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WELFARE REFORM REAUTHORIZATION PROPOSALS

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

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WELFARE REFORM REAUTHORIZATION PROPOSALS

THURSDAY, APRIL 11, 2002

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON HUMAN RESOURCES,
Washington, DC.

The Subcommittee met, pursuant to notice, at 3:00 p.m., in room 1100 Longworth House Office Building, Hon. Wally Herger [Chairman of the Subcommittee] presiding.

[The advisory announcing the hearing follows:]

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON HUMAN RESOURCES

FOR IMMEDIATE RELEASE
March 28, 2002
No. HR–14

CONTACT: (202) 225–1025

Herger Announces Hearing on Welfare Reform Reauthorization Proposals

Congressman Wally Herger (R–CA), Chairman, Subcommittee on Human Resources of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing on welfare reform reauthorization proposals. **The hearing will take place on Thursday, April 11, 2002, in the main Committee hearing room 1100 Longworth House Office Building, beginning at 3:00 p.m.**

Oral testimony at this hearing will be from both invited and public witnesses. Invited witnesses will include representatives of the nation's governors, State legislators, and State welfare directors. Also, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee or for inclusion in the printed record of the hearing.

BACKGROUND:

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104–193), commonly referred to as the 1996 Welfare Reform Law, made dramatic changes in the federal-State welfare system designed to aid low-income American families. The law repealed the former Aid to Families with Dependent Children program, and with it the individual entitlement to cash welfare benefits. In its place, the 1996 legislation created a new Temporary Assistance for Needy Families (TANF) block grant, which provides fixed funding to States to operate programs designed to achieve several purposes: (1) provide assistance to needy families, (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, and (4) encourage the formation and maintenance of healthy two-parent families.

National figures point to remarkable progress in combating welfare dependence and poverty since State and federal welfare reforms were enacted in the mid-1990s. The number of children living in poverty has dropped by nearly 3 million and the African-American child poverty rate has fallen to a record low. Welfare case loads have fallen by 60 percent nationwide, as nearly 3 million families and 9 million recipients have left welfare, and record numbers of current and former welfare recipients are working.

The TANF program expires on September 30, 2002, requiring Congress to extend the program this year. In February, President George W. Bush announced his proposal to reauthorize the TANF program and other key features of the 1996 law. The President's proposal focuses on increasing participation in work and related activities by those receiving cash assistance in order to better prepare individuals for success after welfare. Recent statistics from the U.S. Department of Health and Human Services reveal that 58 percent of adults on welfare are neither working nor participating in education and training activities permitted under the 1996 welfare reform law.

In announcing the hearing, Chairman Herger stated: "The President has offered a strong proposal to ensure all families who receive welfare benefits gain work experience and training to prepare themselves for life after welfare. This hearing will give us the opportunity to hear from the Nation's Governors, State legislators, State welfare administrators, and a host of other community voices about what has worked, the President's and related proposals, and other ideas for further reform."

FOCUS OF THE HEARING:

The focus of the hearing is to review welfare reform reauthorization proposals.

DETAILS FOR SUBMISSIONS OF REQUESTS TO BE HEARD:

Requests to be heard at the hearing must be made by telephone to Traci Altman or Bill Covey at (202) 225–1721 no later than the close of business, Thursday, April 4, 2002. The telephone request should be followed by a formal written request faxed to Allison Giles, Chief of Staff, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515, at (202) 225–2610. The staff of the Subcommittee on Human Resources will notify by telephone those scheduled to appear as soon as possible after the filing deadline. Any questions concerning a scheduled appearance should be directed to the Subcommittee on Human Resources staff at (202) 225–1025.

In view of the limited time available to hear witnesses, the Subcommittee may not be able to accommodate all requests to be heard. Those persons and organizations not scheduled for an oral appearance are encouraged to submit written statements for the record of the hearing. All persons requesting to be heard, whether they are scheduled for oral testimony or not, will be notified as soon as possible after the filing deadline.

Witnesses scheduled to present oral testimony are required to summarize briefly their written statements in no more than five minutes. **THE FIVE–MINUTE RULE WILL BE STRICTLY ENFORCED. The full written statement of each witness will be included in the printed record, in accordance with House Rules.**

In order to assure the most productive use of the limited amount of time available to question witnesses, all witnesses scheduled to appear before the Committee are required to submit 200 copies, along with an *IBM compatible 3.5-inch diskette in WordPerfect or MS Word format,* of their prepared statement for review by Members prior to the hearing. **Testimony should arrive at the Subcommittee on Human Resources office, room B–317 Rayburn House Office Building, no later than Tuesday, April 9, 2002,** in an open and searchable package 48 hours before the hearing. The U.S. Capitol Police will refuse sealed-packaged deliveries to all House Office Buildings. **Failure to do so may result in the witness being denied the opportunity to testify in person.**

WRITTEN STATEMENTS IN LIEU OF PERSONAL APPEARANCE:

Please Note: Due to the change in House mail policy, any person or organization wishing to submit a written statement for the printed record of the hearing should send it electronically to *hearingclerks.waysandmeans@mail.house.gov,* along with a fax copy to (202) 225–2610 by the close of business, Tuesday, April 23, 2002. Those filing written statements who wish to have their statements distributed to the press and interested public at the hearing should deliver their 200 copies to the Subcommittee on Human Resources in room B–317 Rayburn House Office Building, in an open and searchable package 48 hours before the hearing. The U.S. Capitol Police will refuse sealed-packaged deliveries to all House Office Buildings.

FORMATTING REQUIREMENTS:

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit 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. Due to the change in House mail policy, all statements and any accompanying exhibits for printing must be submitted electronically to *hearingclerks.waysandmeans@mail.house.gov*, along with a fax copy to (202) 225–2610, in Word Perfect or MS Word format and MUST NOT exceed a total of 10 pages including attachments. Witnesses are advised that the Committee will rely 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. Any statements must include a list of all clients, persons, or organizations on whose behalf the witness appears. A supplemental sheet must accompany each statement 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://waysandmeans.house.gov.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call (202) 225–1721 or (202) 226–3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Chairman HERGER. Welcome to our hearing on welfare reform reauthorization proposals. In this hearing we will hear from both invited and public witnesses as part of our continuing conversations about ways to further improve the Nation's welfare program during the upcoming reauthorization process.

In the past year, we have reviewed welfare successes, strengthening and promoting healthy families, work requirements and time limits, teen pregnancy prevention, child support, and fatherhood as well as marriage issues. On February 6th and March 12th of this year, the full Committee on Ways and Means reviewed the President's welfare reform proposal. We were honored to have testimony from the Secretary of the U.S. Department of Health and Human Services (HHS), Tommy Thompson, who joins us again today.

At today's hearing we will receive testimony on the President's welfare reform proposal, which I introduced earlier this week along with other Members of the Subcommittee as H.R. 4090, the Personal Responsibility Work and Family Promotion Act of 2002. We will hear a wide range of views from over 40 witnesses representing the administration, former welfare recipients, State and local officials, scholars, program administrators, and advocates for those affected by the welfare system.

Despite differences on how to further improve the program, all of those here today recognize we can't rest on the success of the 1996 welfare reform law, and we shouldn't go back to the former Aid to Families with Dependent Children (AFDC) system that trapped families and dependents for an average of 13 years. I can't imagine anyone here would want to go back to the old days of providing checks and expecting little of recipients.

The law has achieved truly historic results. Since 1996, nearly 3 million children have been lifted from poverty. Among mothers most likely to go on welfare, employment rose 40 percent between 1995 and 2000. Welfare case loads fell by 9 million, from 14 million recipients in 1994 to just 5 million today. What this means is that single mothers and fathers who used to collect welfare checks every month are now collecting a paycheck. They deserve to be congratulated.

The welfare reform bill which we introduced based on the President's proposal is designed to encourage and support even more parents in work. In addition, we maintain current high levels of Temporary Assistance for Needy Families (TANF) and child care funds and expand State flexibility in spending those funds to help make these improvements work. I look forward to hearing witnesses' comments on these and other proposals to reform and improve the welfare system.

Without objection, each Member will have the opportunity to submit a written statement and have it included in the record at

this point. Mr. Cardin, would you like to make an opening statement?

[The opening statement of Chairman Herger follows:]

Opening Statement of the Hon. Wally Herger, a Representative in Congress from the State of California, and Chairman, Subcommittee on Human Resources

Already in the past year we have reviewed welfare success, strengthening and promoting healthy families, work requirements and time limits, teen pregnancy prevention, child support and fatherhood, as well as marriage issues. This hearing is part of our continuing conversation about ways to further improve the nation's welfare program during the upcoming reauthorization process.

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I look forward to hearing witness comments on these and other proposals to reform and improve the welfare system.

Mr. CARDIN. Thank you, Mr. Chairman. I want to first congratulate you for setting a Committee on Ways and Means record with having the most witnesses I think we have ever had, particularly on a day that Congress is supposed to be leaving town. Let me congratulate you on that.

I certainly welcome Secretary Thompson back to the Committee. I really do congratulate your efforts in working with Republicans and Democrats in an effort to try and improve health and welfare policies in this country. You have taken the experiences from your State and you have brought it here to Washington, and we appreciate the manner in which you have conducted your work.

We now have the administration's bill that has been filed by Mr. Herger, as he has indicated—as you have indicated in your opening statement. Mr. Chairman, I have some concerns, as you know, about the legislation that you filed. The premise in 1996 was that if we give the States sufficient resources and flexibility, they will get the job done. I will be the first to acknowledge there is more work that needs to be done, but I am surprised that there would

be so many changes that the administration would request to that basic fundamental concept of flexibility resources to the States.

Let me explain what I mean. First, we have heard from our States, and our States tell us that under these new rules, if they became effective, we would be encouraging more make work or unpaid work experience. Let me just quote from the people from my own State of Maryland where they say, in essence, we would replace a program geared toward helping leave welfare for work or leave welfare altogether to one geared toward making those on welfare participate in worklike activities. I think we all can agree that we want people to leave welfare for real jobs, not makeshift jobs.

Secondly, in 1996, we made it clear that it shouldn't be one size fits all, that Washington knows best. Yet in the legislation that you have filed, Mr. Chairman, you become very prescriptive to the States as to how they must act in order to comply with the proposed new law.

Third, the President said on numerous occasions that education is the ticket to success in our society. Vocational education is one of the keys of a person not only getting a job and succeeding in the workplace, and yet the legislation that is proposed provides less flexibility rather than more for the States to tailor their educational programs to the needs of the people that are on welfare. I think we can do better than that.

Of course, the Republicans have been very strong about the fact that we shouldn't be putting unfunded mandates on the States. The Governors have spoken. The States have spoken. They have said that this legislation in and of itself will cost the States an additional $15 billion, yet there is no additional funds made available to the States. That is an unfunded mandate. That is something we shouldn't be doing. We should at least be providing the additional resources that the States will need in carrying out the basic programs in providing the child care that would be required to meet these new work requirements.

Lastly, Mr. Chairman, let me point out an issue that you know I feel very strongly about, and that is the matter of discrimination against legal immigrants. I make no bones about the fact that in 1996 I think Congress made a mistake when it passed discrimination against legal immigrants. I believe the majority of the Members of Congress agree with that statement, and we have taken measures during the last several years to correct some of those mistakes. Now it is time for us to act and remove the remainder of the discrimination against legal immigrants. The bill that you have filed does not move at all in that direction, and I would hope as this bill makes it way through the Congress, we will find ways to allow the States the ability to cover legal immigrants with the federal TANF funds.

I look forward to hearing from the witnesses today. I look forward to working with you, Mr. Chairman, and you, Mr. Secretary, so we can craft the bill that we can all be proud of that will continue the distinguished record we have made over the past 5 years in moving people off of welfare to work.

Chairman HERGER. Thank you, Mr. Cardin. Before we move on to our testimony, I want to remind the witnesses to limit their oral

statements to 5 minutes. However, without objection, all written testimony will be made a part of the permanent record.

On our first panel, we are honored to have with us the Honorable Tommy Thompson, Secretary, Department of Health and Human Services, who is accompanied by the Honorable Wade Horn, Ph.D., Assistant Secretary, Administration for Children and Families, Department of Health and Human Services. Gentlemen, it is a pleasure to see both of you here at our Committee again. With that, Secretary Thompson.

STATEMENT OF THE HON. TOMMY G. THOMPSON, SECRETARY, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES; ACCOMPANIED BY THE HON. WADE HORN, PH.D., ASSISTANT SECRETARY, ADMINISTRATION FOR CHILDREN AND FAMILIES

Mr. THOMPSON. Thank you very much, Mr. Chairman, and thank you so very much for allowing me to testify and for the introduction of this proposal. I appreciate your leadership very much. Congressman Cardin, it is always a pleasure to work with you on this particular subject. I admire your passion on it, and I appreciate your comments very much. I'm always delighted to see my conservative friend, Mr. McDermott, who is always here. I enjoy him very much. Mr. Lewis, thank you very much.

Mr. Chairman, let me thank you for your introduction this week of the Personal Responsibility, Work and Family Promotion Act of 2002. Mr. Chairman, your leadership and that of Representative Cardin and others on this Subcommittee is helping us continue the historic work that we began in 1996 both compassionately and effectively. Your legislation, Mr. Chairman, shares many of the same goals as the administration's proposal, such as maintaining the basic structure of TANF, strengthening the work requirements and support for two-parent families, and directing increased amounts of the child support collected to families. I thank you for your fine work, and I want emphasize up front that we in the administration are eager to work with you as well as Congressman Cardin and all the other Members of this Subcommittee.

Over the past 5 years, welfare reform has exceeded our most optimistic expectations. The 1996 law dramatically shifted national welfare policy by promoting work, encouraging personal responsibility, discouraging out-of-wedlock pregnancies, and supporting marriages. Underlying these changes, we restored an essential principle that has long been lost: that welfare assistance was designed to be temporary, to help families in crisis, and that dependence and poverty are not permanent conditions.

The results have been extraordinary. Nearly 7 million fewer people are on welfare today than in 1996, and 2.8 million fewer children are in poverty, and TANF has moved millions of individuals from welfare to work. Employment among single mothers has grown to unprecedented levels. Child poverty rates are at their lowest level since 1979, and overall child poverty rates declined from 20 percent in 1996 to 16 percent in 2000. Yet our work, as all of us know, while significant, is incomplete.

Recognizing this along with you, our proposal seeks $16.5 billion for block grants to the States and tribes, an additional $319 million

each year for supplemental grants for States that have experienced high population growth and have historically low funding levels. At the same time, we will continue the current "maintenance-of-effort" (MOE) requirements to retain State contributions to assistance for children and families. We will reauthorize and improve the $2 billion contingency fund.

In addition to the requirement for universal engagement, we will increase the direct work requirement. Our proposal requires welfare recipients to engage in a 40-hour work week, only 24 hours of which must be in direct work, including employment, on-the-job training and/or supervised work experience. This is an important step since 40 hours is a normal weekly work period for all Americans. We want the men and women who are transitioning from welfare to understand what will be demanded of them in the real world.

A full 16 of these 40 hours can be used for training as well as education, the very things that will equip former welfare recipients for success in the future. In addition, we will allow substance abuse treatment, rehabilitation, or work-related training for up to 3 months within any 24-month period. We will also gradually increase minimum participation rate requirements by 5 percent per year.

The Administration's plan and yours, Mr. Chairman, both embrace the needs of families by promoting child well-being and healthy marriages. To this end, we have established improving the well-being of children as the overarching purpose of TANF. Child support is an equally critical component to federal and State efforts to promote family self-sufficiency. For the low-income families who receive child support, it makes up more than a quarter of the family budget, and we are increasing the number of individual cases that we have filed. Last year a record of nearly $19 billion in child support was collected. With you we are proposing to do even more. Our proposals are targeted to increase collections to current and former TANF families by approximately $1.1 billion over 5 years beginning in fiscal year 2005.

I can tell you from my experience as Governor of Wisconsin, access to child care assistance can make a critical difference in helping low-income families to find and retain jobs. We are proposing a total of $4.8 billion for the Child Care and Development Fund. When combined with TANF and other federal funding sources, about $9 billion is available for child care, and that funding is available through our child care programs as well as the TANF transfers.

Mr. Chairman, let me also note that in your proposal you seek to give States the ability to shift up to 50 percent of their TANF funding into the child care block grant, up from the current 30 percent. This is a valuable innovation that will enhance State flexibility to provide necessary work support and is an improvement over current law.

Mr. Chairman, my time is up, but I would like to finish up by telling you that under our plan, States have significant flexibility to decide how child care funds will be used and what will be emphasized in achieving the overall goals of improving access to care and the quality of care. Of course, the purpose of these programs

must continue to be met, and that is why, Mr. Chairman, I applaud you and applaud this Committee. The proposals you have presented track closely with the principles of the President's plan. Congressman Cardin and other Members of this Subcommittee, we are more than ready to join with you as we craft legislation that will help those still relying on welfare to fulfill their American dreams. I look forward to working with all of you on this Committee to that worthy end, and I will be happy now to answer your questions.

[The prepared statement of Secretary Thompson follows:]

Statement of the Hon. Tommy G. Thompson, Secretary, U.S. Department of Health and Human Services

Mr. Chairman, Mr. Cardin, and members of the subcommittee, thank you for your invitation to appear today to discuss the next phase of welfare reform. Because of the work of welfare reform's pioneers like the members of this subcommittee, America's most vulnerable families are succeeding and our mission—to build on the platform of success established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)—is made easier.

PRWORA provided the groundwork in assisting millions of families in moving from dependence on welfare to the dignity of work and independence. It is supported by a strong commitment to child care and a strong child support enforcement program. I have met with many of you to discuss our accomplishments and the challenges that remain. I know in many respects we have a shared vision for building on the tremendous results we have achieved under the Temporary Assistance for Needy Families (TANF) program, the Child Care Development Fund and the Child Support Enforcement Program.

That shared vision took another momentous step closer to reality this week when Mr. Herger introduced the Personal Responsibility, Work, and Family Promotion Act of 2002. Mr. Chairman, I would like to take this opportunity to recognize the leadership you and Mr. Cardin have shown on moving quickly and decisively on welfare reform. I am heartened that legislation supported by members of this subcommittee shares many of the same broad goals of the Administration's proposal such as maintaining the basic structure of TANF, strengthening support for two parent families and work requirements, and directing to families increased amounts of the child support collected on their behalf.

As you are aware, President Bush has made a commitment to pursue four important goals in welfare reform reauthorization so that our programs can continue to transform the lives of those striving to become self-sufficient: strengthen work, promote strong families, give States more flexibility and show compassion to those in need. These goals formed the guideposts in shaping the Administration's proposals for TANF, child care and child support and are thoughtfully incorporated into this subcommittee's newly-introduced bill.

I would like to spend my time today sharing information with you on the important progress we have made in strengthening families and highlighting the specific areas the Administration and now this subcommittee have targeted for improvement. I will begin with TANF, the cornerstone of our welfare reform efforts.

Temporary Assistance for Needy Families

Since 1996, welfare dependence has plummeted and employment among single mothers has grown to unprecedented levels. But even with this notable progress, much remains to be done, and States still face many challenges. Last year, we held eight listening sessions throughout the country to discuss the TANF program and understand the new challenges ahead.

During these listening sessions we received a broad range of comments and recommendations, but several dominant themes emerged:

Not surprisingly, states want funding for TANF to be maintained.

There is broad support for keeping work and the work-first approach at the core of the program and recipient activity, but states want flexibility to engage recipients in activities that will complement work and help them achieve self-sufficiency.

Despite reservations many had five years ago, there is now virtually unanimous support for keeping time limits. Both program administrators and recipi-

ents told us how time limits were important for focusing client and agency efforts on pursuing self-sufficiency.

States told us of the difficulties of administering the various federal welfare and workforce programs, which have conflicting rules and procedures that seriously inhibit the states' ability to effectively serve families. They are very interested in getting some ability to better coordinate these programs.

Finally, states told us they felt the purposes of TANF were generally on target, but that we should aspire to setting an even higher goal for the program that recognizes how TANF can truly improve the quality of life for American families. Some suggested establishing new goals such as improving child well-being.

These insights helped shaped the Administration's focus in approaching reauthorization and clearly have been considered in the shaping of Congressman Herger's legislation. Reauthorization of TANF must build on what we have learned and our success by:

- strengthening the federal-State partnership by maintaining both the federal financial commitment to the program and State flexibility in how the funds are used;
- asking States to help every family they serve achieve the greatest degree of self-sufficiency possible through a creative mix of work and additional constructive activities;
- helping States find effective ways to promote healthy marriages and reduce out-of-wedlock childbearing by targeting funds to develop innovative approaches to addressing the formation of strong and stable families;
- improving the management and, therefore, the quality of programs and services made available to families; and
- allowing States to integrate the various welfare and workforce assistance programs operating in their States to improve the effectiveness of these programs.

We are very grateful that these principles are well-reflected in Congressman Herger's bill. I would like to highlight just a few of the key provisions that will go a long way toward improving the effectiveness of the TANF program in helping our nation's families.

This far-reaching proposal blends perfectly with the Administration's priority to maximize self-sufficiency through work by requiring States to engage all TANF families with an adult in self-sufficiency plans and regularly review case progress. In addition to the requirement for universal engagement, the bill increases the direct work requirement. In order for a case to be counted as participating, the individual must be involved in a full 40 hours per week of simulated work activities. Cases counted as participating would be required to average at least 24 hours per week (of their total required 40 hours) in direct work, including employment, on the job training, and/or supervised work experience. We vigorously support this high standard so that programs and clients keep focused on self-sufficiency and making progress toward it.

We note that the bill contains tremendous flexibility for States in deciding how to apply these participation requirements. When employment is not possible, States have flexibility to meet the 24 hour work requirement through work activities designed to prepare clients for real jobs. States can exercise great creativity in establishing constructive activities to address the remaining 16 hours, including structured activities that involve parents with their children, such as counseling or joint volunteer activities. Given such flexibility, States should be able to craft activities that accommodate difficulties families may have in finding child care.

It is extremely encouraging to see that Congressman Herger's bill also incorporates our focus on promoting child well-being and healthy marriages. The bill targets $100 million for broad research, evaluation, demonstration and technical assistance, focused primarily on healthy marriages and family formation activities. Research shows that both adults and children are better off in two-parent families. It is no criticism of single parents to acknowledge the better outcomes for children of married-couple families. Rather it supports the underlying principles to redirect our policies to encourage healthy marriage especially when children are involved. Along those lines, the bill also establishes a $100 million competitive matching grant program for States and Tribes to develop innovative approaches to promoting healthy marriages and reducing out-of-wedlock births.

Finally, I would like to mention the establishment of a new State program integration waiver authority which will permit States to further integrate a broad range of public assistance and workforce development programs in order to improve the

effectiveness of these programs. I have always been a strong advocate of State flexibility, and I believe this new waiver authority could revolutionize service delivery by allowing States to design creative new strategies for assisting families.

I would like to turn now to another program that offers a vital connection to a family's ability to achieve self-sufficiency: child support enforcement.

Child Support Enforcement

Child support is a critical component of federal and State efforts to promote family self-sufficiency. For the low-income families who receive child support, it makes up a significant portion of the family budget (26 percent).

PRWORA instituted a number of important child support enforcement measures. Tools such as increased automation, the National Directory of New Hires and Federal Case Registry, the passport denial program, the financial institution data match, and license revocation have made a tremendous difference in improving State performance and strengthening child support collection efforts. Equally important, PRWORA streamlined paternity establishment, particularly voluntary paternity establishment, to encourage fathers to take the first step toward providing their children with financial and emotional support.

The impact of these changes has been dramatic. The number of paternities established or acknowledged has reached almost 1.6 million. Of these, nearly 700,000 paternities were established through in-hospital acknowledgment programs. In FY 2001, with a case load of 17.4 million cases, a record of nearly $19 billion in child support was collected.

Like TANF, the approach taken by both this Administration and your subcommittee is to build on our success in the child support program under PRWORA by designing legislation that will:

- direct more of the support collected to families;
- increase child support collections through enhanced enforcement tools; and,
- establish a user fee for families that have never used public assistance in cases where the State has been successful in collecting support on their behalf.

Together, we will move the child support program toward a focus on families and away from the historic purpose of recoupment of federal and State outlays. In fact, I would be remiss if I did not acknowledge the leadership of this subcommittee in building a strong child support enforcement program and beginning the dialog on this next phase of child support reform.

Finally, I would like to turn to child care, a key support service.

Child Care

Parents need access to affordable and safe child care in order to succeed in the workplace. As a former governor, I know from direct experience that there is a fundamental link between child care and running an effective welfare to work program. The interest in maintaining a strong child care component as part of welfare reform has been reinforced by the Congress as well.

The President's budget seeks to continue funding child care at its current historically high level within the existing flexible framework of the discretionary Child Care and Development Block Grant and the mandatory Child Care funding as well as other critical funding sources such as Head Start. The President's FY 2003 budget includes $2.1 billion for the Child Care and Development Block Grant and $2.7 billion for the mandatory Child Care funding—a total of $4.8 billion for what is referred to as the Child Care and Development Fund or CCDF. In fact, over the last decade, federal funding specifically appropriated for child care has tripled—from $1.6 billion in 1992 to $4.8 billion this year.

But these funds are only part of the picture. Funding for child care also is available through the Temporary Assistance for Needy Families program, the Social Services Block Grant, or SSBG, and other sources. Looking at recently available historical data on State and federal dollars associated with CCDF, TANF and SSBG, we estimate that about $11 billion will be invested in child care through these three block grants alone.

Funding available through CCDF and TANF transfers will provide child care assistance to an estimated 2.2 million children in FY 2003. This is a significant increase over the number served just a few years ago (in 1998 about 1.5 million children received subsidized care) and does not take into account additional children that will be served by SSBG and TANF direct spending. When these funds are considered, it is estimated that approximately one-half million additional children will be served in FY 2003.

States contribute significant resources to child care as well. In fact, State spending accounts for about a quarter of total State and federal child care expenditures under the CCDF. States spent at least an additional $774 million in State TANF funds for child care in 2000.

Combined these funds support child care services for a significant number of our nation's children. In FY2003 funds from CCDF, TANF and SSBG will provide child care subsidies for an estimated 30 percent of potentially eligible children. When focusing on children with the greatest financial need, that is those in families below poverty, the estimated coverage rate grows to 47 percent. And, if you break the numbers down by age, among poor children three to five years of age the percentage served is 72 percent. Of course, these estimates do not take into account the complexity of the child care choices made by families. Many families opt to use informal care arrangements, such as relative care. Still others may adjust their work hours to match the school day, so that child care is not necessary.

Looking beyond State and federal spending under the block grants, other resources also support child care in the context of early childhood strategies—including Head Start, State-funded pre-kindergarten programs, and 21st Century Community Learning Centers.

Beyond its commitment to maintaining these funding levels for child care, the Administration also is committed to preserving the key aspects of the discretionary and entitlement child care programs: support for work and job training; healthy development and school readiness for children in care; parental choice; and administrative flexibility for States and Tribes. The major restructuring of the federally-funded child care programs under PRWORA provides a statutory foundation that remains an efficient method for distributing child care funds to States, and an effective mechanism for making these resources available to parents.

It is clear from these significant federal and State funding commitments that we all recognize the importance of child care. Congressman Herger's bill goes even further by raising from 30% to 50% the amount of TANF funds States may transfer into their Child Care Development Fund. This proposal to provide greater State flexibility should there be increased demand for child care spending is an innovative approach to addressing any potential future child care funding needs and one we would like to discuss further.

