up for future classes and we have long lists of people on waiting lists for our programs.

Taking these funds away now will only leave a void for a program well recognized for helping hurting couples and strengthening families. What we propose is that, rather than prematurely killing these HMDG/PRF programs before we, the grantees, have had a chance to prove their effectiveness, that you include these programs along with the rest of TANF that you roll over for one year, and give us that extra year to compile and present the data that show their effectiveness. In the meantime, we see the following three options as to how to handle the grant funding for the additional (sixth) year:

- Option A – issue a new RFP for a single year of funding;
- Option B - simply extend each of the existing HMDG/PRF grants for a sixth year;

- Option C – make the sixth year of HMDG/PRF funding for each grantee contingent upon their ability to demonstrate the effectiveness of their program so far.

We propose going with Option C–re-funding for that sixth year only those HMDG/PRF programs that can demonstrate their effectiveness. If, by the time that Continuation Applications for the sixth year would be due (probably in the spring of 2011), individual HMDG/PRF grantees are not able to demonstrate their programs' effectiveness, those grants should be pulled and their funds redistributed to the other HMDG/PRF grantees who are able to document the effectiveness of their programs.

We know that you all care very deeply about insuring that the work of ACF has maximum value for children and families across America, and we hope that you see the critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation that we have laid.

Sincerely yours,

Greg Schutte

Greg Schutte, MSW, LISW-S
Director
Marriage Works! Ohio
Dayton, Ohio
www.trustmarriage.com
schuttedomore@yahoo.com

1.Forthofer, Markman, Cox, Stanley & Kessler (1996). Associations between marital distress and work loss in a national sample. *Journal of Marriage and Family,* vol 58, 597-605

2. Wilcox, Doherty, Fisher, Galston, Glenn, Gottman, Lerman, Mahoney, Markey, Markman, Nock, Popenoe, Rodriguez, Stanley, Waite, Wallerstein (2005). Why Marriage Matters, Second Ed. (pages 23-32).

March 24, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means committee:

I am writing this letter concerning the current ACF Healthy Marriage Demonstration grant (HMDG) and to express concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago.

1. **Total funding for Relationship Education would be cut from an estimated $111 million per year under the current HMDG/PFR grants to only $7.5 million per year under the proposed FMFIF.**

   This cut would eliminate jobs and cause the economic to be even more in a recession, the divorce rate will raise even higher because of the financial problems and because of the elimination of the HMDG/PFR programs low income couples will not have the program to turn to that teaching them tools and techniques on how to survive the problems that occur in their marriages.

2. **This proposal would eliminate funding for the highly successful and cost effective HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown.**

   Center for Healthy Marriage program started its program in 2006, the target amount was 50 couples per year, but the program was so successful that by the second year the number of couples went up to 75. The couples was so happy with the program and the way the program had improved their marriages that they began to tell their friends about the program. By the third year of the program churches was requesting that we come to their church and teach their couples tools and techniques on how to sustain a healthy and happy marriage. We are now in our 4th year and we are presently book up for the next 5 months and we are reaching more than 200 couples per year. This program through its educational teaching has been able to save a lot of marriages that was on the verge of divorce. HMDG is very much needed, Florida divorce statistics continue to show about 90,000 divorce cases filed per year. For the first six months of 2007 (latest available numbers) there were just over 48,000 dissolution cases filed in Florida. This number is slightly lower than the same period in 2006.

   The National Center for Health Statistics also follows marriage and divorce statistics. Their latest national numbers (2005) show that there were over 2.2 million marriages and a national divorce rate of 3.6 per 1,000 people - the lowest rate since 1970. Nevada had the highest divorce rate at 6.4.

   The overall Florida divorce rate continues to fall from its high of 6.9 in 1990. Strangely, the highest divorce rates in Florida seem centered in Broward County. Pompano, Lauderhill, Hallandale, Hollywood, Davie, Ft. Lauderdale and Deerfield Beach all have divorce rates over 12%. These educational classes has helped families stay together, these classes teach values to the parents and these same values trickles down to the children, which means that when they go to school they are most likely not to commit violent or disturb classes in school because they are receiving good values at home. This also means less crime and it relieves the burden off of society with our children going to the penitentiary. Also with two marriage parents working together they stand a better chance of handling their finance but if they separate they will also become a burden to society because one of them may end up on welfare.

3. This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work."

Success Stories

This program really works, when you have couples that comes to you and tell you that they were just two steps away from filing for a divorce and they decided as a last result to give their marriage one last change by coming to the Healthy Marriage Class that they heard advertise on the radio and after starting and completing the class they have change their minds about getting divorce because not they see that by using the tools and techniques that they learned from the class their marriage can and will work!

When we came to the program we were on the verse of divorce. Our main problem was that we were having problems with our finances. Our bills were behind and we were constantly arguing about who was supposed to have paid what bills. The money we were making was not enough to meet our financial demands. After joining the Center for Healthy Marriages class we found out that we could make the money that we were making work by budgeting. We learned how to have fun on a budget. We also learned how to eliminate unnecessary spending. We began to use the tools and techniques that were taught in the class and we are now closer than ever before.

After attending the Center for Healthy Marriage class we learn how to handle our disagreement without saying things to each other that we would later regret. We learned how to call time out when things get heated and revisit it when we both can discuss it in a calmly matter.

Before we started the program we was not spending much time together but now we learned through the program, how to have fun together and do date nights and send each other love notes and that helped us come together.

This program that ACF put in place really works, as you can see from just a small amount of success stories from couples that have been in our program. So we are requesting that you keep these programs because they are saving a lot of marriages in America.

Sincerely yours,

Dr. Sherron Parrish
Project Director
Fountain of Life International Inc.
Center for Healthy Marriage and Families

March 23, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing because of my strong concern about the proposed diversion of funds from the existing HMDG/PRF grant projects to the proposed FMFIF fund.

It is my understanding that only one of the fifteen allowable activities under the FMFIF program could be considered to be relationship education. Currently, under the HMDG/PRF grant projects one of their hallmarks has been the strong emphasis on teaching relationship education skills. I feel very strongly that this is necessary to support families across the nation. Children need a stable, loving home in which to grow and learn to the best of their abilities. Relationship education is one way which strengthens the family unit.

Under the FMFIF proposal the funding for the grants would go to the states, rather than to individual community-based or faith-based organizations, as they are with the HMDG/PRF grants. This means that an organization such as Operation Us would not even be eligible to apply to ACF for one of these grants. It seems incomprehensible not to let an existing program demonstrate the success it has already shown.

Another concern of mine is that only eight states will receive any funds at all under the FMFIF program. I do not understand how this is equitable for all Americans.

Since the FMFIF funds would be split evenly between the two main areas of the fund, "Family and Marriage" and "Family Innovation Fund", and since the Family Innovation Fund would provide no funding whatsoever for relationship education funds, only four of the eight grants awarded to the states would contain any funding for any relationship education programming. In other words, this proposal, if it proceeds as now written, would completely eliminate federal funding for the types of relationship education that the existing HMDG/PRF grants now provide in 46 of the 50 stated in the country. I believe this would virtually destroy the national Marriage Education Movement that the HMDG grants have put into place.

I urge you to reconsider the proposed Fiscal Year 2011 TANF Budget with the following modification to the one sentence from the bottom of page 301 of that budget proposal: Instead of reading "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs, except the Healthy Marriage and Responsible Fatherhood program", I suggest that sentence be re-worded as follows: "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs."

I know you all care deeply about insuring that the work of ACF has maximum value for children and families across America, and I hope that you see the critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation that has been laid.

Sincerely yours,

Deborah Irwin

Operation Us, Secretary

www.operationus.org

March 23, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a representative of the current ACF Healthy Marriage Demonstration Grant (HMDG) and grantees around the country to express my concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago.

I am currently employed as the Senior Relationship Educator for the Healthy Marriage Demonstration Grant project in Springfield, Missouri called Operation Us. As a relationship educator and employee of a HMDG, I would like to express my deep concern that the proposed diversion of funds from the existing HMDG/PRF grant projects to proposed FMFIF will all but eliminate funding for Relationship Education in our country.

Operation Us provides a valuable service to residents of Southwest Missouri and the data (both qualitative and quantitative) is showing the services to be effective.

Under this proposed budget, there are no opportunities for the renewal and continuation of the work we are already doing. As a dissemination grant, part of the hope is that our work will be recognized and proven valuable through the achievement of measurable goals and programmatic evaluation.

Eliminating funding for programs that can demonstrate success seems to be in direct contradiction with President Obama's pledge to "fund programs that work and stop funding programs that don't work".

Relationship education, like that provided by the HMDGs, has a direct and positive correlation with active and responsible father involvement. So, while the proposed Fatherhood, Marriage and Families Innovation Fund intends to address the need for father involvement in our country, it minimizes and fails to validate the proven connection between responsible fatherhood and healthy marriage.

It is my hope that this letter, and those submitted by other representatives of the HMDG/PRF grants, will considered in any further decisions concerning the FMFIF.

Sincerely,

Virginia Datema
Relationship Educator
Operation Us
2885 W. Battlefield
Springfield, MO 65807
417-823-3469

March 5, 2010

Honorable Ways and Means Members:

I was in Washington DC at the end of February with a group called Women for Economic Justice (WEJ) and the Chairperson of the TANF sub-committee, Representative McDermott, was there to hear me speak about mothering being counted as work. Besides being a long time activist for low income families, I have also become part of an ever-widening contingent of parents and grandparents whose children are being what we call, "legally kidnapped" by Child Protective Services, the courts and CASAs.

As one from a family who has been victimized by C.P.S. and someone who has been falsely accused of child abuse, besides the hundreds of stories I have heard, it has come to my attention that also about 1/3 of TANF funding is being used to add to the already huge Title IV-E and Title IV-B entitlements, all but literally less than 1000th of this funding is used to destroy families.

I have seen this in my own state of Washington and around the nation, and now I have gotten to live the agony of having a child taken under false pretenses with hysterical social workers and their rubber stamp CASAs, along with a corrupt juvenile court system whose entire jobs are aimed towards taking away kids instead preserving families. As a matter of fact C.P.S. and the Adoption Team proudly told me, "By the time we get through with families, they usually hate each other for the rest of their lives ..." http://nccpr.info/80-percent-failure

I have contacted our DSHS Secretary's offices about how they spend our TANF and Title IV-E and title IV-B money and they refused to give me their supposedly public budget as to how they get and spend our tax dollars. So I went to the Federal Heath and Human Services website to see if they would tell us what was being spent and found that my state's DSHS offices ***had not even been monitored in 7 years.*** This means to me that millions, perhaps even billions, have been handed over to my state no questions asked ~ and who knows what other states have spent this money solely to destroy our families? We know for a fact that my state (WA) and the state of Georgia has this tearing apart of families as their main agendas ...

No wonder our DSHS and DSHS agencies all over the nation is running amuck! According to my state (WA) my own then Attorney General and now Governor Gregoire saw according to the National Juvenile and Family Court Judges that, " ... judges admitted they routinely rubber-stamped removals even when they thought ACS failed to make its case..."

Scroll down to page 13 of this Annie E. Casey Foundation study where you will see graphically how this money is being spent to hurt little children and destoy their families: http://www.childtrends.org/Files//Child_Trends-2009_02_17_FR_CWFinancePaper.pdf . I might add that this graph does not even reflect the TANF monies mentioned there, about 1/3 of the TANF money on that graph is also is being used for family destruction.

The Georgia contingent with whom I was with in Washington DC has a TANF internal document where low income parents are being urged to give up their children for adoption instead of the State using TANF funds to help them in the desperate situations families are going through. There is little doubt this a smoking gun that is being touted in State-to-State DSHS offices all over the nation.

It is becoming a well known fact that there is at the very least 1000% more being spent in the billions being poured into the adoption industry to take children away and adopt them out from loving low income families than to keep them home. It has created an "Adoption and Foster Care Industrial Complex" that is decimating American families and hurting children by taking them away forever from the families they know and love. http://www.nccpr.org:

About 1/3 of the discretionary TANF money is being added to this enormous pot. Because of gigantic Title IV and TANF funding being used against American families, C.P.S. workers are not held accountable for their allegations, CASA workers are not defending children but rubber stamp C.P.S., courts, consultants and large non-profits are also without question supporting one another without question, while raking in the bucks. Then people like me "get" to live with these false allegations on our records for the rest of our lives after these entities took and sold the child I have cared for and loved.

To accuse innocent people of something they cannot even fight properly should be illegal. To harvest these children simply because their families are low income and struggling, is a travesty. http://nccpr.info/solutions-due-process/ . To in essence sell children to the highest bidder using our tax dollars with Title IV-E, Title IV-B and TANF funding, is in essence child slavery. TANF money is already paltry and discretionary while the huge Title IV monies is an entitlement that is far greater, Title IV is mandated while TANF is not.

Even if you did get the willies at the thought of harvesting little kids for adoption by our government was at the very least something to question, you might think, "Well they are better off in adoptive families anyway because these families are better to help these kids ..." Not so. According to study after study, most children actually do better when left within their own families and the families are given support. http://nccpr.info/the-evidence-is-in-foster-care-vs-keeping-families-together-the-definitive-studies/

Our government needs to stop this practice immediately and use these billions, including TANF funding, for family preservation, NOT in family destruction.

Sincerely yours,

Catherine L. Sullivan
Kenmore, WA 98028

March 23, 2010

My name is Joneen Mackenzie. I am a public health nurse and president / founder of the Center for Relationship Education also known as WAIT Training which houses the national WAIT (Why Am I Tempted?) risk aviodance skills based relationship and life skills curriculum targeted to middle and high school students. We have been training educators. parents, youth serving personnel and medical professionals for over a decade. As we were training these adults to deliver the science of healthy relationship education to young people, we were informed and convinced that many of these adults had lives and relationships that were unhealthy and fragmented putting them at risk for poverty and other negative outcomes.

We learned about the opportunity of serving adults through the Healthy Marriage demonstration Grant (HMDG) and applied to ACF. Since we were awarded this amazing 5 year poverty prevention and reduction grant we have served over 2500 married couples. 1600 pre married couples, and approximatley 300 mentors educating, equipping and empowering them to form and maintain healthy marriages for the sake of their children and healthy life outcomes.

We have also informed citizens and leaders of Colorado about the overwhelming and robust research linking non marital childbearing to poverty and other negative life outcomes. We have celebrated marriages and weddings with emerging adults in urban settings who have been to more funerals then weddings. Many of them have never seen functional healthy families or involved, engaged responsible fathers. When they learn the skills we teach, they are filled with hope to change the cycle of poverty and family drama which has become normative in many vulnerable, underserved communities.

We also provide either full, part time or contract employment to 35 people in the community.

I am very concerned about the Fatherhood, Marriage and Families Innovation Fund" (FMFIF) which sounds good but has little resemblance to what we are doing.

See the outlined reasons stated below:

1) While the FMFIF fund is referred to as being a "Fatherhood and Marriage" program, an examination of the list of Allowable Activities for the FMFIF (contained in the 1st two

paragraphs on page 305) reveals that **it is really primarily a workforce development/child support enforcement program**,

2) One of the hallmarks of the HMDG/PRF grant projects is the strong emphasis on teaching Relationship Education skills (either Marriage Education or Parenting Education or both); **only one of the 15 allowable activities under the FMFIF program could be considered to be Relationship Education** – specifically "co-parenting services and conflict resolution."

3) **The funding for the grants under this proposal would go to the States – not to individual Community-based (CBOs) or Faith-based Organizations (FBOs), as with the HMDG/PRF grants. This means that we would not even be eligible to apply to ACF for one of these grants!**

4) **Only 8 states will receive any funds at all** under the FMFIF program - as indicated on the table on page 312. Why only eight states and how will the states be determined?