Conclusion

Mr. Chairman, we took a major step forward on welfare reform reauthorization this week with the introduction of your subcommittee's legislation. We already have made great strides in helping our nation's families, and as President Bush stated, "The successes of the past few years should not make us complacent. They prove what is possible when we press forward with bipartisan efforts." The Administration has publicly stated its commitment to the next phase of welfare reform and you have demonstrated yours by holding hearings like today's and devoting this committee's time and energy to quickly moving on welfare reform legislation. We stand ready to work with you in moving legislation that meets our shared goal of increased successes for America's neediest families.

Chairman HERGER. I thank you, Mr. Secretary.

I understand that you have to leave in a few minutes, so I would like to ask you a quick question, and that is if you were Governor today, would you view the President's proposal and the Chairman's bill as less flexible than current law, and isn't it true that there are key aspects of the proposal that are more flexible than current law?

Mr. THOMPSON. No question about it, Mr. Chairman, and I would like to quickly point them out, and I would applaud you, if I was Governor of the State of Wisconsin still, for your leadership on this particular issue.

Even though the proposal increases the work requirement from 30 hours to 40 hours, 16 hours of activities can be set up completely the way the States want them. There are no dictates whatsoever from the Federal Government.

There is a 3-month work exemption in this proposal that is not in the existing law that allows States to be able to put individuals into drug rehabilitation, drug treatment, alcoholic counseling, whatever the case may be. Under current law, the first time a case is opened, it is counted immediately. Under your proposal and the President's proposal, the case opening month is exempted so the State does not have to count that toward its work participation rate.

There is no separate two-parent requirement, which is very onerous on States under the existing law. That is no longer the case in your proposal or in the administration's proposal.

Partial participation credit is given, while there is no prorated credit that is given in the existing TANF law. It is given in your proposal as well as the President's.

There is a rainy day fund allowed that designates the TANF dollars as obligated rainy day funds, which corrects a big problem. Under current law States made sure to obligate that money, perhaps not as wisely as they should have, but States did not want the Federal Government to take that money away from them.

Limits are lifted on carryover funds, which were limits under the current TANF law and which are no longer in your proposal. I applaud you on that.

The superwaiver is the final example of increased State flexibility, for which I think all Governors, especially if I was Governor, would come and kiss your ring and say thank you. It would give me the opportunity to put in a superwaiver that would allow me to put together even a more exciting program back in Wisconsin when I was Governor.

Chairman HERGER. I am not going to ask you to kiss my ring, but I do appreciate your comments, and particularly your comments as a former Governor. With that, the gentleman from Maryland, the Ranking Member, Mr. Cardin, to inquire.

Mr. CARDIN. Thank you, Mr. Chairman. I find your answer a little bit difficult to follow in that the Herger bill imposes additional requirements on the States, additional hours in the work requirement, additional percentages in the work requirement, less availability of vocational education than in the current law. It states that it is estimated it would cost an extra $15 billion in order to comply with the requirements. You mentioned one, for example, the extra 16 hours of flexibility under current law doesn't even apply to those who have children under the age of 6, whereas you are applying it now.

So, I don't think it is quite accurate to say that you are giving additional flexibility. I think the proof is what the States believe, and we have gotten surveys, as you know, from a lot of the different States, and many of the States have responded—in fact, almost all of the States have responded saying that they would have to make fundamental changes in their programs.

If you believe the States are responding adequately, why should we require—41 States have replied already saying they would have to make a fundamental change in their program. Many of those States have said it would require them to have a lot more work for their programs, and you and I agree that workfare should be a

matter of last resort. We certainly don't want to encourage workfare over real jobs in the community.

So, I think we should really look at the specifics, and I do think we need to sit down with the State administrators, because in the conversations that I have had, they feel very threatened by many of the provisions, and sometimes they are a little bit timid in expressing their views. So, I hope we will have an opportunity to take a look at this and make sure that we give the flexibility necessary to the States.

I do want to ask you one question, though, and that is you and I have talked about the well-being of the child and taking families out of poverty, and I noticed how the structure of the Herger bill is. As I told you, I support the Administration's proposal to make the well-being of the child the centerpiece of our objective, and you have certain tools in order to accomplish that. I would ask that we work together so that poverty reduction can be one of those tools to advance the well-being of the child, and I would hope that Dr. Horn would be available to work with us on language that is acceptable to the administration and accomplishes our objective.

Mr. THOMPSON. Thank you, Mr. Cardin. The Chairman asked me where the differences were in which we allowed for more flexibility. I listed all 10 of those. There are some areas that place more requirements on States, and you mentioned those. There is more flexibility than there are requirements, and that is what I want to point out.

You mentioned one thing that I would have to correct. You indicated that Governors were a little bit bashful about expressing their opinions. I have never found a Governor that was bashful yet.

Mr. CARDIN. I believe it is State administrators.

Mr. THOMPSON. I haven't found too many of those that are bashful either. In regard to welfare of the child and poverty, and I think there is plenty of room for us to reach an agreement, and I applaud you for your passion on it. I want to work with you in coming up with a position on this particular subject so that we can have a bipartisan bill passed through Congress. There is no question that your passion for getting children out of poverty is extremely good, and I appreciate you for it. I feel the same way, and I think we have done a good job under TANF on reducing poverty among children, and I think we have to move to the next step, and I am going to work with you to accomplish that.

Mr. MCCRERY. [Presiding.] Mr. Secretary, thank you. I know you have to leave, and I would like to test your diplomatic skills before you go. Those who are leaving right now are leaving because we have a vote on the Floor. If you would, Mr. Secretary, since you were so enthusiastic in your endorsement of the President's proposal and Mr. Herger's bill, which makes some modification on the President's proposal, and used your experience as a past Governor to underscore your enthusiasm, we know that we have received letters, and we have seen accounts in the newspapers and in the media about the Governors—National Governors' Association (NGA) and this, that, and the other saying that this bill is inflexible, it is micromanaging from Washington. It doesn't give the States enough flexibility. So, how do you reconcile those sitting

Governors' views, at least as expressed in the media, with your enthusiasm as a past Governor for the proposal?

Mr. THOMPSON. Mr. Chairman, as a former fellow Governor, I can understand. States are in very difficult financial shape right now, and they see this bill passing in Congress this year, and if they are able to get some more dollars in here, more flexibility, I would be one of them. When I negotiated the original TANF bill with the House and the Senate back in 1995 and 1996, when I was Chairman of the National Governors' Association, I told the Congress at that time that if we can get level funding at $16.5 billion, we could do an excellent job. You set the standards, but give us the flexibility on how to accomplish those standards. We can do that.

That is exactly what this bill does. It is level-funded. It is a commitment for 5 years. We set some high goals, but we allow the States complete flexibility under those goals to reach those goals, and that is what States have always asked for, and I know they can do it. In the meantime they are going to be asking for more, and I would be one of them if I was still a Governor. Right now I can assure you in talking with them behind closed doors, they will be very satisfied with this proposal if it passes.

Mr. MCCRERY. Thank you, Mr. Secretary. Very well done, and we look forward to having you back. Mr. McDermott?

Mr. MCDERMOTT. I thought when you were going to test his diplomatic skills, you were going to ask me to ask a question.

Mr. MCCRERY. Dr. Horn, are you going to stay?

Mr. DOGGETT. Mr. Chairman, is the Secretary not staying to answer questions about his testimony?

Mr. MCCRERY. Dr. Horn is going to stay.

Mr. DOGGETT. Well, I am glad to have Dr. Horn, but we only have one Secretary, and unless this is just a pep rally for the President's proposal and not an attempt to really try to explore what our differences are and how we can get them resolved for a bipartisan proposal, then this is—if that is your goal, I think it has been achieved. I came to ask the Secretary questions about his testimony, and he is apparently making a speech and walking out. Doesn't get us any further coming together on this.

Mr. MCCRERY. The Secretary had other obligations that required him to be here for only a half hour. He has satisfied his commitment to us.

Mr. DOGGETT. When were the Members of the Minority advised that the Secretary wouldn't answer any questions about his testimony?

Mr. MCCRERY. Your side was advised of the Secretary's constraints, and so if not, then that is somebody's fault on your side. Dr. Horn is here, and he would be more than happy to respond to any questions that you have. Obviously, you don't want to ask Dr. Horn any questions.

Mr. DOGGETT. No. I want to go vote.

Mr. MCCRERY. Maybe you can catch him. Dr. Horn, in fact, the bill as introduced by Mr. Herger does give the States more flexibility in terms of the work requirement than the President's proposal. That has been, I believe, the one item in the President's proposal that has received the most attention from the Nation's Governors is the requirement that 70 percent of the case load be re-

quired to work. Under the Chairman's proposal, he phases that requirement in over a number of years; isn't that correct?

Dr. HORN. Yes.

Mr. MCCRERY. By doing that, doesn't that allow the States more flexibility and gives them sufficient time to look towards satisfying that strengthened work requirement?

Dr. HORN. We think that both the Chairman's bill and the administration's proposal both provide for phase-in periods that allow States to adjust their programs to meet the more challenging work standards. What Secretary Thompson has done is identify a very important difficulty in the current law, which is because case loads have dropped so dramatically, the effective work participation rate is not 50 percent as you might assume by reading the current law, but nationally is only 5 percent, so that nationally only 5 percent of those on TANF currently need to be engaged in sufficient work activities to qualify towards work participation rate.

There are various ways of fixing that problem. The Administration's proposal fixes it by phasing out the case load reduction credit over 3 years, but implementing a new employment credit. The Chairman's bill does the same thing by recalibrating the case load reduction credit over time. That also would fix the fundamental difficulty in the current law, which is that given the base year for the calculation of the case load reduction credit is 1995, effectively the case load reduction credit, if that is the base year, eviscerates any meaningful work participation requirement by the States.

So, I think both bills address that issue. Both bills have a phase-in period so States have time to adjust their programs, 2 years essentially in both cases, to meet the more challenging work standards.

Mr. MCCRERY. Well, I thank you for addressing that because I don't think that is very well known, and particularly if all one knows is what he reads in the newspapers sometimes, he doesn't realize that even though there is a 50-percent work requirement—after all, when we came up with the idea for welfare reform and the framework of welfare reform, one of the underlying principles was that people ought to work for—in exchange for their benefits. If they were able to work, then we ought to encourage them to work and give them the tools to work and help them get to work. So, we put that 50-percent case load requirement in there.

The practical effect of giving the Governors—and Secretary Thompson at the time was one of those Governors trying to get as much as they could—we gave them the most favorable base year in terms of their case load upon which the case load reduction credit would be based, and the practical effect of giving them that most favorable base year where they had the highest case load and then letting them count against that the reduction in the case load to reduce their work requirement, the practical effect is that a very low percentage of their current case load around the country is required to work. The President's proposal and the Chairman's proposal attempts to correct that and to go back to the underlying principle that we ought to get people to work, we ought to teach them how to have a job, and ultimately to be independent from government assistance and care for themselves and their families.

So, I am pleased that the President proposed that correction. I also think that the Chairman's modification of that is probably positive for the States and the Governors and will allow them to correct their program over time. With that, thank you, Dr. Horn, and I am going to turn it back over to Chairman Herger so I can go vote.

Chairman HERGER. [Presiding.] I thank Mr. McCrery for filling in while we were voting.

Dr. Horn, if you could tell me, I suspect you are aware that back in 1996 when the welfare reform was first debated, estimates were floating around by the bill's opponents that the TANF program was drastically underfunded to meet the work requirements. Yet according to recent reports from the Center on Budget and Policy Priorities, there is still some $7.4 billion in federal TANF funds sitting in the federal Treasury after 5 years of operating welfare reform. Nonetheless, we are still seeing some projections about the shortfalls in funding today. How do you respond to those who say we need billions and billions more in federal spending to meet the work targets in these proposals?

Dr. HORN. All totaled there will be about $167 billion available for States over the next 5 years. The block grant, as you know, both in your bill and the President's proposal includes the same amount of money today as in 1996, and yet case loads have been reduced by 56 percent. To give real numbers to that, 8.6 million children were on the case loads back in 1996, and today that number has been dropped to less than 4 million. Yet both your bill and our proposal suggests that States ought to have the same amount of money plus be able to use whatever carryover balances they still have, as you point out $7.4 billion, not just for cash assistance, but with the flexibility provided under your bill and the President's proposal to be able to use $7.4 billion for things other than just direct cash assistance. So, we think with less than half the case load left, with the same amount of money, with $167 billion available over the next 5 years, States ought to be able to have sufficient funds to be able to reorient their systems in such a way that meets the more challenging work standard.

Now, it is very important to keep in mind, why is it that we want to set a more challenging work standard? It is not that we are mean people. It is because what we would like to do is make sure the State is working with every case, everybody who is still on the case load, focusing them on the only sure route out of poverty, which is work. So, the more challenging work standard combined with the flexibility to have up to 2 days of education and training combined with the core of work is an attempt by us and by you, Mr. Chairman, to move as many people as effectively toward self-sufficiency as possible.

Now, back in 1996, we heard a lot of people saying States couldn't do it with the money that was available. Clearly that is wrong. We are hearing some of the same people say the same thing about this proposal. It seems to me that the burden of proof ought to be on them to demonstrate that it is an impossible task, a task that they suggested was impossible back in 1996, yet not only was a possible task. We have seen an extraordinary movement away from the welfare rolls and toward self-sufficiency, as was pointed

out by the Secretary—the most dramatic drop in child poverty in a 5-year period in the history of the United States, where African American child poverty is now the lowest rate ever recorded, and where Hispanic child poverty has dropped more dramatically than in any 4-year period that we have seen in our history as a nation.

So, it seems to me that we do have a program that works because it is oriented toward work, and what we would like to do, as the Secretary says and as your bill suggests, is set a high, challenging work standard and work in partnership with States to be able to move as many people toward self-sufficiency as effectively as possible.

Chairman HERGER. Thank you, Dr. Horn. Isn't it correct that even though there are some three times more people working today under the TANF program than there were prior to the 1996 laws, that there are still approximately 58 percent of those on welfare who are not doing anything?

Dr. HORN. That is what our latest figures tell us. Only about 34 percent nationwide satisfy the current work participation standard, and 58 percent, according to our information, are not involved in any work activities at all.

So, it seems to me we have a long way to go, but it is precisely why we want to set a more challenging work standard, allowing States the flexibility to combine work with other kinds of activities, and in sifting through the universal engagement strategy, that every case be attended to. We ought not to leave any welfare recipient behind when it comes to welfare reform. We want to move as many as possible toward self-sufficiency, and I believe that is what your bill will do, and we certainly believe that is what the President's proposal will do.

Chairman HERGER. Thank you very much for your testimony. We certainly appreciate the Secretary being here. With that, why don't we move to our second panel. Our Members of Congress, please, the Honorable Patsy T. Mink from Hawaii, who will be first to testify; then the Honorable Marcy Kaptur, who just ran over to vote; the Honorable Dennis J. Kucinich; the Honorable Barbara Lee; the Honorable John F. Tierney; and the Honorable Thomas M. Reynolds. I know that several of our Members are out voting. Mrs. Mink, would you like to testify?

STATEMENT OF THE HON. PATSY T. MINK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

Mrs. MINK. Thank you very much, Mr. Chairman. I appreciate the opportunity that you have given a number of people to come to express their views. The Administration has presented theirs today, and it is really geared to performance standards and such additional requirements.

I come today to appear to this Subcommittee to look at the legislation that I have introduced, H.R. 3113, which currently has 90 cosponsors and has been endorsed by over 80 organizations. This is really a grassroots effort to try to put together a meaningful reauthorization concept which is generated primarily by those who either left welfare and went to work or who are currently recipients, and it is an expression of the things that they would like to see changed in order to emphasize not just getting a job, but giving

the recipients and their families a chance for true economic security.

So, I think the number one item which I would like to emphasize is a proposal in my bill to recognize the importance of education. To minimize that is to degrade the whole concept we have worked for since 1996, and that is work counts. It pays for people to go to work and uplift their families. If all you are doing is getting them off welfare with a minimum-wage job, with no opportunity of upward mobility, then I think you are sacrificing the ultimate goal, which should be to allow this family to improve itself, and the best way, I think everyone agrees, is through education and job training.

So, it seems to me that this is one improvement that ought to be incorporated in our legislation to permit education, job training as work activity so that the individuals that want to go to community college or to college or whatever to improve their employment opportunities will have that option. Currently that is not available under the current law, and it is not being promoted in the administration's proposal.

The point also is that many of the individuals in welfare are under huge family difficulties. They have employment barriers. There are severe illnesses in the family. Some of the individuals may be mentally and physically disabled. Some of them may be suffering under drug addiction and require treatment. There are a wide variety of disabilities that we urgently ask the Committee to consider so that these individuals are not pushed out to work when they have these very, very difficult situations.

Child care, as the Secretary testified in our Subcommittee the other day, is a very important ingredient. Without child care, work cannot be made a possible alternative, and therefore we urge this Committee to take a careful look at the child care responsibilities that the States and the Federal Government have, not just the funding, but to make sure that child care is quality child care so that the parents feel when they have their children in a child care facility, that the child is getting the best possible care that one would be able to provide a child in that community.

This goes back to the President's emphasis when we were debating H.R. 1 when he said, leave no child behind. I believe that same philosophy ought to adhere in terms of welfare reauthorization. The child ought to be the primary concern of this Committee and of the Committee on Education and Workforce; what is in the best interest of the child. In this sense, the requirement of going to work for 40 hours is not in the best interest. It seems to me that child care, after-school care when the children are older are primary responsibilities before we make work 40 hours the ultimate requirement of a successful program.

The Administration—everyone that has looked at this bill has said what a wonderful outcome that we have been able to cut the rolls. It has been successful in that sense. It has been successful because we have a work requirement. If they don't work, they don't remain on the rolls. So, I think what we have to look at now is how can we make the lives of the children and their families better. Certainly we haven't taken them out of poverty, and that should

be a very, very serious concern of this Committee and of my Committee.

I thank you, Mr. Chairman, for giving me this opportunity and ask unanimous consent that my entire statement be placed in the record.

[The prepared statement of Mrs. Mink follows:]

Statement of the Hon. Patsy T. Mink, a Representative in Congress from the State of Hawaii

Chairman Herger, Ranking Member Cardin, and Members of the Subcommittee on Human Resources.

Thank you for the opportunity to testify today on proposals to reauthorize the Temporary Assistance for Needy Families (TANF) program. What we finally decide will have a tremendous impact on the poorest of our nation's children and on their parents who are struggling to improve their family's condition.

In October 2001, I introduced H.R. 3113, the TANF Reauthorization Act of 2001. I am delighted to report that the bill currently has 89 sponsors and has been endorsed by 80 organizations, including Business and Professional Women/USA, Center for Women Policy Studies, National Association of Commissions for Women, National Coalition Against Domestic Violence, National League of Women Voters of the U.S., and YWCA of the USA, to name just a few. I attach a list of HR 3113's cosponsors and the list of organizations that support HR 3113. I urge the Subcommittee to seriously consider the provisions of HR 3113 as you begin marking up a TANF Reauthorization bill.

This is an issue very close to my heart. In 1995, I offered the Democratic substitute to HR 4, an early version of the welfare-to-work legislation, which was vetoed by President Clinton. In preparing for the reauthorization of TANF in the 107th Congress, I incorporated many of the provisions contained in my 1995 substitute to HR 4 as well as recommendations from grassroots organizations representing the people most affected by welfare reform in 1996. These organizations held extensive hearings to identify the barriers that TANF families encounter in making the transition from welfare to economic security.

The Personal Responsibility and Work Opportunity and Reconciliation Act (PRWORA), which became law in 1996, has been hailed by many as a success because of the dramatic decline in the number of persons on welfare rolls in many states. Many equate the declines in numbers of families receiving benefits with a corresponding decline in the need for assistance. But we have evidence that many families have been pushed from the welfare rolls before they were able to adequately provide for their families. Is this our goal—simply to reduce the number of persons receiving benefits? Or are we trying to help these families find their way to economic security?

Some 50 percent of former recipients are still living in poverty and 30 percent have been unable to find jobs. Study after study shows high rates of hardship, ranging from having to forego needed medical care to skipping meals, to being unable to pay the rent.

I believe our goal in creating a social welfare safety net for families must be, first and foremost, to ensure the well-being of the children affected. Reducing dependency is a valid goal, but only if it means that families can move onto true self-sufficiency. I believe that the best way to achieve these goal is to enable women receiving TANF to pursue the training and education they need to get good jobs so that they can leave public assistance permanently, provide economic security for their families, and set an example of achievement and ambition that their children can emulate. Are we well-served by pushing a young single mother to accept a low-wage dead-end job where she will receive minimum wage, inadequate or no benefits, and little hope for a better future for herself and her children? Or would we be better off giving that woman an opportunity to earn a college degree, become certified as a nurse or computer technician, or receive advanced vocational training so that she and her children can become economically secure?

TANF's work requirement stresses getting a job, any job, regardless of what it pays, what benefits it provides, and whether the combination of earnings and benefits are sufficient for a family to survive on.

HR 3113 seeks to:

1. **Expand the definition of "work activity"** to include

a. education and job training at all levels (elementary and secondary education, literacy training, ESL, GED, high education, and work-study programs)
b. as well as a parent's caregiving for a child under the age of six or over the age of six if ill or disabled or if after school care is not provided;

2. **Stop the 5-year clock** from running if the recipient is engaged in an allowable work activity, including education and job training;
3. **Prohibit full family sanctions** that punish whole families when the adult recipient doesn't meet a TANF rule. The bill will prohibit full family sanctions, permitting only an incremental reduction in the family benefit tied to the benefit of the parent found in violation of the rule. This will protect children by assuring them their safety net even if a mother loses her benefit.
4. **Make paternity establishment and child support enforcement voluntary**, while encouraging cooperation by directing all child support collections to the family. This provision will restore the constitutional privacy rights of poor mothers by making the paternity establishment and child support cooperation provisions voluntary for mothers. Current policy requires mothers to disclose the identity of biological fathers to welfare agencies even if they do not want them involved with their children. To enforce these rules against mothers, TANF requires them to answer intrusive questions that strike at the very heart of privacy guarantees. Child support enforcement should be available to all mothers who want fathers to help financially with children. But mothers should not be compelled to secure child support against their own best judgement.
5. **Count treatment for domestic and sexual violence, mental health problems, and substance abuse as "work activities" and stop the clock while TANF recipients are undergoing prescribed treament**. Approximately 60% of women on welfare report having been victims of intimate violence at some point in their adult lives and 30% report abuse within the last year. HR 3113 promotes the safety interests of families enrolled in TANF by making various requirements more flexible for families dealing with domestic violence. The bill builds on the current family violence option, making it a requirement for states.
6. **Prohibit states from establishing family "caps"** that withhold benefits from a child born to a mother on welfare; 19 states currently have family caps.
7. **Replace the "illegitimacy bonus" with a poverty reduction bonus** for states that lower poverty rates the most;
8. **Restore the child care entitlement** for TANF families when the parent enters the labor market or in a work activity leading to participation in the labor market. Although current law includes sanction protection for recipients who cannot find quality child care, the reality is that recipients are being forced to leave their children in unsafe, undesirable child care situations. HR 3113 would ensure that the care needs of children will be met as their mothers move into the labor market. It stops the 5-year clock when recipients are unable to work due to lack of suitable child care.
9. **Guarantee equal access** to TANF regardless of marital or citizen status—full access to TANF benefits would be restored to legal permanent residents.
10. **Enforce anti-discrimination and labor laws**, as well as due process guarantees. This will assure enforcement of the minimum wage, for example. It also will explicitly require TANF agencies to abide by Title VII and Title IX prohibitions on sex discrimination, neither of which are signaled in the current TANF statute.
11. **Stop the clock for all TANF families during recession** and temporarily restore TANF eligibility for families who have exceeded their time limit but who are otherwise eligible (recession equals 5.5% unemployment rate or higher);
12. **Provide incentives to states to provide programs to reduce barriers to employment, to offer job training, and to encourage education**; and
13. **Stipulate that the statutory purpose and goal of TANF is to reduce child and family poverty**.

These changes will put TANF to work helping mothers parent in dignity and helping children grow up with economic security.

The failure of TANF to count post-secondary education as a work activity is its biggest hypocrisy and one of the key problems my bill seeks to correct. Research has long established that women with education beyond high school, especially a college education, are more likely to earn living wages. Gaining education must be credited as work and must stop the clock.

It is also hypocritical for us to lavishly praise the middle-class or upper-class mother who chooses to forgo work outside the home so that she can stay home and

take care of her young children and treat poor mothers as though they are lazy if they too want to care for their young children. Young TANF mothers are forced to leave their children in inadequate child care while they participate in make-work programs or low-paying jobs. It is extremely difficult for a poor single mother to balance the demands of work and family. The logistics (and expense) of getting more than one child to babysitters and school and picking them up can be overwhelming, especially when one doesn't have reliable transportation. Unreliable childcare and what to do when one's child is sick and cannot go to school are also major crises for poor working mothers. And now the President wants to require TANF recipients—even those with preschool-age children—to work a full 40-hour week! Many of these women lack job skills and must accept irregular shift or part-time work or must balance two or more part-time jobs while caring for their children.

Perhaps the greatest failing of the current program and the Administration's proposal is a lack of appreciation of the barriers that some recipients face in making the transition from welfare to work. We must allow prescribed treatment to count as work activity for those who are afflicted with a drug or alcohol dependency, severe depression, or other mental illnesses and for women who have been victims of domestic violence. My bill stops the clock while these TANF mothers are undergoing treatment. The Administration's proposal to allow only 3 consecutive months of treatment for substance abuse (in a 24-month period) to count as a work activity is clearly inadequate.

Child care is another nagging problem under TANF. Without dependable and appropriate child care there is little hope for a parent to be able to stay employed. Under the Family Support Act of 1988, child care was an entitlement. TANF repealed the entitlement for individuals, making it even harder for poor mothers to assure care and supervision to their children while they are away from home meeting their work requirement. To enforce work, there must be quality child care. The State set aside to improve quality of child care must be increased from 4 percent to 8 percent.

One of the powerful ideas in the 1996 welfare debate was the strong view that one of the ways to help children in welfare families is to find their fathers and make them provide child support. But TANF requires women seeking welfare to disclose the identities of biological fathers and to help government locate them. It enforces these requirements with new sanctions reducing family benefits when mothers don't comply. These harsh provisions totally disregard a mother's own best judgment about what's best—and safest—for herself and her children. What's more, TANF provides that child support money collected by the government stay with the government as reimbursement for welfare.

What Congress needs to do is to undo punitive regulation of mothers on welfare. We need to encourage states to make job training and educational opportunities available to recipients so that leaving welfare for the labor market means leaving poverty. We need to make it possible for mothers to seek job training and education, as well as to keep jobs that pay living wages. We need to treat women on welfare the same way that we want all women to be treated—with the respect, dignity, and the rights we all cherish for ourselves.

TANF needs to take into account the many different reasons that people are forced to turn to welfare. Many poor mothers lack the skills needed to land better-paying jobs. They need access to training and education. Many cannot afford to be employed, because they lack child care or can't find affordable transportation or aren't assured crucial benefits such as health care. They need to be protected by all labor laws, be guaranteed child care, and receive Medicaid benefits for as long as they are income-eligible. Some mothers suffer from substance abuse or mental health problems or debilitating illness or domestic violence. These mothers need access to treatment, recovery, legal remedies, and skills-building services before entering the labor market. All children desperately need loving care in the home. Their mothers need the resources and the flexibility to decide when their children need a mother's care.

H.R. 3113 retains the basic structure of the Personal Responsibility and Work Opportunity Reconciliation Act, including an emphasis on work and a five-year lifetime limit. The bill has been drafted with careful attention to the challenges that have prevented welfare recipients from escaping poverty during the last five years under TANF. The bill directs work efforts to permanent, sustainable, high wage employment opportunities through education, training and targeting high wage jobs. The bill also focuses on providing work supports like child care and addressing barriers to economic self-sufficiency such as domestic violence, mental or physical disability and substance abuse. Finally, the bill restores full access to qualified immigrants.

I urge my colleague to support the changes to TANF embodied in H.R. 3113.

Groups That Have Endorsed HR 3113, The TANF Reauthorization Act
(as of 4/5/2002)

1. Acercamiento Hispano/Hispanic Outreach
2. African American Women's Clergy Assn.
3. American Civil Liberties Union
4. Americans for Democratic Action
5. American Friends Service Committee
6. Arizona Coalition Against Domestic Violence
7. Ayuda Inc.
8. Business and Professional Women/USA
9. California Food Policy Advocates
10. California Welfare Justice Coalition
11. Campaign for America's Future
12. Center for Battered Women's Legal Services at Sanctuary for Familes
13. Center for Community Change
14. Center for Third World Organizing
15. Center for Women Policy Studies
16. The Center for Women and Families
17. Center on Fathers, Families and Public Policy
18. Central Conference of American Rabbis
19. Chicago Women in Trades
20. Child Care Action Campaign
21. Child Care Law Center
22. Choice USA
23. Church Women United
24. College Opportunity to Prepare for Employment (COPE)
25. Communication Workers of America
26. Covenant House Washington
27. Family Violence Prevention Fund
28. Florida CHAIN (Communications Health Information Action Network)
29. Friends Committee on National Legislation (Quaker)
30. (GROWL) Grass Roots Organizing for Welfare Leadership
31. Harbor Communities Overcoming Violence (HarborCOV)
32. Harlem Fight Back
33. HELP USA
34. Human Services Coalition of Dade County, Inc
35. Hunger Action Network of NYS
36. Jewish Family Services
37. Jewish Women International
38. Los Angeles Coalition to End Hunger & Homelessness
39. Mothers on the Move Committee of the Philadelphia Unemployment Project
40. National Association of Service and Conservation Corps
41. National Association of Commissions for Women
42. National Center on Poverty Law
43. National Coalition Against Domestic Violence
44. National Coalition of 100 Black Women, Metropolitan Atlanta Chapter
45. National Council of La Raza
46. National Employment Law Project
47. National League of Women Voters of the U.S.
48. National Organization for Women
49. National Urban League
50. National Welfare Rights Union
51. NETWORK, A National Catholic Social Justice Lobby
52. New Directions Center
53. New Mexico Center on Law & Poverty
54. Nontraditional Employment for Women
55. NOW Legal Defense and Education Fund
56. North Carolina Coalition Against Domestic Violence
57. Ohio Domestic Violence Network
58. Oregon Law Center
59. Public Justice Center
60. Research Institute for Independent Living
61. RESULTS
62. Rural Law Center of NY, Inc.
63. Safe Horizon
64. Southeast Asia Resource Action Center
65. The Miles Foundation
66. The Union of American Hebrew Congregations
67. Unitarian Universalist Association of Congregations
68. United States Student Association
69. Welfare Made A Difference Campaign
70. Welfare Rights Organizing Coalition
71. Welfare-to-work Advocacy Project
72. Wider Opportunities for Women
73. Wisconsin Council on Children and Families
74. Women and Poverty Public Education Initiative
75. Women's Committee of 100
76. Women Employed
77. Women Empowered Against Violence, Inc. (WEAVE)
78. Women's Housing and Economic Development Corporation (WHEDCO)
79. Workforce Alliance
80. YWCA of the USA

Chairman HERGER. Without objection, and I thank the gentlelady from Hawaii. Now the gentleman from Ohio, Mr. Kucinich, please.

STATEMENT OF THE HON. DENNIS J. KUCINICH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. KUCINICH. I thank the Chair. We agree that we should help vulnerable families become economically self-sufficient, but differ as to how to help them find and maintain a stable living wage job. Many of us also agree that education and other services are essential for moving from welfare to work, but we need to make good on the rhetoric about obtaining skills and pulling oneself up

by bootstraps out of poverty instead of restricting the opportunity to gain skills and education.

The work programs that have been proposed would decrease State work participation rates to 70 percent and increase the number of hours of work per week to 40 hours. It would increase the number of activities that count as work for the first 24 hours, eliminating many programs that help recipients get ready to work, like education, training, and rehabilitation. It would encourage the workfare programs. Finally, these proposals drastically reduce current opportunities under the law to pursue education, and limit education and other activities to a mere 3 months out of 2 years.

The Administration's proposals as well as H.R. 4090 and H.R. 4092 will not help recipients. I think it will be difficult if not impossible for States to implement and could be largely counterproductive. First, States, service providers and recipients themselves have opposed the provisions that encourage workfare programs. H.R. 4090 limits activities that count as work to 5 activities from 12 in the current law. It eliminates activities that help ensure people are able to work and maintain a job. No longer would someone be allowed to participate in a program to help him or her overcome physical, mental, or learning disability or participate in a training program that would help him or her to find a stable, living wage job.

States have responded that they need more flexibility. In responding to the National Governors' Association survey, Ohio cites activities such as English as a second language, domestic violence counseling and support, and substance abuse programs as necessary to help move families off TANF support permanently.

Bills which allow 3 months out of 24 for non-work activities are wholly inadequate. In my State, Ohio, we would have difficulty providing non-work activities in a narrow 3-month timeframe. There are waiting lists for individuals needing vocational education, mental health counseling, or substance abuse treatment. Most vocational educational programs need more than 3 months to complete, and the 3-month limit is a large restriction on good programs. Fewer individuals would be able to enroll in programs that would lead to stable employment.

Instead of limiting opportunities for advancement in self-sufficiency, as H.R. 4090 and H.R. 4092 would, TANF should expand these opportunities. Research shows with these opportunities, families can stay off public assistance permanently. Single female heads of households with a high school diploma are 60 percent more likely to have jobs and are 95 percent more likely to be employed with an associate's degree. An associate's degree is a mere 2 years, and that would be a ticket to a good job with more adequate benefits. Of the top 30 fastest growing occupations, only 5 can be achieved with short-term training, and these are the least well compensated. Almost every other job requires an associate's degree or bachelor's degree.

Through TANF reauthorization, we should allow recipients to pursue education for at least 2 years. We should also lift the State cap on those pursuing education. Additionally the hard-to-serve should be given the opportunity to enroll in rehabilitation programs as a work activity to prepare for a stable job.

The harsh limitations imposed by the Majority's bill for the pursuit of non-work activities, 16 hours per week and 3 months per 24 months, are a token effort, and they do not have the support of the States. Many States have experienced workfare programs, and the experience is not good.

I want to conclude and submit my whole statement for the record, Mr. Chairman, that through the use of a superwaiver, the bills under discussion appear to allow the Secretaries to waive legal requirements, including minimum wage requirements, Occupational Safety and Health Administration (OSHA) standards and civil rights regulations. There is no language in the bill that would clearly prohibit waivers of these requirements. Unfortunately, this would be consistent with the way some States have implemented past programs. This has the unfortunate effect of making workfare participants undermine other low-income working people who are not workfare participants. Thus TANF workfare provisions, unless they are reformed, create a substandardly compensated workforce that displaces existing low-wage workers.

I want to thank the Chair for the opportunity. It is my hope that the problems will be addressed during reauthorization. The TANF recipients deserve real opportunities beyond 16 hours and 3 month restrictions on skill-building activities to find stable jobs, and I hope the reauthorization will make good on these promises.

[The prepared statement of Mr. Kucinich follows:]

Statement of the Hon. Dennis J. Kucinich, a Representative in Congress from the State of Ohio

Since work seems to be at the center of this debate, I am going to limit my testimony to the proposed work programs. We agree that we should help vulnerable families become economically self sufficient, but differ as to how to help them find and maintain a stable, living wage job. Many of us also agree that education and other services are essential for moving from welfare to work, but we need to make good on the rhetoric about obtaining skills and pulling oneself up by their bootstraps out of poverty, instead of restricting the opportunity to gain skills and education.

The work programs that have been proposed would increase state work participation rates to 70 percent and increase the number of hours of work per week to 40 hours. It would decrease the number of activities that count as work for the first 24 hours, eliminating many programs that help get recipients ready to work, like education, training, and rehabilitation. It would encourage workfare programs. Finally, these proposals drastically reduce current opportunities under the law to pursue education, and limit education and other activities to a mere 3 months out of two years.

I have grave doubts about the possible success of the type of program that has been proposed by the Administration, by Mr. Herger in HR 4090, and by Mr. McKeon in HR 4092. Not only do I think that these proposals will ***not*** help recipients, but I think they will be difficult if not impossible for states to implement and could be largely counterproductive.

First, states, service providers and recipients themselves have opposed the provisions that encourage workfare programs. HR 4090 limits activities that count as work to 5 activities, from 12 in the current law. It eliminates activities that help ensure people are able to work and maintain a job. No longer would someone be allowed to participate in a program to help him or her overcome a physical, mental or learning disability, or participate in a training program that would help him or her to find a stable, living wage job. States have responded that, contrary to the limitations placed on the definition of work in HR 4090 and HR 4092, they need more flexibility. In responding to the National Governors Association Survey, Ohio cites activities such as English-as-a-second language, domestic violence counseling and support, and substance abuse programs as necessary to help families move off TANF support permanently.

While Republican bills allow 3 months out of 24 for non-work activities, this is wholly inadequate. In my state, Joel Potts, the head of the Ohio Department of Jobs

and Family Services, stated that Ohio would have difficulty providing "non-work" activities in the narrow 3-month time frame. There are often waiting lists for individuals needing vocational education, mental health counseling or substance abuse treatment. Also, most vocational education programs need more than 3 months to complete, and the 3-month limit is a large restriction on good programs. Potts says that it would actually be counterproductive because it would mean fewer individuals would be able to enroll in programs that would lead to stable employment.

Instead of limiting opportunities for advancement and self-sufficiency as in the Herger/McKeon bills, TANF should expand these opportunities. Research data shows that with these opportunities, families can stay off public assistance permanently. Single female heads of households with a high school diploma are 60 percent more likely to have jobs, and are 95 percent more likely to be employed with an associate's degree. An associate's degree is a mere two years, and that could be a ticket to a good job with more than adequate benefits. The job market is also growing in areas that demand more skills, not surprisingly. The US Bureau of Labor Statistics found that people in jobs requiring the least education will experience the lowest professional growth, while jobs requiring at least an associate's degree will experience a job growth rate of 31 percent over the next 10 years. Of the top 30 fastest growing occupations, only 5 can be achieved with short-term training, and these are the least well compensated. Almost every other job requires an associate's degree or bachelor's degree.

During TANF reauthorization, we should allow recipients to pursue education for at least 2 years. We should also lift the state cap on those pursuing education. Additionally, the hard-to-serve should also be given the opportunity to enroll in rehabilitation programs as a work activity to prepare for a stable job. The harsh limitations imposed by the Republican bills for the pursuit of non-work activities—16 hours per week, and 3 months per 24 months—are a token effort. Few activities even exist within these timeframes. These limitations do not have the support of extensive research and data, and they do not have the support of states.

Second, many states have experience with workfare programs, and the experience is not good. States have tried a variety of programs, but programs have been unsuccessful. Of 43 states that recently responded to a National Governors association survey, 40 reported that they currently operate a community service or work experience program (CS/WEP), or both. Some states reported that CS/WEP programs are simply ineffective for preparing recipients for work in the private sector. Most programs are operated on a small-scale basis because they are expensive, it is difficult to hire supervisors and difficult to develop an appropriate work site. The expense is so great, that if states were forced to implement proposed work provisions, it would divert resources from other initiatives, and cut off other recipients from desperately needed services, like training and child well being. The move towards workfare would be counterproductive.

Third, there is the question of ensuring that recipients receive the same wage and workforce protections as other workers. The Administration's plan specifically states: "TANF payments to families participating in supervised work experience or supervised community service *are not considered compensation for work performed*. Thus, *these payments do not entitle an individual to a salary or to benefits* provided under any other provision of law."

Through the use of a "super waiver," the Herger and McKeon bills appear to allow the Secretaries to waive legal requirements, including minimum wage requirements, OSHA standards, and civil rights regulations. There is no language in the bill that would clearly prohibit waivers of these requirements. Unfortunately, this would be consistent with the ways some states have implemented past programs. This has the unfortunate effect of making workfare participants undermine other low-income, working people who are not workfare participants. Thus, TANF workfare provisions, unless they are reformed, create a substandardly compensated workforce that displaces existing, low wage workers.

In the largest WEP program in New York, 30,000 municipal jobs were displaced with workfare jobs. At least 86 percent of WEP workers that were surveyed reported doing the same work as municipal employees.[1] While workfare participants were doing the exact same work as previous municipal employees, who received benefits, *workfare participants were not considered workers, and did not receive the minimum wage and other work protections*. This should never happen again.

This is unacceptable! The solution is this: Workfare participants are workers, and they must be guaranteed the higher of the federal minimum wage compensation, or their state and local minimum wage. Participants must also be guaranteed all

[1] *WEP Work Experience Program: New York City's Public Sector Sweat Shop Economy,* Community Voices Heard (2000).

protections laid out in the Fair Labor Standards Act, the Occupational Safety and Health Act, the Civil Rights Act, the Americans with Disabilities Act and the Age Discrimination Act and any other federal, state or local worker protection laws. In previous court cases, it has been decided that volunteers receive such protection, and they should not be lifted for workfare participants.

Moreover, when New York City WEP workers were sexually harassed, the Department of Justice, specifically the US Attorney in NY, sued the city of New York in May 2001 on their behalf. In bringing that litigation, the DOJ has taken the position in court that Title VII, one of the main federal employment laws, covers these women. Additionally, three different agencies—the Department of Labor, the Equal Employment Opportunity Commission, and the Department of Health and Human Services—have issued guidance stating, in part, that the full range of employment laws and their relevant legal standards **should** be applied to workfare participants just as they would be applied to other workers. New TANF proposals **should not** roll back current laws.

Assuming my position has the backing of the previous four federal agencies, states would face a Catch-22. By paying recipients minimum wage, recipients in some states working the mandated 24 hours would suddenly be ineligible for TANF. Their earnings would disqualify them. So, the Herger bill creates an impossible situation. By mandating a 24-hour workweek, in a workfare program, people who are eligible for TANF would be made INELIGIBLE if they work the 24 hours. Compliance with program requirements would actually DISQUALIFY recipients! These provisions make it impossible for many states to implement this bill.

It is my hope that these serious problems are addressed during reauthorization. TANF recipients deserve real opportunities beyond 16-hour and 3-month restrictions on skill building activities to find stable jobs, and I hope that reauthorization will make good on these promises.

Chairman HERGER. Thank you, Mr. Kucinich. Now the gentleman from Massachusetts, Mr. Tierney.

STATEMENT OF THE HON. JOHN F. TIERNEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. TIERNEY. Thank you, Mr. Chairman, Mr. Cardin, and other members. I want to thank you for giving me the opportunity to appear before you today to discuss what I think is one of the more critical but more overlooked issues that we face in the TANF reauthorization, and that is the issue of allowing States flexibility through a continuation of existing State waiver authority.

As you know, one of the cornerstones of the Personal Responsibility and Work Opportunity Reconciliation Act was to increase the flexibility given to States in providing benefits through TANF's block grant. This flexibility has produced successes beyond what many of us thought could be envisioned, and the prospect of future successes appear to be very good. I think we have to recognize that what allowed for the success and what will continue to allow for success is for States to continue to have the option to be innovative and creative in the administration of their welfare programs. After all, it was States like Massachusetts that implemented welfare reform under a 1995 waiver that led the way for other States and served as a model for some of the federal statutes in the 1996 law. Indeed, if we look at the national data of moving people off of welfare, many of the States that received waiver authority have been more successful using their programs to help Americans achieve independence and self-sufficiency.

Massachusetts has a waiver that is not scheduled to expire until 2005. Using that flexibility in its waiver, Massachusetts has focused mandatory work activities on families without major identified barriers to work and has succeeded in moving most of them

into employment. The current case load is barely half of what it was before the State welfare program began. However, three-quarters of the people that remain are families with serious barriers to employment, including their own personal disability, the need to care for a disabled family member, and the lack of a parent in the home. The waiver gives Massachusetts the flexibility to design education, training, and other services to help these families achieve economic stability.

We have accomplished a great deal, and yet a great deal remains to be done. In Massachusetts we have a plan to accomplish our goals, and we need the flexibility of our waiver to see that plan through. There are eight other States in a position like Massachusetts', and it seems to be a matter of fairness that the Federal Government live up to its commitment to allow these waivers to continue until their agreed expiration date. Moreover, Mr. Chairman and members, I would argue that any reauthorization language might include a provision that includes States' ability to renew these waivers if the States' programs have shown impressive results.

The Administration's proposal to eliminate all of these existing State waivers was disturbing when I read it. However, I was more than a little pleased when the Secretary of The U.S. Department of Health and Human Services, Secretary Tommy Thompson, appeared in front of the Committee on Education and Workforce to testify and asked about this provision by me, and he told me and the Committee that he was supportive of State waivers. In fact, Secretary Thompson mentioned that as Governor of Wisconsin he had used waiver authority to create one of the most heralded programs in the country. I think he mentioned he thought he used it better and more often than anybody else. He indicated a willingness to work with us and other members concerning this issue. Effectively, my interpretation of what the Secretary said was that the State waiver authority elimination was not central to the President's plan, and that it was indeed negotiable, and that both he and the President support State flexibility.

This is a promising start, and I would like the ability to submit to this Committee the exact language of my colloquy with the Secretary that is yet to be produced, but should be forthcoming in another day or so.

Chairman HERGER. Without objection.

[Excerpts from the Committee on Education and the Workforce print number 107–54 follows:]

Mr. Tierney. Thank you, Mr. Chairman. Thank you, Mr. Secretary, for being with us today. The Secretary of Massachusetts, as you know, like Wisconsin, was one of the states that actually implemented welfare reform before the 1996 draft. They did it under a federal waiver as did your state.

Using the flexibility of the waiver, Massachusetts has focused mandatory work activities on families without major barriers, and if I can follow up on that, they have succeeded to move most of those families on to employment.

In current case loads only half are people that really have serious barriers that would include disability, taking care of a family member, lack of parent in the house. The waiver gives Massachusetts the flexibility to design education or training and other services that help the families choose economic stability. We have shown some pretty clear successes in Massachusetts. The prospect of future successes was very encouraging.

Tell me why the administration would in this proposal propose eliminating that flexibility of TANF?

Secretary Thompson. Now you are talking about the elimination of the existing waivers in the states? We discussed it and we debated it back and forth. The only reason was I think Massachusetts, and I'm not sure about this, I don't think Massachusetts has much more than a year left out of this waiver.

Mr. Tierney. No, it's got till 2005. It's a 10-year waiver.

Secretary Thompson. Okay. Most of the states, Congressman, most of the states that still have waivers outstanding were going to be finished up a by the year after the program and that is the reason being. There are very few states like Massachusetts that have longer than that.

Mr. Tierney. I know your friend Governor Dukakis speaks very highly of you.

Secretary Thompson. I think he's a wonderful guy.

Mr. Tierney. Okay, so you must like his state and so I know you wouldn't want to penalize it.

Secretary Thompson. I like Governor Dukakis. I love your state. I love all states.

Mr. Tierney. It seems incredibly unfair for a state that went through the whole process to achieve the waiver that was 10 years and anticipated being able to reap that waiver. To now have that ripped out from underneath them. Can we work on that? Can you do something?

Secretary Thompson. Congressman, it is not the main thing to me. If you want to work on that, we would love to have you work on it.

Mr. Tierney. Because I think about nine states it would be very important for.

Secretary Thompson. I think you are right.

Mr. Tierney. It seems to me that justice . . .

Secretary Thompson. Just keep the tenth somewhere.

Mr. Tierney. I would appreciate that. I think it is extremely important to Massachusetts. I think you will find a lot of support for much of what has been proposed here and I think that since it has been so successful, it may make an incredible difference on that.

That is really the only point I wanted to raise with you and I'm very pleased with your answer on that.

Secretary Thompson. For somebody who loves waivers and worked with the waiver system more than any of . . .

Mr. Tierney. Secretary, I don't want to bring that up because I didn't want to sound like a wise guy, but you did work the waiver system.

[Laughter.]

Mr. Tierney. And I still recognize it in Massachusetts.

Secretary Thompson. Thank you.

Mr. Tierney. Thank you. I yield back.

Mr. TIERNEY. Thank you, Mr. Chairman. The reauthorization legislation that you, along with several of your Committee colleagues, recently introduced contains the provisions of eliminating the State waiver authority for existing waivers. Mr. Chairman, I think in light of Secretary Thompson's comments on the issue, and the fact that I suspect that you were trying to trail the President's bill and be consistent with that, and hopefully don't have your own bias against the waivers, that we could be able to reconsider that provision and work together with the Secretary, the President, and this Committee. On Tuesday you received a letter, Mr. Chairman, from me and 24 other House Members asking that you do just that, consider maintaining the State waiver authority. A copy of the letter I have here, and I ask that it be submitted also for the record.

Chairman HERGER. Without objection.

[The information follows:]

U.S. House of Representatives
Washington, DC 20515
April 9, 2002

House Committee on Ways and Means
The Honorable Wally Herger, Chairman
Subcommittee on Human Resources
B–317 Rayburn House Office Building
Washington, DC 20515–6353

Dear Chairman Herger:

We are writing to express our strong support for including in legislation to reauthorize the TANF program a provision that would allow states with pre-existing waivers to continue and renew them at state option. The waivers recognize the special role played in welfare reform by those states that acted prior to the Federal Government. We note with gratitude the statement in a March 12, 2002 Boston Globe article that you have indicated that you are open to "examining how well waivers had worked and [that you] might allow some states to continue operating under them."

As you know, the 1996 welfare reform law allowed states that had previously obtained welfare reform waivers to continue implementing their own programs pursuant to those waivers. In many states, innovative programs operated under these waivers have been successful in educating, training and assisting welfare recipients in their transition to independence. Particularly given that the purpose of moving to TANF block grants was to "increase the flexibility of States" in operating benefits programs for needy families, we should not stifle this innovation and success by eliminating these waivers.

These waivers have been used in a variety of ways. For instance, in Massachusetts, where case loads have declined by more than 50% since implementation of welfare reform, the waiver has allowed the state to provide exceptions from work requirements and time limits for the disabled and caretakers of disabled family members, while affording them equal access to employment preparation programs. In other states, the waiver has allowed participation in substance abuse treatment programs to count toward work participation requirements, thereby removing barriers to employment and enabling recipients to move more successfully into the world of work. There are many other examples that demonstrate the innovative manner in which the states have been able to successfully reform their own welfare systems. In fact, this issue is so critical to the states that the National Governors' Association (NGA) recently adopted a policy position recommending that current waivers be continued and renewed. As the NGA stated, "Restricting this flexibility could greatly curtail the progress made in some states' welfare reform initiatives."

We agree with the NGA and feel that it is imperative that any reauthorizing legislation allows for the continuation and renewal of pre-existing waivers. It is our sincere hope that you will consider the clear benefits that can be directly attributed

to state flexibility in welfare reform. We look forward to working with you on this important issue.

Sincerely,

John F. Tierney
Ed Bryant
Edward J. Markey
Zach Wamp
Michael Capuano
James P. Moran
Martin T. Meehan
Dennis J. Kucinich
Earl Blumenauer
Bob Clement
James P. McGovern
Robert C. Scott
William Delahunt
Tom Sawyer
Barney Frank
Stephanie Tubbs Jones
Stephen F. Lynch
John M. Spratt
Richard E. Neal
Bart Gordon
Neil Abercrombie
Sherrod Brown
John W. Olver
James E. Clyburn
Rick Boucher

Mr. TIERNEY. You will see that it is a bipartisan letter, and it is from many of the people from States that are affected by that. It is my hope as the Subcommittee moves forward, that we will be look to look at this provision and put in the same language that Senator Rockefeller has in his Senate version of S. 2052 and that allows States to not only continue through the end of their waiver period, but to continue that through the end of this authorization if their programs are being successful.

Congresswoman Roukema and I have today filed a bill that expands on educational opportunities, expands an increase in the TANF authorization by the rate of inflation, and provides for these waivers. I hope, Mr. Chairman, that we can count on you to work with us and other members of this Committee and members of those nine total affected States, the Secretary, and the President to put the waiver flexibility back in as a matter of fairness and a matter of seeing that this program moves forward with the best possible results.

[The prepared statement of Mr. Tierney follows:]

Statement of the Hon. John F. Tierney, a Representative in Congress from the State of Massachusetts

Chairman Herger, Ranking Member Cardin and other Members of the Committee,

Thank you for the opportunity to appear before you today to discuss one of the most critical and most overlooked issues facing us as we discuss TANF reauthorization. This is the issue of allowing state flexibility through continuation of state waiver authority.

As you know, one of the cornerstones of the Personal Responsibility and Work Opportunity Reconciliation Act was to increase the flexibility given to states in providing benefits through the TANF block grant. This flexibility has produced successes beyond what most of us envisioned, and the prospects for future successes remain bright. However, we need to recognize that what allowed for this success, and what will continue to allow for success, is for states to continue to have the

options to be innovative and creative in the administering of their welfare program. After all, it was states like Massachusetts who implemented welfare reform under a 1995 waiver that led the way for other states and served as a model for some of the federal statutes in the 1996 law. Indeed, if we look at the national data on moving people off of welfare, many of the states that received waiver authority have been more successful using their programs to help Americans achieve independence and self-sufficiency.

Massachusetts has a waiver that is not scheduled to expire until 2005. Using the flexibility of its waiver, Massachusetts has focused mandatory work activities on families without major identified barriers to work and has succeeded in moving most of these families into employment. The current case load is barely half of what it was before state welfare reform began. However, three-quarters of those remaining are families with serious barriers to employment, including:

- Disability
- the need to care for a disabled family member
- and the lack of a parent in the home.

The waiver gives Massachusetts the flexibility to design education, training and other services to help these families achieve economic stability.

We have accomplished a great deal, yet much remains to be done. We have a plan in place to accomplish our goals, and we need the flexibility of our waiver to see this plan through. There are 8 other states in a position like Massachusetts', and it seems to be a matter of fairness that the Federal Government live up to its commitment and allow these waivers to continue until their agreed upon expiration. Moreover, I would argue that any reauthorization language should include a provision that allows states to renew their waivers if the states' programs have shown impressive results.

The Administration's proposal to eliminate all existing state waivers was clearly disturbing. However, I was very pleased that when I questioned Health and Human Services Secretary Tommy Thompson about this provision at this week's Education and the Workforce Committee hearing, he told the Committee that he was very supportive of state waivers.

In fact, Secretary Thompson mentioned that as Governor of Wisconsin, he had used waiver authority to create one of the most heralded programs in the country. He indicated a willingness to work with me and other members concerned about this issue. Effectively, the Secretary said that the state waiver authority elimination was not an important aspect of the President's plan, and that it was indeed negotiable, as both he and the President support state flexibility. This is a promising start.

Mr. Chairman, the reauthorization legislation that you, along with several of your Committee colleagues, recently introduced contains the provision of eliminating state waiver authority for existing waivers. In light of Secretary Thompson's comments on this issue, and the President's support of state flexibility, I am hopeful that we can work together and reconsider this provision. On Tuesday, Mr. Chairman, you received a letter from me and 24 other House Members asking that you consider maintaining the state waiver authority, a copy of which I have here and ask that it be submitted for the record. It is my hope that this Subcommittee will consider removing this provision while also considering permitting states to renew their waiver authority upon expiration. Such legislative language can be found in Senator Rockefeller's reauthorization bill, S. 2052, and it is my hope that this is the language that will be used in any House bill that comes to the Floor.