5) And, since (from the bottom of page 304), the FMFIF funds would be split evenly between the two main areas of the fund, "Family and Marriage" and "Family Innovation Fund", and since the Family Innovation Fund would provide NO funding whatsoever for Relationship Education funds, **only four of the eight grants awarded to the states would contain any funding whatsoever for ANY Relationship Education programming**. In other words, **this proposal, if it proceeds as now written, would completely eliminate federal funding for the types of Relationship Education (Marriage Education and Parenting Education) that the existing HMDG/PRF grants now provide in 46 of the 50 states in the country.**

In closing I would like to inform you that not only do we serve high numbers of fragile families, we are sought after speakers in the community. The testimonials we hear and have in our archives are amazing. The data analysis of pre and post testing of our workshop participants is stellar. We partner with the University of Denver Center for Marital and Family Studies to ensure accurate monitoring, evaluation and follow –up with our couples and families.

Indeed, what we are doing has a powerful health and economic effect on Colorado.

Please take a look at our data and let us know if there is anything we can do to serve you as you make decisions for a healthier and more prosperous nation.

Respectfully,

Joneen Mackenzie RN

Relationship
RESEARCH FOUNDATION, INC.

March 20, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

My name is M.P. Wylie; I am the President of Relationship Research Foundation, Inc., located at 1400 Bristol Street North, Suite 100, Newport Beach, CA. My phone number is 949-725-3366 or 949-752-2888 and my email address is DrMP@USrelatioships.org.

I am writing as a representative of the current ACF Healthy Marriage Demonstration Grant (HMDG) and Promoting Responsible Fatherhood (PRF) grantees around the country to express our grave concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. I will begin by listing our broad areas of concern, and then elaborate upon the positive impact we're making, below. Our primary areas of concern are as follows:

#1 – Total funding for Relationship Education would be cut from an estimated $111 million per year under the current HMDG/PRF grants to only $7.5 million per year under the proposed FMFIF.

#2 – This proposal would eliminate funding for the highly successful HMDG/PRF programs.

#3 – This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work".

#4 – The proposed FMFIF would replace the balanced 3-pronged approach that Fatherhood Programs have been operating under for the last several years with a unidimensional approach that would spend more money on programs that already have considerable funding in place.

#5 – This proposed FMFIF would virtually destroy the national Marriage Education Movement that the HMDG/PRF grants have successfully put into place and making a profound impact.

#6 – This proposed FMFIF would virtually eliminate the most promising preventive approach for dealing with poverty that the country has ever attempted.

Let me share with you some of the positive impact that our federal funds of $250,000 a year have contributed in the *Orange County Fatherhood Healthy Marriage* Project that is currently achieving and will come to a halt in 2011 without continued federal funds:

Since 2000, Relationship Research Foundation has successfully (1) turned distressed relationships into extraordinary marriages, (2) helped families stay intact, and (3) contributed to the 15% drop in the divorce rate in the past six years in Orange County.[i]

Relationship Research Foundation (RRF) provides single parents and couples the skills for lasting love, intimacy and commitment using researched-based programs that produce successful results in communication, problem solving and conflict management skills. Couples go from distance to intimacy with their spouse and experience true happiness in their family life. We are changing lives through our partnerships with U.S. Department of Health & Human Services;

Coalition for Marriage, Family and Couples Education; California Healthy Marriage Coalition; Orange County Marriage Resource Center; Head Start; Human Options; family community centers, schools, churches, nonprofit organizations, health institutes and therapists in Orange County and Los Angeles.

Success story: In 2009 one of our couples on the brink of divorce started to turn their relationship around after attending our full-day *Mastering the Mysteries of Love* class. The wife walked into the second class with a huge smile and stated, "These skills really work!" Three months later they attended one of our large marriage events to renew their vows and celebrate their marriage. This is just one of our many success stories...

Our accomplishments since 2007:

- **1,611** single-parents and couples have attended one or more of our five curricula
- **4028** children in Orange County have better parents because of our programs[ii]
- **51** part or full time jobs have been provided
- **45** volunteers serve our organization
- **38** partnering organizations are served and either offer classes on a regular basis or refer to us as a resource
- **2000** people receive free E-relationship tips that are sent out monthly, along with announcements of our classes and trainings
- **89%** of the couples stated improved relationship skills in various areas after attending just one of our programs
- **95%** of those surveyed agree that fathers are as important as mothers for the proper development of children[iii]

We know that the HMDG/PRF programs are successful based upon the following:

1) Seven published meta-analytic studies have demonstrated that Marriage/Relationship Education programs work to improve couples' communication skills, problem-solving skills and relationship satisfaction. Brief descriptions of the results of those studies are contained on pages 23-25 in the "Healthy Marriages, Responsible Fatherhood" booklet available for download at www.CaMarriage.com.

2) Current HMDG/PRF grantees have received thousands of positive testimonials from program participants. Some of our **fathers** recently stated in their evaluations based on the question of "How has your relationship changed because of this course?"
   - *More intimacy and more communication...*
   - *I am encouraged that the skills I am acquiring here will be helpful in strengthening my marriage*
   - *Plan to spend more time with my spouse.*
   - *We have some practical tools to begin entering into each other's world and resolving long standing issues.*
   - *I feel as if we can discuss bigger issues in our relationship.*
   - *We know how to communicate in our relationship and are changing in a positive way.*
   - *I can think about what I say and not say what I think.*
   - *I feel much more secure in my marriage. I trust that we have a commitment to be there for each other that is much stronger than before taking the class.*
   - *I am confident that we have the tools to solve problems in a constructive way.*
   - *I identified negatives in my life and made positive changes.*
   - *My wife freed herself from the worries that kept her from talking to me.*
   - *It (marriage) has improved by 97%.*
   - *Between my partner and me we have been able to make a connection and understand each other better because of this course.*
   - *We have more communication and we express our feelings. Also, it helped me to understand my kids better.*

3) In California, where we have been doing this work for a longer period of time than most other parts of the country have, we are already seeing a differential decline in the number of divorce filings occurring in the counties in which we have made the greatest investment in Marriage Education when compared with counties where we have made

lower investments. These data are compelling and we expect to see these results replicated in other HMDG/PRF-supported communities across the country.

We know that the HMDG/PRF programs are cost-effective for the following reasons:

1) Marriage/Relationship Education programs utilize a highly cost-effective delivery mechanism. Last year, for example, our partnering organization California Healthy Marriage Coalition, the largest ACF marriage grantee in the nation, utilized their $2.4 million per year HMDG grant to deliver at least 8 hours of Marriage/Relationship Education to approximately 20,000 people across the state. That translates into a unit cost of only $120 per person served and only $15 per delivered Marriage Education Service Hour.

2) The cost savings realized through the reduction in the number of divorces more than pays for the cost of these federal grants. In Orange County, for example, which has received federal funding for Marriage Education services since 2003, there has been a decline of more than 600 divorce filings per year from pre-grant days. Using a conservative cost-savings estimate of $30,000 per eliminated divorce[1], that reduction in divorces equates to a savings of more than $18 million per year. If we multiply that by the seven years we have seen these savings, we estimate a total savings in Orange County alone of $126 million. That savings is striking in comparison with less than $2.5 million of federal funding for Marriage/Relationship Education invested in Orange County over those seven years, and represents more than a 50 to 1 ratio of benefit to cost.

   We are seeing similar results in Fresno County, the 2nd most active Marriage/ Relationship Education County in California. In Fresno County there has been a decline of more than 300 divorce filings per year, from 2006 to 2009 – which equates to savings of over $9 million per year. The declines in divorce filings in the counties in which the most federal funds have been spent for the longest period of time stand in stark contrast with the number of divorce filings in other counties within California, which have tended either to increase or stay approximately the same over this same time period. In other words, we know from our work in California that, when done properly, a community-saturation approach to providing Marriage/Relationship Education can be very effective in driving down the divorce rate, and as such, is an extremely cost-effective intervention.

When the former Assistant Secretary for ACF, Dr. Wade Horn, and his advisors designed the Promoting Responsible Fatherhood (PRF) grant program, they did so utilizing a three-pronged model. The three prongs of this model are:

- Economic stability
- Parenting education
- Healthy relationship between the parents

This model is still in use as evidenced by the first sentence of the Promoting Responsible Fatherhood program web page at http://fatherhood.hhs.gov/2006Initiative/index.shtml.

At ACF grantee conferences over the past few years, this model is often presented as a triangle, with Economic Stability at the bottom – because of the importance of grounding Fatherhood Programs in interventions that enable Fathers to earn enough money to support their families; and the two sides of the triangle support each other. We also believe that Parenting Education is important for helping Fathers learn how to raise, interact and play with their children. And, the 3rd leg of the triangle is equally important: we need to provide Fathers with the skills and information on how to develop and sustain a long-term healthy relationship with the Mother of their child. The best way to ensure that a Father stays involved with his children over the long run is to ensure that he has a good relationship with their Mother, and this is sorely lacking for millions of families. As one recent research study found:

> **"The best predictor of father presence is marital status; when a father's romantic relationship with the child's mother ends, more likely than not, so does father involvement with their children".** (Source: "Divorce, Dads,

[1] Schramm, David G. "Individual and Social Costs of Divorce in Utah". *Journal of Family and Economic Issues*. Vol. 27, Number 1, April 2006, pp 133-151.

and the Well-Being of Children". Institute of American Values, Center for Marriage and Families, *Research Brief* 23, July 2008)

We fully subscribe to this 3-pronged approach as the best way for the Fatherhood programs to obtain the types of outcomes they were designed to achieve. We were disappointed, therefore, upon examining the components of the proposed FMFIF program, to discover that this 3-pronged approach has been virtually eliminated and replaced with a unidimensional approach focused almost solely on the Economic Stability leg of the triangle. Our objections with this proposed approach are as follows:

1) It takes away the preventive muscle that has long characterized HMDG/PRF programs;

2) The U.S. government already spends billions of dollars on work force development and child support enforcement projects. While we do not dispute their value, we do not think that it makes sense to consider obliterating a program that has such tremendously great potential just to shift a small amount of additional money into programs that are already receiving considerable funding. That $150 million is all we have for helping couples form and sustain healthy relationships, but it will just be a rounding error when added to the other workforce developments projects already in place.

This proposed FMFIF would virtually eliminate the most promising preventive approach to dealing with poverty that the country has ever attempted.

In 2004, Dr. Wade Horn, who was then the Assistant Secretary for ACF, stated "ACF spends $46 billion per year operating 65 different social programs. If one goes down the list of these programs…the need for each is either created or exacerbated by the breakup of families and marriages".

While, most of ACF's programs deal with "cleaning up the mess" after it has been made, the HMDG/PRF programs stand out as programs that have the potential to significantly reduce the problems that ACF is trying to address **before they occur**. Why would we want to kill these low-cost, highly effective programs before they have had the chance to prove themselves?

Looking at the ratios here is quite interesting. The $150 million per year we have been investing over these past few years in the combined HMDG/PRF programs is less than one percent of the entire TANF budget and only about 3/10 of one percent of the ACF budget figure that Wade Horn quoted. Wouldn't it be wise to allow such a low-cost high-potential experiment to run for a few more years – rather than killing it before we have even had a chance to see if it is working? This is especially true since the preliminary results (as quoted elsewhere in this letter) seem so very promising.

Back in June of 2000, the Heritage Foundation published a *Backgrounder* report entitled "The Effects of Divorce on America" which stated:

> "Fiscal conservatives should realize that federal and state governments spend $150 billion per year to subsidize and sustain single-parent families. By contrast, only $150 million is spent to strengthen marriage. Thus, for every $1,000 spent to deal with the effects of family disintegration, only $1 is spent to prevent that disintegration. Refocusing funds to preserve marriage by reducing divorce and illegitimacy not only will be good for children and society, but in the long run will save money."

We believe that statement is as true today as it was when it was written 10 years ago. We are deeply saddened to see that this powerful preventive approach implemented within the HMDG/PRF grants would be eliminated under the current FMFIF approach.

Where do we go from here?

We realize that the 5-year TANF reauthorization period under the Deficit Reduction Act of 2005 is nearly up and that based upon the contents of the entire TANF budget proposal for 2011, President Obama and/or ACF has decided to simply extend most of the current TANF funding forward one year, so as to be able to focus on higher priority issues right now and deal with the larger issue of TANF reauthorization next year. That's completely understandable. What we propose is that, rather than prematurely killing these HMDG/PRF programs before we, the grantees, have had a chance to prove their effectiveness, that you include these programs along with the rest of TANF that you roll over for one year, and give us that extra year to compile and present the data that show their effectiveness. In the meantime, we see the following three options as to how to handle the grant funding for the additional (sixth) year:

- Option A – issue a new RFP for a single year of funding;
- Option B - simply extend each of the existing HMDG/PRF grants for a sixth year;
- Option C – make the sixth year of HMDG/PRF funding for each grantee contingent upon their ability to demonstrate the effectiveness of their program so far.

We propose going with Option C–re-funding for that sixth year only those HMDG/PRF programs that can demonstrate their effectiveness. If, by the time that Continuation Applications for the sixth year would be due (probably in the spring of 2011), individual HMDG/PRF grantees are not able to demonstrate their programs' effectiveness, those grants should be pulled and their funds redistributed to the other HMDG/PRF grantees who are able to document the effectiveness of their programs.

These very promising HMDG/PRF programs make up less than 1% of the total TANF budget. In fact, the individual block grants to about half of the states are larger than this $150 million figure. In our estimation, the current budget proposal clearly and unfairly villainizes these two highly promising programs**.** Thus, here is the modification we would request you make to the one sentence from the bottom of page 301 of that budget proposal: Instead of reading "The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs, except the Healthy Marriage and Responsible Fatherhood program", we suggest that sentence be **re-worded** as follows: **"The FY 2011 request of $21,763,587,000 for the TANF program reflects a one-year extension of all current TANF programs."**

We know that you all care very deeply about insuring that the work of ACF has maximum value for children and families across America, and we hope that you see the critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation that we have laid.

Sincerely yours,

M.P. Wylie, Ph.D.

M.P. Wylie, Ph.D.
President
Relationship Research Foundation, Inc.
www.USrelationships.org

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[i] Divorce Filings Database for the County of Orange - 2009
[ii] Based on an average of 2.5 children per household served
[iii] CHMC survey, published in 2008 – www.camarriage.com

Marriage Resource Center of Miami Valley

April 20, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing to express our organization's concerns about the diversion of funds from the current ACF Healthy Marriage Demonstration Grant (HMDG) and Promoting Responsible Fatherhood (PRF) grantees to the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. Our primary concerns are as follows:

Under the new proposal, it appears that **very few dollars will be directed toward the type of Relationship Education** currently delivered under the HMDG/PRF grants. It appears that only one ("co-parenting services and conflict resolution") of the eleven activities listed under the new proposal could even remotely be interpreted as Relationship Education.

This would in effect, **eliminate funding for the highly successful HMDG programs** without giving grantees the opportunity to demonstrate the effectiveness of these programs.

The results we've personally seen – which are not unique to our healthy marriage initiative – are highly compelling. In the two Ohio counties we serve – Clark and Greene – we have seen a 20% decline in divorces annually since the initiative began. This approximates a reduction of 300 divorces per year. At a conservative cost estimate of $30,000 per divorce to taxpayers[1] - that translates into a $9 million/per year savings compared to an annual investment of federal funding of $450,000 per year.

In addition to the economic impact, the positive impact on children of a two-parent, intact family is widely documented – less poverty, better physical and mental health, less illicit drug use, less juvenile delinquency, improved high school graduation and advanced education rates.[2]

Anecdotal reports support this positive impact on the children. Parents frequently report that as they work on the health of their own relationship – they also notice positive behavioral changes in their children.

Bottom line – the proposed FMFIF would essentially **eliminate one of the most promising preventive approaches to dealing with poverty** this country has ever attempted and **elimination of the HMDG/PRF funding and their relationship education programs is just simply short-sighted**.