Throughout this debate, there will undoubtedly be disagreements about work requirements, time limits and funding levels. But on this issue of state waiver authority, there appears to be little if any difference of opinion that state flexibility is advantageous to serving our ultimate goal, which is to move people from dependence to self-sufficiency. Massachusetts has been operating its program since 1995 and has been successful at reaching this goal. I respectfully request that this Committee allow this program, and others like it, to continue, and I stand ready to work with members to preserve the state waiver authority.

Chairman HERGER. I look forward to working with you, Mr. Tierney, and the Secretary on this issue. We have been made aware of this dilemma. With that, the time has expired. We move to the gentleman from New York, Mr. Reynolds.

STATEMENT OF THE HON. THOMAS M. REYNOLDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. REYNOLDS. Good afternoon. I would like to begin by thanking my colleague, Chairman Wally Herger, and Members of the Subcommittee for allowing me to participate in today's hearing. I appreciate the graciousness in allowing me to testify on my bill, H.R. 844, at this hearing. The task before this panel of reforming our welfare system is a challenging one, and I have complete confidence that this important work is in good hands.

I also would like to take a moment to welcome State Senator Ray Meier, who is from my home State of New York, who will be testifying shortly. Senator Meier is currently the Chairman of the Committee on Social Services in the Senate and has had great success in job creation and getting people to work first in his years of public service. He recognizes the freedom and independence that jobs provide and has seen the satisfaction in people who learn to support themselves and their families.

As a former county executive, Senator Meier is also in the unique position of having administered welfare programs at the local level. He gained statewide recognition for his welfare reform initiatives to save millions, and I repeat, in New York, millions in taxpayer dollars and that were later used as a blueprint for statewide reform. I am delighted that he has been asked to appear here today and offer his expertise on the issue.

With that, Mr. Chairman, I appear before you to discuss a related issue to this discussion. H.R. 844, which would create a Supplemental Security Income (SSI) exclusion for those blind veterans receiving additional annuity from their State. H.R. 844 will amend Title XVI of the Social Security Act to provide that annuities paid by States to blind veterans shall be disregarded in determining Supplemental Security Income benefits.

After World War I, New York, New Jersey, Pennsylvania, and Massachusetts wanted to do something to provide extra assistance to their States' blind veterans. Since then the legislatures of those States have provided a yearly annuity to those veterans who sustained a loss of sight resulting from their service in any of our theaters of war. Blind veterans in New York receive $1,000, New Jersey $750, Pennsylvania $1,800, and Massachusetts $1,500. Recently New York and New Jersey extended the benefit to eligible surviving spouses.

These State payments to blind veterans are currently counted as a form of unearned income, and since current law allows those receiving SSI only $530 of income per month, these annuities actually result in an unfair penalty of our blind veterans. Worse, since the only people being denied the full benefit of this annuity are those on SSI, we are, in fact, penalizing the poorest blind veterans in those States. Latest statistics show there are a total of only 5,179 blind veterans living in these four States.

The Congressional Budget Office (CBO) estimates the cost of this bill at less than $500,000 per year. Additionally, they estimate the number of veterans who do not currently qualify for SSI because of State annuities but who would qualify under this bill would also be very small.

I need to point out, however, that this estimated fiscal impact is misleading since no blind veteran will receive a penny more in SSI benefits than they are already entitled. The dollar determined by CBO is merely what the Federal Government has saved because of the States' annuity. Had these States not offered these contributions to these veterans we already would have been spending an amount equal to the CBO estimate.

This bill only asks for fairness to the blind veterans living in these four States by disregarding the State annuity as unearned income and having the Federal Government pay for the full SSI benefit for which they would normally be entitled.

Additionally, I would like to point out that with the exception of Pennsylvania, there has only been one increase to the State annuity since World War I, and Pennsylvania has had two increases. It is difficult for the States to continually increase supplying veteran annuity for obvious budgetary reasons. Therefore, there should not be a concern that this exclusion will give States any additional incentive to repeatedly increase the amount they give blind veterans.

Mr. Chairman, there have been 46 exclusions made to SSI since 1972. I am here today to request one more. I recently contacted Social Security Administration (SSA) to seek technical comment on H.R. 844. The only change SSA suggested was clarification that eligibility for the exclusion be based on the State's determination of blindness rather than SSA's. I have no problem making that change and welcome any other comment from the administration or this Committee.

These annuities are both well-meaning and well-deserved, benefiting those who gave up their sight in service to their country. At this time in America's history it is especially fitting that we work to improve the lives of those who answer our Nation's call.

In closing, I believe we need to do everything we can to help this small group of needy veterans. I am asking the Committee's help in achieving that purpose.

[The prepared statement of Mr. Reynolds follows:]

Statement of the Hon. Thomas M. Reynolds, a Representatives in Congress from the State of New York

Good afternoon. I would like to begin by thanking my colleague, Chairman Wally Herger for allowing me to participate in today's hearing. I appreciate his graciousness in letting me testify on my bill, H.R. 844, at this hearing. The task before this panel of reforming our welfare system is a challenging one, and I have complete confidence that this important work is in good hands.

With that Mr. Chairman, I appear before you today to discuss a related issue—H.R. 844, which would create a Supplemental Security Income exclusion for those blind veterans receiving an additional annuity from their state. H.R. 844 will amend Title XVI of the Social Security Act to provide that annuities paid by States to blind veterans shall be disregarded in determining SSI benefits.

After World War I, New York, New Jersey, Pennsylvania, and Massachusetts wanted to do something to provide extra assistance to their state's blind veterans. Since then, the legislatures of those states have provided a yearly annuity to those veterans who sustained a loss of sight resulting from their service in any of our theatres of war. Blind veterans in New York receive $1000, New Jersey $750, Pennsylvania $1800, and Massachusetts $1500. Recently, New York and New Jersey extended that benefit to eligible surviving spouses.

These state payments to blind veterans are currently counted as a form of unearned income; and, since current law allows those receiving SSI only $530 in income per month, these annuities actually result in an unfair penalty on our blind veterans.

Worse, since the only people being denied the full benefit of this annuity are those on SSI, we are, in fact, penalizing the poorest blind veterans in those states.

Latest statistics show that there are a total of only 5,179 blind veterans living in these four states. The Congressional Budget Office estimates the cost of this bill at less than $500,000 per year. Additionally, they estimate the number of veterans who do not currently qualify for SSI because of the state annuities, but who would qualify under this bill, to also be very small.

I need to point out, however, that this estimated fiscal impact is misleading, since no blind veteran would receive a penny more in SSI benefits than they are already entitled. The dollar amount determined by CBO is merely what the Federal Government has saved because of the states annuity. Had these states not offered this generous contribution to these veterans, we already would have been spending an amount equal to the CBO estimate.

This bill only asks for fairness for the blind veterans living in these four states, by disregarding the state annuity as unearned income, and having the Federal Government pay them the full SSI benefit for which they would normally be entitled.

Additionally, I would like to point out that with the exception of Pennsylvania, there has been only one increase to the state annuities since World War I. Pennsylvania has had two increases. It is difficult for the states to continually increase the blind veteran annuity for obvious budgetary reasons. Therefore, there should not be concern that this exclusion will give the states any additional incentive to repeatedly increase the amount they give blind veterans.

Mr. Chairman, there have been 46 exclusions made to SSI since 1972 and I am here today to request one more. I recently contacted the Social Security Administration to seek technical comment on H.R. 844. The only change SSA suggested was a clarification that eligibility for the exclusion be based on the state's determination of blindness, rather than the SSA's. I have no problem making this change and welcome any other comment from the Administration, or the committee.

These annuities are both well-meaning and well-deserved, benefiting those who gave up their sight in service to their country. At this time in America's history, it is especially fitting that we work to improve the lives of those who answered our nation's call.

In closing, I believe that we need to do everything we can to help this small group of needy veterans, and I am asking for this committee's help in achieving this purpose. I look forward to your comments and the committee's commitment to seeing this important legislation passed as soon as possible.

Again, thank you for allowing me the opportunity to appear before you today and I would be happy to answer any questions my colleagues may have.

Chairman HERGER. I thank you very much for your testimony, Mr. Reynolds. With that, the gentleman from Michigan, Mr. Levin, to inquire.

Mr. LEVIN. I just want to say a few words. I wasn't here for Mr. Thompson, the Secretary's statement, because I was at a meeting with the China Commission. I was hopeful of getting here to be able to ask him a few questions and as I understand it, he was not able to stay. I want to say something about the path of welfare reform in this Subcommittee and in the Committee.

We worked very hard in 1995 and 1996 to shape welfare reform, a lot of time, a lot of effort, a lot of disagreements, and then eventually some fairly widespread agreement on a bill that was sound and I think has basically worked, but leaving a lot of challenges ahead. We should be building on that legislation and we should be building on it on a bipartisan basis. We should be building on it on testimony from all of you that doesn't occur at 3 o'clock or later than that on a Thursday after we have adjourned this House of Representatives. The result will be that my colleagues, that most of us will be leaving for constituent obligations and will be left to read your testimony later on.

There has been no real effort on a bipartisan basis in this Subcommittee to try to put together the differences of opinion and the

similarities. There has been no real such effort, and I deeply regret it, and I think that it is a serious mistake.

I just want to finish by reiterating, welfare reform has had enough successes as well as leaving enough challenges that we should be working together to build on that. Instead, what is going to happen is this testimony will be given to essentially an empty House and then we will mark up a bill next week without any effort to try to work out differences between Democrats and Republicans. That has been the decision of the majority. It is a mistake. It sells short welfare reform, it sells short the need to build on the successes and to meet the challenges ahead. I deeply regret it.

Chairman HERGER. I thank the gentleman for his comments. I might mention that Secretary Thompson has been here twice before. He did mention that he did need to leave. Also, this hearing has been down for the last 2 weeks. We have had a busy schedule.

With that, I would like to notify all our members that there are expected to be two votes on the Floor. We will go and vote and return as soon as possible. In the meantime the hearing stands in recess.

[Recess.]

Chairman HERGER. The Subcommittee on Human Resources will come to order. If we could have everyone take their seats, please, and with that we will have the gentlelady from Ohio, the Honorable Marcy Kaptur, testify, please.

STATEMENT OF THE HON. MARCY KAPTUR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Ms. KAPTUR. Thank you, Chairman Herger, very much for this courtesy, Ranking Member Cardin, Congressman English, and all the Members of the Subcommittee. Let me just acknowledge in the audience, citizens of our country who have been so helpful to my district. Gerry Jensen of Association for Children for Enforcement of Support, Inc, (ACES), who will be testifying later; Sister Rochelle Friedman from the Mercy Sisters and McCauley Institute, and Lisa Hamler Madelski from Second Harvest Food Banks in Ohio.

I know the time is limited, Mr. Chairman, and I very quickly will go through a few important issues. First of all, as you reauthorize TANF, thank you for allowing members to testify. We can bring our experience to bear from our respective regions of the country. There are three principles I would strongly urge the Committee to consider as it reauthorizes TANF this year. First of all, in terms of goals, that family self-sufficiency, not merely case load reduction, should be a goal of the TANF program. Second, that a strong emphasis should be on careers and the development of careers, not job placement alone. Thirdly, that the issue of supplantation must be addressed during the reauthorization of the TANF program. The TANF dollars should not be diverted by State governments for other purposes.

Very quickly, I am going to go through each issue in a little more detail, if I might, and offer my strong support for H.R. 3625 and H.R. 3113, introduced by Representatives Cardin and Mink respectively. Both reauthorization bills deal with one of the issues I want to talk about, and that is reporting requirements. We will be submitting for the record the best figures I can provide for the State

of Ohio detailing federal funds appropriated for the TANF program. Frankly, next week I am going to be asking the U.S. General Accounting Office to do an audit of the federal TANF dollars that have been appropriated to the State of Ohio. As the Representative from the 9th District of Ohio, I cannot ascertain how dollars have been spent by our State, particularly in our region.

For example, aside from TANF, looking at Welfare-to-Work, years ago our State should have received $86 million, which it forfeited to the Federal Government, costing my region $9 million that could have been spent in important efforts to work with those attempting to move from welfare to work. We have a backlog in Ohio of over $722 million in unexpended TANF funds, and in terms of the Workforce Investment Act, which is administered through the U.S. Department of Labor (DOL), I can tell you that Ohio has failed to comply with numerous provisions of the program. It is very difficult to represent a region that has people coming off the welfare rolls, and has a high unemployment rate, and not be able to use the dollars that I vote for. Frankly, our State cannot tell me where the dollars are.

So, my first request would be for very strong reporting requirements and that if a State, Mr. Chairman, does not spend its money, give our region, give our municipalities or our counties the right to spend the money because the money I vote for does not come back to my home county and, frankly, I am angry. I am outraged about it because we have had lots of shake-outs in the steel industry and the auto industry. What is happening is absolutely wrong.

On the education front let me make a strong plea to you to find ways to permit people to access additional job training. Some of the requirements that limit job training to a year, and allow only 30 percent of the case load in any given State to access education really doesn't work for us in Ohio.

For example, there is a woman in my district who has been working on her bachelor's degree for the past 4 years, and due to family circumstances she applied for cash assistance last year. She has one semester left before she will receive her bachelor's degree, but she has reached the 1-year time limit that she can participate in educational activities. The time limits that are in the current bill don't make sense in terms of what is actually happening on the ground. So, I would make a plea on the education front.

Finally, let me just say that in terms of supplantation of a State, and this is where I think the audit is important in a State like Ohio, even though the welfare rolls are going down, what we are finding is a corresponding increase in our food banks and our feeding kitchens. For example, in one of our food banks last year we averaged 50 families per week. This year we are averaging 250 families per week. In fact, I had to be involved in a special food drive in my district over Christmas and the New Year's trying to collect food because we just have too many people falling between the cracks.

So, I would just urge you to take a look at this issue where States might be using the dollars for other purposes. In fact, there was one story that said in one of our counties that somebody

bought an ambulance or police car with TANF dollars. We should not allow States to divert TANF dollars for other purposes.

So, that is essentially the recommendations that I can offer in 5 minutes. If you have any questions, I would be more than happy to answer them, and I commend Congressman Cardin for his great leadership on this Committee along with the Chairman in trying to do what is right in all regions of this country. Thank you.

[The prepared statement of Ms. Kaptur follows:]

Statement of the Hon. Marcy Kaptur, a Representative in Congress from the State of Ohio

Introduction

Chairman Herger, thank you for the opportunity to speak before the Subcommittee this afternoon. Reauthorization of the Temporary Assistance for Needy Families (TANF) program is one of the most important pieces of legislation that will come before Congress this session.

In 1996 the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) significantly changed federal welfare policy. During the past five years we have heard success stories about the program and there has been evidence to substantiate needed change in various aspects of the program. During reauthorization of TANF I hope that the program will be strengthened.

As Representative of Ohio's 9th District, I wish to share with the Subcommittee my concerns regarding two important issues. First, the need for adequate reporting requirements for states. Second, the importance of access to education and training programs for welfare recipients and individuals attempting to leave the welfare rolls.

Reporting Requirements

Currently, states are required under law to report information about their programs in biennial TANF state plans and annual reports to document accurately information regarding individuals and families receiving assistance. However, comprehensive information on state program rules is not required, nor is information on individuals after they leave the welfare rolls.

For the past few months I have attempted to review comprehensive information to document how TANF dollars that I have voted for constituents in my district to receive are being spent in the state of Ohio. However, I have been told that reports of this nature do not exist. I have also questioned how citizens in my state are faring after they leave the welfare rolls. However, I have been told that reports of this nature do not exist. I am aware of the statistics that report families on assistance in Ohio fell 59 percent from 1994 through mid 2001, more than the national average of 53 percent. However, this data does not tell me how TANF dollars are being spent in the state of Ohio and how constituents in my district are faring after they leave the welfare rolls. Are welfare recipients getting good jobs? Are they escaping poverty? Unfortunately, we do not know the answers to these questions. The 1996 welfare law concentrated on case load reduction. In turn, the case loads have successfully dropped across the country. Unfortunately, we have neglected to question how people leaving the welfare rolls are faring.

I support the state reporting requirements that are proposed in Congressman Benjamin Cardin and Congresswoman Patsy Mink's bills to reauthorize the TANF program. The lack of detailed reporting requirements over the past five years has been a major barrier. Adequate state reporting requirements will allow states to serve citizens better and allow Congress to implement consistent public policy.

In 1996 the emphasis of federal welfare policy was shifted to a "work first approach," making it difficult for welfare recipients to pursue a post-secondary education. Currently, TANF provides limited access to postsecondary education opportunities. TANF law allows welfare recipients to participate in up to 12 months of vocational training and many post-secondary programs directly related to employment to count toward the work requirement. However, only 30% of a state's welfare case load can be engaged in education and training programs at any given time.

Education and Training

Education and training programs are essential to lifting welfare recipients out of poverty and into livable wage jobs. Expanded education opportunities could enable TANF recipients to prepare for and find better paying and more stable jobs. Unemployment is at its highest rate in seven years and mass layoffs affected more than

2.5 million persons in 2001. In my home state of Ohio almost 26,000 jobs have been lost since January 2001. Skills training and continuing education are crucial links to good jobs that lead to self-sufficiency. Census data consistently show that people with higher educational attainment have higher median earnings, and several studies show that individuals with higher skills earn more and work more overtime.

According to a 2001 survey by the US Chamber of Commerce's Center for Workforce Preparation, two-thirds of employers report severe conditions when trying to hire qualified workers and one third say applicants are poorly skilled or have the wrong skills for available jobs. Ninety-four percent of Americans support expanding job training programs, according to a joint survey on poverty in America released in April 2001 by National Public Radio, the Kaiser Family Foundation, and the John F. Kennedy School of Government at Harvard University.

Congress should increase access to post-secondary education. The limit on the number of months an individual may participate in post-secondary education should be expanded, and a range of education and training activities, including post secondary education, should count as work activities so recipients who need training are not restricted from receiving it. I support the language that addresses the need to expand access of post-secondary education to welfare recipients in Congressman Cardin and Congresswoman Mink's TANF reauthorization bills.

Mr. Chairman. Thank you again for the opportunity to testify before the Subcommittee. I am hopeful that during the next few months members will actively participate in a open dialogue on important issues that must be raised during reauthorization of the TANF program, and produce a final bill that will strengthen our nation's welfare policy.

Chairman HERGER. I thank the gentlelady for her testimony. With that I will turn to the Ranking Member, Mr. Cardin.

Mr. CARDIN. Thank you, Mr. Chairman. Marcy, thank you for your comments. I think you are right on target. First, we need to have more information than we have today, and you are right on target there.

I appreciate your underscoring the importance of training and good jobs for people so they can move up the career ladder, reducing poverty, and supplanting of funds. That is one of the issues that we haven't talked much about in this Committee, and I think you are absolutely right. It has been rough for the States, but it has been particularly rough for poverty programs as we have seen a lot of the federal funds being supplanted and the local funds being supplanted.

So, I congratulate you on the issues that you have raised, but we would be well-served if we respond to each of those points. I think the administration's proposal to each one of these areas could use improvement, and I very much appreciate your leadership and your testimony.

Ms. KAPTUR. I thank you, Mr. Chairman and Ranking Member Cardin. Let me just mention that the supplantation issue in a State like Ohio, some dollars were diverted to Head Start, but then TANF rules were imposed on Head Start and certain program characteristics were altered in Head Start, and then if that TANF money is withdrawn because TANF is a temporary program, Head Start a permanent program, we run into some problems there. So, I think you have to really look at how this TANF program is affecting other aspects of federal programs that are assisting our States.

I did forget to mention one point, and that is in the housing arena. As you look at TANF, I would strongly recommend as a Member of the Subcommittee on Housing and Urban Development Appropriation that you look at treating housing provided with TANF and State maintenance of effort funds in the same manner

as other work supports are provided, such as child care. I am very worried and I am sure other members have testified about our worry about child care dollars and what is happening at the State levels, and the maintenance of child care assistance even to people who have moved into the workforce in these $6 an hour jobs, without the child care they can't stay in the workforce.

I would hope that and I know this Committee is capable of calling the States to a very high effort so we are not having more and more people coming into our food banks but they are actually able to be in the workforce and in our colleges and universities gaining career skills that will last a lifetime.

Chairman HERGER. I thank the gentlelady from Ohio, Ms. Kaptur.

Ms. KAPTUR. Thank you so much.

Chairman HERGER. Thank you very much for your very good testimony and all the members that have testified. With that we will call our next panel, panel 3, the Honorable Raymond Meier, New York State Senator, on behalf of the National Conference of State Legislatures (NCSL), and to introduce our next panelist, I turn to my colleague from Maryland, Mr. Cardin.

Mr. CARDIN. Thank you, Mr. Chairman. It is a real pleasure to welcome my Mayor to the Committee on Ways and Means, Martin O'Malley. Martin, the dynamic Mayor of Baltimore City, has done a superb job in a rather short period of time in restoring a lot of confidence in city government.

Mr. Chairman, let me just tell you about one of his programs in CitiStat. I have had a chance to watch it where he brings agency heads in and goes over on a very regular basis how public funds are being spent and whether we were achieving the objectives that are set out. I can tell you that in Baltimore City's case every dollar of federal funds that are received are being carefully watched and carefully used, and that is why it is always a pleasure to support my Mayor's request for additional federal funds. It is nice to have you here, Mr. Mayor.

Mr. O'MALLEY. Thank you very much, Congressman, Mr. Chairman.

Chairman HERGER. Thank you. With that, we ask Senator Meier to testify, please.

STATEMENT OF THE HON. RAYMOND MEIER, SENATOR, AND CHAIR, COMMITTEE ON SOCIAL SERVICES, NEW YORK SENATE, ALBANY, NEW YORK; AND CHAIR, HUMAN SERVICES COMMITTEE, AND CO–CHAIR, TASK FORCE ON WELFARE REFORM REAUTHORIZATION, NATIONAL CONFERENCE OF STATE LEGISLATURES

Mr. MEIER. Thank you, Mr. Chairman, and thank you, distinguished Members of the Subcommittee, for giving me the opportunity to testify.

The 1996 Welfare Reform Act was clearly one of the most significant pieces of legislation in the last 50 years. It dramatically changed the lives of people on welfare. The difference quite clearly was the emphasis on work and moving people to independence. One of the keys to this was we worked as your partners in the

States, and we are here today to ask to continue that partnership on the same cooperative basis.

We find much of this very encouraging, Mr. Chairman, in your proposal, full funding, continuance of supplemental grants, observance of State flexibility, no mandates, no earmarks. We are particularly heartened that you have approached differently the two-parent work rule.

Having said all of that, let me address some concerns that we have, and we do have some concerns with the work participation changes. Let me hasten to add that we understand work is the foundation of the success of welfare reform and we want to continue that, but let me give you some specifics.

First, we believe the 58-percent figure, 58 percent on public assistance not performing any work at all, is an incorrect figure. The federal statistics undercount those who are engaged in meaningful and real activity. English as a second language classes, basic literacy classes, job search—none of those things count. In New York if you pull out the people who are legally exempt because of hardship, count the folks who are in real activity such as the one I mentioned or in work or in some combination, we are at 70 percent.

Secondly, current law and the proposed law does not give us credit for the people we divert, for the people we keep off the welfare rolls. I can tell you about a lady I met 10 years ago, when I was a county executive, who said to me—a public assistance recipient—"You know, I came to you people and all I needed was a car that ran and decent child care for my daughter and instead you put me on welfare." The current TANF legislation permits us to address those concerns without making her a part of the case load to make sure she is never on it.

The more stringent work requirements, the 70 percent, the 40 hours broken down into 24 and 16 coupled with a restrictive definition of work I believe causes some concern that we need to think about. I believe it could drain TANF dollars away from programs that are designed to move and keep people in work, in private sector unsubsidized employment, real jobs.

In New York we use TANF to fund an Invest Program, we call it. It is an on-the-job training kind of program. We use the earned income tax credit (EITC) on a State level to reward work. We use child support and transportation to make work possible. If the new rules, which are somewhat inflexible in terms of how work is defined, come into place, we could have a diversion of this money away from subsidizing folks who are working, making work profitable and desirable for them, and we could particularly have a diversion away from the child support necessary to support that kind of work.

Now, ironically one of the things I have done as Chairman of the Senate Committee on Social Services is to oppose schemes that would drain hundreds of millions of TANF dollars to create subsidized public employment or, as I prefer to call it, Son of Comprehensive Employment Training Program, and I don't think any of us, Mr. Chairman and members, want to go back to those thrilling days of yesteryear.

One of the other things I would point out, one of the problems with the split before 24 and 16, you have got to get the 24 hours

of strictly defined work before you can get credit for anything. We have some people who need basic English facility, who need some things before they can do anything at all.

Mr. Chairman, in your very excellent article in the Washington Times, you mentioned the case of a heroic young woman named Pang, who worked part-time as a seamstress. If part-time was 20 hours, that 20 hours wouldn't have counted because she couldn't hit 24, and therefore the time that she spent as a Laotian doing the very difficult work of learning English wouldn't have counted either.

We are not saying that people should not be required to perform something when they are receiving benefits. What we are saying is this. We have been your partners, trust us. The way this system works, it is block granted, the money is limited and the time is limited. It is not to our advantage to pad these rolls. If the rolls grow, if the economy goes down, we will take the hit. We want to work with you as your partners. All we ask for is some flexibility to decide on a case-by-case basis what should be moved up front to enable people to receive sustained employment, the kinds of employment where they can move on to economic productivity. I would be happy when the Chair is ready to receive questions.

[The prepared statement of Mr. Meier follows:]

Statement of the Hon. Raymond Meier, Chair, Committee on Social Services, New York State Senate; Chair, Human Services Committee, and Co-Chair, Task Force on Welfare Reform Reauthorization, National Conference of State Legislatures

Chairman Herger, Ranking Member Cardin and Members of the Human Resources Subcommittee, I am Senator Ray Meier of New York. I chair the Committee on Social Services in the New York State Senate. I am testifying here today on behalf of the National Conference of State Legislatures (NCSL), where I serve as the Chair of the Human Services Committee as well as co-chair NCSL's Task Force on Welfare Reform Reauthorization. NCSL is the bipartisan organization that serves the legislators and staff of the states, commonwealths and territories.

Mr. Chairman, as key stakeholders in welfare reform, state legislators are reviewing your efforts to reauthorize the historic 1996 welfare reform law very closely. NCSL supported the law in 1996. Enacting and implementing welfare reform was accomplished in partnership with state government; our hope is that reauthorization will continue this partnership built on flexibility, not mandates. State legislators are responsible for writing, financing and implementing laws governing the TANF program in their states, for overseeing the programs in their states, and for appropriating TANF and Maintenance of Effort (MOE) funds. Our choices and successes offer the Federal Government a chance to learn what really works to help struggling families, just as the Federal Government drew on state efforts to reform welfare in crafting the 1996 law.

Last year, NCSL created a task force on welfare reauthorization that I co-chair with Assemblywoman Dion Aroner of California. This bipartisan group of 36 legislators and staff developed NCSL's positions that were adopted by NCSL's Executive Committee at its February meeting. We have learned a great deal about the successes and remaining challenges of welfare reform and the creativity and enthusiasm of government, for-profit, not-for profit and faith-based and community organizations in serving these families. Federal law should help foster this creativity and not stifle this enthusiasm.

As states have transformed the nation's welfare system to better serve local needs and different populations, our nation's state legislatures have made different choices. States have crafted different approaches that respond better to local economies. Many states further devolved policymaking responsibility to localities, as my own state of New York did. State legislatures' diverse policy choices and funding decisions mean that any further changes in the program may impact states in different ways.

Like you, I work in an environment where bipartisan compromise is necessary because control of the chambers is divided by party. Like the U.S., the state of New

York has urban and rural areas that have unique sets of needs. My own district, which includes large rural areas, is vastly different from New York City. The most exciting thing about TANF is that we can tailor our programs to best serve the needs of very different places. The Federal Government devolved policymaking authority to the states. In New York, we have taken this policy even further by giving some policymaking authority to our 58 counties so they can tailor programs even further to local needs.

As the County Executive of Oneida County ten years ago, I was involved in welfare reform before the passage of the federal welfare reform law in 1996. I instituted a program with federal and state waivers requiring and supporting work and eliminating barriers to employment by welfare recipients. I have furthered these efforts in the state legislature as chairman of the Senate Social Services Committee. A job provides freedom, independence and the ability to support oneself and one's family. Welfare reform has made employment possible for millions of families and helped give people the freedom to make a better life for themselves.

Our work is not done. While case loads have declined dramatically, many families struggle with barriers to self-sufficiency. Mental illness, substance abuse, physical challenges, low literacy, limited English proficiency, domestic violence, and learning disabilities are among the challenges faced by our clients, especially long-term recipients. Given the declining economy and the impact of the tragic events of September 11th on industries that have traditionally hired former welfare recipients, special attention is needed to ensure that there are no adverse unintended consequences in reauthorization. State legislators also believe that welfare reform is an ongoing process of sustaining the work effort of former welfare recipients. This includes services that support job placement, retention and advancement to prevent welfare recidivism and improve the lives of children and families. Our work has also focused on welfare prevention strategies including teen pregnancy prevention, noncustodial parents and fatherhood programs, promoting marriage and other family formation strategies.

I participated in the listening sessions held by HHS to hear the views of state policymakers. I appreciated the sincere effort the Administration made to listen to our experience in the states. The President's welfare reform proposal reflects an effort to resolve many issues that were raised by state legislators in these sessions and will increase state flexibility. Unfortunately, less attention has been paid to these helpful provisions because the proposal also adds new requirements with no additional funding, resulting in less flexibility for the states. In particular, the President's work rates proposal will force states to concentrate their efforts on those receiving cash assistance. This will force states to reallocate TANF funding away from creative and innovative services to fund these new efforts, and will exacerbate the difficulties states face in providing child care to those on welfare and poor working families including former welfare recipients since no new child care funds are included.

FUNDING

States and territories have used the flexibility in the TANF program to fund services such as expanded child care, substance abuse treatment, pre-kindergarten classes, training to help parents get better jobs and after school programs aimed at reducing teen pregnancy. In FY2000, only 50% of TANF was spent on cash assistance. 20% was spent on child care and the remainder was spent on other services.

The TANF program today serves a very different population than the AFDC program at its inception in the 1930s. People accessing our services are no longer widows and most children on welfare are not orphans. Most women work outside the home and our economy has changed the type of job opportunities available to low-skilled workers. The case load for cash assistance has declined nearly 60% nationally since passage of PRWORA; however, as we provide increasing support to ensure job retention and advancement as well as services for children and families, the total case load receiving services has increased. This is why continued full funding is critical.

We appreciate that both the Administration's proposal and your own legislation, Chairman Herger, do not cut the block grant but maintain the commitment to fully funding the block grant. We also appreciate that the TANF supplemental grants are continued and that the contingency fund, which provides federal cost sharing in an economic downturn is reinstated. However, the contingency fund should have a less restrictive trigger mechanism and less complicated requirements for state participation than the contingency fund in the 1996 law. I urge you to construct the reconciliation and maintenance of effort provisions so that needy states can have greater access to the fund.

FINANCIAL FLEXIBILITY

In addition, the administration's proposal continues the financial flexibility of the block grant structure. We are pleased that the Administration rejected pressures to earmark the block grant. NCSL will oppose any effort to earmark the TANF block grant as a limitation on critical flexibility and antithetical to the notion of devolution. Mr. Chairman, there are a number of provisions included in the President's proposal and your legislation that would enhance the financial flexibility for the TANF program. These items reflect concerns raised in the listening sessions by myself and my colleagues in the nation's state legislatures. First, restrictions are lifted from TANF that is carried-over from the previous fiscal year so it can be spent as flexibly as current year TANF, not limited to funding only time-limited assistance for basic needs. The administration promotes changes so states get "credit" for rainy day funds when we appropriate the funds for that purpose and your legislation mirrors this. Currently, states are discouraged from maintaining their own contingency funds because such funds remain in the federal treasury and are considered unobligated, thus making it appear that those funds are not needed or not allocated for any purpose. We appreciate your recognition that state rainy day TANF funds as a legitimate use of TANF block grant funds is consistent with state budgeting principles. We especially appreciate that the current artificial distinction on the treatment of child care and work supports for the employed and unemployed is removed in the President's proposal. Currently, time limits are triggered for the unemployed using these services while they search for a job.

WORK

Mr. Chairman, state legislators believe strongly in the value of work. In fact, states changed their welfare programs into programs that require and support work using waivers before the Federal Government acted. 48 states operated their welfare programs under these waivers before 1996. The rigid rules of the old AFDC program actually prevented programs from implementing strategies to help welfare recipients become self-sufficient. For every dollar earned, welfare recipients lost a dollar in benefits. Poor people can do the math. If we make it advantageous to go to work and provide support to those confronting tough challenges, parents will work. We supported the federal bill in 1996 because we recognized that the old system had trapped too many families in poverty by not having any expectation that individuals work or make themselves ready to work.

States are strongly committed to the work first focus of TANF. Federal constraints will compromise our ability to allocate our resources to best serve individual recipients. Major changes in the current requirements could upend state spending decisions. We have learned that different strategies are needed for clients who have very different barriers to work. We also believe that part-time employment with some support is better than no employment, and feel that states should be able to count all recipient work effort. We value job retention and advancement efforts. These supports are critical for long-term self-sufficiency and truly represent the next phase of welfare reform. States are best suited to decide what work activities a recipient can perform. We know we must work quickly to get recipients into the workforce. After all, TANF is a time limited program, with a 60 month lifetime limit on benefits.

In my own state of New York, labor participation rose in the years following welfare reform with the largest increases occurring in groups most likely to use welfare; for example, single mothers. Between 1994 and 2000, work rates for never-married single mothers increased from 40.6% to 60.8%, an increase of 50% in just five years.

Mr. Chairman, we have targeted TANF resources toward supporting families who are in the workforce. New York provides a package of work supports that include child care subsidies, EITC, Child Health Plus, Medicaid, housing and transportation along with administrative changes that increased child support collections. New York has a very generous state earned income credit. The average state and federal credit was $1,849, for the most recent year in which statistics are available.

Mr. Chairman, New York's combined impact of increased supports make a difference. For a working mother with two children holding down a $6 an hour job, food stamps and the EITC boost her income well above what she'd get in welfare and move her above the federal poverty level. And, if we give her help with her child care bills and get her the child support she is due, this will further boost her family income. Unfortunately, with higher work participation rates and an increase from 30 to 40 hours per week, the New York legislature will be forced to reallocate funds from these supports. States like mine are facing our own budget deficits—in fact, 45 states and the District of Columbia have budget shortfalls—and cannot make up the difference with state funds.

Mr. Chairman, it is very misleading to think that because of the case load reduction credit, states are not requiring recipients to undertake productive activities. The current case load dropped dramatically, 63% in New York, from January 1995 through December 2001. This was beyond our wildest expectation. No one predicted so many families would leave public assistance. Many are still receiving TANF funded service but are no longer receiving cash. The so-called "effective" work rate doesn't reflect state efforts at putting people to work at all. It has been a longstanding policy of NCSL to support a measure that gives us credit for putting people to work or keeping them from going on welfare in the first place. We have supported giving credit to the states for case load reduction and are intrigued by your proposal that would maintain the case load reduction credit, but change the baseline year. We will need to examine the implications further. However, if the case load reduction were to be removed or limited, an employment credit would more accurately reflect the accomplishments of the TANF program.

Federal statistics about the number of recipients receiving cash who are working under-represent the number of mothers and fathers actively engaged in preparing themselves for life without cash assistance. Under current rules the Federal Government does not collect this information. Half of the states don't report activities that don't count under the federal definition of activities that count toward the work participation rate, including job preparation. Activities that represent critical steps to self-sufficiency, such as drug treatment, do not count. In New York, about 50% of adults receiving TANF cash assistance are either in a work training activity or actual employment. If exempt adults are removed from the equation, then 70% of non-exempt adults receiving cash assistance are engaged in some level of training or employment. The remainder are mostly in the process of being assessed and assigned to work activities or sanctioned for noncompliance.

Unless they work for the full 30 hours, recipient work efforts cannot be included under current rules. If we value part time work, all hours worked should count. If a recipient who never worked or a victim whose batterer had prevented her from working outside the home is able to work 15–20 hours a week, that's a success to be built on. They also miss the families we have exempted from work—notably parents caring for a disabled child—and it's worth noting that these families are at high risk of divorce and dissolution, contrary to our shared goal of promoting marriage and family formation. In New York state, 26% of the adults exempted were exempt due to caretaker status of a child under 12 months or as a caretaker of an incapacitated individual; 33% were exempt due to long-term disability which could make them SSI eligible; and 28% were exempt because of short-term disability.

Current law and the President's proposal don't give us credit for those we help who never touch cash assistance and are diverted from the welfare system. I am proud of our TANF funded Wheels to Work Program that helps families with their transportation needs without making them go on welfare. Let me give you an example of how it helped one individual, a grandmother in the rural part of Dutchess County raising her deceased daughters' three kids. She has an $8 an hour job at Wal-Mart. To get to work, she had to spend $8 on taxi fare each way—in other words, two hours of her earnings every day were consumed by transportation. Our Wheels for Work program helped her buy a car. Now that's an example of how we can wisely use our TANF resources to give an individual the freedom to make a better life for themselves and avoid cash assistance. I would hate to see innovations like these stifled.

As I said before, the TANF program has given each state the freedom to respond to its own unique set of needs and circumstances. What troubles state legislators about the President's plan is not that it focuses on work—let me repeat that state welfare programs have honored and rewarded work—but that it will force states to establish community work programs for those on the rolls at the expense of those who have left or have never been on the rolls. If new and inflexible work requirements are added to the program, states, constrained by the fixed sum of money available from the block grant and their own economic difficulties, will be forced to cut back on other TANF funded programs that support work. Programs that could be cut include programs like our INVEST program which provides on-the-job training help for employers hiring welfare recipients and programs that prevent welfare dependency in the first place, such as after school programs to prevent teen pregnancy. Instead, states will have to fund an administration structure to create slots and monitor activities to meet the work participation rates. To do otherwise would leave states vulnerable to substantial fiscal penalties—losing 5% of TANF block grant, backfilling this penalty with state dollars and an increase in 5% for the state maintenance of effort requirement.

While my state has experience with workfare program, few other states have chosen this approach. We have permitted each county to make their own decision—and

while workfare is used in some locations, notably New York City, this has not proven to be a useful strategy in more suburban and rural counties. My own attitude is that everyone who is able should give some work effort back to the community while they are receiving public assistance. Still, a welfare recipient who we require to perform public service such as cleaning public parks is still on welfare. If our goals are personal and economic independence, then the place to find them is where Americans have historically found them, in private sector employment. The majority of states have focused on getting welfare recipients into unsubsidized jobs in the private sector—a proven strategy to increase earnings, promote family stability and end the cycle of dependence. States have succeeded with this strategy, and I am puzzled that Congress and the Administration seem to be considering making it difficult for states to continue this success.

Another troubling feature is that job search and vocational education would not count for the first 24 hours of the work requirement as they do under current law. Job search, often through job clubs, has been an effective means of ensuring placement in the private sector. The focus on work should not come at the exclusion of necessary basic or vocational education including English as a Second Language that would enhance skills, job retention and earnings. NCSL has always urged the Federal Government to leave the decision on when and how education should count for each client up to the states, similar to other TANF benefit and services decisions. The current policy that limits the amount of time and caps the number of clients engaged in vocational education does not take into account state decision-making. We should have the ability to count educational activities if we choose to include them in our range of job preparation efforts. Both job search and vocational education should continue to count as work.

We strongly support the Administration's proposal to eliminate the two-parent work participation rate and have all families count in one consistent work participation requirement, which will help strengthen families and remove a barrier to marriage.

We appreciate that your legislation and the Administration's proposal attempt to give states more flexibility in counting employability services such as job search, mental health treatment, treatment for substance abuse and education both for 3 months towards the 40 hour work requirement and towards 16 of the 40 hours of the work requirements thereafter. Unfortunately, the work rates overall are less flexible, but recognizing the value of treatment and employment preparation by counting such activity for the work rate, even if in a limited manner, is a positive step. However, since 24 hours of work are required in order for any of the 16 hour activities to count, this is hardly flexible.

In addition, the 24 hour work requirement represents a four hour increase for parents with children under 6 who are required to meet 20 hours under current law. Child care is most expensive for these families with young children and under current law, we cannot compel a parent with a child under six to work without child care assistance.

Finally, it is not clear to us why an increase in the requirement from 30 to 40 hours is necessary. The jobs most readily available to low-skilled workers don't offer 40 hours a week of work, or the hours worked may vary from one week to the next. Hotel workers, for example, found their hours cut back after September 11th. In addition, the Bureau of Labor Statistics reports that the workweek for production or nonsupervisory workers on private payrolls has consistently averaged 34–35 hours over the last decade.

The work requirements will have a different impact on each state because each state sets its own welfare benefit level and eligibility requirements. In fact, under current state law, welfare recipients working at minimum wage at 40 hours a week would be ineligible for cash assistance in 27 states. In 5 states, a recipient working 24 hours a week would make too much to qualify for cash.

CHILD CARE

Increased funding for child care is essential to the continued success of TANF. Mothers and fathers cannot work without safe, reliable child care. In addition to using all of our CCDF dollars, states are currently spending 20% of our TANF funds on child care, yet we still struggle with deciding whether the poor families who have never been on TANF or poor families who are moving off cash assistance or low income poor families who never received welfare but are a crisis away should receive subsidies. By the way, that TANF spending funds more child care than the entire value of the federal Child Care Development Fund.

New York's CCDF funds, even when augmented by TANF transfers, only reach 12% of the eligible case load. If, as the administration proposes, states are faced with more parents having to work more hours a week, and no new funds are pro-

vided, the situation will only get worse. There is simply no way to continue our progress without increased funding for child care. In New York, TANF transfers to child care are more than the value of the federal block grant and these funds mean 76,000 additional subsidies annually.

Mr. Chairman, we strongly support an increase in the mandatory funding of the Child Care Development Fund. I believe that this is a critical support for these families—families on welfare meeting work requirements, families leaving welfare for work and working poor families.

FAMILY FORMATION AND MARRIAGE

While marriage is an issue that transcends discussion of the reauthorization of the TANF program, promoting the formation of stable families is part of ensuring that the cycle of dependency on government programs is broken. Marriage provides important benefits, including economic ones, for adults and children. Government policy should be to support healthy marriages, and, perhaps as critically, not to set up barriers to marriage. While we have made great progress has been in reducing dependence on welfare, state legislators recognize that much remains to be done in addressing the underlying causes of poverty. That includes strengthening two-parent families. State legislators also recognize that not everyone will choose to marry or choose to stay married.

State legislators believe that any federal discussion of the issue of marriage must be based on the following principles:

- NCSL recognizes that efforts to salvage some relationships may not be appropriate and there needs to be special awareness of the prevalence of domestic violence, family violence and abuse. Therefore, NCSL supports the family violence option;
- Marital status must never be a condition of receiving TANF benefits or services. Because people approaching human services agencies are in a vulnerable position, great care must be taken to respect personal decisions;
- Efforts to encourage marriage should respect cultural differences and should be conducted in culturally sensitive ways;
- States must have maximum flexibility as they utilize a range of approaches to promote marriage, especially within the finite resources of the TANF block grant. Marriage laws have been the purview of state government, not the Federal Government;
- A central focus of these efforts must be child well-being. NCSL supports efforts to assist parents with parenting skills, even in the absence of marriage, so the children involved have a stable support system, and
- Rules for the TANF program and other federal programs must be examined to ensure that they do not penalize couples that choose to marry.

The Federal Government should consider existing efforts and how those efforts might be strengthened. States are already working to promote marriage outside the TANF program. Some examples of actions states have taken include establishing fatherhood programs, providing incentives for marriage education including reduced fees for marriage licenses, enacting earned income tax credits without penalizing marital status, enacting family law related to both marriage and divorce and creating programs to sustain the marriages of parents of children with disabilities with respite care services. State legislators urge federal policymakers to affirm the value of these efforts.

Mr. Chairman, NCSL supports the President's proposal to use the funds in the current out-of-wedlock bonus fund to create a technical assistance and demonstration fund for states to implement marriage and family formation initiatives including out of wedlock pregnancy prevention. We also support the creation of a fund to expand the ability of states to create new programs in this area. NCSL opposes any efforts to earmark the TANF block grant for the purpose of family formation or marriage. We strongly urge the Federal Government to provide more technical assistance to states on this topic. We appreciate that you have made it simpler for states to use maintenance of effort funds for services states provide under purposes three and four of the TANF program, promoting marriage and family formation and preventing out-of-wedlock births.

TEEN PREGNANCY

Teen pregnancy has declined, but it still must be a focus of efforts to reduce out-of-wedlock child bearing. NCSL believes that this national problem deserves our full and continued attention. We have found through our research that teen mothers and fathers have worse future outcomes including educational attainment and income than other teens. Over time, we believe, teen parents have much more dif-

ficulty remaining self-sufficient and are more vulnerable to economic shifts in the labor market.

CHILD SUPPORT ENFORCEMENT/NONCUSTODIAL PARENTS

Child support enforcement is a critical component of welfare reform and these payments represent an important part of family income. Child support payments can make the difference in a working family living in or moving out of poverty. State legislators have been at the forefront of innovative efforts to improve child support including establishment of orders, collection, enforcement and work with noncustodial parents. We are concerned, however, about unfunded mandates and preemption of state law in any new federal child support law.

Mr. Chairman, NCSL strongly supports the creation of options for states to pass through child support directly to families without having to reimburse the Federal Government. Thank you for addressing this issue in your bill. Currently federal law requires that state pay not only the state share of collected child support, but reimburse the Federal Government for their share if the state chooses to pass through support to families. NCSL strongly supports a change in federal law that eliminates the requirement that states reimburse the Federal Government if the state chooses to pass-through child support to families. This will also strengthen the relationship between fathers, mothers, and their children. It may also lead to reconciliation and/or marriage. Noncustodial parent programs, especially fatherhood programs, are also critical to this effort. We reiterate our concern that as states update their child support legislation, technical assistance is needed to assist the states as they come into compliance with federal goals.

LEGAL Immigrants and refugees

Mr. Chairman, I urge you to reconsider the 1996 provisions that deny eligibility for legal immigrants and certain refugees to the TANF program and to create a state option to provide TANF funded services to these families. The 1996 welfare law eliminated most of the federal safety net that serves legal immigrants and consequently shifted these costs to states. 23 states including New York provide assistance to those families using state funds. Unfortunately, by barring these families from TANF, legal immigrants cannot even access TANF funded services that could make it possible for them to improve their ability to work such as job training and ESL. While some benefits have been restored to some immigrants, much more should be done. The President listened to state lawmakers' concerns on this issue and has proposed restoration of food stamp benefits to legal immigrants. There should be a state option to provide TANF to legal immigrants as well.

WELFARE WAIVERS

NCSL strongly believes that states need flexibility for further innovation. State legislators would prefer to have options, rather than waivers, for policy changes. NCSL strongly believes that states must be able to continue current federal waivers and receive new federal waivers for welfare reform.

Program coordination remains a barrier to state innovation. I was very pleased to hear the President propose a "super waiver" process for demonstration programs that could cut across programs and federal departments. It is very important that we work closely together on the details of this proposal.

SOCIAL SERVICES BLOCK GRANT

Social Services Block Grant (SSBG or Title XX) funds are a vital part of the delivery of community and home-based services to the most vulnerable segments of society including the disabled, elderly, and children in need of protective services. NCSL urges the Federal Government to fund the SSBG at the level agreed to as part of the enactment of the 1996 welfare reform act, $2.8 billion. New York transfers more from TANF into SSBG than the amount of its SSBG allotment. It is critical that the amount states can transfer from their TANF grants to the SSBG remains at least 10% and is not reduced. If New York can only transfer 4.25% of its TANF grant into the SSBG, that would mean:

- 21,000 fewer children in subsidized day care;
- 70,000 fewer adults helped in adult protective services; and
- 138,000 cases in the child protective services system that would have casework disrupted or delayed.

States use their SSBG funds to provide protective services for children and adults, adult day care, meal preparation and delivery for the elderly, counseling services, and serve the disabled in their homes, rather than in institutions. Further reductions in funding for this grant would mean programmatic losses and service reductions.

Mr. Chairman, that concludes my testimony, I would be very happy to respond to any questions that you and the members of the subcommittee have at this time.

Chairman HERGER. Thank you, Senator Meier. Now, Mayor O'Malley.

STATEMENT OF THE HON. MARTIN O'MALLEY, MAYOR, BALTIMORE, MARYLAND, AND CHAIRMAN, TASK FORCE ON TANF REAUTHORIZATION, U.S. CONFERENCE OF MAYORS

Mr. O'MALLEY. Thank you very much, Mr. Chairman. Good afternoon. Thank you for giving me the opportunity to join you here on this very, very important issue critical to America's cities and America's families, including many in my own City of Baltimore.

My name is Martin O'Malley. As you have been told, I am the Mayor of the City of Baltimore testifying today on behalf of the U.S. Conference of Mayors in my capacity as Chairman of the Conference of Mayors Task Force on TANF Reauthorization. I am supported by our Assistant Executive Director, Ms. Crystal Swann, seated directly behind me.

The U.S. Conference represents Mayors on both sides of the political aisle, and regardless of party this is an issue about which we care very deeply. Cities have made great progress in reducing our welfare case load since 1996. Child poverty recorded its greatest 5-year drop in 30 years. The percentage of people on welfare fell to its lowest level in 35 years, but if you look at the recent turn of events, the number of children now with an unemployed parent rose sharply in 2000, when single moms suffered a 25-percent jump in unemployment.

Whatever progress we have made, it is very fragile progress and it is very incomplete progress, but in the past 5 years we have learned about some things that work and things that don't. We now know of course people with a degree or skills are more likely to escape poverty, and among parents who left Welfare-to-Work and are now unemployed, it is the lack of child care that was the leading reason for their job loss.

Baltimore's Congressman Ben Cardin introduced a bill that addresses one of these critical needs by increasing Child Care and Development Block Grant (CCDBG) funding to $11.5 billion. I support that and thank him for his leadership on this issue in Congress, as he was a leader in our State.

Local welfare offices play a critical role in determining whether families who leave welfare actually receive the support they need. Local offices have to create one-stop centers providing referrals for a range of services, including child care, health care, and transportation. They would work better by combining TANF and workforce investment funding.

This year we have an opportunity to work together to accomplish some tremendous things in this reauthorization at all levels of government.

I would like to focus today in my testimony on three primary objectives: Opportunity, accountability, and outcome. It is my personal view that some time limits in work participation rate requirements are critical to continued success. In my own State of Mary-

land, since 1995, Baltimore has gone from representing 43 percent of the State's welfare case load to now, though unfortunately, representing 63 percent even as the number of cases in our city drop by more than half.

We have changed expectations, but those reforms have resulted in a welfare system that is increasingly concentrating poverty in America's cities. This shift has left us with an enormous task in lifting residents in America's poorest, most violent, and blighted communities. In our cities, even in places like the rest of Maryland where the welfare rolls have dropped by more than three-quarters, the goal of self-sufficiency is not being met. No one with a family can be self-sufficient on a minimum wage income. We can't ask employers to hire these Americans without some assurance that they have had significant skills training.

The TANF should provide funding for transitional community service jobs. One possible means to accomplish this through federal-local partnership, funding entry level jobs in cities, should help low income fathers find jobs by extending access to TANF employment services and eliminate provisions that bar two-parent families from participating.

Given the great need to invest in training and to address other skills needs for Americans, it is encouraging that there is a broad consensus to preserve TANF funding at the current level, but there has to be greater accountability for how those funds are spent. I would like to use a few examples of my own State to illustrate what I mean.

As of last year, since the passage of the 1996 welfare reform legislation, 150,000 clients left the welfare rolls. There were 77,000 welfare recipients in Maryland compared to 227,000 in 1995.

That case load reduction resulted in $530 million in welfare reform savings in State and federal funds, which once solely made direct cash payments to Maryland's families in need. Half, or $265 million, of these savings are federal TANF funds, provided specifically to needy families.

Of this $530 million in savings, only $200 million has been reinvested in breaking the cycle of poverty. Ninety million dollars was shifted to a dedicated purpose fund in the event of an economic downturn. This year most of that rainy day fund was raided, or appropriated, shall we say more politely, to plug gaps in the State general fund.

Far worse, $210 million, or only 40 percent, of these funds have been diverted entirely from the mission of welfare reform: Supporting poor families and helping them become self-sufficient.

Our State, like other States, instead substituted welfare savings to make foster care payments that used to be funded by general funds, child welfare services, and Maryland Department of Human Resources programs, all that were once funded by State dollars.

I would like to conclude, I see my time is up. It is extremely important as you look at this that we end supplanting at the State level, that we continue to provide flexibility but also increase accountability and, additionally, that you allow local governments to directly access these. This is where we are on the hook, where we have a political stake in the outcomes to make sure that these dollars go to improving people's lot in life, helping them escape pov-

erty, these dollars should be used for families that are facing tough times, not for Governors who are facing tough choices. Thank you.

[The prepared statement of Mr. O'Malley follows:]

Statement of the Hon. Martin O'Malley, Mayor, Baltimore, Maryland, on behalf of the U.S. Conference of Mayors

Good Afternoon, Mr. Chairman, Congressman Cardin and Members of the Subcommittee. Thank you for giving me the opportunity to testify before you today on an issue critical to America's cities and America's families—including many in my city, Baltimore.

I am Martin O'Malley, Mayor of Baltimore. I am testifying today on behalf of The United States Conference of Mayors in my capacity as Chairman of the Conference of Mayors Task Force on TANF Reauthorization.

The U.S. Conference of Mayors represents mayors on both sides of the political aisle. And regardless of party, this is an issue about which we care deeply. Cities have made great progress in reducing our welfare case loads since 1996. Child poverty recorded its greatest 5-year drop in 30 years. The percentage of people on welfare fell to its lowest level in 35 years. These are indisputably good things.

In the past five years, we've learned what works and what doesn't. For example, education and training and access to child care are major factors in how people fare after welfare.

- People with a degree or skill are more likely to escape poverty.
- And among parents who left welfare for work, and are now unemployed, lack of child care was the leading reason for their job loss.

Baltimore's Congressman Ben Cardin introduced a bill that addresses one of these critical needs by increasing Child Care and Development Block Grant funding to $11.5 billion.

Welfare offices play a critical role in determining whether families leaving welfare actually receive the support they need.

- They must one-stop centers providing referrals for a range of services including child care, health care and transportation. And they would work better by combining TANF and Workforce Investment Act funding.

This year, we have an opportunity to work together—on all levels of government—to complete the job we have begun: moving more families from welfare to work, and more working poor families to a better, more self-sufficient life.

My testimony today will focus on three primary objectives that are critical in TANF reauthorization: opportunity, accountability and outcomes.