Sincerely,

Lavern Nissley

Lavern Nissley
Executive Director

[1]Scafidi, Benjamin "The Taxpayer Costs of Divorce and Unwed Childbearing". *Institute for American Values, Georgia Family Council, Institute for Marriage and Public Policy Families Northwest.*

[2] Doherty, William; Glenn, Norval; Waite, Linda; Wilcox, W. Bradford. "Why Marriage Matters: Twenty-six Conclusions from the Social Sciences. *Institute for American Values*

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NASW
National Association of Social Workers
...the power of social work

Written Testimony of Elizabeth J. Clark, PhD, ACSW, MPH, Executive Director National Association of Social Workers for the Committee on Ways and Means, Income Security and Family Support Subcommittee

The interest and involvement of the National Association of Social Workers (NASW) in welfare reform is rooted in the mission and core values of the social work profession. These core values, which include social justice and belief in the dignity and worth of each person, have been embraced by social workers throughout the profession's history and are the foundation of social work's purpose and perspective.

Overall, NASW believes that the most promising strategies for improving individual and family well-being and self-sufficiency lie beyond the Temporary Assistance for Needy Families (TANF) program. As a nation, we should develop universal systems of support for meeting basic needs, including health care, food, housing, child care, and education; create job opportunities that pay a living wage and provide a full range of benefits; and ensure economic security through adequate income support for individuals and families unable to sustain themselves through employment and for people in programs to obtain employment.

While working toward those universal systems of support, NASW believes significant improvements can and should be made to TANF. The reauthorization of TANF presents an opportunity to implement many necessary changes, however, we have generally restricted our recommendations to three areas:

(1) enhancing the capacity of the welfare system infrastructure;

(2) reducing the number of families living in poverty; and

(3) improving assistance to recipients with multiple barriers to self-sufficiency.

Enhancing the Capacity of the Welfare System Infrastructure

The ultimate success of welfare policy changes depends, in large part, on the capacity of the welfare infrastructure to implement the changes. Critical components of that infrastructure include the skills and abilities of the welfare workforce and the effectiveness of coordination among programs and agencies.

One common misperception regarding the welfare workforce is that it is mainly composed of social workers. In fact, fewer than one percent of NASW's membership identified public assistance as their primary practice area in a survey conducted in 2000.[1] Social workers are trained professionals who have

[1] National Association of Social Workers. (2000). Practice Research Network. Washington, DC: Author.

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(202) 408-8600 • www.socialworkers.org/advocacy

bachelor's, master's, or doctoral degrees in social work from an accredited social work program. In contrast, the majority of public welfare caseworkers today have little to no professional social work training. Frontline staff often possess college degrees, but typically in unrelated fields. Some states only require welfare caseworkers to have a high school diploma.

Workforce. Following enactment of the PRWORA, workers whose primary task had been to determine client eligibility were suddenly called upon to conduct client assessments, link recipients to job readiness and placement activities, make referrals to related programs and special services, and track client activities. Many states simply have not invested sufficiently in the training needed to prepare frontline workers for their additional tasks, nor have they hired more highly skilled people.

Although states are adding additional responsibilities to the welfare worker's role, they have done little to reduce the time that workers must devote to determining eligibility and benefits. Consequently, workloads of frontline staff have actually increased, even as caseloads have decreased. In addition, the clients remaining on the rolls often have more barriers to self-sufficiency and need more of their caseworker's time and attention. Also important for program success are good employee relations within the agency. Paying attention to hiring issues and continued support of staff is crucial. How employees are treated affects how they treat those that they serve.

Coordination and Simplification. Public welfare agencies are complex bureaucracies with separate units for employment services, various public assistance programs, and protective services. With the clock ticking, it is critical that the different units coordinate services and expectations into one comprehensive package.

Even more challenging, and an increasingly important component of effective service delivery, is coordinating public services with services provided by the private, non-profit sector. Nonprofit agency staff also spent more time dealing with penalties imposed by the welfare agency and helping families cope with their anxiety, fears, and crises stemming from the negative impact of welfare reform on their lives.

Recommendations

Workforce *(note: specific content for caseworker training is in the section above regarding improving eligibility)*

- Require states to invest in comprehensive training for frontline staff and supervisors, lower workloads of case managers to effective levels, hire more highly skilled staff, and improve consultation with professionals in other fields. To encourage state action, create a new grant program to address the needs of the workforce or exempt/reduce the amount of funds used for hiring, educating and training staff that count against the current cap on administrative costs.

- Require the U.S. Department of Health and Human Services to create model caseworker training materials and provide states with information on good service delivery models, including effective methods of referring people to other programs, valid assessment tools, and effective protections that prevent eligible families from losing benefits without proper assessment and compliance plans.

- Revise the current emphasis on evaluating performance based on error rates in eligibility determination. Develop new benchmarks and performance incentives that acknowledge the full range of services needed to make welfare reform work.
- Ensure that frontline workers have adequate resources to address client needs. Case management cannot succeed if agency and community resources are not available to clients. Invest in support services, strategies for job retention and advancement, and other programs that promote the transition to self-sufficiency.

Coordination/Simplification

- Revise federal benefit programs to facilitate service integration. Barriers to effective service integration include program-to-program differences in goals, outcome measures, performance standards, eligibility rules, income and asset limits, target groups, and geographic boundaries.
- Consider developing interagency financial incentives, such as cross-agency incentive grants, to support state development of interagency task forces, or performance bonuses for states that demonstrate effective coordination.
- Require states to take actions related to interagency cooperation and program simplification to create a more effective network of services. Require true collaboration with private, nonprofit agencies in the design and ongoing implementation of TANF and other welfare-related programs. Work to streamline program application procedures for clients, through, for example, simplified forms and automated screening systems, and develop common reporting forms for community-based organizations.

TANF Funding

The basic TANF block grant has been set at $16.6 billion since it was established in 1996. As a result, the real value of the block grant has already fallen by about 27 percent.[2]

Recommendations: To ensure adequate funding, at a minimum, both the $16.6 billion for the TANF block grant and the state maintenance-of-effort (MOE) requirement should be maintained and adjusted annually for inflation, but given that the real value of the annual block grants has declined by 27 percent since the mid 1990s, Congress should consider raising the amount especially in this time of high unemployment and job insecurity. Actions also should be taken to revise and strengthen other TANF funding sources, such as the current Contingency Fund, state supplemental grants, and state loan fund.

Social Services Block Grant (SSBG) (Title XX)

[2] Schott, Liz (2009, March 19). Policy Basics: An Introduction to TANF. [Online.] Retrieved from http://www.cbpp.org/cms/?fa=view&id=936 on March 19, 2010

The SSBG is a perfect complement to the TANF program with its goals that focus on self-sufficiency, reducing dependency, preventing and remedying abuse and neglect, and preventing unnecessary institutional care.

Recommendation: Funding should be restored at least to the level of $2.38 billion.

Benefit Levels

TANF benefit levels, in most states, have not been raised in a decade. One proposal suggests that the state benefit level must be no lower than the sum of the (monthly) poverty level and the amount (if any) by which family housing costs exceed 30% of the poverty level. The new supplemental poverty measure could be used to help inform eligibility.

Recommendation: Impose a federal floor on TANF benefits, and index benefits to inflation, as are other more universal benefits, such as Social Security.

Immigrants

One of the most egregious features of the 1996 law was the denial of benefits to legal immigrants. Nearly half of the projected savings came from reductions in public benefits eligibility for immigrants.

Recommendation: All remaining barriers in current law to immigrants' access to federal benefits, including waiting periods and deeming requirements, should be removed.

Reducing the Number of Families Living in Poverty

In 1995, 84% of eligible families received welfare benefits. In 2005, 40% of eligible families received welfare benefits. [3] We are concerned about what has happened to the other 44% in terms of not receiving services for which they are eligible.

Higher Education. Higher education significantly improves the likelihood that families will move out of poverty and require less government assistance. "Single mothers with a college degree have much higher wage rates and employment rates than those with only a high school degree. In 2009, single mothers with an Associate's degree had an employment rate of 70% and average earnings of $38,677 when working full-time, year-round; single mothers with a Bachelor's degree (or more) had an employment rate of 76% and average earnings of $59,392 when working full-time year round." This is compared to "single mothers with a high school degree had an employment rate of 57% and average earnings of $29,352 when working full-time, year-round; single mothers without a high school degree

[3] Legal Momentum (2009, June). The bitter fruit of welfare reform: A sharp drop in the number of eligible women and children receiving welfare. [Online.] Retrieved from http://www.legalmomentum.org/assets/pdfs/lm-tanf-bitter-fruit.pdf, on March 3, 2010.

had an employment rate of only 37% and average earnings of only $21,764 when working full-time year-round."[4] The need for higher education to move out of poverty is evident in these statistics.

Asset Development. Asset building strategies are an important part of an anti-poverty strategy and should be used in conjunction with, but not as a replacement for, other income support programs. Asset accumulation, through Individual Development Accounts (IDAs) or other vehicles, can augment income and provide some security in the face of inevitable job changes, career shifts, and life crises, as well as support new beginnings, such as purchasing a home, starting a business, or participating in additional education or training.

Child Support and Parental Involvement. Child support is a significant income source for low-income families that receive it. For poor single-headed families receiving child support, it is the second largest component of family income after earnings, amounting to 30 percent of the family's budget. The Child Support Enforcement Program serves 17 million children overall, and half of all poor children. [5]

Economic Stability/Make Work Pay. Continued access to a variety of programs and services for families is critical as they make the transition from receiving governmental assistance to obtaining and maintaining employment that can result in economic self-sufficiency. "Recipients leaving TANF were 24 times more likely to leave Medicaid than to remain on Medicaid."[6] The most common reasons are related to a lack of awareness and failure of programs to inform recipients of their eligibility for such services. Others reasons include burdensome recertification and reporting requirements and stigma.

<u>Recommendations</u>

Poverty Reduction

- Make poverty reduction the primary purpose of TANF. Shift the focus of TANF from reducing the welfare rolls to reducing poverty by making explicit that the purpose of TANF is the reduction of child and family poverty.
- Create a link between caseload reduction and poverty reduction by redesigning the caseload reduction credit. One option is to reduce a state's caseload reduction credit in years in which the state's child/family poverty rate increases.
- Reward states for reductions in child and family poverty. Either through modifications to the High Performance Bonus, other bonus programs, or a separate incentive system, the federal government should provide financial rewards and public recognition to states that achieve overall success or

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[4] Legal Momentum (2010, March). TANF "Work First" Policy Helps Perpetuate Single Mother Poverty and Employment in Low Wage "Women's Work."

[5] Nazario, Carmen R., (2010, March 11). Testimony to the Subcommittee on Income Security and Family Support.

[6] Cheng, Tyrone, (2007, August). *Leaving Medicaid without Health Insurance: TANF Policies and Recipients' Vulnerabilities.* Journal of Health Care for the Poor and Underserved - Volume 18, Number 3, pp. 609-619

notable improvement in moving children and families out of poverty. Any new or modified incentive system should also be designed to focus on moving children and families out of deep poverty.

Education and Training

- Allow education and training to count toward state work participation rates. Remove restrictions on numbers of participants and duration. Countable activities should include a full range of opportunities based on the needs of the individuals and should include nontraditional job training (training for jobs that are usually held by men such as an electrician's apprentice program), higher education, vocational education, adult basic education (ABE), and English as a second language (ESL).
- "Stop the clock" for full-time students in higher education so that individuals can prepare for work without worrying about losing benefits.
- Require training for case managers and vocational counselors on the advantages of nontraditional training for women.
- Evaluate state welfare performance, in part, on the basis of training for and placement of recipients in nontraditional jobs or other higher-paying jobs. Provide incentives for states to improve job retention and advancement among the people formerly receiving TANF assistance.

Asset Development

- Expand access to asset development programs to more low-income families.
- Streamline rules of IDA programs across the country, with consistent rules across the country.
- Create tax incentives to encourage greater participation in asset development by private financial institutions, nonprofit organizations, and credit unions.
- Require more training in saving, banking, and investing for participants in IDA programs.
- Consider expanding the use of IDAs for other purposes, including the purchase and operating costs of automobiles, in order to expand access to employment opportunities.
- Allow IDA participants, whose only wealth may be these accounts, to bequeath the balance remaining to IDAs for their spouses or children.

Child Support/Parental Involvement

- Require states to pass on a substantial share of all child support payments— including monthly payments and arrearages—to families owed such payments, whether they are receiving TANF benefits or have left the rolls. Currently, "16 states pass-through and disregard $50 or more of child support per month… Twenty-seven states and the District of Columbia do not pass-through or disregard any child support for families receiving TANF."[7] Child support payments received by a family should be disregarded in determining eligibility for other benefits.

- Order child support payments to be determined as a percentage of the noncustodial parent's income. Evidence suggests that percentage-based child support orders lead to substantially higher, not lower, payments.

- Require states to revise guidelines so that obligations imposed on poor and near-poor noncustodial parents can be no higher in percentage terms than those imposed on middle- and high-income noncustodial parents.

- Create a program of child support assurance that guarantees a minimum benefit for all families legally entitled to private child support. Such payments must be exempt from current TANF time limits and work participation requirements.

- Restructure the "Illegitimacy Bonus," which rewards states for reducing out of wedlock births, to award funds to states to create responsible fatherhood programs to provide services to non-custodial parents so they can better contribute financially, emotionally, and in other positive ways to their children's development. We support the President's proposal for a Fatherhood, Marriage and Families Innovation Fund.

- Eliminate TANF rules that discriminate against two-parent families in determining eligibility and benefits and treat parents who reside together as a "family" under TANF.

- Eliminate formal payment of child support by cohabitating parents, but count a portion of the second parent's income (for example, 50 percent) in determining eligibility and benefits under TANF.

- Eliminate sanctions on mothers or their families who refuse to pursue child support, especially families at risk of domestic violence.

Economic Stability/Make Work Pay

- Create a new federal incentive program to reward states who improve access to benefits and services through:

  - systematic training of caseworkers to ensure their competency in assessing eligibility and understanding the array of available benefits

  - improving communication between caseworkers and TANF applicants and recipients regarding accessing, using and maintaining benefits

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[7] Koball, Heather and Douglas-Hall, Ayana, (2004 September). State Policy Choices: Child Support. [Online.] Retrieved from http://www.nccp.org/publications/pub_539.html#8 on March 19, 2010.

- enhancing administrative procedures

- simplifying TANF applications and processes

- making evening and weekend office hours available to applicants and recipients

- improving outreach to ensure that those potential recipients are aware of their eligibility and the relevant requirements.

- Sanction states who continue to violate either the spirit or the letter of the law by providing inadequate, incomplete, or false information on available benefits and services.
- Give states greater flexibility in aligning program requirements in all federal benefit programs.
- Modify the current unemployment insurance program to accommodate the work patterns of those in the low-wage labor market. In the short-term, allow TANF recipients to "earn back" months of assistance for months worked.

Improving Assistance to Recipients with Multiple Barriers to Self- Sufficiency

As the numbers of families receiving government assistance has been reduced, those families still on the rolls have severe or multiple barriers to employment. Those barriers typically include low levels of education, minimal vocational skills, or limited English proficiency; lack of access to work supports; and personal or family issues, such as responsibility for a disabled family member, physical or mental health problems, drug and alcohol addictions, or domestic violence. One study found that "about two out of five welfare recipients have two or more barriers to work."[8]

Mental Health. "The proportion of children whose parent reports symptoms of poor mental health was also about twice as high for low-income as for higher-income children (26 percent versus 11 percent in 2002)."[9]

Substance Abuse. National estimates of the welfare population that abuse alcohol or other drugs range from 11 percent to 27 percent.[10]

Domestic Violence. Data from four studies revealed that 15 percent to 32 percent of the women on welfare are current victims of domestic violence and that an additional 60 percent were abused in the past. As of 2005, 39 states and the District of Columbia had chosen to employ the Family Violence

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[8] Golden, Olivia A. (2005). Assessing the New Federalism: Eight Years Later. [Online.] Retreived from http://www.urban.org/UploadedPDF/311198_ANF_EightYearsLater.pdf on March 19, 2010.