Opportunity

My personal view is that time limits and work participation rate requirements are critical to the continued success of welfare reform. But while they have changed expectations, these reforms have resulted in a welfare system that is increasingly concentrated in America's cities. In my own state of Maryland, since 1995, Baltimore has gone from representing 43% of the State's welfare case load to 63%—even as the number of cases in our city dropped by more than half.

This shift has left us with the enormous task of lifting the residents of America's poorest, most violent and blighted communities—communities that were allowed to, or even hastened into, decay by decades of well-intended but misguided government policy on the federal, state and local level.

Given government's culpability, we have a special, moral responsibility to invest in returning these areas to decent standard of living. Many of the pathologies that affect cities, like teenage pregnancy, addiction, violence and generations of grinding poverty, were enabled by policies that shredded the social compact in America's cities—in the apt phrase of former Senator Daniel Patrick Moynihan, we "defined deviancy down."

In our inner cities, and even in places like the rest of Maryland's counties where the welfare rolls have dropped by more than three-quarters, the goal of self-sufficiency in the current law is not being met. Without work supports such as childcare, transportation, food stamps, housing supports, and Medicaid, many people who are working, and working hard, would not be making it.

No one with a family can be self-sufficient in a minimum wage job. And many of those who still remain on the welfare roles are, in fact, only qualified to work in minimum wage jobs. They are the hardest to help. Many have multiple barriers to employment. Many are high school dropouts with no GEDs. Many are non-English speaking. Many often have multiple problems like substance abuse and

mental illness. Many are severely learning-disabled. And many have no work history.

If you were an employer, would you hire them without the assurance that they have had significant skills training? TANF should:

- Provide funding for transitional community service jobs. One possible means to accomplish this is through a federal/local partnership funding entry-level jobs in cities to improve the quality of life in troubled neighborhoods—a double benefit, providing local employment and enhanced local services, like sanitation and community development.
- Help low-income fathers find jobs by extending access to TANF employment services.
- Eliminate provisions that bar two-parent families from participating.

Additionally, we should expand the earned income tax credit and eliminate the existing marriage penalty in the effective program.

Accountability

Given the great need to invest in training and addressing other critical needs for those Americans who remain on our welfare rolls five years after the beginning of reform, it is encouraging that there is broad consensus to preserve TANF funding at its current level. The President is providing strong leadership in this regard.

But there must be greater accountability for how this funding is spent. Sadly, far too many states are using TANF funds to supplant state funds in their budgets. We support some level of flexibility to ensure that the wide range of issues we face can be met, but stricter controls must be put in place to remind governors that the Congress appropriated these funds for families facing hard times, not politicians facing hard choices.

Let me use the example of my own state to illustrate what I mean:

- As of last year, since the passage of the 1996 welfare reform legislation, 150,589 clients left the welfare rolls. There were 77,298 welfare recipients in Maryland compared to 227,887 in 1995.
- This case load reduction has resulted in $530 million in welfare reform savings in State and federal funds, which once solely made payments to Maryland's families in need. Half—or $265 million—of these savings are federal Temporary Assistance For Needy Families (TANF) funds, provided specifically to aid needy families.
- Of this $530 million in savings, $200 million has been reinvested in breaking the cycle of poverty and dependence by providing employment opportunities, supporting local welfare-to-work efforts and subsidizing child care for working mothers.
- $90 million was shifted to a "dedicated purpose fund" in the event of an economic downturn. This year, most of this rainy day fund was raided to plug a gap in the State general fund—to dodge difficult budget choices, not to help struggling families. There is about $11 million left.
- However, $210 million—or 40%—of these funds have been diverted entirely from the mission of welfare reform: supporting poor families and helping them become self-sufficient.
- The Governor substituted welfare savings to make Foster Care Payments, and to fund Child Welfare Services and other DHR programs. While these are TANF eligible programs, they always have been funded in addition to not instead of welfare-to-work programs. By diverting welfare savings from their intended purpose, the State is able to shift $210 million in State General Funds, formerly used for foster care and child welfare, into purposes unrelated to helping poor families.
- As a result—despite $530 million in savings that could and should be dedicated to helping poor families—we are spending much less, not more, to support low-income families in their efforts to become self-sufficient.
- Much of the $210 million that has been diverted from welfare reform is being spent in large part on construction projects around the state. And the dividend from welfare reform's success is not being reinvested in the human capital that remains.

I know that Maryland is not alone in these budgetary shenanigans. Very simply, the TANF funds that the Congress has appropriated are not being spent in the manner the Congress intended. And they are badly needed for that purpose—pro-

viding opportunity and increasing self-sufficiency. If nothing else is changed from the 1996 law, please clamp down on this abuse.

One possible solution, given the increasing concentration of welfare recipients in America's cities, is to provide TANF funding directly to cities. Send the resources to where they are needed and hold us accountable for getting people to work.

Outcomes

Finally, our calls for compassion can't be an excuse not to demand results. Mayors are as guilty of this offense as anyone, but it extends to all levels of government. Adlai Stephenson once said, "Bad administration will kill good policy every time." It's not enough to say you care, you have to prove it through your actions.

Just as accountability must be increased for state governments concerning how TANF dollars are spent, we support increasing accountability for local government. What gets measured gets done. We must remain focused on results.

Given the importance and difficulty of what we are trying to accomplish, it is unconscionable that we do not better track outcomes—outcomes like employment, rising income levels, and each generation improving on their parent's life. This is the American Dream, yet it does not seem available for children growing up in neighborhoods where poverty is an expectation and upward mobility virtually unknown.

In Baltimore, every other week, we are tracking indicators ranging from social services, to job training and placement, to clients served at our one-stop centers. We're not yet where we need to be. I don't know that anyone is.

Traditionally, human services agencies have been reluctant to measure outcomes because the work they do is so difficult. But we must take responsibility for helping people change their circumstance. The only way I know is to relentlessly track results and manage based on quality information. Jack Maple, the inventor of Comstat once told me that everything can be statted.

I don't have all the answers, but I do know if we are not wed to what has failed in the past, and we are not afraid of what real information might tell us, we can do a better job for the people we serve.

To do so:

- We must end supplanting at the state level.
- We must continue providing flexibility for state—and additionally local—governments to serve the people they know best.
- We must think creatively about how we get people into jobs, and how we engage the private sector—whether with subsidies or training.
- We must help people get past that first entry-level job.
- And we can't forget fathers.

Thank you for allowing me to testify here today. This is critical to America's cities. I will be glad to answer any questions.

Chairman HERGER. Thank you, Mayor O'Malley, and I thank you, Senator Meier. With that, we will turn to questions. The gentleman from Michigan, Mr. Camp.

Mr. CAMP. Thank you, Mr. Chairman. Mayor O'Malley, I appreciate your testimony and certainly for the record you have laid out in terms of reducing child poverty and other positive things that have happened as a result of welfare reform. I know that one of your calls is for more money to be spent on child care, and I don't know if you were present when the Secretary testified that over the next 5 years we are going to have $167 billion in federal funds on TANF and child care dollars available.

So, it is a significant investment in these programs, and child care funding has tripled since welfare reform began, and yet there is a perception here that there is no rational basis for the amount of child care funds people have come before this Committee and requested. I note that your testimony initially was that it was essential that $20 billion be spent on child care and now I know your testimony today is that $11 billion would be appropriate, and I just think that we have to be careful that there is some rational basis

for the numbers that are thrown around here. I guess I would just ask for your quick comment on that if I could. Which is it?

Mr. O'MALLEY. I would be happy either with $20 billion or $11.5 billion, Congressman.

Mr. CAMP. Did you say $11.5 million?

Mr. O'MALLEY. Billion.

Mr. CAMP. All right.

Mr. O'MALLEY. While that is nice, $167 million is a fraction of what is needed. The people who lose their jobs after getting out of welfare and going to work always cite child care as the biggest impediment for them continuing in the workplace.

I mean, we are asking moms to choose between whether they want to keep their job or whether they want to keep their kids, and I think that the dollars spent on investing—I mean look at all of the dollars that have gone into TANF, all of the savings that have been supplanted by States. If a fraction of those were directed by this Congress to go into child care, I think those would be dollars well spent. If only you were to stop half of the supplanting the States do and start directing those things to care, I think it would be a benefit to the economy of this country. I think it would be a huge benefit to the workforce, which would help businesses in this country, and I don't know the rational basis for it but I don't understand the rational basis for allowing Governors to use TANF savings as a slush fund so that they don't have to make——

Mr. CAMP. One of the things that we are hoping to do, as you asked for, is to have greater flexibility and have the ability, where necessary, in certain States to transfer TANF funds to the child care block grant and have a little greater flexibility there.

I appreciate your testimony whether it is $11 billion or $20 billion, but we don't have those kinds of options. It is important to have really some idea as to why the Conference of Mayors would have such a disparity in terms of the numbers they are asking for when they come before this Committee, and that is just a point that I think is a concern to us because none of the dollars come here unless we take it from other people and I think we want to make sure that we exercise that responsibility very, very carefully. So, I appreciate what you are doing and all the testimony you gave today. Thank you, Mr. Chairman.

Mr. O'MALLEY. Thank you.

Chairman HERGER. Thank you, Mr. Camp. Now we turn to the gentleman from Maryland, Mr. Cardin, to inquire.

Mr. CARDIN. Thank you, Mr. Chairman. Let me try to first respond to Mr. Camp if I might. I don't think the Conference of Mayors, or NCSL or National Governors are asking for any greater share of the federal pie for poverty programs than we are currently spending. If you add up all the additional funds, it still will be a percentage of the federal budget, will probably decline.

In regards to child care let me just try to help you again. We currently spend $4.5 billion a year in the federal program, which meets about 18 percent of federal eligible in child care. We can do the arithmetic and I would be the first to acknowledge that we cannot afford to get up to 100 percent in a short period of time. It is going to take us time to get up there. So, every dollar we can get into child care will be spent by our States and local governments

to make available child care to people who currently cannot afford it.

Last, let me say there has been a survey that we will hear from later that the additional requirements on the States brought about by the administration's bill would cost about $7.5 billion more in child care to implement. So, using any of those rationalizations, we can come up with a figure I think that we all could agree upon should be added to the current dollars made available by the Federal Government for child care.

Senator Meier, let me thank you very much for your testimony. Some of my finest moments were in NCSL, including testifying before Congress as representing NCSL. So, it is a pleasure to have you here. I want to just underscore the point you made and make sure I say it correctly. It seems to me that New York currently has 70 percent of its case load in activities that I think any rational person would say is on a path to self-sufficiency, but yet you would not meet the 70 percent test that is in the administration's proposal. Am I correct in that?

Mr. MEIER. Statewide we would not presently meet the test under the proposal.

Mr. CARDIN. That is what concerns me. I agree with you, this is a partnership, this is trust, this is flexibility to States and funding to States and New York is doing it right if you have 70 percent of your case load in activities that will lead to self-sufficiency. We shouldn't be telling you to do it differently, and that I guess is my major concern, and I very much appreciate having the specifics from one particular State.

Mr. Mayor, I agree with your point about the shifting of funds. I saw what the Maryland General Assembly did in this past session in the Maryland legislation. The Governor has been pretty supportive of poverty programs, but not this year. It was a tough year. We found that without additional requirements that our States are likely to shift to more popular programs, and if we are going to break the cycle of poverty, if we are going to break the welfare cycle, it seems to me we have to really break the poverty cycle in our cities and that is what I guess concerns me. You have the highest proportion of welfare recipients but you have also have the poverty, and if we can break the poverty cycle, if we can get people into real jobs, it seems to me that is our best hope for our urban centers, and I would like to work with you to see how we can make sure the money gets to our cities. I am concerned that in many cases the cities are being short-changed on the dollars that are being made available.

Mr. O'MALLEY. Sadly, Congressman, as you know from your experience with our State budget, when the supplanting happens unfortunately the savings that the Congress intended would go to help families get out of poverty are instead becoming suburban reparations. They fall to the bottom line. They get spread around like so much political capital around the State at the end of the day, and it is really sad. I think if there were direct funding to cities where the local governments and the people who they work for actually have the political stake in the effective and proper use of those funds, for jobs skills training, I think that the Federal Gov-

ernment would get a much better bang for their dollar than making it easier on State budgets.

Mr. CARDIN. Senator Meier, I just want to see how great the risk is that you mentioned that you could be taking money that you currently use for English language programs or for job training programs and using them for subsidized employment or job fair type programs, which I know New York has resisted. Every State has resisted. Under these guidelines as proposed by the administration is that a real risk?

Mr. MEIER. I think it is, but let me emphasize, I believe, as I think most people do, that everybody receiving benefits ought to do something, but we think that, for example, the task of learning English is work. We are not talking about having people to go to school interminably. We are talking about people receiving some services that they need to work through some basic barriers to employment, literacy, English proficiency, perhaps some degree of vocational training, and we think that then, as I said, leads to private sector employment. People on welfare should be given the opportunity to reach independence the same way everyone else in America does it, which is in the private sector economy, not on a created make-work kind of government job.

Mr. CARDIN. Thank you.

Chairman HERGER. Again, I thank you but I might mention before I recognize the gentleman from Pennsylvania, Mr. English, that the 16 hours after the 24 would be at the discretion of the States to be able to determine. So, you would have the opportunity to determine whether or not English as a second language would count in your work. So, with that, I turn to the gentleman from Pennsylvania, Mr. English, to inquire.

Mr. ENGLISH. I want to thank the Chairman, and I particularly want to thank you, Senator Meier, for taking the time to appear here. As someone who worked as a staffer for the Pennsylvania Senate, I am very well aware of the level of professionalism and seriousness in your State legislature and particularly in your State Senate. So, we are grateful to you for bringing your expertise here and for your coming here as an advocate of State flexibility.

On that point, some proposals, for example Mr. Cardin's bill, seek in one respect to tie States' hands in enforcing sanctions, requiring lengthy conciliation and notification processes enforced under federal law before anyone can be subjected to sanctions for refusing to work, among other things. What do you make of such proposals, and what effect do you think they would have on States' abilities to operate welfare programs that are focused on getting people into work?

Mr. MEIER. Congressman, thank you for that question. I think one of the great geniuses of welfare reform was it started with the most basic principle of American government, federalism. We are a country that has a vast array of differences and different types of communities, and so forth, and States know best what is going to work in terms of whether it is the sanction process or any other element of how they structure this welfare program.

My own experience in New York has been that the sanction process generally fairly observes the rights of public assistance recipients. If I might briefly respond to Ranking Member Cardin's point,

the problem, Mr. Cardin, is not the split or the discretion we get in 16. It is that if someone who lacks English or basic skills can't even get up to 24 hours in part-time employment, then none of it counts and that would be the problem, sir, with, for example, the young woman in the article that you authored. If because of a lack of English she couldn't even get 20 hours, none of it would work. We are not asking to say let her do nothing. We are saying give us some flexibility in how to structure it into up front things like basic English proficiency.

Mr. ENGLISH. Reclaiming my time. Senator Meier, could you give us a sense of where NCSL bounces when it comes to lengthy conciliation requirements built in as a prerequisite to taking someone out of a—well, cutting off someone's benefits or putting them in a work program?

Mr. MEIER. The NCSL comes down on the side of federalism, Congressman, and believes those matters are best left up to individual States addressing the particular characters of their own States and communities.

Mr. ENGLISH. Very good. Senator, on another point, quoting your testimony, there should be a State option to provide TANF to legal immigrants as well. We have looked at this issue a couple of times since 1996. We have liberalized benefits in a couple of areas, but I find there continues considerable resistance to the notion of providing transfer payments, cash payments to non-citizens. Can you give us some hypotheticals of where you think States should be allowed to use TANF benefits to support non-citizens?

Mr. MEIER. Well, Congressman, what we are talking about is the area of legal immigrants, people who have played by the rules, obeyed the law. We might want to look at some inquiries to make sure that this is not someone who has come here for the sole purpose of qualifying for public assistance benefits. I would think you would find that it is arduous enough to get here that you wouldn't find too many people who would do that kind of drill, but if they have played by the rules and come here we want to encourage them to participate in American society. If they play by the rules with everyone else, I don't see why they shouldn't qualify at State option for the benefits.

Mr. ENGLISH. I am not sure I agree but I appreciate your testimony, and thank you, Mr. Chairman.

Chairman HERGER. Thank you, and again we thank you, Senator Meier, for your fine testimony.

Mr. MEIER. Thank you, Mr. Chairman and members.

Chairman HERGER. You are welcome. Before we move to panel 4, we have the Honorable Barbara Lee, Congresswoman from California, to testify.

STATEMENT OF THE HON. BARBARA LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. LEE. Thank you very much, Mr. Chairman. Good afternoon.

Chairman HERGER. Good afternoon.

Ms. LEE. I want to thank you and our Ranking Member, Mr. Cardin, and the Subcommittee Members for this opportunity to address the Subcommittee on the issue of welfare reform reauthorization proposals.

Now unfortunately, or fortunately, I have some personal experience with this issue. If we allow women access to education and child care, they can do anything, anything that they set their minds to do, even be elected to the U.S. Congress.

I want to focus on three important issues surrounding welfare reform, access to education and child care, and comprehensive sex education. We all agree that education is the key to success in this country.

Just last year, for example, a huge bipartisan majority worked together to pass a major piece of legislation better known as the Leave No Child Behind law. Now I want to also leave No Public Assistance Recipient Behind either. We must allow them to receive their General Equivalency Diploma, attend a technical school, or enroll in a community college or a 4-year college or a university.

Now, we all know that people with higher education have higher incomes. Full-time workers with master's degrees earn over $4,500 a month on average and those with a bachelor's degree earn over $3,700 a month. However, high school graduates bring home comparably less, only about $2,200 a month. Now, those without a diploma earn on the average a paltry $1,700. When you factor in paying for rent, especially in high cost areas such as northern California, transportation, groceries, and child care, that $1,700 a month really becomes zero.

Now, I believe that the administration's welfare reform plan makes it significantly harder for parents transitioning off of welfare to get that needed education to get a good paying job which not only lifts their family out of poverty but also contributes to the economy. Instead of allowing parents to finish high school, it is my understanding that the administration's plan actually eliminates the current law's ability to count high school attendance for dropouts over age 20.

So, instead of making it easier for parents to prepare themselves for better jobs, the administration's plan eliminates the current law's ability to count up to a year of full-time education or training.

Now, this goes in the wrong direction. We continue to pass legislation in Congress to make it easier for parents to save for college and have tax credits to use for college expenses, but then we single out poor mothers by taking away the few means that they have to attend college or finish high school. Congress must continue and expand the credits available for education in any welfare reform legislation.

Also, I believe that education should be counted as work. We should not kick someone off of welfare if they are in college. This is really counterproductive.

Child care is absolutely essential to any successful welfare reform program. The extremely high cost of child care and the difficulty parents have in finding child care are two of the most pressing issues and challenges facing parents transitioning off of welfare to work. We cannot expect a mother to lose all of her benefits and take a job for $5.15 an hour if her child has nowhere to go that is safe and affordable.

Again, low income parents are hardest hit. Poor families spend over 35 percent of their income on child care while non-poor families only spend about 10 percent, according to Congressional Re-

search Service, and this is assuming of course that child care is available. Many low income parents have to work off hours, are far from home and cannot even access this care, let alone afford it.

So, we must increase discretionary funds for the Child Care and Development Fund and entitlement funding so that we may adjust for inflation and enact necessary changes to serve more families in need and to ensure quality child care. We must maintain the current programs' flexibility and ensure that all child care accounts are fully funded.

Finally, I want to touch just briefly on the issue of the abstinence-only program that was established under the 1996 Act, and I was in the California Senate at that time serving on the conference Committee on welfare reform. We actually, I believe, are the only State not to take these funds, in part because of our mandate in teaching comprehensive AIDS education.

I believe this is a misguided program and really prohibits the teaching of comprehensive sex education. We cannot prevent unwanted teen pregnancies, HIV and AIDS and other sexually transmitted infections unless our schools are allowed to talk about contraception as well as abstinence.

No studies have shown that abstinence-only programs are successful. So, I ask this Committee to consider really President Bush's call to defund unproven programs, and this is one that really should be defunded.

So, I have introduced H.R. 3469, the Family Life Education Act, which would provide $100 million to teach comprehensive sex education.

Finally, Mr. Chairman, once again thank you for allowing me the opportunity to be here. I believe that Congress must stop punishing women and children solely because they are poor. The majority of women on welfare want to work. I know that. Welfare reform should have as a goal access to education, to good paying jobs, and to the reduction of poverty. Thank you very much.

[The prepared statement of Ms. Lee follows:]

Statement of the Hon. Barbara Lee, a Representative in Congress from the State of California

Mr. Chairman, Ranking Member Cardin, and subcommittee members, thank you for this opportunity to address the subcommittee on the issue of welfare reform reauthorization proposals.

Unfortunately, or fortunately, I have personal experience with this issue. If we allow women access to education and child care, they can do anything they set their minds to—even be elected to the United States Congress.

I want to focus on three important issues surrounding welfare reform: access to education and child care, and comprehensive sex education.

Education is the key to success in this country. Just last year, a huge bipartisan majority worked together to pass the Leave No Child Behind law. I want to leave no welfare recipient behind. We must allow them to receive their GED, attend a technical school, or enroll in a community college or four-year college or university.

We all know that people with higher education have higher incomes. Full-time workers with master's degrees earn over $4,500/month on average and those with a bachelor's degree earn over $3,700/month. However, high school graduates bring home comparably less—only about $2,200/month. Those without a diploma earn on average a paltry $1,700/month.

When you factor in paying for rent (especially in high-cost areas such as the Bay Area), transportation, groceries, and child care, that $1700/month quickly becomes $0.

However, the Bush/Herger welfare reform plan makes it significantly harder for a parent transitioning off of welfare to get that needed education to get a good-pay-

ing job, which not only lifts their family out of poverty but also contributes to the economy.

Instead of allowing parents to finish high school, the Bush/Herger plan actually eliminates the current law's ability to count high school attendance for dropouts over age 20.

Instead of making it easier for parents to prepare themselves for better jobs, the Bush/Herger plan eliminates the current law's ability to count up to a year of full-time education or training.

This goes in the wrong direction. We continue to pass legislation in Congress to make it easier for parents to save for college and have tax credits to use for college expenses. But then we single out poor mothers by taking away the few means they have to attend college or finish high school. Congress must continue and expand the credits available for education in any welfare reauthorization legislation.

Education should be counted as work. We should not kick someone off welfare if they are in college.

Child care is absolutely essential to any successful welfare reform. The extremely high cost of care and the difficulty parents have in finding care are two of the most pressing issues and challenges facing parents transitioning off of welfare to work. We cannot expect a mother to lose all of her benefits and take a job for $5.15 if her child has nowhere to go that is safe and affordable.

Again, low-income parents are hardest hit. Poor families spend over 35% of their income on child care while non-poor families only spend about 10%, according to CRS.

And this is assuming that care is available. Many low-income parents have to work off-hours, or far from home, and cannot even access this care, let alone afford it.

We must increase discretionary funds for the Child Care and Development Fund and entitlement funding so that we may adjust for inflation and enact necessary changes to serve more families in need and to ensure quality child care. We must maintain the current programs' flexibility and ensure that all child care accounts are fully funded.

Finally, I want to touch on the issue of the abstinence-only program that was established under the 1996 Act. This misguided program prohibits the teaching of comprehensive sex education if states take the funds. My state of California, in fact, is the only state to not take these funds, in part because of our mandate of teaching comprehensive AIDS education. We cannot prevent unwanted teen pregnancies, HIV/AIDS, and other STIs unless our schools are allowed to talk about contraception.

No studies have shown abstinence-only programs to be successful. I ask that this committee consider President Bush's call to de-fund unproven programs. The abstinence-only program clearly fails the Bush criteria to show proven results. I have introduced legislation, H.R. 3469, the Family Life Education Act, which would provide $100 million to teach comprehensive sex education. Reducing the number of unwanted teen pregnancies will surely reduce the number of mothers who turn to the welfare rolls.

In short, Congress needs to stop punishing women and children solely because they are poor. Everyone deserves the same access to the American dream—an education, a good job, enough to eat, and a home. Welfare reform should have as a goal access to education leading to good paying jobs and the reduction of poverty.

Thank you.

Chairman HERGER. Thank you, Ms. Lee. We appreciate your testimony, and with that if we could hear from our panel 4 please, if there aren't any questions.

Ms. LEE. Thank you.

Chairman HERGER. Panel 4, Robin Arnold-Williams, Executive Director, Utah Department of Human Services, on behalf of the American Public Human Services Association; Lawrence Mead, Professor of Politics, New York University; Robert Rector, Senior Policy Analyst, Heritage Foundation; Wendell Primus, Director of Income Security Center on Budget and Policy Priorities; Jason Turner, Director, Center of Self-Sufficiency, Milwaukee, Wisconsin; and Ray Scheppach, Executive Director, National Governors' Association. Ms. Williams.

STATEMENT OF ROBIN ARNOLD-WILLIAMS, EXECUTIVE DIRECTOR, UTAH DEPARTMENT OF HUMAN SERVICES, ON BEHALF OF THE STATE OF UTAH, AND AMERICAN PUBLIC HUMAN SERVICES ASSOCIATION

Ms. ARNOLD-WILLIAMS. Good afternoon, Mr. Chairman and Members of the Subcommittee. Thank you for the opportunity to testify today on behalf of the State of Utah.

Chairman HERGER. If you could turn your microphone on, please, the switch in there.

Ms. ARNOLD-WILLIAMS. Is it on now? There. Okay.

Chairman HERGER. Thank you.

Ms. ARNOLD-WILLIAMS. Good afternoon, Mr. Chairman and Members of the Subcommittee. Thank you for the opportunity to testify today on behalf of the State of Utah and the American Public Human Services Association (APHSA).

Prior to welfare reform, families were trapped in a pattern of dependency that few believed could be reversed. By the mid-1990s, 48 States, including mine, were operating our programs under waiver with work as a central focus and with great success.

In 1996, States and Congress struck a new bipartisan deal to expand upon this success. We were challenged to achieve new goals like mandatory work participation requirements and lifetime time limits within fixed federal funding and in return were given tremendous flexibility in how to choose to achieve those goals. We have reached unprecedented success, as evidenced by 1 million former welfare recipients moving into private sector employment, escalating child support collections, and declining poverty.

In Utah we have maintained a consistent focus on increasing family income through employment and child support. Our strategies include universal participation, individualized case assessment and employment planning, diversion, and ongoing case management.

On behalf of APHSA, I express our enthusiastic support for many of the proposals made by the President and provided for in Chairman Herger's bill, specifically full TANF funding and supplemental grants, removing restrictions on unobligated funds, expanding flexibility in the State maintenance of effort requirement, excluding child care and transportation from the definition of assistance, State rainy day funds, continuing and expanding transferability options and funding research and demonstration related to marriage and family formation, and renewal of abstinence education efforts.

As you consider reauthorization, continued success will be contingent on four factors. First, maintaining and enhancing flexibility, and we urge you to reject any changes requiring States to abandon their goals and meet process measures, penalties, or purposes that are inconsistent with our successful strategies. Second, maintaining federal and State financial investments in TANF and related programs, including allowing for inflationary increases, full restoration of Social Services Block Grant Program funding, and transferability options. Third, maintaining the work focus.

We have demonstrated that we can make work, work. We believe it is important to raise the bar of expectations in the next phase of welfare reform, but we urge a focus on broad outcomes. Work rates may have been the most appropriate success measure in

1996, but today they are an incomplete measure of State efforts and client success.

I am troubled by recent national data showing such large portions of our case loads participating. This may not truly provide the complete picture of actual participation by our TANF families. Policy decisions regarding participation rates, hours of work, and countable activities must not divert attention from maintaining our clear focus on the goal of unsubsidized private sector employment.