[9] Ibid.

[10] Kirby, Gretchen and Jacquelyn Anderson, Addressing Substance Abuse Problems Among TANF Recipients: A Guide for Program Administrators (Final Report), Mathematica Policy Research, Washington, DC, July 19, 2000.

Option (FVO) contained in the PRWORA. Eight additional states have implemented similar policies. [11] The FVO allows states to screen TANF applicants and recipients for domestic violence, provide assessments and referrals to services, and grant good-cause waivers from program requirements that would make it more difficult for individuals to escape domestic violence or place them at risk for further abuse. However, despite the widespread adoption of the FVO, surveys found that only a few women admit to having been abused when they apply for or receive TANF.

Racial and Ethnic Discrimination. Since the passage of the PRWORA, the racial composition of the welfare caseload has changed. From 1997 to 1999, the share of TANF families that reported their race as white dropped from 42 to 33 percent and the share that reported their race as black rose from 34 to 46 percent. To date, few studies have focused on the effect of race/ethnicity on outcomes for applicants and recipients, however, some studies suggest that race/ethnicity has a powerful negative impact. Studies have found higher rates of sanctions among families of color, lower rates of employment, and discriminatory treatment by welfare caseworkers.

Recommendations

Work/Services/Exemptions

- Expand allowable work activities to include treatment and counseling for mental illness, substance abuse, and/or domestic violence.
- Extend time limits for those who are actively participating in activities to overcome one or more barriers to self-sufficiency. However states should be cautious and be required to provide a full range of services needed by recipients with multiple barriers to move toward employment. If the necessary support services are not provided, states should be given greater capacity to exempt recipients with significant barriers from the federal five-year time limit. The current federal cap on state exemptions could be raised from the current 20 percent to perhaps in the range of 30 percent to 40 percent, or federal law could make welfare recipients with certain barriers automatically eligible for exemptions and not counted under the 20-percent limitation.
- Require development of individualized self-sufficiency plans. States must make a greater effort to address the strengths and needs of each family individually, creating individualized packages of programs and services.
- Require use of intensive case management for families with multiple barriers. Families addressing multiple barriers should be assigned one case manager who is qualified to provide services for the family across agency lines. In addition, case managers must have caseloads that permit adequate

[11] Margaret Shriver National Center on Poverty Law (2005, October 20). Uneven Implementation of Family Violence Option. [Online]. Retrieved from http://www.ncdsv.org/images/UnevenImplementationFVOption.pdf on March 8, 2010.

contact hours with clients, must be able to effectively communicate with their non-English speaking clients, and have adequate resources to address clients' needs.

- Encourage states to provide recipients who are victims of domestic violence, mental illness, or substance abuse the opportunity to share their experiences with others. Focus groups promote self-disclosure among participants and provide group support to women who may be intimidated by being alone with a professional.

- Require states to develop procedures to ensure that families with significant barriers are not improperly terminated from TANF benefits (including in-person visits, assessments, and plans to bring the family into compliance).

- Require states to keep all information on client barriers confidential.

Other Programmatic Elements

- Develop uniform verification standards so that if one state verifies the existence of domestic violence, mental illness, or substance abuse, the same barriers do not have to be proved again in another state.

- Require all states to adopt the Family Violence Option (FVO).

- Eliminate the requirement that states must "opt out" if they wish to provide TANF or SNAP benefits for anyone who was convicted of a felony drug offense after August 22, 1996.

Staff Training

- Fund training programs for frontline staff on identifying the basic signs and symptoms of the more common mental health disorders, substance abuse problems, and signs of domestic violence. Training should include information on racial and ethnic discrimination and the eligibility requirements and process for accessing SSI disability benefits. Funds also should be available for cross-agency training.

- Launch a new training and technical assistance effort to strengthen the ability of states to address the needs of the hardest-to-serve recipients. Provide federal grants to states or to national intermediary organizations specifically for the purpose of building state capacity in key areas.

For additional information, contact:
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March 22, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I serve as the Executive Director of the St. Louis Healthy Marriage Coalition (SLHMC), which is one of the participants of the current ACF Healthy Marriage Demonstration Grant (HMDG) and Promoting Responsible Fatherhood (PRF) grantees around the country. We service the St. Louis, Missouri area with skills-based education to enrich the value of healthy relationships for families. This group includes a large number of students, single people, pre-marital couples, married couples and divorced couples. In addition, we hold workshops which help to further educate leaders in our communities to become stronger role models who support healthy relationships.

The SLHMC wishes to express a few concerns about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. The proposal raises some concerns for us, some of which include:

#1 – **Total funding for Relationship Education would be cut from an estimated $111 million per year under the current HMDG/PRF grants to only $7.5 million per year under the proposed FMFIF.**
Under HMDG, five of the eight allowable activities for SLHMC were directly related to Relationship Education for youth, married and unmarried couples and parents. Under FMFIF, only one of the allowable activities falls directly under Relationship Education.

#2 – **This proposal would eliminate funding for the highly successful HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown.**
The SLHMC has not only been successful, it has also been cost-effective. Every year, the SLHMC reaches out to more individuals, students and couples than the year before. In addition, SLHMC works to help create local educators to expand the network of available community educators.

#3 **– The proposed FMFIF would replace the balanced 3-pronged approach that Fatherhood Programs have been operating under for the last several years with a one-dimensional approach that would spend more money on programs that already have considerable funding in place.**
The basis of the PRF grant program is based on a three-pronged model. Those prongs are "Economic Stability", "Parenting Education" and "Healthy Relationships between the Parents". Each part of this model is equally important and necessary to promote a guide for developing a strong and supported family model.

We recognize the vital importance of economic stability for the success of the family. However, economic stability is not sufficient by itself to sustain and strengthen the family unit.

We are simply asking that a small percent of the funding be directed towards healthy relationship skills education so that citizens who are able to acquire and gain economic stability have the personal development skills to sustain stable relationships and families as well as their job.

#4 – This proposed FMFIF would critically hinder the national Marriage Education Movement that so many dedicated Marriage and Family educators have worked to develop.

The HMDG/PRF grants provided funding for a national Marriage Education movement with grantees in forty-six of the fifty states receiving funding under HMDG. (The only states that do not have any HMDG grantees are Rhode Island, Delaware, West Virginia and Idaho). In our own State of Missouri, HM/RF grantees have come together at the State level to collaborate in order to promote and support healthy families across the State.

We are asking that the HMDG/PRF be continued for an additional year. By continuing on for another year with the HMDG/PRF grant, the SLHMC would be able to not only provide more services to the St. Louis area, it would allows us to show the effectiveness of our program. By doing so, we will educate children and families, reduce the divorce rate, enrich relationships across the St. Louis area and strengthen our schools and Community.

Sincerely,

Bridget Brennan, Executive Director
St. Louis Healthy Marriage Coalition
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preliminary research shows that marriage education workshops can make a real difference in helping married couples stay together and in encouraging unmarried couples who are living together to form a more lasting bond. Expanding access to such services to low income couples, perhaps in concert with job training and placement, medical coverage, and other services already available, should be something everybody can agree on..."
Barack Obama, Audacity of Hope, 2006, p.334

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This submission is in regards to the role of the TANF program. I believe that TANF is a much needed resource for low income families in need. Regardless if the "majority" of low income families aren't receiving funds or additional help from TANF, there are still MANY families that depend on TANF to get through the hard times they may face. Food stamps, unemployment, and CalWORKs are other options for those "majority" families who can't receive TANF.

I see TANF as another resource as the ones I mentioned before; a source of help that families can turn to when times are hard. Cutting this program will do nothing but marginalize yet another group of Americans. As a single mother, student, and recipient of CalWORKs, I know what it means to struggle; there are times when you are left alone to raise a child, or several children; when you can't afford to provide food for your child; when a single job isn't enough to get by; when bills overtake you; when school demands attention and time away from your family; or when a family depends on you, solely, to give them what they need. I can't stand by to see others in the same boat as myself get treatment other than what I am receiving. We ALL deserve the same chance to get help up on our feet.

TANF should continue to remain readily available to those who need it. Why take away from a program that is benefitting the least of us? We ALL can benefit from those of us who are able to feel encouraged and relieved to know that they can make it through another day without added stressors to their lives. When people receive help, they can turn around and spin that positive reinforcement into productive and supportive work for the workplace, the community, and their families.

Operation Us
The School of Professional Psychology at Forest Institute
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March 20, 2010

Dear Members of the Subcommittee on Income Security and Family Support of the House Ways and Means Committee:

I am writing as a representative of a current ACF Healthy Marriage Demonstration Grant (HMDG) to express my grave concern about the Fatherhood, Marriage, and Families Innovation Fund (FMFIF) contained in the 2011 TANF Budget proposal that President Obama submitted a few weeks ago. My primary areas of concern are as follows:

#1 – Total funding for Relationship Education would be cut from an estimated $111 million per year under the current HMDG/PRF grants to only $7.5 million per year under the proposed FMFIF.

#2 – This proposal would eliminate funding for the highly successful HMDG programs – without giving grantees the opportunity to demonstrate the success these programs have already shown.

#3 – This proposed approach would violate President Obama's pledge to "fund programs that work and stop funding programs that don't work".

Let us look at each of the above items in more detail:

#1: An estimated $111 million per year is spent on Relationship Education programs under the combined HMDG/PRF programs. Only one of the eleven activities (9%) listed for the Fatherhood and Marriage Fund, specifically "co-parenting services and conflict resolution" can be interpreted as being related to Relationship Education. None of the four activities listed for the Families Innovations Fund is related at all to Relationship Education. This means that of the entire FMFIF funding, only an estimated $7.5 million per year likely to be spent on Relationship Education in the proposed budget.

#2 We know that the HMDG programs are <u>successful</u> based upon the following:

Seven published meta-analytic studies have demonstrated that Marriage/Relationship Education programs work to improve couples' communication skills, problem-solving skills and relationship satisfaction. Current HMDG grantees have received thousands of positive testimonials from program participants.

Here in Missouri we are seeing lives changed each week as single parents make better choices about what constitutes a safe and healthy relationship for themselves and their children. Couples, married and unmarried, learn the skills to form and maintain a safe and stable home for the benefit of their kids. High school students learn "relationships smarts" to help them in their current dating and future committed relationships.

As a licensed marriage and family therapist, a licensed clinical psychologist, and a professor who trains future mental health professionals, I have observed that marriage and relationship education is *a* ***highly cost-effective delivery program that is often more effective than individual and couple therapy delivered by professionals****. If we want to do something about driving down health care costs, we should give much more attention to how to deliver these highly effective relationship education services since the links between healthy marriage and overall health and wellbeing are well established*.

#3 – During his election campaign, President Barack Obama pledged that, if elected President, he would "fund programs that work and stop funding programs that don't work". Pulling the plug on the HMDG/PRF programs at this time would violate that pledge because the HMDG/PRF grantees, have not been given the opportunity to present their evidence that these programs do, in fact, work.

These very promising HMDG/PRF programs make up less than 1% of the total TANF budget. Over the past seven years, I've had the privilege of serving as the Project Director of two different ACF grant. From my experience with Program Officers and ACF programs, I know that you all care very deeply about insuring that the work of ACF has maximum value for children and families across America. I hope that you see the critical importance of moving forward and building upon the groundbreaking HMDG/PRF foundation that we have laid.

Sincerely yours,

Jennifer L. Baker PsyD LMFT
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The School of Professional Psychology at Forest Institute
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Testimony of

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Before the

Subcommittee on Income Security and Family Support House Committee on Ways and Means

Hearing on TANF's Role in Providing Assistance to Struggling Families

Under TANF 70% of funding money goes to the welfare bureaucracy and only 30% goes to the payments to families with children. Before TANF 80% of the AFDC money went to payments to families. TANF has been a resounding success for the welfare bureaucrats and catastrophe for the poor.

CCWRO's VIEW OF WELFARE REFORM

Welfare Reform generally turns out to be Deform.

For the past 30 years most of the so-called welfare reform proposals have proposed and enacted changes that make things worse for the impoverished children and families on welfare.

What was the primary message of current Temporary Assistance to Needy Families (TANF) P.L. 104-193 - the 1996 welfare Deform bill? The message is anti-family and anti-child. There are two clear messages in the current program:

(1) *working* is more important that *parenting*"; and

(2) your *job* is the most important thing in your life. Your *family* comes after your *job*.

Most people view their family and parenting as the most important missions in their lives - but not for poor families and children in the United States of America. To this day welfare officials and politicians continue to insist that *working* is more important than *parenting*. Although after the 1996 TANF Bill caseloads went down, the truth is poverty has gone up. The caseloads went down because people started timing out (60 month limit). This meant families stopped receiving aid they still needed

Under TANF 70% of funding money goes to the welfare bureaucracy and only 30% goes to the payments to families with children. Before TANF 80% of the AFDC money went to payments to families. TANF has been a resounding success for the welfare bureaucrats and catastrophe for the poor.

What is Real Welfare Reform? Real welfare reform is to make things better for families and children. Under the current TANF program many women have to participate in a workfare activity for the welfare bureaucrats the day after their baby is born. No breast-feeding for many poor babies born in America – this is known in some quarters as "welfare reform". Parents should be allowed to parent in dignity. If we can afford to give trillions to the rich and spend billions on wars of choice, why can't we spend a miniscule part of that money on the impoverished families and children of America? Is this a Christian Nation?

Do TANF recipients receive $33,000 a year? Mr. Rector of the Heritage

Foundation asserts that welfare recipients receive $33,000 a year. Mr. Rector in his multipage testimony fails to identify one case number in the United States of America that receives $33,000 and receives TANF benefits. The reason is that there is no family that receives $33,000 a year in the United States of America except for families that exist in Mr. Rectors' imagination. These are the same kind of lunatic claims that Bagdad Bob was making when the U.S. invaded Iraq and the Soviet propaganda machine was making during the cold war.

The claim is that if a TANF family received every means tested benefit, and then the TANF family would receive $33,000. The reality is that not every TANF recipient is eligible for and able to receive benefits from every means tested program.

However, it is understandable for Mr. Rector to believe that this can be done as his funders, many of whom are filthy rich, often are able to claim so many tax deduction that they end up not paying taxes on their multimillion dollar incomes. His hero, Ronald Reagan, a millionaire, did not pay taxes some years.

RECIPIENT VIEW OF TANF REAUTHORIZATION

TANF is up for reauthorization in 2010. TANF has an ATM machine for States to bilk the TANF program for billions of dollars.

Recently HHS released a comprehensive report entitled "Eighth Annual Report to Congress - June 2009": on the TANF program that reveals the magnitude to of the raid that States have launched on TANF money meant for the impoverished families. Majority of the money is used for reasons other than payments to poor families. http://www.acf.hhs.gov/programs/ofa/data-reports/index.htm#tanfdata

In California TANF grant levels today are what they were in 1989. The Governor is proposing a 15.7% for 2010-2011. California's TANF program has contributed over $15 billion to the California State general Fund since 1998. Not one penny of that $15 billion was ever used to feed or house children of impoverished families living in California. In 2010-2011 the Governor's proposed budget has an estimated $2 billion TANF money scheduled as "contribution to the California General Fund".

To verify whether States have been helping impoverished families with needy children we looked at the TANF Report to Congress that reveals the utter contempt that States have for impoverished families with needy children.

In 2008 only 31% of the TANF money was used for "payments to families". This means 69% of the money was used for other reasons. Some may argue that they used the money for services, such as childcare and transportation. That may be true, but less than 2% of the money was used for childcare and 1% for transportation. What happened to 66% of the money? TABLE #1 reveals the percentage of total TANF funds used for "payments to families" during 2008.

The TANF legislation provides that federal TANF dollars and the required state matching funds have to be used for four purposes: (1) keep needy children in family homes, (2) end dependence on government benefits, (3) reduce out of wedlock births and (4) encourage two parent households as direct assistance to the poor. With these elastic purposes majority of the TANF money can be used for just about anything other than providing payments to means tested impoverished families to meet their basic survival needs.

Page 104 of the 2008 TANF Report to Congress shows what the maximum pay monthly benefits for a family of three has been in 1996, 1999, 2003 and 2006.

• In 24 states the benefits level for a family of three has remained the same from 1996 through 2006.

• 3 states actually had a higher payment level in 1996 than they did in 2006.

District of Columbia 1996 $ 415 - 2006 $407
Hawaii 1996 $712 – 2006 $570
Idaho 1996 $317 – 2006 $309

• 43 states impose full family sanctions against families who allegedly failed to cooperate with the State Work Program. This shows the total contempt that majority of the States have for children; they punish innocent children for what their parents do. It should be noted that many of these children end up in foster care and it destroys families. Moreover, 70% of foster care kids end up in the United States prison system.

• 21 States punish children who were not aborted by their moms and were brought into this world while on welfare. The punishment meted out is not paying any cash assistance for the new born to women who choose not to have an abortion. This is called the family cap policy. Many of these kids end up in foster care because they are removed from the parent for the alleged "neglect". The real neglectors are States that punishes women for not having an abortion.

TANF has been an ATM machine for States bilking the program while totally neglecting impoverished families with children. TANF reauthorization should reverse this phenomenon and require that at least 70% of the total TANF funds be used for "assistance payment to families". It shall also restrict states from denying aid to children for any behavior of the parents. Children should not be victimized due to the behavior of the parents with family caps, sanctions and other penalties against infants and minor children. There should be no time clock ticking for parents who are working. All of these punitive policies are a result of "state flexibility which breeds full family sanctions, family caps, fleecing the TANF program and other anti-family and anti-child TANF policies

RECIPIENT VIEW OF TANF RECOMMENDATIONS MADE BY WELFARE ADMINISTRATORS

" • Maintain the base TANF funding and formula allocation, and fold current supplemental funds into each eligible state's base.

• Increase the current level of overall funding for the basic TANF block grant using the Consumer Price Index (CPI) increase since 1996 and employ reasonable allocation methodologies for new funds.

• Extend availability of existing Emergency Contingency Funds (ECF) through FY2011 and explore adding funds prior to reauthorization."

It is important that people practice what they preach. APHSA officials complain that the funding they receive in 2010 is the same that they received in 1996. That may be true, but how much do they pay the needy families? Their needs have also gone up? What States have done is taken from the poor families and increased their bureaucratic budgets. That is why 70% of the TANF money is used for the bureaucracy and 30% to house and feed the families.

We OPPOSE increasing funding for TANF and indexing the TANF money for States that do not index the "payment to families". Funding increases should come with strings because like the banks, state welfare bureaucracies have a proven track record of depriving the poor to enrich themselves.

"Establish a standardized MOE requirement at 75 percent."

We OPPOSE establishing an across the board 75% MOE requirement. We would **SUPPORT a 75% MOE requirement for those states that use 70% of more of their total federal and MOE allocation for "payment to families"**. Payments to families should be defined as a cash aid payment to families to make sure that State do not employ manipulative policies that result in "payment to families" being something other than cash aid payments to families.

Restore counting MOE under TANF purposes 3 and 4 without restriction to "eligible families."

We OPPOSE this recommendation as purposes 3 and 4 (reduce out of wedlock births and encourage two parent households as direct assistance to the poor) have been used to take money out the mouths of hungry children and use it for

State to balance their budgets by manipulating the provisions of purposes 3 and 4. It is because of purposes of 3 and 4 that California has taken $15 billion from poor families and kept their grant levels at the same level in 2010 that they were in 1989. This is unconscionable.

" Revise regulatory penalty provisions, thus making the option of appeal more viable for states."

We OPPOSE this recommendation and suggest that States receive the same type of appeals rights that they make available to TANF families. The current appeals process for States is most generous compared to the penalties that States impose on TANF families for allegedly not participating in a TANF activity. Many states provide that lack of childcare is not a god cause for nonparticipation. It is appalling.

We would SUPPORT changing the State TANF penalty system to be consistent with the type of appeal process states make available to TANF recipients.

CCWRO RECOMMENDATIONS FOR TANF REAUTHORIZATION

• 70% of the TANF money shall be used for "assistance payments to families". Assistance payment shall be defined as "cash aid payments to families;

• No penalties/sanctions/family caps against innocent children of America

Many states punish children for what their parents do. This is cowardly behavior and it is immoral. It is child abuse. No child should be punished for what its parents do. There is no evidence that sanctions have resulted in any positive behavior. In fact, most businesses used the *positive* incentives rather than *negative* incentives to get desired outcomes. States always ask for positive incentives to produce desired outcomes and insist on a very vigorous appeal process before any "negative penalties" can be imposed upon them, yet they rarely practice what they preach when it comes for poor families of America.

• Stop the clock for working TANF families.

There is no time clock for foster care payments, for social security payments, for congressional pensions, yet somehow tome limits have been imposed upon poor families. We believe time limits are immoral, but they are especially immoral for working persons.

• Protect Families from rogue States who refuse to have a TANF program

California Governor Schwarzenegger has proposed to eliminate the TANF program for the second year in a row. This has caused great unrest in the low-income community. Children are at risk and they need to be protected. The elimination of the TANF program would mean that hundreds of thousands of families would break up, children will end up in foster care homes.

We would SUPPORT legislation that would have the federal government operate the TANF program in lieu of the State. This can save a lot of money for the federal government. In California alone, it can save a billion or more each year.

If Congress decides not to take over the TANF program from the states to stop the state fleecing of federal dollars, then at least Congress should adopt a process whereby the federal government would operate the TANF program if a state elects to opt out of the TANF program.

2008	Total TANF Expenditure	Basic Assistance Payments		Child Care		Transp.		Total Expend. For Non-Assistance	
TOTAL	28,129,745,092	8,648,970,019	31%	554,679,148	1.97%	323,605,580	1.15%	18,082,991,966	64%
ALABAMA	142,703,450	40,713,175	29%	37,671	0.03%	4,900,361	3.43%	97,052,243	68%
ALASKA	62,618,543	33,507,885	54%	7,443,863	11.89%	880,853	1.41%	20,785,942	33%
ARIZONA	348,648,363	121,767,061	35%	0	0.00%	1,424,026	0.41%	225,457,276	65%
ARKANSAS	144,429,058	13,515,457	9%	0	0.00%	0	0.00%	130,913,601	91%
CALIFORNIA	6,687,297,080	3,252,007,950	49%	192,761,394	2.88%	139,782,105	2.09%	2,937,310,095	44%
COLORADO	230,522,823	42,639,891	18%	0	0.00%	2,634,585	1.14%	185,248,347	80%
CONNECTICUT	496,433,622	100,482,895	20%	4,480,387	0.90%	0	0.00%	389,671,996	78%
DELAWARE	68,010,869	13,475,885	20%	1,621,354	2.38%	0	0.00%	52,913,630	78%
DIST.OF COLUMBIA	160,828,810	21,414,961	13%	0	0.00%	0	0.00%	139,413,849	87%
FLORIDA	948,327,470	158,913,733	17%	15,898,847	1.68%	635,998	0.07%	772,878,892	81%
GEORGIA	614,970,867	74,073,720	12%	23,098,641	3.76%	18,977,631	3.09%	498,820,875	81%
HAWAII	229,161,027	48,682,475	21%	0	0.00%	0	0.00%	180,478,552	79%
IDAHO	34,736,983	5,505,784	16%	0	0.00%	82,262	0.24%	29,148,937	84%
ILLINOIS	1,013,298,702	60,486,523	6%	0	0.00%	2,463,217	0.24%	950,348,962	94%
INDIANA	307,914,275	76,018,087	25%	0	0.00%	<1,315,337>	0.00%	233,211,525	76%
IOWA	172,539,579	60,106,428	35%	10,194,971	5.91%	3,012,950	1.75%	99,225,230	58%
KANSAS	176,155,602	46,132,310	26%	9,790,508	5.56%	7,440,574	4.22%	108,333,225	61%
KENTUCKY	193,155,383	106,151,412	55%	11,828,452	6.12%	6,190,026	3.20%	68,985,493	36%
LOUISIANA	172,783,957	37,860,309	22%	8,368,074	4.84%	1,340,716	0.78%	125,214,858	72%
MAINE	126,825,275	70,200,037	55%	7,649,780	6.03%	18,309,820	14.44%	30,665,638	24%
MARYLAND	405,147,673	113,031,371	28%	124,464	0.03%	86,880	0.02%	291,904,958	72%
MASSACHUSETTS	915,028,670	293,351,120	32%	0	0.00%	0	0.00%	621,677,550	68%
MICHIGAN	1,229,605,394	337,949,681	27%	47,083,998	3.83%	0	0.00%	868,796,780	71%

MINNESOTA	434,519,789	70,883,104	16%	0	0.00%	0	0.00%	363,636,685	84%
MISSISSIPPI	91,104,043	18,481,700	20%	0	0.00%	6,821,883	7.49%	65,800,460	72%
MISSOURI	332,477,116	113,778,808	34%	0	0.00%	0	0.00%	218,698,308	66%
MONTANA	39,140,456	14,226,840	36%	1,313,990	3.36%	0	0.00%	21,422,047	55%
NEBRASKA	94,112,951	23,167,357	25%	0	0.00%	0	0.00%	70,945,594	75%
NEVADA	84,705,650	24,292,338	29%	1,411,542	1.67%	5,030,033	5.94%	53,971,737	64%
NEW HAMPSHIRE	85,297,320	23,824,195	28%	0	0.00%	0	0.00%	54,775,926	64%
NEW JERSEY	954,549,189	200,065,680	21%	26,374,178	2.76%	17,117,303	1.79%	710,992,028	74%
NEW MEXICO	128,692,434	55,006,875	43%	2,895,258	2.25%	199,255	0.15%	70,591,046	55%
NEW YORK	4,422,854,615	1,428,242,373	32%	101,983,998	2.31%	0	0.00%	2,632,069,218	60%
NORTH CAROLINA	446,893,081	79,891,677	18%	0	0.00%	0	0.00%	366,010,956	82%
NORTH DAKOTA	37,086,344	7,630,285	21%	1,016,606	2.74%	126,630	0.34%	18,845,112	51%
OHIO	1,501,163,076	307,203,938	20%	0	0.00%	10,702,454	0.71%	1,183,256,684	79%
OKLAHOMA	175,918,077	20,707,125	12%	10,989,081	6.25%	19,094,071	10.85%	114,424,686	65%
OREGON	309,176,612	91,724,605	30%	23,404,314	7.57%	8,388,665	2.71%	157,873,772	51%
PENNSYLVANIA	961,552,372	218,530,827	23%	0	0.00%	19,246,350	2.00%	723,775,195	75%
RHODE ISLAND	109,182,938	40,730,642	37%	1,568,972	1.44%	157,351	0.14%	66,725,973	61%
SOUTH CAROLINA	170,362,249	34,628,615	20%	0	0.00%	3,247,351	1.91%	132,486,283	78%
SOUTH DAKOTA	28,545,277	12,784,415	45%	802,914	2.81%	0	0.00%	7,731,088	27%
TENNESSEE	290,193,867	93,722,337	32%	23,928,314	8.25%	454,178	0.16%	172,089,038	59%
TEXAS	821,875,550	98,128,017	12%	0	0.00%	249,439	0.03%	677,074,708	82%
UTAH	85,708,335	24,891,496	29%	6,482,243	7.56%	1,547,667	1.81%	52,786,929	62%
VERMONT	72,143,568	26,058,457	36%	0	0.00%	6,120,945	8.48%	39,964,166	55%
VIRGINIA	271,076,657	92,994,978	34%	6,462,908	2.38%	0	0.00%	171,618,771	63%
WASHINGTON	704,948,904	267,864,015	38%	0	0.00%	0	0.00%	437,084,889	62%
WEST VIRGINIA	115,181,837	31,148,455	27%	4,108,719	3.57%	14,951,851	12.98%	64,972,812	56%
WISCONSIN	452,884,898	89,486,194	20%	0	0.00%	0	0.00%	363,398,704	80%
WYOMING	27,254,412	10,886,521	40%	1,553,707	5.70%	3,303,487	12.12%	11,510,697	42%
Total	28,129,745,092	8,648,970,019	31%	554,679,148	1.97%	323,605,580	1.15%	18,082,991,966	64%

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March 16, 2010

To: The TANF (Temporary Assistance for Needy Families) Hearing Committee,

I am writing to add my voice and story for your consideration respecting the effectiveness of the TANF (Temporary Assistance for Needy Families) program in WA state. I am a 33 year old mother of one 16 month old boy. My pregnancy was not planned and fell in the end of my junior year at the University of Washington.

My son's father and I had ended our romantic relationship after an unsatisfactory two years of dating, only to find that we had conceived a child after our break-up. I was unsure of his involvement, and he is not a good provider. After taking a hard look at my financial reality, I decided to apply for food stamps. Following my visit to the Capitol Hill Community Services Office (CSO), I was encouraged to apply for TANF assistance as well.

Because I was in college, and then due to my child's age, I was left alone to focus on raising my baby and finishing school. I am pleased and proud to report that I earned my Bachelor's Degree in Comparative History of Ideas in December, 2009. Throughout my pregnancy and the first twelve months of my son's life, I complied with all requirements to receive ongoing assistance from TANF. Some of these requirements were embarrassing, degrading, and insulting.

For example, to "prove" that I was attending class, I was given attendance sheets to have signed by each of my college professors on a daily basis. I can not understand how infantilizing adult women serves in their best interest. From my personal experience, single moms and poor moms are some of the most hard-working, under-respected, and least supported people in our city. The rules of TANF only encourage the continued marginalization of an already underserved and struggling population.

Now that my son has reached an age considered appropriate by "Work First" to enter daycare, my continued financial support via TANF will only continue if I find DSHS compatible full-time daycare arrangements, whether or not I am working full-time. The guidelines for all inclusive daycare for all babies aged twelve months and older is not designed with the child's, mother's, or family's best interest in mind.

According to TANF, the mission statement it promises is to "provide assistance to needy families so that **children can be cared or in their own homes, or in the homes of relatives**". This is a beautiful thing. As a poor working mom, the only thing I *can* give my son is the love and nurturing he deserves from being cared for by people who honestly have his best interest at heart. Throughout college, my son's father, grand-father, and close family friends were the only people I trusted to provide loving, safe, and supportive daily care for my child. To deny that now is going against all of the love and time our family has invested in producing a valued member of society.

My continued success in the TANF and Work First programs seem tenuous, at best. I have worked, and continue to work part-time as a self-employed contractor. I would be working more and making more money if there was more work to be had. This country is in the midst of a huge economic crisis, and I am not relaxing at home with my TANF funds each month. I am working as a contractor, raising my son, looking for work, and have been a full-time student for the past four years. TANF has the capacity to actually provide me with a leg up, so that I can be a success and stay out of the welfare system, but instead it is designed to make failures the norm.

By forcing involvement into daycare (TANF) and requiring that I "sign in" to the Work First office every day (within a certain one-hour time frame), feelings of subjugation are the natural end result. Averaging out my monthly TANF grant by 35 hours per week (the required minimum hours to "be looking for work full time"), the pay scale is under $1.00 per hour. Not only is this illegal under state law, but it also violates American's rights under the Thirteenth Amendment which states:

"Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction".

By use of financial control, TANF directly contradicts my rights as a free individual and the rights of my child. Temporary Assistance to Needy Families only provides the promise of help. The strings attached go beyond an acceptable measure, nor do they make economic sense. The state will pay for my daycare provider, which is certainly much more costly than my TANF allowance. The state will pay for the continued operation of Work First offices, but they are understaffed, unproductive, depressing modes of control.

As far as I'm concerned, the grant provided by TANF is like wearing an electronic cuff, essentially making me a ward of the state. It dictates where my child spends his day and where I spend mine. If this is the image of a governmental program success, I would hate to see a failure.