Speaking on behalf of a large Western State with significant rural areas, tribal populations, and encountering our fifth consecutive month of negative job growth, we are concerned about the significant challenges that we may face in meeting the 24-hour work requirement. We are also concerned about the 3-month limit on intensive substance abuse and other therapeutic efforts.

Fourth, simplifying and aligning federal program rules and restrictions that impede our ability to deliver critical services to families in need. We are supportive of any options to allow States to align these programs and are excited about the possibilities of the program integration waivers.

I want to turn my attention to two additional areas that are critical. Now is the ideal time to address child welfare issues related to the TANF program, and we appreciate Chairman Herger addressing it in his bill. To sustain and grow our progress in assisting children who have been abused or neglected and their families, States are requesting greater flexibility within the entitlement structure while maintaining State accountability and statutory protections for children. We need to address the look back provision, increase flexibility in the funding, and reauthorization and expansion of the IV–E waivers, which Chairman Herger has addressed very well in his bill, and we thank you for that.

The last area is child support, where we do support efforts put forth again by the Chairman that would give States the option to simplify their distribution systems and pass their moral support to families with the Federal Government sharing in these costs. Thank you again for the opportunity to testify, and I would be happy to respond to any questions.

[The prepared statement of Ms. Arnold-Williams follows:]

Statement of Robin Arnold-Williams, Executive Director, Utah Department of Human Services, on behalf of the State of Utah, and American Public Human Services Association

Good afternoon, Mr. Chairman and Members of the Subcommittee. I am Robin Arnold-Williams, Executive Director of the Utah Department of Human Services. Today I am testifying on behalf of the state of Utah and on behalf of the American Public Human Services Association (APHSA), a nonprofit, bipartisan organization representing state and local human service professionals for more than 70 years. Thank you for the opportunity to testify today on the reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The National Welfare Reform Success

It is important to note that prior to the enactment of welfare reform, AFDC case loads were soaring and families were trapped in a pattern of dependency that few believed could be reversed. Despite poor family outcomes, for decades rigid federal rules prevented state administrators from implementing innovative approaches to help families in need. Under AFDC, states could give families little more than a check to help them provide for their children. Families faced a financial cliff if they moved from welfare-to-work because federal rules discouraged work.

In an attempt to break free from federal restrictions, by the mid-1990s, 48 states, including my own, were operating their AFDC programs under federal waiver demonstration programs. Work was the hallmark of early welfare reform experiments, and by 1996 it became clear that states were in a better position than the Federal Government to achieve success in this area. Under the federal welfare reform law of 1996, states were challenged to achieve new goals under the Temporary Assistance for Needy Families Program—like mandatory work participation requirements and lifetime time limits—with fixed federal funding in a block grant. States accepted the challenge of meeting these new goals within the funding parameters, because the new law also afforded them tremendous flexibility to achieve those goals.

States have achieved unprecedented success in implementing welfare reform, such as increased private-sector employment, decreased dependency on cash benefits, expanded child care services, escalating child support collections, and declining poverty. For example, employment rates for never-married mothers increased by 40 percent over the past five years, reaching an all-time high in 2000. Sixty-six percent of TANF mothers are working for 30 hours a week in private-sector employment and an additional 12 percent of them are actively looking for work. Sixty percent of the TANF mothers who left cash assistance are holding jobs. And to support those families with work, between 1996 and 1999 there was an 80 percent increase in the number of children receiving a monthly child care subsidy. Paternity establishment has exceeded all expectations and the number of child support cases with collections has doubled since 1996.

The flexibility afforded to states spawned innovation at the local level as well; new partnerships were forged with businesses, community agencies, tribal governments, and faith-based providers to support welfare families in their transition from welfare to work. In 1996, Congress may have envisioned 50 different state TANF programs, but in fact today there are thousands of partnerships in thousands of communities sharing in the implementation of the welfare law.

Utah's Success

In 1993, Utah received a federal waiver to launch its welfare reform program that was designed to increase income through earnings and child support. Utah's strategy is a departure from AFDC; the focus is placed on universal engagement in activities leading to employment, a self-sufficiency plan, and full-family case closure for nonparticipation. Utah achieved great success in moving families off of welfare and into work through an individualized case assessment, diversion assistance, employment and training, on-going case management and aggressive child support collection efforts. When the federal welfare law was enacted, Utah implemented a 36-month lifetime time limit with extensions for those who are medically unable to work; victims of domestic violence; parents caring for the medical needs of a dependent; or unable to complete education or training programs due to state inability to deliver needed services. Month to month extensions are also granted for those employed at least part-time.

Since 1996, Utah's welfare case load has declined 44 percent to a low of 7,990 in June 2001. case loads began increasing slightly in fall 2001 due to the recent economic downturn. The January 2002 case load stood at 8656—an 8.3 percent increase over the June 2001 level. But the true success of our program cannot be captured in case load statistics or work participation rates. Utah's success is best measured by the number of TANF families who entered employment. We are particularly proud of the fact that in FY 2000, Utah received a federal High Performance Bonus for job placement and in FY 2001, received a second High Performance Bonus award for our ability to retain our former TANF clients in employment. Utah has a universal engagement strategy for all clients receiving assistance, but our ultimate goal has been private-sector employment through training, on-going counseling, and aggressive job search. We have not focused our resources on developing community work experience programs or community service.

Pending Reauthorization Proposals

First, on behalf of APHSA I would like to express our support for many of the President's welfare reform proposal outlined in the document, "Working Towards Independence." Specifically, APHSA is grateful for the President's bold leadership in maintaining the present level of TANF block grant funding, and for his recognition of the demands on high poverty and high population growth states by restoring the TANF supplemental grants. Between 1990 and 2000, Utah was the fourth fastest growing state in the country and we appreciate the recognition of the impact this growth has on service needs. In addition, we enthusiastically support other financing measures included in the president's proposal, such as;

- continuing and improving the TANF contingency fund;

- removing the restriction on unobligated TANF funds;
- excluding child care and transportation from the definition of assistance;
- creating state "rainy day funds" using unobligated TANF funds;
- continuing the transfer of 30 percent of TANF funds to the Child Care Development Fund; and
- restoring the full transfer authority into the Social Services Block Grant. APHSA urges the immediate restoration of transfer authority of up to 10 percent of TANF funds and a funding level of $2.8 billion annually, as provided in the original 1996 welfare law.

These provisions will dramatically increase state and local flexibility in the administration of the TANF program and we urge this subcommittee and Congress to include these provisions in TANF reauthorization legislation.

We understand that there were pressures to include earmarks in the TANF block grant for various initiatives and we are grateful to the President for proposing a block grant free from any so-called "set-asides" that would restrict state and local flexibility.

We strongly support the President's proposal to eliminate the Two-Parent Family Work Participation rate. We recognize that Congress may act to eliminate the case load reduction credit and therefore, we support the President's proposal to phase-out the credit over time. We support the President's proposal to continue state authority to exempt up to 20 percent of their TANF case load from the lifetime time limit on federal cash assistance payments.

We support the President's proposal to provide technical assistance to the tribes who currently operate Tribal TANF programs as well as assistance to those tribes interested in administering their own programs.

We support the President's focus on child well-being and the reauthorization of the Abstinence Education Program. We believe the proposal to fund research, demonstration and technical assistance programs related to marriage and family formation is superior to a federal mandate on states to spend a certain percentage of the TANF block grant on such efforts. In my state of Utah, we have engaged community, business and religious leaders for several years in an effort to strengthen marriage and prevent family disintegration. These efforts, in my view, are most effective when government is one of many partners in a community-wide effort to invest in and support families.

With respect to child support enforcement, we support proposals, such as those put forth by the President, that would give states the option to simply their child support distribution systems and passthrough more support to families, with the Federal Government sharing in these costs.

The President's proposal also included recommendations to improve the federal Food Stamp Program. We support efforts to simplify program administration; allow families to own a vehicle; restore benefits to non-citizens and eliminate the cost-neutrality criterion on state Electronic Benefit Transfer Programs.

We are supportive of the President's objective to provide states with greater flexibility to manage federal programs together to better serve families. The Program Integration waivers have the potential to move performance goals from process measures to outcome measures. We are anxious to learn more details about eligible programs and the waiver administration, particularly the rules pertaining to cost neutrality—a criterion that in previous years, proved to be a serious obstacle to waiver implementation.

Finally, with respect to the work proposals contained in the President's reauthorization plan, we support maintaining work as the primary focus of the TANF program. Work is the centerpiece of state welfare reform efforts across this country as it was the hallmark of the early welfare reform demonstrations of the early 1990s. We support the objective to set new effort to improve state performance with respect to work. And we look forward to working with the Administration and Congress to setnew outcomes for the TANF program that would enhance, rather than refocus state efforts in this area.

Principles of Reauthorization

As Congress considers reauthorization of welfare reform, continued state success is contingent upon four factors: (1) maintaining and enhancing the flexibility of the TANF block grant; (2) maintaining an adequate level of federal support for the block grant and related programs; (3) maintaining work as a key focus of welfare reform and, (4) simplifying and aligning federal program rules and goals.

Maintaining and Enhancing Flexibility. States are afforded great flexibility to design TANF programs that meet their individual goals and respect the diversity of each state and its citizenry. Over the past five years, we have learned that the TANF case load is both dynamic and diverse. Private-sector employment should con-

tinue to be the goal of the TANF program participants. States also need continued flexibility to design programs and innovative approaches to meet the changing needs of the families served by their programs. In addition to work, TANF programs provide support to fragile families struggling to support their children; promote family well-being; provide child care services and early childhood development programs; improve parenting skills and support and preserve families; extend employment and training opportunities to noncustodial parents; support two-parent families; prevent teen pregnancy; and provide services to youths to prevent intergenerational dependence on government assistance. All of these TANF investments are critical to ensure the continued success of welfare reform.

There is broad agreement that welfare reform has been a success, and we urge Congress to continue to support that success. States have committed TANF resources in support of their state priorities and in compliance with federal goals and objectives. And thousands of community partnerships are involved in the implementation of those priorities. APHSA urges Congress to reject any changes in the TANF statute that would require states to abandon their goals and redirect their limited TANF resources to meet process measures, penalties, or purposes that are inconsistent with states' successful welfare reform strategies. We urge Congress to set broad goals for the reauthorization of welfare reform and afford states with the flexibility to devise their own strategies to meet those outcomes.

We ask the Subcommittee to minimize the burden placed on states to report unnecessary and costly data reporting requirements. The information technology changes and increased administrative costs associated with such requirement could be better expended on provided services to families in need.

Maintaining Adequate TANF and Related Program Funding. After an initial start-up transition period from the check-writing focus of AFDC to the work-focused TANF program, the majority of states are allocating their full TANF block grant this year and spending prior year dollars as well. According to the Congressional Budget Office, current TANF expenditures exceed the authorized level of funding by $2 billion. APHSA supports maintaining the federal commitment to the TANF block grant and allowing for annual inflationary increases in the program in order to sustain services to low-income working families.

Maintaining the Work Focus. Long before Congress mandated work from welfare clients, states were implementing successful waiver demonstration projects with work as the focus. States have demonstrated that they could devise effective TANF strategies that moved more families from welfare-to-work than ever before in our nation's history. This record of success should offer Congress adequate evidence that states are focused on employment. And for those who are left on the cash assistance case load, according to the most recent federal data, 77 percent of the families that count toward the participation rates are either in unsubsidized employment or looking for it. Only 11 percent are engaged in workfare activities. The data provide compelling evidence that states have placed their emphasis on "real" work.

Recent Senate and administration proposals have placed a renewed focus on TANF work participation rates, hours, and definitions. We urge this subcommittee to look at the welfare-to-work effort more broadly. TANF work participation rates only represent a very small part of the welfare-to-work story. The work participation rates only measure the number of families receiving cash assistance who are engaged in at least 30 hours of work activities. And in a time-limited welfare system, the families represented in the work rates are an ever-shrinking number.

The work participation rates do not include the thousands of families who receive TANF-funded child care or transportation that allows them to keep their private-sector jobs. The current rates do not include the TANF mother who works 29 hours or fewer in a private-sector job. Mothers, who hold private jobs and received short-term TANF assistance, such as car repair or assistance in paying their rent or utilities, are not included in the work rates. Nor are the hundreds of thousands of mothers who no longer receive cash assistance because they are earning a paycheck in the private sector.

Work rates may have been an appropriate measure when welfare reform was enacted in 1996, but today they are an outmoded and incomplete measure of state welfare-to-work efforts. APHSA recommends that states be afforded the option to choose between the process measures of participation rates and the high performance bonus outcome measures of job placement, retention, and earnings progression. At the very least, reauthorization legislation should place as much emphasis on the placement and retention of TANF clients in unsubsidized employment as it places on the work activity of those receiving cash.

The following proposed changes may require states to restructure their TANF strategies—eliminating the case load reduction credit, increasing work participation

rates, increasing required work hours to 40 per week, restricting work activities for 24 of the 40 hours, and eliminating federal waivers. States are in the process of evaluating the full effect of these potential changes on their programs. We urge the members of this subcommittee to reach out to your states to determine the full impact of such policy changes.

With respect to the case load reduction credit, we recognize that Congress may not continue to allow states to be credited for a case load decline based on 1995 data. However, if it is eliminated we recommend phasing out the case load credit and replacing it with an employment credit. The new credit would provide an incentive for states to place and retain TANF clients in jobs with earnings; additional credit should be earned for providing short-term assistance to clients with earnings as well as for clients in part-time employment with earnings. As the case load reduction credit is phased out over time, the improved employment credit would be phased in.

With respect to work participation rates, APHSA supports the president's proposal to include two-parent TANF families in the all families rate. And we also believe that TANF mothers, who have multiple barriers to overcome such as mental health, substance abuse, or learning disabilities, may need additional time to enter the workforce. States should be afforded additional flexibility in defining work activities so that they can place these clients in meaningful activities that increase the likelihood of long-term success in the workforce. In this respect, APHSA also supports continuing state welfare waivers.

With respect to increasing required hours of work to 40, the new requirement would have unintended effects and increased costs. First, it is important to note that in 27 states, TANF clients no longer qualify for cash benefits when they work 40 hours per week at the minimum wage. In 16 states, clients lose eligibility after 24 hours of work at $7 per hour. In short, clients will exit welfare before they can be counted toward the participation rate. For example, if a TANF client loses eligibility when she works 28 hours at the minimum wage, the state would have to adjust eligibility rules in order to keep the family on cash long enough to count them. In a time-limited TANF program, this would be unfair to the client and contrary to our mission of moving families off assistance.

According to federal data, in FY 2000, TANF clients worked an average of 29 hours per week in all federal work categories. Increasing the number of required hours and work rates will increase the costs of child care and may require one or more additional child care arrangements. It may be necessary to either significantly increase TANF block grant funding or child care funding to support the new work requirements.

In states experiencing an economic slowdown and in rural or tribal areas, significant challenges may arise in implementing the proposed 24-hour requirement. Utah, for example, does not have the community worksite infrastructure to place families in the strict work activities as proposed. We are concerned that our employment counselors, who work to negotiate individualized employment plans, would shift to worksite development and monitoring.

When considering changes to the work rates, we urge you to consider the potential impact on the millions of families served with TANF funds. States may be required to redirect program resources or face substantial financial penalties. States lose 5 percent of their block grant and must appropriate the equivalent amount of state funds to their program and the state maintenance-of-effort (MOE) requirement is increased by 5 percent. While there is an existing corrective compliance plan that might mitigate the financial penalty, the broader public message will be that the welfare reform program is a failure.

In the long run, neither rates, hours, nor activities matter for the families we serve. Rather, the ultimate goal of welfare reform is the transition from cash dependency to job retention and earnings progression—generating sufficient income to support a family free from welfare for a lifetime.

Over the past year, APHSA has worked with the National Council of American Indians to develop joint recommendations for tribal TANF reauthorization. States and tribal governments share the goal of expanding employment and economic opportunities for tribal TANF families. We have endorsed direct and enhanced funding for tribes; new funding for technical assistance, infrastructure improvement, research, and program evaluation; access to contingency funds and performance bonuses; economic development assistance; and a strengthened partnership between federal, state, and tribal governments. We urge this subcommittee to consider these proposals.

Simplifying and Aligning Federal Program Rules and Goals. Conflicting federal program rules, restrictions, and requirements impede state administrators' ability to deliver critical services to families in need. For example, TANF program

goals and objectives conflict with Food Stamp Program rules. Rigid eligibility requirements prescribed in the Workforce Investment Act and the Welfare-to-Work Program do not afford states with the opportunity to structure a continuum of employment and training services. As states move TANF clients from cash assistance, the resources to operate their child support program decrease significantly. Current federal funding for child welfare services creates perverse incentives to remove children from their homes rather than keep families together. Last year, APHSA published *Crossroads: New Directions in Social Policy,* setting forth an agenda for the reform of a wide range of federal human service programs. We commend this document to your attention and urge consideration of our recommendations.

Child Care

Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, we have seen a dramatic increase in the number of families and children served as evidenced by the unprecedented growth in child care expenditures. Between 1996 and 1999, there was an 80% increase in the number of children receiving a monthly child care subsidy.

States have programmed every dollar available for child care. The child care story is a CCDF and TANF story. Since Fiscal Year (FY) 1997, we have doubled spending on child care. In FY 2000, states expended over $9 billion in combined federal and state dollars on child care. This includes $7 billion from the Child Care and Development Fund (CCDF) and TANF dollars transferred, plus $2 billion in direct TANF spending. States have increased TANF spending on child care from $189 million in FY 1997 to $4.3 billion in FY 2000. TANF funds spent on child care exceeded the entire federal portion of the CCDF allocation in FY 2000.

Under CCDF, states have met or exceeded the 100% maintenance-of-effort requirement each year. States have drawn down all matching funds and have obligated all mandatory and discretionary funds.

The simplicity introduced with the Child Care and Development Block Grant has greatly contributed to state child care successes.

APHSA supports the need for flexibility in the CCDF that permits states to design child care plans that balance the expansion of services and new quality of care initiatives. To that end, state administrators oppose creating new mandatory set-asides of funding and increasing current ones. CCDBG was created in part to simplify what was a myriad of child care programs with little flexibility. We have demonstrated that we can achieve much more under the current program. Let us not move backwards by adding more strings to the program and impeding states' abilities to meet parental needs in a changing employment environment.

APHSA also advocates flexibility in programming by transferring funds to CCDF. We support permitting states to transfer up to 10% of their TANF block grant to the Social Services Block Grant (SSBG), a key source of funding for child care. APHSA also backs the preservation of state authority to transfer up to 30% of the TANF block grant into CCDF and the ability to spend TANF funds directly on child care.

APHSA believes that the funding currently in the system should remain in the system. States are concerned that increased TANF case loads during the current economic recession may reduce the amount of TANF funds available for child care. In addition, if Congress mandates new TANF work requirements, then federal child care funding must increase as well. We need $4 billion in addition to the CCDF funding to maintain our current investment. If Congress wants states to increase quality and increase access, then additional funds will also be needed.

APHSA supports maintaining the state's option to draw down these funds by a matching fund formula to make unmatched dollars available to other states at the close of a fiscal year. APHSA calls for a statutory change to allow donated funds from private sources to count toward maintenance of effort when funds benefit the donors' facility or use.

States continue to have strong concerns about using 85% of the state median income as an eligibility standard. Federal funding has not been provided in order to furnish child care services to this population deemed federally eligible. In light of the fixed funding available for child care, we believe strongly that program eligibility be determined at state and local levels.

Demand for different types of child care is growing as well. We need more funding to help increase access and quality within nontraditional hours for child care. We also need additional resources to create greater access and quality for children with special needs who require child care. Expanded access and quality require financial investment. In a block grant, reaching a balance between these objectives must be accomplished at the state and local levels. We oppose increasing or expanding qual-

ity set-asides before we have agreed that we have sufficient resources to expand access to all families in need of such support.

Finally, with respect to child care data reporting requirements, the system must be simplified. The aggregate data collection report asks elements repetitive of other required reports and should be eliminated. The case-level data collection report needs to be amended to contain elements that actually inform programming needs. States should also be allowed the option of requiring a social security number for receipt of benefits under CCDF to increase the ability to offer cross-programming opportunities.

Child Welfare

APHSA believes that now is the ideal time to address child welfare issues related to the TANF program. To meet current challenges, additional requirements posed by the Adoption and Safe Families Act, increased expectations of state performance, and to sustain and expand the significant progress that has been made in assisting children who have been abused or neglected and their families, states will require greater flexibility in using current funding or increased resources in the form of new federal investments, and an increased capacity to get the job done. APHSA supports increased flexibility within the entitlement structure, with additional federal investments, while maintaining state accountability and the statutory protections for children. Our recommendations for child welfare reform at this time consist of three specific points, (1) Fixing the AFDC "Look Back, " (2) Reauthorization of the Title IV–E Child Welfare Waiver Demonstration Program and (3) Increased flexibility in Title IV–E funding.

APHSA believes that income eligibility as a criterion to determine who among the children placed in foster care or subsidized adoption is eligible for federally reimbursed foster care and adoption assistance under Title IV–E should be eliminated. Under the welfare reform law, states are required to "look back" to old AFDC rules in effect on July 16, 1996, to determine Title IV–E eligibility. Not only is this administratively burdensome, but as the law does not allow the income standards in effect on July 16, 1996 to grow with inflation, eligibility for federal reimbursement will continue to decrease over time, resulting in a loss of federal funding to states. It is only reasonable that federal funds be provided for the care of all children in foster care.

In order to maintain needed flexibility in child welfare, the current Title IV–E Child Welfare Demonstration Waiver program, which expires this fiscal year, must be expanded and made more flexible. The National Council of State Human Service Administrators (NCSHSA) recently reaffirmed earlier policy stating that substantial modifications should be made to the Title IV–E waiver process to allow more flexibility, a broader scope, and to foster system change in child welfare. Specifically, the program should be reauthorized for five years with additional state flexibility including expanding the limited number of waivers and the number of states that may conduct waivers on the same topic.

APHSA believes that states should be allowed to use Title IV–E funds for services other than foster care maintenance payments, such as front end, reunification, or post-adoption services for children who come to the attention of the child welfare system. Title IV–E should be amended to give states the option to redirect federal revenue for Title IV–E maintenance payments into their Title IV–B programs, thereby providing states with the flexibility to reinvest federal revenue into other child welfare services whenever foster care is reduced, while maintaining accountability for outcomes. If states had up-front funding to reinvest foster care expenditures in the kinds of services that reduce the need for foster care, better outcomes could be achieved while allowing more efficient use of current resources.

Child Support

States have shown remarkable achievement in implementing the child support provisions contained in the Welfare Reform Act. The percentage of child support cases with orders that had collections increased from 34 percent in 1995 to 68 percent in 2000. Total paternities established and acknowledged increased from 931,000 in 1995 to 1.556 million in 2000.

We believe that child support should be included in TANF reauthorization discussions in light of the key role that child support plays in promoting self-sufficiency. The current system for distributing child support arrears collected on behalf of families that have left welfare is complicated and confusing. The assignment and distribution of arrears depends on what year the arrears accrued, whether the family was on welfare, and by what method the arrears were collected. If a family never received TANF, AFDC, or Medicaid, all of the child support collected by the state child support agency, including arrearages, goes to the family. While a family is re-

ceiving TANF benefits, the state can keep any child support it collects, regardless of how it is collected, to reimburse itself for the family's benefits.

For families that formerly received public assistance, the rules are more complex. For former recipients of public assistance, welfare reform legislation created a more "family friendly" distribution policy. In general, once a family leaves TANF, if the state collects child support for the family, the state must give the family any current child support as well as arrearages that have built up after the family left TANF and any arrearages that built up before the family received TANF before it reimburses itself for assistance costs.

States have spent many resources programming computers to keep track of the many "buckets" of support, determining whether an arrearage accrued before assistance, during assistance, or after assistance; whether it is permanently assigned, never assigned, temporarily assigned, conditionally assigned, unassigned during assistance, or unassigned before assistance; and whether it was collected by the tax refund intercept program, by levy of a bank account, or by other methods. Many state personnel believe that the complexity of the system contributes to more errors and creates more difficulty in explaining payments to clients.

The complicated distribution system is a burden on state child support programs. Staff has spent considerable resources programming computer systems to properly distribute child support. Maintaining these systems requires continued staff resources. In addition, families find the current distribution system hard to understand. The fact that an arrearage payment goes to the state rather than the family just because it was collected through the tax intercept program does not make intuitive sense, and states must devote staff to answer questions related to the current distribution rules. Such complexity adds to the sense of arbitrariness of the program and reduces public support for it.

We support proposals, such as those put forth by the President, that would give states the option to simply their child support distribution systems and passthrough more support to families, with the Federal Government sharing in these costs.

Concluding Comments

In order to achieve program outcomes, inspire state innovation, and leverage scarce program resources, funding streams should be flexible, program eligibility and federal funding restrictions should be simplified and the values underpinning the programs should be aligned as well. In the end, the success of human service programs will be measured by the health and well-being of America's children, families, and adult; by their reduced dependence on government assistance; and by self-sufficiency for generations to come.

Thank you for the opportunity to testify. I would be happy to respond to any questions you may have.

Chairman HERGER. Thank you very much, Ms. Williams. Now Mr. Mead to testify.

STATEMENT OF LAWRENCE M. MEAD, PROFESSOR OF POLITICS, NEW YORK UNIVERSITY, NEW YORK, NEW YORK

Mr. MEAD. Thank you, Mr. Chairman. I broadly support the administration's proposals and your own bill. The main resistance to this comes from Governors and States who say that welfare reform is working. If it isn't broke let us not fix it. So, they say we shouldn't impose the sort of mandates which appear to come from the President's proposals.

Now, they are assuming that welfare reform has already been implemented, that it is a going concern, and I think we ought to question that. I think it is partially implemented. It is clear from the numbers showing that only about a third of the clients are satisfying the current work requirements that we have got a long ways to go before these become a reality for the case load as a whole.

So, the Governors are wrapping themselves in the case load fall and saying it is a big success, and they are doing it. Well, I think they are doing part of it. In part, welfare reform is driven by a

change in expectations, and by a good economy. We are not exactly sure how far welfare has changed on the ground, and we have to be sure that we push that purpose forward.

As I see it, the administration's proposals are primarily designed to complete the implementation of TANF so that we do in fact enforce work on the case load as a whole, something we simply have not done to date. We are kidding ourselves if we think the case load fall indicates a full implementation of reform.

The way I see these proposals, they are an attempt to recenter the reform effort on the two essentials that we know from research are really critical to generating effects. The first is to enforce participation. You can't benefit from a program if you are not in the program. So, we have to have mandatory participation, and that is what the full engagement requirement is about.

I think it is a little vague in the President's proposal. We need to specify what this means, how it is going to be measured, how it is going to be enforced, but the idea is critical.

The second thing that is critical is the 24-hour work requirement. We have to require that people actually enter into jobs. It is jobs and not education and training that have been shown to have the largest effects on the client's earning and employment. The fact that all of us in this room did well in school and we got ahead that way doesn't mean that everybody on welfare can do the same thing. We have to recognize that for most recipients the most important step forward is to get a job. It doesn't mean they shouldn't go to school at some point, but the first thing they need is a work history.

So, the full engagement requirement and the 24-hour work requirement strike me as well justified. I think one might argue for an element of job search in the 24 hours, because government jobs as such don't provide for job search in the private sector. That is something we do want to include. We are mistaking the real purpose of the 24 hours if we think it is just to buildup public jobs.

The real point of this is to require States to get serious about placing people in the private sector. That would be the real effect, and that has been the effect in the localities which have taken this most seriously, in particular Wisconsin and New York.

On the other hand, I think the 40-hour overall activity requirement is probably too ambitious. That is probably more than we can really achieve. The 30 and 35 hours that we now have is probably more realistic.