I do not mean to come across as ungrateful or hateful. I am very grateful for the help I have received from TANF and am nervous about my economic future without it. However, the system is not designed to work. A drastic overhaul could save millions of dollars and uphold the mission statement TANF set out to fulfill: to provide funds for needy families so that children may be cared for in their homes or those of relatives. It is simple. It can work. But it is simply not working.

Sincerely,
Meg L Krukonis

Together, Making Children and Families a National Priority

STATEMENT

SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT
THE COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

HEARING ON
TANF's ROLE IN PROVIDING ASSISTANCE TO STRUGGLING FAMILIES

MARCH 11, 2010

The Child Welfare League of America (CWLA), a ninety year-old organization representing hundreds of public and private child-serving member agencies located in all fifty states, offers the following comments and principles in regard to the reauthorization of the Temporary Assistance for Needy Families (TANF) reauthorization.

TANF was created in 1996 as part of a federal effort to reform public assistance. The law creating TANF fundamentally changed the way the federal government provides assistance to low-income families with children. Instead of providing an open-ended entitlement to parents with children under the Aid to Families with Dependent Children (AFDC) program, TANF became a capped block grant distributed from the federal government to the states.

TANF funding continues at the same level of funding set in that year at $16.5 billion, along with smaller bonus funds. States are no longer required to provide matching state funds to draw down federal AFDC dollars, but they do have to maintain a specific level of spending, or maintenance-of-effort (MOE). States must spend 75 percent to 80 percent of what they were spending under AFDC.[1] States have to use TANF funds to serve families with children with the reduced state spending tied to how much a state has reduced its cash assistance caseload of families. Within these parameters the law allows broad flexibility in how funds are spent. State may set their own income eligibility standards, time on assistance, and benefit levels. States may spend federal TANF funds on a range of services in addition to cash assistance. States can establish different income eligibility standards for each program funded by the TANF block grant.

TANF is significant to child welfare in two ways. First, state surveys indicate that nearly 20 percent of federal child welfare funds (over $2.3 billion a year) comes from the federal TANF block grant[2]. These TANF funds represent a significant source of federal funding for child welfare services including prevention and wrap-around services. Second and sometimes overlooked, TANF touches the lives of some of the same families that are affected by a state's child welfare system. With approximately 65 percent of children abused and neglected falling into the neglect category, many of these serious cases of neglect involve issues of income support, lack of mental health and substance abuse services, housing, proper supervision and lack of family supports, and other complex issues that lead to negative effects on child well-being. Some of these challenges can be addressed under TANF. In addition, AFDC and now TANF have always included a classification of families where the adult does not receive a benefit but the child does. These child-only families include a significant percentage of families who are relative or kinship care families.

Child Well-Being Recommendations

Coordination Between TANF and Child Welfare

In 2002, the Bush Administration proposed to tie child well-being to the purposes of the TANF statute. The original purposes in the 1996 act did not include such provisions and they were not adopted in 2002. CWLA again encourages Congress to consider strengthening the purposes of TANF in this way. In 2008 this Subcommittee took a significant step in passing the Fostering Connections to Success and Promoting Adoptions Act (PL 110-351). Part of the significance of this act was that it more formally began the process of linking the child welfare system to child well-being. Included in this new law is a directive to state child welfare agencies to better coordinate with state Medicaid agencies as well as other health care entities to improve health care for children in care. The law also directs that child welfare agencies better coordinate with local education agencies on assuring that children in foster care are guaranteed better access to education. CWLA is now advocating to various congressional committees that the same directive that now exists for state child welfare agencies also be extended to state and local education agencies.

As this Subcommittee reviews this reauthorization and as it attempts to build on the Foster Connections to Success Act, we urge you to consider better and stronger coordination and consultation between state TANF agencies and child welfare agencies. There are numerous ways in which coordination and consultation might improve state TANF policy in regard to child well-being. Challenges and problems exist in both child welfare and TANF including child poverty, adequate housing, access to mental health services, substance abuse treatment, the role of relative care and time limits Stronger coordination of policy and practice between these systems would be a significant gain in federal policy and would be consistent with recently enacted legislation.

Child Poverty

Before the full impact of this recession is realized, this nation had already experienced significant increases in poverty overall and child poverty in particular. Between 2007 and 2008 poverty rates had increased to a rate of 13.2 percent[3], up from the rate of 12.5 percent in 2007. This came on top of increases in the middle of the last decade despite not being in a recession. The impact of TANF on child poverty has declined markedly over ten years and particularly on children in deep poverty (those in families at less than 50 percent of the federal poverty levels). According to the [4]Center on Budget Policy and Priorities, by 2005 TANF was lifting only 650,000 out of deep poverty compared to 2.2 million children being lifted out of deep poverty in 1995. If we are concerned about improving the well-being of the most vulnerable children in this country then these numbers can't go unchallenged.

Within the context of TANF and the next reauthorization there are a number of important steps that Congress can take to help address this challenge. One such step is to begin tracking the number of children in deep poverty and tracking how many of these families are receiving TANF assistance. This data should be collected by state as a measure of where progress is being made and where children are worse off. By doing this, it will influence both the debate and the policies being implemented.

Screening for Services

CWLA recommends that all families seeking TANF assistance should participate in an initial screening by a trained caseworker to identify and screen for barriers to work, such as substance abuse. This initial screening would identify potential barriers that interfere with the family's ability to work requisite hours and otherwise comply with program requirements. If the screening identifies potential barriers for the parents or safety risks for the children, the caseworker should conduct a full family assessment and, where necessary, refer the family member for a professional evaluation to assess substance abuse, behavioral health, or other concerns beyond the worker's expertise.

We also believe that TANF workers should be trained to screen for barriers to work that include substance abuse, physical and behavioral health, and domestic violence, and risk to child safety. Workers should also receive training in family assessment, enabling them to assess the needs, strengths, and resources of families as a tool for developing a plan that will lead to successful work and promote a safe environment for the children. Finally, for families already involved with the child welfare system, workers should be encouraged to conduct joint assessments and planning with child welfare so that both systems support families in their efforts to succeed in the workplace and as parents.

Funding levels

Funding levels need to be addressed if we are to make TANF into a more effective safety net. The TANF block grant is still based on financial data from more than 15 years ago. In addition the contingency fund under TANF should also be strengthened. This fund was little used through its first reauthorization but in this deep recession that has not been the case. Were it not for the American Recover and Reinvestment Act (ARRA) and the additional TANF emergency relief provided through that measure, many families would be in even worse shape. The lesson should not be missed. If enhanced emergency funding provided in a more permanent structure of a contingency fund is not part of this reauthorization states will be forced into a policy that causes them to restrict cash assistance, subsidized job creation and other support measures. If an act of Congress is required to make recession relief funds available, then states will be reluctant to use their annual block grant in ways that could help families leave poverty on the belief they may need to hold onto annual TANF funds for a future emergency. We urge the Congress to look at measures that will respond to a recession in an automatic or systematic way.

Workforce Incentives

TANF was designed with a set of outcomes tied to adults going to work either full or part time. Unfortunately although this was an outcome written into the law, the cash incentives for states in the form of reduced state spending requirements was tied to a policy of reduced caseloads. A reduced caseload means reduced state work benchmarks. Meeting those benchmarks means the state has the ability to meet the lower spending requirement. The caseload reduction benchmark became the informal measure of success and received all of the press attention. Success of TANF was not focused on adults going to work and being able to support their families but rather it was on the number of adults leaving cash assistance. In many instances we don't know where these people went and how well their families have done. In 2006 fewer people left TANF for work (18.7 percent) than for failure to cooperate or sanctions (29 percent). [5]

CWLA urges Congress to redesign this caseload reduction credit. In 2002, Chairman Sander Levin introduced the "Making Work Pay Act," H.R. 4057. That legislation would have amended TANF to reward states by providing a work credit (and reduced state spending) based on the adults who left TANF for work. His proposal in fact increased that work credit if that person went to a higher paying job. We urge Congress to replace the current caseload reduction credit with one based on people leaving TANF to go to work. This will help shape work policies and improve the well-being of those children in TANF families.

Child Welfare and TANF Recommendations

Relative Care
TANF creates a five year limit on access to federal cash assistance funds. Some states have shorter or longer limits. In addition there may be additional time limits on access to education, job search activities, and participation in substance abuse treatment and other elements in a TANF program. There are also national time-limits through child welfare law on states to make decisions on the placement of children including the termination of parental rights. TANF and child welfare agencies may not always be housed in the same state agency, their budgets may be separate and their policies may not always be crafted by the same officials. Just as this Subcommittee directed greater coordination between child welfare agencies and education and health agencies you should also require greater coordination between the TANF cash assistance programs and state child welfare programs.

With the enactment of the Fostering Connections to Success Act, Congress now allows, as a state option, the ability to establish formal kinship/guardianship programs through Title IV-E funding. In [6]2005 of the 1.5 million children in TANF child only families, 460,000 were children living with a relative, usually a grandparent. These families received a smaller monthly grant than they would have under a formal Title IV-E kinship care grant. Many of these families may be better served through TANF as they are not involved with the child protection or child welfare system, at the same time we would not want decisions of a state to take or not take the Title IV-E subsidized guardianship option solely based on the status of a state's federal TANF funding reserves or whether or not a Title IV-E program requires a state match. Rather the decision of whether a child is served by TANF or by child welfare should be based on individual cases and as always, the child's best interests. A strong kinship/guardianship program will not only support a relative family with a monthly grant but with needed post-permanency services. These services may not be automatically available under a TANF program. A TANF program's casework is structured differently. CWLA looks forward to working with the Subcommittee on ways in which greater collaboration and coordination between child welfare and TANF can be included in the next reauthorization.

Work Requirements
CWLA urges Congress to carefully consider changes to the existing TANF work requirements and how they will affect children. One of the important messages of the 1996 law was the emphasis on work. The value of a job is important because it provides obvious financial benefits to children. A quality job that allows a parent to advance in skills and income is important to families and children. A good job strengthens opportunities for parents that can benefit children. TANF already includes definite work requirements and targets for parents and states. In 2005 these requirements became more stringent. At the start of the debate over the last reauthorization there was much talk about those families still struggling on TANF, sometimes described as the hard to serve. These families, if they are still on assistance, still face some of the same difficulties in terms of learning disabilities, access to needed mental health services, mental health screening, substance abuse services and educational needs. Other families such as many living in remote rural areas have other challenges not the least of which are access to jobs.

A recent study by Children's Rights of the families in the New York City foster care system analyzed some of the barriers these families are facing. Of the parents involved with the foster care system:[7] 51 percent of parents did not receive needed mental health screening, 30 percent did not receive needed substance abuse treatment, and 56 percent did not receive needed parenting skills classes. In addition, the study found that the most common allegations and concerns identified when children entered foster care included inadequate supervision (57 percent), parental drug and alcohol misuses (54 percent), parental mental illness (27 percent), and inadequate food/clothing/shelter (25 percent).

Failure to help families with such challenges and barriers may later show up in a state's child welfare system. We urge Congress to take a closer examination of the work requirements under TANF particularly as they relate to improved education, access to needed mental health and substance abuse services, and other barriers that may prevent someone from successfully transitioning to a permanent job.

In addition to these barriers we suggest Congress restore the original two-parent family work requirements that were less punitive than current work requirements. The original law recognized that many of the two-parent families on assistance faced significant barriers from being in rural areas where jobs may not allow both parents to work full time, to disabilities for one of the spouses or a child, to other challenges. The work requirements enacted were too restrictive and were in fact anti-marriage despite the intent of some of the proposed reforms of that reauthorization. We strongly urge Congress to eliminate the 90% work requirement for two-parent families that are unrealistic especially in rural areas and other areas that have limited job opportunities.

Child Care

With or without increased work requirements, as a nation we must face the fact that our society has changed. Record levels of single parents with young children are in the workplace. Increasing numbers of two-parent families are discovering they need two incomes to make ends meet. As a result, we have an ever-growing need for child care.

CWLA applauds President Obama's FY 2011 budget proposal to substantial increase child care funding through the discretionary appropriations process and through an increase in mandatory funds.

The decade of the 1990s represented a historic increase in child care funding. It is also true that these increases came at the very same time as we experienced record workforce participation by parents with school-age and preschool children. In the 1990s, we also began to recognize the importance of early brain development and its impact on our national goals for education and child well-being. Despite these increases and progress made in the late 1990s funding for the Child Care and Development Fund (CCDF) is inadequate after a decade of near freezes in funding. Many families have been placed on long waiting lists to get the financial support they need and for which they are eligible. And waiting lists do not tell the full story, since many lists may be limited in some way, and in some instances lists are not kept because the need is so great. Existing resources simply are not enough to meet the need.

In addition, states do not have adequate resources to ensure that child care services provided are of high quality. Many families who do receive child care support are forced to choose lower quality programs because states don't have the funds to reimburse programs at a level necessary to ensure quality.

We hope this Subcommittee will give the President's proposal for an $800 million increase in child care funding through Title IV-A its strongest support. Improving the supply and the quality of child care funding is fundamental to strengthening both TANF and our early childhood learning system. Adequate and quality child care is also a child welfare issue and a child-well being issue of the highest importance.

Other Block Grants and Funding

Title IV-E Foster Care and Kinship Care
The 1996 TANF law repealed the eligibility standards for AFDC. The TANF law of 1996 required states to look back to the AFDC rules that existed on July 16, 1996, to determine eligibility for Title IV-E Foster Care and Adoption Assistance. Thanks to the efforts of this Subcommittee and Congress this look-back or link is being phased out for adoption assistance. We now need Congress to finish the job in regard to foster care and the kinship care program. Whether Congress does this as part of this reauthorization or as a second phase of child welfare reform that also takes into account the need for greater prevention and post-permanency services, CWLA looks forward to working with you to remedy this situation.

Social Services Block Grant
The Social Services Block Grant (SSBG) has long been a vital source of human services funding. SSBG, like TANF provides significant child welfare funding. Other human services programs covered by SSBG include services for the aging and people with disabilities. Many of these services are provided by community and faith-based organizations. While states continue to use SSBG funds for child welfare, child care and other services, the reduction in SSBG funding since 1996 has eroded the block grant to such an extent that many human services are in competition for these funds. This comes at a time when the recession is increasing demands for services through the non-profit and religious community. These providers have always benefited at least indirectly through SSBG funding. CWLA urges Congress to restore SSBG. Originally it was reduced from $2.8 billion to $2.3 billion in 1996; SSBG was to be restored after five years. Instead of a restoration, a transportation reauthorization in 1998 cut SSBG further as an offset. We urge Congress to reverse this.

As part of that same highway funding bill, Congress (for budget scoring purposes) reduced the states ability to transfer 10 percent of TANF funds into SSBG to 4.25 percent. Each year appropriators pass a one-year restoration back to 10 percent for that fiscal budget. We urge Congress to permanently restore the transfer to 10 percent.

Conclusion

The reauthorization of TANF can provide an important opportunity for Congress to build on the progress made when the Fostering Connections to Success Act was passed in 2008. In addition if Congress acts this year to fund child care at the levels the President has requested in his 2011 budget Congress can help build a better early childhood education system and help millions of struggling families across the country. We look forward to working with this Subcommittee in the coming months on these two important programs as well as your continuing work on child welfare financing.

FOOTNOTES:

[1]. Administration on Children Youth and Families. *Major Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pl 104-193).* Available online at *http://www.acf.hhs.gov/programs/ofa/law-reg/finalrule/aspesum.htm*.
[2]. DeVooght, K.; Allen, T.; & Geen, R. (2008). *Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2006.* Washington, DC: Child Trends.

[3]. Center on Budget Policy and Priorities. (2009). *Poverty Rose, Median Income Declined and Job-based Health Insurance Continued to Weaken in 2008*. Washington, DC: Author.
[4]. Center on Budget Policy and Priorities. (2009). *Safety Net Effective at Fighting Poverty But Has Weakened for the Very Poorest*. Washington, DC: Author
[5]. (2009).*TANF Eight Annual Report To Congress*. Washington, DC: Available online at: . http://www.acf.hhs.gov/programs/ofa/data-reports/annualreport8/ar8index.htm
[6]. Administration on Children Youth and Families. (2009). *TANF Eight Annual Report to Congress*. Washington, DC: Available online at: . http://www.acf.hhs.gov/programs/ofa/data-reports/annualreport8/ar8index.htm.
[7]. Children's Rights. (2009). *The Long Road Home:A Study of Children Stranded in New York City Foster Care.* Available online at http://www.childrensrights.org/policy-projects/foster-care/permanency-in-new-york-city-2009. New York:Author

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How TANF has helped my family

I have been participating in the welfare to work program for about a year and it has completely changed my life. Being a young single mom I didn't know how I would be able to acquire the skills to provide adequately for my son. I felt overwhelmed and unsure of my worthiness as a mother.

When I started the welfare to work program I finally was able to pursue my dreams! I am in school studying to become a Yoga Instructor and I am completely grateful to the program for providing the necessary childcare, textbooks, and money for food and rent. Without this help I don't know what I'd be doing! I am on my way to being a self-supporting single mom and I have this program to thank!

Committee on Ways and Means
Subcommittee on Income Security and Family Support
1102 Longworth House Office Building
Washington, DC 20515

March 12, 2010

Dear Chairman McDermott and Ranking Member Linder,

In preparation for reauthorization of the Temporary Assistance for Needy Families (TANF) program, Single Stop USA conducted two focus groups with low-income individuals seeking or receiving public assistance. The enclosed paper outlines key findings from this endeavor.

To provide some background, Single Stop USA is a national non-profit organization that fights poverty nationwide using efficient, measurable solutions to maximize the reach and effectiveness of existing anti-poverty resources. Working with government, private funders, corporate partners and community-based organizations, Single Stop removes barriers to connect greater numbers of people with public benefits (including TANF, food stamps/SNAP benefits, and public health insurance), tax credits, and services. Single Stop has more than 60 sites in four states that are located at community-based organizations and community colleges. At Single Stop sites, struggling families receive help accessing public benefits, receive free legal and financial counseling and free tax preparation services—getting the immediate relief needed to ultimately move up the economic ladder.

With direct service programs on the ground, Single Stop is in a unique position to inform the policy making process. Based on the focus groups we held in the fall of 2009 and feedback from Single Stop sites, we would like to recommend the following priorities for TANF Reauthorization:

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- **Serve a greater share of eligible families**. The share of poor children receiving cash assistance decreased from 62% in 1996 when TANF was created to 27% in 2008.[1] One barrier frequently cited by individuals seeking assistance is the hostility encountered in government offices. Reauthorization should address ways to make welfare offices more client-friendly as well as other barriers that prevent eligible families from receiving help. This could include requiring staff training on counseling skills and providing incentives to serve more eligible families.
- **Provide meaningful job training and education.** In today's economy, adequate training is critical to securing jobs that provide true economic security. Participants in Single Stop's focus groups expressed concern that the job training programs in which they participated would not lead to sustainable jobs with opportunities for advancement and often felt like a waste of time and "checking a box: These were individuals who were motivated to work and find a good job, but felt a large disconnect between the programs and improving their job prospects. Expanded educational opportunities and more targeted and rigorous job training programs would help connect TANF recipients to employment that supports self-sufficiency.
- **Increase benefit amounts**. TANF benefit levels are less than half the poverty level ($17,600 a year for a family of three) in 49 states (all but Alaska).[2] Participants in Single Stop's focus groups described current benefit levels as inadequate, but when asked about what amount would be adequate, focus group participants sought only modest increases. Increases in benefit levels need not be drastic, but should reflect the realities of what it takes meet minimum basic needs.

As Congress works to reauthorize TANF, we urge you to consider the first-hand perspective of assistance recipients. Please feel do not hesitate to contact us if you would like additional copies of this report or if you are interested in learning more about Single Stop USA.

Sincerely,

Julie Kashen
Senior Vice President, Policy and Evaluation
Single Stop USA

[1] 'Indicators of Welfare Dependence,' Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, 2008.
[2] Liz Schott and Zachary Levinson, 'TANF Benefits are Low and Have Not Kept Pace with Inflation,' Center on Budget and Policy Priorities, 2008.

Single Stop USA | Focus Groups: Key Findings

Background

Single Stop USA fights poverty nationwide by using efficient, measurable solutions to maximize the reach and effectiveness of existing anti-poverty resources. Working with government, private funders, corporate partners and community-based organizations, Single Stop USA removes barriers to connect greater numbers of people living in poverty with untapped resources. The goal is to provide immediate relief and to leverage the combined impact of services to permanently move families out of poverty.

Single Stop works directly with tens of thousands of low-income families annually, using advanced technology to screen them for multiple benefits and providing comprehensive services. This work with clients also informs our policy agenda – helping us to identify the biggest legal barriers to enrollment and coordination.

In an effort to solicit direct feedback on the ease of access to public benefits and to more fully understand the factors that facilitate or impede a family's ability to access, and maintain enrollment in, cash assistance in particular, Single Stop USA held two focus groups in the fall of 2009 in New York City with a total of 21 individuals who were receiving, had attempted to receive or were eligible to receive, public assistance.

Methodology

In order to identify the most significant challenges participants' have encountered to accessing and using public assistance, and to solicit ideas for solutions from the people most impacted, with an eye toward the 2010 reauthorization of Temporary Assistance for Needy Families (TANF) legislation, Single Stop USA conducted two focus groups in the fall of 2009. Each focus group was asked a series of open-ended questions, which targeted the following two central issues:

1. What challenges or problems have you experienced accessing public assistance?
2. For each of the most critical barriers, what should be done about it?

Participants were recruited primarily from Single Stop sites located across New York City's five boroughs. Incentives to participate included a $25 gift certificate, a Metro card for roundtrip transportation, and lunch and refreshments.

Key Findings

Many of the participants (approximately 40%) were between the ages of 30 and 49. The vast majority (about 90%) were men, and nearly half identified as parents.[3] Our conversations with these participants revealed the following:

[3] While single individuals without children are eligible to receive cash assistance under the New York State Safety Net Program, only families are eligible to receive up to 60 months of the federally funded cash assistance under the Temporary Assistance to Needy Families (TANF) program.

Focus group participants do not differentiate among public benefit programs and perceive almost all programs as a short-term solution.

Although benefits have different names, funding streams, and application processes, participants tend to blend the way they think about 'assistance'. When referring to public assistance, for example, participants often blurred the eligibility requirements associated with various programs together, despite referring to individual programs by name – including Family Assistance, food stamps, and Medicaid. However, almost all perceive public benefits as temporary, especially cash assistance.

- *"Public assistance is good for a short time but not forever."*
- *"It is only what I would call a stepping stone, to further my position in life. It is not a crutch that should be depended on."*
- *"Even if it's temporary, there should be opportunities and incentives geared towards self-improvement."*

Participants did not feel that they were treated fairly or with respect by welfare workers or at government offices.

By and large, participants did not have positive experiences with government workers and government offices; most describe the system as being "designed for people to fail." Disrespectful and unfriendly workers were commonly mentioned as major obstacles. Participants were in full support of a more customer friendly system, specifically one that prioritizes the people it is supposed to be serving.

- *"The system is not designed to help."*
- *"You need a B.A. to understand the system."*
- *"They don't want to help us…You have to go into their offices ready to argue."*
- *"You can't get a hold of caseworkers over the phone. They always give you a number, but they never pick up the phone."*
- "*Welfare workers want to be supervisors and they get to be supervisors by having the most applications denied – it's simple self interest."*
- *"Welfare workers are unprofessional. I feel like I am coming to beg for food from your pocket. You're waiting and they're standing around chatting."*
- *"People are looking to sanction you."*

<u>Participants expressed a need for more adequate training opportunities as part of, or in addition to, current work requirements.</u>

Participants do not feel that job-training programs are teaching them a set of skills that will lead to sustainable jobs. Many participants would prefer expanded educational opportunities as an option, or an alternative, to TANF work requirements, because they believe they have a greater chance of accessing a "real" job this way.

- *"The training does not lead to jobs… We need something more than just job referrals. We need something solid set-up that will lead to real jobs."*
- *"The welfare job program can't compete with a technical certificate."*
- *"We need more real training programs, where they teach you how to use computers and programs like Microsoft Excel, Power Point."*
- *"I want to work… but work fares can actually get in your way of getting hired, with all of the procedures. And then they have you sitting in this class, wasting time."*
- *"You try to go to school but there's no help. I'm making an initiative to do something, but you're not able to get any assistance."*
- *"If you're homeless and applying for work, you've got nowhere to get yourself cleaned and well rested."*
- *"You go to classes all day and you still don't have a job. Then you go to the work fare and you still can't get a permanent job. And if you missed a day of work to go to the work fare, you get pay deducted."*

<u>Participants report that receiving cash assistance is helpful but stressed that current allotment levels were not enough.</u>

Moreover, many participants believe that increasing the current allotment would help them access better jobs or educational opportunities.

- *"It is hardly enough to cover living expenses and basic needs, like laundry and soap."*
- *"The amount that you receive should relate to your situation, including your rent, job, and family size."*
- *"Even if you find work [through the work fare], the amount you're paid is just not enough."*
- *"Public assistance has really helped me stop my drug addiction, receiving money hand to hand (cash). [It has also] helped me to not want to stay on the street, and receive rent by living with someone."*

The public benefits system is not well equipped to deal with emergencies.

The length of time it takes to gather appropriate identification documents, and then process and verify the paperwork was commonly cited as a major barrier to benefits access, especially in emergency situations.

- *"Government offices should offer emergency cash assistance at the time requested, or at least decrease the waiting period."*
- *"If you need help badly enough, you'll wait all day."*
- *"You don't go stand in line all day unless you absolutely need help."*
- *"It takes such a long time just to process your paperwork... and getting the documents you need is another story."*

Focus group participants appreciated the opportunity to have their voices heard.

In addition, they expressed gratitude knowing their ideas would be passed along to policy makers. Participants seemed to benefit from being with people in similar situations and hearing similar stories.

- *"I'm hopeful that our suggestions will go to where the dollars [are] being [allocated], and be heard by those people."*
- *"I really appreciate the fact that you treated me like a human being today, a person that counts."*
- "*I hope everything we discussed today will come to pass."*

COMMUNITY VOICES HEARD

fighting for our families, fighting for our communities, fighting for ourselves

www.CVHaction.org

March 11, 2010
Hearing on TANF's Role in Providing Assistance to Struggling Families

House Ways and Means
Subcommittee on Income Security and Family Support

Submission of Testimony
Brenda Beal, Leader of Community Voices Heard

Hello, my name is Brenda Beal. I have been a leader at Community Voices Heard for over two years. I am presently on the welfare and workforce campaign making changes to end unpaid workfare, known in New York City as the Work Experience Program, or WEP; but I call it by its real name: slave labor.

I used to work for an interior decorator in a privately owned shop. When my boss passed away, I lost my job and I got unemployment benefits. While I was on unemployment, I looked for a job but I couldn't find one. I exhausted all of my benefits and all of my savings. I was facing eviction, in and out of court for three months, and the city of New York would not pay my back rent. They would only give me $215 a month, even though my rent cost $836 a month. Eventually I got evicted. I lost my furniture and my family photo albums… I lost everything, except for the three outfits on my back.

I was too scared to go into the shelter system. I heard too many horror stories about what happens in shelters. I stayed with friends and my son. I just moved around from house to house. Finally, I had to go into a shelter in 2006, which was not as bad as I thought, and that is when I applied for public assistance. I soon found out that welfare is the horror story, not the shelter system.

My cash grant was $68.50 every two weeks, but because I lived in a shelter, part of my grant went to the shelter. After their deduction I only received $22.50 every two weeks. I had to use this money to pay for toiletries, carfare, and whatever else I needed. In exchange for my benefits, I was required to work 20 hours a week. This is known as workfare, WEP or slave labor. I was also required to spend another 15 hours a week at a vendor site where I sat all day doing nothing. We were supposed to do resume writing and job search activities. None of this helped me find a job.

For my WEP assignment, I was a teacher's aide at a Catholic school where I did everything the teachers did such as reading to the students and teaching basic math and reading skills. When teachers did not come in, I had to be a substitute teacher, doing the exact same work and sometimes more than the teachers. There was one catch: they went home with a paycheck and I didn't. All I had was my $22.50 every two weeks.

Workfare is degrading. You lose your self-esteem and your dignity. Doing the WEP assignment I know I did a good job. But I can't put that on a resume because it wasn't a paying job. There is also a stigma with welfare, the shame that you don't want people to know you are on public assistance. I have worked all my life. I was able to bring a paycheck home every week. On welfare, I was faced with a job where I know I did well but I wasn't getting a paycheck.

Workfare does not help people move into real jobs because there is no training and no education, and many of us do not get WEP assignments in our career choice. WEP is a joke. When I came to CVH I heard the same stories about WEP. We fight together for change.

We need career ladder training programs that focus on the career of our choice and allow us to get the education and training we need to enter the workforce. We also need transitional jobs, which puts people in jobs with an hourly wage. It helps you towards getting back on your feet.

Since I've been at CVH, we have won millions of dollars for Career Pathways and Transitional Jobs. Some of CVH's leaders have moved from public assistance to full-time employment because of the transitional jobs program. I am proud to be a part of this.

When I look around at today's economic crisis, I think to myself that people do not realize what welfare is and what happens to people in the system. We are the faces of poverty. I can only sum it up in 6 words: one day it could be you.

AAUW

Written Testimony of the
American Association of University Women

for the

United States House of Representatives Committee on Ways and Means
Subcommittee on Income Security and Family Support

Hearing on

"TANF's Role in Providing Assistance to Struggling Families"

March 11, 2010

Chairman McDermott and members of the Subcommittee, thank you for the opportunity to submit testimony for the hearing "TANF's Role in Providing Assistance to Struggling Families."

The American Association of University Women (AAUW) is a membership organization founded in 1881 with approximately 100,000 members and 1000 branches nationwide. AAUW has a proud 128-year history of breaking through barriers for women and girls, and has always been a strong supporter of public education. Today, AAUW continues its mission through education, research, and advocacy.

AAUW believes increased access to education and training programs are necessary for poor women to become self-sufficient, attain jobs that pay a living wage, and move permanently off welfare. AAUW's 2009-2011 Public Policy Program affirms AAUW's commitment to supporting economic self-sufficiency for all women and advocates "strengthening programs, including welfare and vocational education, to improve postsecondary education access, career development and earning potential."[1]

The current economic downturn has left millions of families financially insecure. While Supplemental Nutrition Assistance Program (SNAP) enrollment levels have been steadily increasing over the past 19 months, almost a 25 percent increase, welfare or Temporary Assistance for Needy Families (TANF) caseload numbers only increased about 6 percent over the same time.[2] Americans need help, but our safety net is failing to meet their needs and provide for a viable pathway out of poverty. TANF is a vital part of that safety net, but since its creation it has been doing a poor job of helping families. Though caseload numbers have decreased, this is primarily because fewer eligible families are receiving assistance.[3] In addition, less than sufficient support is going to families and poor children, doing little to reduce child poverty.[4]

Furthermore, TANF's "work first" goals have resulted in very little job training, education, or decent career opportunities for participants.

Increasing Education Levels is Key to Moving Families out of Poverty
AAUW supports policies which provide long-term solutions to economic inequity, an example of which is providing women and girls with unrestricted access to education and job training. Statistics show that educational access is closely linked to economic security. Only by improving employability through education and training can women and their families become financially empowered and economically self-sufficient.

According to a U.S. Department of Labor Women's Bureau report, "[t]he higher a person's educational attainment, the more likely they will be a labor force participant."[5] This Women's Bureau study also reported labor force participation rates by educational attainment for women age 25 years and over:

- less than a high school diploma–33 percent
- high school diploma–53 percent
- some college, no degree–63 percent
- associate's degree–72
- bachelor's degree and higher–73 percent.[6]

Moreover, for a TANF recipient with basic skills equal to a high school diploma, an additional 200 hours of education and training (the equivalent of a semester's worth of courses) could lead to jobs that pay \$5,000 to \$10,000 more per year.[7] With at least one year of postsecondary education, poverty declines from 51 percent to 21 percent for families headed by African-American women; from 41 percent to 18.5 percent for families headed by Latina women; and from 22 percent to 13 percent for families headed by white women.[8] Finally, completion of a college degree can dramatically improve outcomes for families on welfare. For example, in 2007, on an hourly basis, women with only a high school degree earned 89 percent of what women with some college earned and only 57 percent of what women with a four-year degree earned.[9] Men and women with college degrees enjoyed a real increase in the purchasing power of their earnings between 1973 and 2001.[10] Women without these credentials saw little or no improvement.[11]

Since welfare reform began in the 1990's, culminating in the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, the elevation of "work first" strategies has meant that fewer and fewer individuals can successfully enroll in education while receiving public assistance. The National Bureau of Economic Research has found that welfare reform has decreased the probability of both high school and college attendance among young adult women by 20-25 percent. [12] This must be remedied. The same NBER report explains that while the "work first" policies may not have been explicitly aimed at education, they nevertheless significantly affect educational acquisition. Welfare's focus on work must also include training and education to fix current problems.

Welfare Reauthorization
Reauthorization of TANF in 2005 did little to open doors for training and education that lead to

sustainable careers for women on welfare. Though regulations promulgated by the U.S. Department of Health and Human Services in 2006 did open the door for more types of education to count toward work participation rate requirements and permitted some unsupervised homework time to be counted toward those time thresholds, not enough was done to ensure that individuals are encouraged to pursue higher education, vocational education, and job training.

The Personal Responsibility, Work and Family Protection Act containing the TANF program is authorized through September 30, 2010, when Congress will have the opportunity to modify and improve policies and funding. AAUW continues to advocate for a greater recognition of the role education has in increasing women's self-sufficiency and decreasing reliance on public aid and will continue to urge Congress to make important changes in the way education is regarded in TANF. AAUW supports the position that post-secondary education should continue to be included as training and that the 12-month limit on vocational educational training should be increased to 24 months. In addition, states should again be able to apply for waivers so that programs that work by expanding educational opportunities, such as Maine's Parents as Scholars program, can receive funds.

AAUW strongly believes that welfare programs should be flexible to allow the highest level of education possible, because advanced degrees are more likely to promote self-sufficiency and help ensure that women are not locked into low-wage jobs. As welfare reform proposals are considered in Congress, AAUW will continue to push to increase education and job training programs for women.

Thank you for the opportunity to submit testimony.

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[1] American Association of University Women. (June 2009). *2009-11 AAUW Public Policy Program.* Retrieved July 9, 2009, from http://www.aauw.org/advocacy/issue_advocacy/principles_priorities.cfm.
[2] Legal Momentum. TANF National Caseload Increases Only 6.6 percent, Despite 19 Months of Recession. http://www.legalmomentum.org/assets/pdfs/slow-growth-in-tanf-rolls.pdf
[3] Center on Budget and Policy Priorities. (March 2009). An Introduction to TANF. http://www.cbpp.org/cms/?fa=view&id=936
[4] Legal Momentum. Advocate For An Improved Safety Net For Women And Children. http://www.legalmomentum.org/assets/pdfs/lm-tanf-one-pager.pdf.
[5] U.S. Department of Labor, Women's Bureau. (2008). *Quick Stats 2008.* Retrieved August 13, 2009, from http://www.dol.gov/wb/stats/main.htm.
[6] Ibid.
[7] *Trends in College Pricing*. Washington, DC: The College Board. (2001).
[8] DOL/ETA Fact Sheet "Why America Needs an Educated and Prepared Workforce" available at: http://www.doleta.gov/budget/1%20Why%20America%20needs%2007.pdf
[9] Economic Policy Institute. (2008). *The State of Working America 2008-2009*. Retrieved August 25, 2009 from http://www.stateofworkingamerica.org/tabfig.html.
[10] Ibid.
[11] Ibid.
[12] NBER. Welfare Reform Has Led to More Work but Less Education. http://www.nber.org/digest/jan09/w14466.html.

Joint Written Testimony Before the House Ways and Means Committee
Hearing on TANF's Role in Providing Assistance to Struggling Families
March 11, 2010
Reverend Donald Roberts, President and CEO of Goodwill Industries Manasota, and
Sandra Purgahn, President and CEO of Goodwill Industries of Acadiana

Mr. Chairman, Ranking Member and Members of the Committee, we appreciate this opportunity to submit written testimony outlining our experience in addressing the needs of our local communities, and how those strategies can help the nation address the severe unemployment outlook and spur job growth. Specifically, we believe that Congress should expand the successful welfare-to-work demonstration projects implemented by our Goodwill agencies in Florida and Louisiana as is proposed in H.R. 4299, the Capitalizing Workforce Development Act, introduced by Congressman Adam Smith and widely supported in the House.

As you may know, Goodwill agencies located on Main Streets across the country see firsthand the impact of the current economic crisis on children and families and are uniquely able to tailor their programs to respond to local needs. We would like to describe to you the success of our specific programs that resulted from a federal welfare-to-work grant, and how that model of capitalization could be expanded to address the needs of children and families served by the Temporary Assistance for Needy Families (TANF) program. The fundamental assumption tested by our welfare-to-work grant was that the building of new facilities is a long-term investment in job placement as opposed to the short-term investment associated with traditional programs that simply focus on hiring personnel. The fact that the one-time capital infrastructure investment provided to us by the U.S. Department of Health and Human Services (HHS) in 1997 has continued to reap benefits for job placement and training every year since demonstrates that this model works for both the short-term and long-term.

Although Goodwill is often recognized simply for its donation centers and donated goods stores, our most valuable role is through our job training and placement activities. The Goodwill Job Connection concept was initially developed by Goodwill Industries Manasota in 1988, and was recognized by the American Rehabilitation Association with its "Employment for Tomorrow Award" in 1994. As described in an evaluation of our program submitted to the Administration for Children and Families, our Job Connection model provides services in convenient locations situated throughout Goodwill community service areas, and are paid for through the donated goods business. Once the new infrastructure is built and operational, these Job Connection services are not dependent on external subsidies for either staff or referrals. The flexibility inherent in this approach allows Goodwill to serve anyone in need without consideration of eligibility criteria, on a timely basis, at no cost to the consumer. In summary, Goodwill can support its own Job Connection programs with the proceeds from its donated goods stores.

Nevertheless, our challenge is related to the capitalization costs of infrastructure to grow our donated goods business, particularly the cost of site acquisition for new donation centers and stores, so that we can meet new and emerging needs in our communities. Congress recognized the potential for a system of capitalizing new Goodwill facilities in Section 413(h)(3)(A) of the Social Security Act, which allowed HHS to grant $10 million combined to our agencies ($7 million to Manasota and $3 million to Acadiana) for the purpose of purchasing additional sites and the construction of new facilities. In exchange, our Goodwill agencies were expected to demonstrate job placements for those leaving welfare to work with Job Connection programs funded by the proceeds from our new donated goods stores. A three-year evaluation of our grant showed that we met and exceeded our placement quotas.

The federal dollars invested in Goodwill Manasota in 1997 have created 150 sustainable jobs with an annual payroll of $3.5 million – over a 10 year period that translated into payroll of $35 million and we are still going. With an annual revenue of $6 million just from the $7 million capital investment in Goodwill Manasota (translating to $60 million over a 10 year period and counting), we have generated significant revenues to support not only the jobs we have created, but also training and placing hundreds of persons into unsubsidized employment through our Job Connection services, which includes job training and placement services. Every year these numbers grow without any additional federal subsidies and will continue to grow as long as the business continues.

The major target population for Goodwill Manasota's "Hand-Up" services resulting from our welfare-to-work grant include persons with disabilities, senior citizens, ex-offenders and immigrants with English as second language. The major target population for Goodwill of Acadiana's "Hand-Up" services has been largely women with families moving from welfare to work and a younger population.

The benefits of capitalization can vary based on the needs of the community being served. In addition to our traditional Job Connection services, Goodwill Manasota created a "Good Partner Coaching" program whereby each Goodwill client/employee is assigned a personal or family coach whose job is to provide financial planning services, address the educational needs of both parents and their children, and provide training to enhance employment opportunities. For our most vulnerable clients, we start with their G.E.D. while providing them with "Opportunity Wages" during their work with Goodwill, and eventually place them in employment outside Goodwill.

Additionally, Goodwill Manasota is able to provide "Goodhomes" services leading to home ownership for those in our program based upon the concept that a steady paycheck, which often results from vocational training and transitional employment, and a mortgage, the American dream of home ownership, are the two key elements for family stability and economic security.

Goodwill of Acadiana has expanded its services by building certain skills for our clients. For example, we provide work skills such as resume preparation, interviewing, and vocational counseling, as well as life skills such as budgeting and conflict management. Other priorities include computer literacy, interpersonal skills, and educational skills such as G.E.D. preparation and literacy classes. Goodwill of Acadiana's work has often focused on proving a realm of services that allow a single parent to manage work and parenting. Our welfare-to-work grant also has allowed Goodwill of Acadiana to expand its scope of services to youth aging out of foster care who otherwise are at-risk for interactions with our criminal justice system.

The benefits of capitalization go well beyond our Job Connection programs. The welfare-to-work grant provided to each of our agencies in 1997 resulted in immediate benefits to the local economy as we constructed new facilities and began employing those we serve in our new donation centers and in our job training centers and stores. By moving our clients/employees into jobs, there is the tangential benefit of taxable income generated to support our federal and local governments.

In addition, Goodwill activities are consistent with the nation's commitment to recycling as we divert millions of pounds of recycled goods away from landfills and back into the economy. Estimates show that there are enough goods that can be diverted from the landfills to create 140,000 jobs related to the resale and recycling of those materials. By capitalizing the infrastructure to collect these donations, we can ease the stress on our nation's landfills and create jobs.

We believe that we must be accountable to the nation's taxpayers who expect their monies to be used in the most effective way possible, not only to simply fund programs but also to build the infrastructure to sustain those programs well into the future. Therefore, we urge Congress to learn from our experience and expand the capitalization model as it considers reauthorization of TANF. We are pleased that Congressman Adam Smith has taken the lead on legislation in the House, H.R. 4299, the Capitalizing Workforce Development Act, which is based on the welfare-to-work model successfully implemented by our Goodwill agencies. The one-time infusion of capital can lead to a lifetime of services for the hardest-to-serve populations.

Thank you for your diligent work and attention to the needs of struggling families. We look forward to working with the committee as TANF reauthorization is considered by Congress.

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spotlight on
POVERTY *and* OPPORTUNITY
THE SOURCE FOR NEWS, IDEAS AND ACTION

FOR THE RECORD

TANF FOR THE 21ST CENTURY

A Q & A with Current and Former Elected Officials

SPOTLIGHT ON POVERTY AND OPPORTUNITY, a bipartisan initiative to promote dialogue and action to reduce poverty and improve economic opportunity, recently launched a new question-and-answer commentary series about TANF. Over a span of six weeks, a diverse group of former and current elected officials provided their insights about TANF's strengths and weaknesses in reducing poverty and improving opportunity in America.

A bipartisan group of policymakers including United States Representative Jim McDermott (D-WA), former Indianapolis Mayor Stephen Goldsmith (R), Ohio Governor Ted Strickland (D), former Wisconsin Governor Scott McCallum (R), Delaware Lieutenant Governor Matt Denn (D), Delaware State Senator Liane Sorenson (R-6), and Savannah Mayor Otis Johnson (D) have each answered three questions about the program. The contributors examined such topics as the effect of the program's employment restrictions and the impact of other work supports also expanded in the 1990s, such as the Earned Income Tax Credit. Participants also discussed how to ensure that all eligible families have access to TANF benefits and that recipients are able to gain the skills necessary for 21st century jobs.

Here is some of what they said:

We need to change course and actually help low-income families rather than ignore them. To achieve that goal, we need policies that value poverty reduction over caseload reduction.
—*Representative Jim McDermott*

It is not so much a question of what is the best work support, but rather, how can we use and improve work supports so that families have the most opportunities to succeed.
—*Ohio Governor Ted Strickland*

The recession has been dubbed a "game-changer" for TANF, and this is certainly true, but the potential is there for the program to still be helpful to those in need.
—*Former Indianapolis Mayor Stephen Goldsmith*

The real solution is to ensure that participants understand that it is their responsibility to improve their plight, it is their responsibility to help themselves…Only then can the poverty cycle be broken.
—*Former Wisconsin Governor Scott McCallum*

A cash benefit program geared to families with children cannot be the solution for gaps in our safety net driven by economic factors and lack of opportunity.
—*Delaware Lieutenant Governor Matt Denn*

While TANF has sometimes succeeded in providing assistance to needy families, it has failed to end the dependence of needy parents on government benefits. TANF has had mixed success, positively improving the quality of life for some, but not close to all of the families it helps serve.
—*Delaware State Senator Liane Sorenson*

Invest more resources and expertise first in evaluating what's working and what's not…Do not focus on outputs but on behavioral change; bring together business leaders, academics [and] TANF recipients.—*Savannah Mayor Otis Johnson*

To read the full series, visit www.spotlightonpoverty.org.

To be alerted when new contributions are posted, sign up for weekly *Spotlight* e-grams, which also offer the latest news, research and commentary on poverty and opportunity. Subscribe at www.spotlightonpoverty.org/sign_up.aspx.

***Spotlight on Poverty and Opportunity** is a non-partisan initiative aimed at ensuring that our political leaders take significant actions to reduce poverty and increase opportunity in the United States. We bring together diverse perspectives from the political, policy, advocacy and foundation communities to engage in an ongoing dialogue focused on finding genuine solutions to the economic hardship confronting millions of Americans.*

Below is a snapshot of the *Spotlight* website, March 8, 2010 (www.spotlightonpoverty.org).

Statement for Congresswoman Berkley
ISFS Hearing on TANF
March 11, 2010

Mr. Chairman,

The once recession-proof economy of my district of Las Vegas has not been spared from the effects of this downturn. In fact, Nevada has been hit harder than any other state by the foreclosure crisis, and currently our unemployment rate is at 13% -- the second highest in the nation. In Las Vegas the rate is 13.8%.

Families in my district are suffering and turning to programs like TANF to help them get by from day to day. This has created an upswing in applications for TANF money. According to GAO, between June 2008 and June 2009, Nevada has seen an increase of 22% in its TANF caseload.

The Recovery Act created an Emergency Contingency Fund (ECF) to help states with increasing expenditures on subsidized employment programs, basic cash assistance, or non-recurring, short-term benefits through TANF. My home state of Nevada has already drawn down over 80% of its maximum allowed funding.

When the Recovery Act funding expires in September, caseloads will still be high and the state will still need help with increased costs. Nevada is facing a deficit in TANF funds by the end of state fiscal year 2011 if Congress does not continue Federal help with increased caseloads by extending assistance beyond September 2010 and increasing limitations on how much states can draw down. Many states facing similar situations may feel compelled to cut back cash assistance for very poor families with children even though need is continuing to rise. The result will be an increase in serious hardship among some of the nation's poorest children and families.

Chairman McDermott has introduced legislation that will give Nevada and other states the assistance they desperately need by extending the availability of funds through FY 2011 and establishing a new limitation on a state's total draw down from the Fund for FY 2011. It would provide the opportunity for states to seek additional funds. I am a cosponsor of his legislation and I am hopeful that it will be included in one of the jobs bills or the tax extenders legislation Congress is considering.

I urge my colleagues to support this initiative to help bring relief to Nevada and other states.

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