I also think the 70-percent participation level is probably too ambitious. That too is probably more than we can probably achieve on a routine basis. Those provisions I take to be less critical. The key is not so much that we obtain an extreme participation or an extreme of hours. It is rather that we get everyone on welfare doing something consistently, that we build work into the welfare mission.

A couple of things that Congress should address is full family sanctions. Many recipients escape the work test, particularly in New York and California. This matter should be addressed. Congress should insist on a full family sanction. We should look at the child-only cases which have risen to be a third of the case load. Some element of that, I suspect, involves evasion of the work test.

We need some more analysis of the nature of that group and which elements of it might well be subjected to the work test.

Another question is child support enforcement programs. We should continue development of mandatory work programs for fathers such as Parents Fair Share or Wisconsin's Children First. These programs are not ready for prime time and should not be mandated. They should be developed in the same manner as the marriage and unwed pregnancy programs recommended by the administration.

There are some other areas I recommend we look at. Work test and food stamps, work thresholds of some kind for EITC which would make the program more effective. We should also look ahead to management questions.

The Administration proposed performance measures. They would have them, however, be developed by the States. I would have them developed by the Federal Government but then offer the States a range of goals that they can choose from. These measures could be more reliably used for keeping the States accountable if they were developed in Washington.

Program integration, the super waiver. The caution I have about that is that it might cause serious problems with the implementation of TANF as has already happened due to the Workforce Investment Act. Thank you, Chairman.

[The prepared statement of Mr. Mead follows:]

Statement of Lawrence M. Mead, Professor of Politics, New York University, New York, New York

I am a Professor of Politics at New York University, currently on sabbatical at Princeton. I am a longtime student of welfare reform and the author of several books on the subject.[1] I have just finished a book on welfare reform in Wisconsin. I appreciate this chance to testify on the reauthorization of Temporary Assistance for Needy Families (TANF).

The Success and Future of Reform

Welfare reform is unquestionably a success. Welfare rolls have plummeted while work levels among the poor have soared and poverty has fallen, among other good effects. The achievement is mostly due to social policy, although good economic conditions helped. The key policies were (1) stronger work requirements, coupled with (2) generous funding for the EITC, child care, and other support services. The results refute those who say the poor face too many "barriers" to work, but also those who think welfare can never succeed. Mostly, welfare reform is the achievement of a new, less permissive aid system. Support is still being given to needy families, but many more adults have to function in return.

I fear that reauthorization will get bogged down in issues going back to the creation of TANF in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. Clear problems in the old law should be fixed, but reauthorization should not seek to restore entitlement, end the time limits, undo "work first," or restore coverage for aliens. The main purpose of PRWORA was to end the old system. The agenda now should be more constructive. We should ask how to rebuild welfare around work—on the other side of entitlement.

Alone of the American states, Wisconsin has totally redesigned welfare. This state asked, not just how to change AFDC, but what an ideal work-based aid system would be. Congress and other states should now ask that same question.

My recommendation is to continue down the road we are on: (1) strengthen work requirements further, and (2) provide additional income and supports to low-income working families, especially but not only those that have left welfare.

[1] Lawrence M. Mead, Beyond Entitlement: The Social Obligations of Citizenship (New York: Free Press, 1986); idem, The New Politics of Poverty: The Nonworking Poor in America (New York: Basic Books, 1992); idem, The New Paternalism: Supervisory Approaches to Poverty (Washington, DC: Brookings, 1997).

A secondary goal should be to improve the performance of state governments as the chief implementers of reform. TANF banked heavily on the idea that states could innovate in welfare and then carry out their decisions. In fact, TANF implementation has gone smoothly chiefly in states with strong good-government traditions—not only Wisconsin, but Michigan, Minnesota, and Oregon, to name a few. Many urban states that traditionally had large case loads, such as California, Massachusetts, or New York, have been seriously divided about how to reform welfare. And many states, especially in the South, have encountered serious administrative problems.

Although the main goal of reauthorization is to fine-tune national policy, Congress should do this in ways that promote a fuller implementation of reform at the state level. The best ways to do that are (1) to set strong enough work standards so that the more hesitant urban states have to accept a serious work test, and (2) to set ongoing performance standards that will promote better state programs over time. While state choice is an integral part of TANF, the nation has an interest that states choose *some* clear goals for their programs and then work to achieve these.

Most of what the Administration has proposed for reauthorization would advance these ends. Wade Horn, Ron Haskins, and the other drafters are highly qualified. The plan is well judged overall, although I would change some details. I will comment only on the work and management provisions, which are the areas I know best.

Work Provisions

Full engagement

The Administration would require that all recipients be fully engaged in constructive activities within 60 days of going on aid. I support this. The essence of effective reform programs is that recipients *must* participate. To demand universal engagement is a way to obtain this. Otherwise, recipients and their families cannot obtain the benefits that, on average, participation brings. And the more conflicted urban states can continue to avoid a full reckoning with the work test.

However, the proposal does not clearly define what full engagement means. The idea that recipients must be in activities or "in the process of being assessed or assigned" within 60 days looks like a loophole. What actually will be demanded of states? How will engagement be measured and enforced? These details must be nailed down in the law or regulations, or this requirement will remain a platitude.

Case load fall credit

TANF demanded that states raise the share of their cases where adults were in work activities by increments, until 50 percent were so engaged by 2002. But the law also allowed states to count against those targets any percent by which their case loads have fallen since 1995. Because the fall was unexpectedly great, it knocked the bottom out of the new work standards. This freed the big urban states from serious pressure to build the work mission into welfare. In 1999, for example, states were supposed to have 35 percent of their cases working, but the case load fall credit cut the standards that most states actually faced to trivial levels—in 23 cases to zero. Virtually all states met these lowered standards, but 23 failed to reach the original 35 percent.[2]

The Administration proposes to withdraw this credit over two years. Some conservatives argue that the credit should be kept or, perhaps, benchmarked on case loads later than 1995. In their view, driving the case load down is equivalent to enforcing work on the rolls. But to do this does not force states truly to reform welfare itself. Withdrawing the credit would do more to accomplish that than anything else. *This is the most important single change that reauthorization must make.*

Work participation rates

The Administration also recommends that the work participation levels required of states be raised from the 50 percent required in 2002 to 70 percent by 2007. This strikes me as too ambitious, especially if it is combined with an end to the case load fall credit. In effect, the Administration would require that the single-parent case load work at close to the levels TANF mandated for two-parent cases—standards the states had great difficulty meeting.

The Administration's proposals as a whole are bound to have a strong diversion effect, causing a further deflation of the case load. This means that the remaining

[2] U.S. Administration for Children and Families, Temporary Assistance for Needy Families (TANF) Program: Third Annual Report to Congress, August 2000 (Washington, DC: U.S. Administration for Children and Families, August 2000), table 3:1.

recipients are bound to be the less employable. Wisconsin's W–2 program has been able to achieve very high work rates among the least employable clients, but only through intense case management and lavish support services. Most other states do not yet have administration of this quality. It may be best to keep the current 50 percent standard but make it real by ending the case load fall credit.

Some also object that the Administration has not provided the funding needed to realize the higher level, particularly for child care. Here I am less doubtful. The Administration has kept TANF block grant and child care funding at roughly constant levels in nominal terms. While that is a fall in real terms, one might have expected cuts, given the drastic fall in the case loads. And Congress should remember that much of the transitional child care offered by states to families leaving welfare has not been claimed. Many people are making informal arrangements for their children rather than claiming care from government. The need and cost of child care may well have been overestimated, as it has been throughout the history of welfare reform.

Work levels

Compared to TANF 1996, the Administration would be more definite about work for part of a recipient's activities, but less definite about work for the rest of the time. Twenty-four hours of effort in actual work or community service would be expected. That level strikes me as reasonable and practicable for most recipients.

Some have objected that the new rule would force localities to create community jobs on a large scale. I doubt that. The real purpose is to make the states get serious about placing recipients in private jobs. Public jobs operate as a backstop for that effort. Recipients take job search more seriously if they know they will be going to work in *some* job in any event. To date, New York City and Wisconsin are the only localities that have created public positions on a large scale. In both cases, the work-enforcing effect has been considerable.

A fairer criticism of public employment is that it makes no provision, by itself, for job search to get a real job outside government. The Administration's plan allows localities to place recipients in remedial activities for three months before the work norm kicks in, and this time might be used for job search. Congress might stipulate, as well, that public employment positions allow for 6 hours a week of private-sector job search, provided it was supervised as closely as the work assignment.

How does one achieve public jobs for meaningful hours in low-benefit states? Community service typically requires that one "work off" one's benefits at an hourly rate. With a low grant, only a few hours of work would suffice to defray the grant each month, at least if one pays the minimum wage. To require more hours would effectively raise the grant. Congress may have to stipulate a form of work experience where there is no correspondence between the grant and hours worked.

Activity levels

In addition to 24 hours of work, the Administration would demand 40 hours a week in total activity. While this effort would be more loosely defined than the work activities, this level strikes me as unrealistic. Very few recipients participate in programs at this level, even in Wisconsin, with its intense administration. In practice, many recipients would be exempted. I would accept 30 or 35 hours, the current standard.

It is more important to achieve high participation for limited hours than to achieve lower participation for more hours. The former does the most to transform the culture of welfare, so that work is universally expected.

Additional Steps

I would take these additional steps, not mentioned by the Administration, either to strengthen work requirements or to build up support for low-income working families. I realize that not all of these recommendations fall under the purview of this committee.

Full-family sanctions

TANF allows states to reduce the grant only partially if an adult refuses to cooperate with the work test. In states with high benefits but partial sanctions, notably California and New York, thousands of cases have come to subsist on the rolls indefinitely in sanctioned status.

This seems to happen in many cases because, with a partial sanction, recipients fail to grasp that there is a work test. When they fail to show up for work assignments, their grants are reduced, but they think their benefits have just been recalculated. Other recipients know about the work test and choose not to comply, but realize they can still stay on welfare. They can give up their own share of the cash

grant, but keep the children's share and all in-kind benefits, and henceforth be free of the work test.

The culture of welfare cannot truly be changed until the right to do this is ended. Only then will many recipients take the work requirement seriously. Congress should mandate that families get no cash grant at all unless the adults comply with the work test. Grants are already closed for many other reasons; they should be for this one.

Child-only cases

These are cases where the children but not the caretaker is on the grant. They have grown rapidly to comprise a third of the TANF case load, yet are exempt from the work test. Some of this relative growth is due to the departure of regular cases from the rolls. Yet child only cases, like weak sanctions, seem to have become a major loop-hole that undercuts work enforcement.

While the problem is little-analyzed, the child-only cases appear to fall into several groups. In one type, the mother is too impaired to function, often due to substance abuse, so a grandmother takes over the children and is given aid. Or the mother transfers the children to a relative in order to avoid the work test, then receives support from this relative informally. The mother may be an alien, legal or illegal, while the child is native-born and thus a citizen. Or she may be on SSI or Disability Insurance, so that TANF for the children operates as a kind of caretaker supplement.

The idea that only the children receive support in these cases is a fiction. Congress should find a way to bring at least some of these groups under the work test, perhaps by putting the caretakers on the grant. A lesser reform would be to include these cases in the denominator for the work participation rate calculation.

Child support enforcement

The Administration would help fund higher pass throughs of child support to welfare families. This is desirable. The 100-percent pass through in Wisconsin has been shown to have positive effects on collections and on the involvement of absent fathers in the legal economy. Unless absent fathers see their payments going to their families and not to the state, solutions to the child support dilemma will be impossible.

The proposals, however, do little more to improve payment of child support. The Administration proposes to fund the development of marriage and unwed pregnancy programs. I think Congress should also fund further development of child support enforcement programs. Low-income fathers who have failed to pay their child support judgments are referred to these work programs. They either have to pay up or participate regularly, on pain of going to jail. The goal is to raise collections and also work levels for the fathers, much as welfare work programs have raised employment for welfare mothers.

Two such programs have been evaluated—Parents' Fair Share, which was a national demonstration, and Children First in Wisconsin. Both programs showed a power to raise fathers' payment of child support. Both "smoked out" hidden earnings and forced the fathers to pay up. Neither, however, showed clear impacts on the employment or earnings of the fathers.[3] It may be too soon to mandate such programs, but states should get federal funding to develop them further.

Alternatively, one could set definite performance standards for child support enforcement. Currently, states receive financial incentives to do better in child support, but they face no definite standards, despite substantial federal funding. Just as states have to achieve specified participation levels in welfare work programs, so they might have to achieve support payment in some percentage of child support cases where the family was on welfare. This might well cause them to implement enforcement programs.

The Food Stamp work test

Work standards in Food Stamps are more lenient than in TANF. Adult recipients without children under 6 are supposed to work or participate for at least 30 hours a week. Yet the rules are not well enforced in most place, in part because TANF's work tests take precedence for families subject to both programs. The Food Stamp Employment and Training program (FSET) is supposed to enforce the work rules, but it seems to exist more on paper than in reality. Often, eligibles are required

[3] Fred Doolittle, Virginia Knox, Cynthia Miller, and Sharon Rowser, Building Opportunities, Enforcing Obligations: Implementation and Interim Impacts of Parents' Fair Share (New York: Manpower Demonstration Research Corporation, December 1998); Ron Blasco, Children First Program: Final Evaluation Report (Madison: Department of Workforce Development, November 2000).

to do little more than sign up for possible work with the Job Service. PRWORA made no important change other than to limit nonworking single people to three months on the rolls at a time.

Now that Food Stamp rolls are much larger than TANF, enforcing these requirements should get more attention. Work enforcement should probably be less stringent than in welfare work programs, since many families that draw Food Stamps are already working, at least to some extent. Congress in the past has treated Food Stamps as an entitlement, not to be conditioned seriously on the behavior of claimants.

Congress needs to reconsider the standard. The work tests should become real for at least part of the Food Stamp case load, especially principal earners in two-parent families. And FSET should become more like a real program, with an administrative presence of its own.

Work thresholds for EITC

One reason why welfare leavers often remain poor is that they do not work steady hours once off TANF. This means they do not reap all the benefit they could from the Earned Income Tax Credit and other work supports. EITC currently subsidizes low earnings regardless of the number of working hours. However, the most successful work incentive programs, such as the Minnesota Family Investment Plan, required that recipients work at least 30 hours to get any benefits.[4]

If such a threshold were attached to EITC, the result might be more working hours and higher incomes from both wages and wage subsidies. The threshold should probably be lower than in welfare work programs like MFIP, perhaps 20 hours rather than 30. This minimum might apply, not to the existing benefit, but to the enhancements which Congress may consider, or to state tax credits. It might have to be run through the welfare system, which is more able to track working hours, than the tax system, which runs the existing EITC.

Management

The administration has suggested some changes in the management of welfare reform where I have different views. These matters are especially critical for improving TANF in the states that have faced administrative difficulties, especially in the South. A paternalistic structure that promotes work must be maintained even after families have left cash welfare. Congress should also look ahead and ask how to fund and manage welfare when that task can no longer be associated with clear case loads.

Performance standards

The Administration proposes to hold states accountable by expecting them to manage their programs using performance measures. But it would let them define those measures. I find this unrealistic. Unless Washington creates the measures, they will not be comparable across the country, nor they be clearly enough measured. It will then be impossible to hold the states accountable. States should have choice about the specific goals of TANF, but the way to assure this is to have multiple measures. These could cover employment outcomes, such as job entries, wages, or job retention, but also poverty reduction, nonmarital births, and perhaps other outcomes. States could choose which goals to emphasize, but then they would be seriously accountable for results.

The JOBS programs never had performance measures other than participation rates. While TANF has the measures used to award its unwed pregnancy and high-performance bonuses, these apply only to the states that apply for the bonuses. It is time to define comprehensive performance measures for TANF, applying to all states, even if this requires a regulatory process following reauthorization.

Program integration

The Administration proposes to create a new waiver process under which states could combine the administration of a wide range of social programs. The integration could go far beyond what was previously allowed under TANF or the Workforce Investment Act (WIA). Critics fear that this would allow states to apply full-family sanctions or time limits to Food Stamps or Medicaid, programs that PRWORA left as entitlements.

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[4] Virginia Knox, Cynthia Miller, and Lisa A. Gennetian, Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program (New York: Manpower Demonstration Research Corporation, 2000); Gordon L. Berlin, "Welfare that Works: Lessons from Three Experiments that Fight Dependency and Poverty by Rewarding Work," The American Prospect, June 19–July 3, 2000, p. 7.

My question rather is about the administrative implications. Even the program reorganization permitted under PRWORA has created serious implementation problems for TANF. Many states have turned over the administration of welfare work requirements to the WIA agencies, either the Job Service or the voluntary training programs previously run under the Job Training Partnership Act. That change has worked well in a few states. But in most, it has created serious confusion, to the detriment of TANF.[5]

Historically, the WIA agencies have served welfare recipients poorly. The Job Service and JTPA are accustomed to serving voluntary jobseekers, so they usually do not understand the role of enforcing work required by welfare reform. They are also unaccustomed to providing the complex support services that recipients often require in order to work. In short, they are unwilling to be paternalistic. In an era of declining welfare case loads, to turn welfare work over to WIA can look like an administrative economy. But it has seldom worked, simply because the WIA agencies are ill-suited to the welfare mission.

The TANF mission is demanding enough for the agencies already involved. This suggests that, at least for the immediate future, program integration should go no further than welfare and WIA. If the "superwaiver" is enacted, states that seek to combine a wider range of agencies should have to demonstrate that they have already handled TANF–WIA integration well.

Paternalism

It is too easy to think the welfare task is over once families have left cash aid. But we find that many have trouble working, or working consistently, off welfare, much as they did on the rolls. This is why, as many experts are saying, welfare needs to provide services to promote job retention and advancement for former welfare families after they are on the job.

I would go further. The most effective welfare work programs are those that combine generous benefits with close staff oversight of clients. Some structure like that is probably still necessary to achieve steady work after families have left cash aid. Staffs must still be available to people to work out problems that may block them working. And to be effective, they must still possess the capacity to influence behavior. They might speak for the administrative work tests that clients would still have to satisfy in Food Stamps or other non-cash benefits. Or they might persuade families to satisfy the hours thresholds that might be attached to EITC.

In the New Hope project in Milwaukee, a generous package of benefits—jobs, child and health care, and a poverty-level income—was offered to clients provided they worked 30 hours a week. Program staff helped recipients work out practical problems about participating, such as child care. They also actively persuaded people to put in the 30 hours so that they could claim the benefits. This combination of "help and hassle" was warmly appreciated by most of the recipients.[6]

New Hope is a model for the welfare administration of the future. I find it unlikely that WIA or other non-welfare agencies are willing or able to perform these functions. This is another reason for caution about program integration.

Beyond caseloads

We are accustomed to thinking of welfare as a case load, and welfare reform as a reduction in case loads. But the very success of reform has tended to merge the welfare population with the broader low-income population, most of which is employed. The major point of reform was to achieve this, but it has made managing welfare in the old way outdated.

We now have legions of welfare leavers who are working and no longer on cash aid, but who continue to receive subsidized child care, Food Stamps, or Medicaid. This has made them less distinct from the higher-income population, which also is employed but occasionally dependent on Unemployment Insurance or other social insurance benefits.

Even within welfare, case loads do not indicate the size of the task as well as they once did. Formerly, many cases stayed continually on TANF for years. Today, short-term receipt is more usual. Large numbers of families cycle rapidly on and off the program. The rolls in a given month only suggest the broader population that may draw aid at some point in a year. And many families who have left cash aid continue to look to TANF agencies for short-term help of various sorts, not only bene-

[5] I base this on the examination of case studies of TANF implementation in 24 states. Most of these studies were done as part of the Assessing the New Federalism project at the Urban Institute or the State Capacity Study at the Rockefeller Institute of Government.

[6] Thomas Brock, Fred Doolittle, Veronica Fellerath, and Michael Wiseman, Creating New Hope: Implementation of a Program to Reduce Poverty and Reform Welfare (New York: Manpower Demonstration Research Corporation, October 1997), chap. 7.

fits. Accordingly, administrators say that their work loads have dropped much less than case loads.

One practical result is that it is no longer sufficient to fund welfare in terms of case loads. The low numbers that some states today have on TANF do not begin to account for their actual responsibilities. In extreme cases like Wisconsin, the near-extinction of traditional welfare has led to a funding crisis. Spending on cash benefits has plummeted, while subsidized child care has soared. But some counties no longer receive from the state the administrative funding they say they to continue to serve the families who look to them.

The time is coming when welfare funding must be based more on populations than case loads. Welfare is changing from a system that serves "cases" to one that seeks to maintain an entirely low-income community in work. The correct model is not traditional welfare but an HMO, where a provider gives health care to an entire population on an as-needed basis. Funding is based on capitation fees for the population rather than the number of patients served actively at a given time.

This suggests that TANF allocations among the states should eventually be shifted from their current basis in historic AFDC spending patterns to a basis in relative needy populations. The basis for funding ought to be not how many people a state has or once had on welfare but how many it has in principle agreed to serve by the way it sets its eligibility for cash aid or other benefits.

A focus on populations also reinforces the need for national performance measures. As case loads drop, mere reduction in dependency ceases to be a reasonable criterion for success in welfare. We must instead ask how well welfare functions to achieve a range of outcomes for the population as a whole—not only lower dependency but higher employment and earnings, lower unwed pregnancy and poverty, and so on.

Chairman HERGER. Thank you, Mr. Mead. Mr. Rector to testify.

STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW, HERITAGE FOUNDATION

Mr. RECTOR. Thank you, Congressman. I appreciate the opportunity to come here and speak today. The first point I would like to make today is to say again that we cannot emphasize too much what a remarkable success welfare reform has been to this point. If we look at the chart that we just put up here, the chart shows black child poverty from 1970 to the present. As we can see, black child poverty was either constant or rising slightly right up until the mid-1990s, and then suddenly we have a one-third drop. Black child poverty is now at the lowest point in U.S. history. While a good economy helped there, it is quite clear that the predominant factor is welfare reform. There are few successes of that magnitude in the history of government policy in the post-war period.

The second point I would emphasize today is that we always must remember that the welfare system is predominantly federal. In the United States today, we spend $430 billion on means tested aid. Seventy-five percent of that expenditure is federal. When you take Medicaid out of the mix, it is an 85-percent federal contribution. When you hear State official after State official saying do not have this work requirement, do not have that requirement, I would suggest that you ask these officials how much of this welfare cost they would like to pay at the State and local level. The answer will be as little as possible. As long as States are asking you to pay 85 percent of means tested assistance costs in the United States, then it is the primary responsibility of the Federal Government to insist, in detail, that this money is spent appropriately and spent to promote the primary purposes of the act, reduce poverty, to increase employment, and to strengthen marriage.

Third point—the key to success in welfare so far, has been strong federal work requirements that motivated the States to change what they had been doing in the past and to bring the case loads down. These strong federal work requirements were strenuously opposed by most State and local groups, including the National Governors' Association back in 1996. They lobbied against them from dawn to dusk through the entire process. They were wrong then, and they are wrong now. We need to renew these strong federal requirements and intensify them, as your bill does, Congressman Herger.

Fourth point—you have heard a lot of rhetoric in the last few weeks about how strong work requirements cost more than the status quo. This was also said in 1996 over and over and over again. It was a mantra. Work requirements cost more. You cannot require work unless you put in vast amounts of money. It was wrong then; it is wrong now. The central problem with these arguments is that they are based on the assumption of a static case load. If the case load is static, then, in fact, work requirements do cost more. The overwhelming rule that we have learned in the last 5 years is that good work requirements dramatically reduce the case load, thereby freeing funds which can be used for daycare and ancillary social services.

Fifth, I would like to commend the Congressman for retaining and updating the primary goal of case load reduction. I believe that is a very positive step.

Sixth and finally, I would like to also reemphasize the point that Mr. Mead just made, that it is very important in this system to have a national requirement of full check sanctions. Close to half of the TANF case load are now in States where if the recipient adamantly refuses to participate in all required activities, they continue to receive the bulk of their assistance, indefinitely. That is an abuse of taxpayer funds, and it is an abuse of the recipient as well who is being allowed to fritter away their lives away in a very unproductive way. We need to have a clear provision assuring that if the person does not perform the required activities, if they consistently and over time fail to perform required activities, that the entire TANF check will be sanctioned. I think it should be a forgiving system that allows the individual to get back on once they enter into compliance and are participating constructively. The notion of allowing hundreds of thousands of individuals to continue to receive checks when they have consistently refused to take steps toward self-sufficiency benefits no one. I thank you very much for the opportunity to testify today.

[The prepared statement of Mr. Rector follows:]

Statement of Robert Rector, Senior Research Fellow, Heritage Foundation

The Good News about Welfare Reform

Six years ago this month, President Bill Clinton signed legislation overhauling part of the nation's welfare system. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104–193) replaced the failed social program known as Aid to Families with Dependent Children (AFDC) with a new program called Temporary Assistance to Needy Families (TANF). The reform legislation had three goals: 1) to reduce welfare dependence and increase employment; 2) to reduce child poverty; and 3) to reduce illegitimacy and strengthen marriage.

At the time of its enactment, liberal groups passionately denounced the welfare reform legislation, predicting that it would result in substantial increases in poverty, hunger, and other social ills. Contrary to these alarming forecasts, welfare reform has been effective in meeting each of its goals.

- **Overall poverty, child poverty, and black child poverty have all dropped substantially.** Although liberals predicted that welfare reform would push an additional 2.6 million persons into poverty, there are 4.2 million fewer people living in poverty today than there were in 1996, according to the most common Census Bureau figures.
- **Some 2.3 million fewer children live in poverty today than in 1996.**
- **Decreases in poverty have been greatest among black children.** In fact, today the poverty rate for black children is at the lowest point in U.S. history. There are 1.1 million fewer black children in poverty today than there were in the mid-1990s.
- **Conventional figures exaggerate the poverty rate.** The poverty rate is even lower when the Earned Income Tax Credit (EITC) and non-cash welfare benefits, such as Food Stamps and public housing, are counted as income in determining poverty. This more accurate assessment shows that the overall poverty rate in 1999 was 8.8 percent down from 10.2 percent in 1996.
- **Hunger among children has been almost cut in half.** According to the U.S. Department of Agriculture (USDA), there are nearly 2 million fewer hungry children today than at the time welfare reform was enacted.
- **Welfare case loads have been cut nearly in half and employment of the most disadvantaged single mothers has increased from 50 percent to 100 percent.**
- **The explosive growth of out-of-wedlock childbearing has come to a virtual halt.** The share of children living in single-mother families has fallen, and the share living in married couple families has increased, especially among black families.

Some attribute these positive trends to the strong economy in the late 1990s. Although a strong economy contributed to some of these trends, most of the positive changes greatly exceed similar trends that occurred in prior economic expansions. The difference this time is welfare reform.

Welfare reform has substantially reduced welfare's rewards to non-work, but much more remains to be done. When TANF is re-authorized next year, federal work requirements should be strengthened to ensure that states require all able-bodied parents to engage in a supervised job search, community service work, or skills training as a condition of receiving aid. Even more important, Congress must recognize that the most effective way to reduce child poverty and increase child well-being is to increase the number of stable, productive marriages. In the future Congress must take active steps to reduce welfare dependence by rebuilding and strengthening marriage.

PREDICTIONS OF SOCIAL DISASTER DUE TO WELFARE REFORM

Five years ago, when the welfare reform legislation was signed into law, Senator Daniel Patrick Moynihan (D–NY) proclaimed the new law to be "the most brutal act of social policy since reconstruction."[1] He predicted, "Those involved will take this disgrace to their graves."[2]

Marian Wright Edelman, President of the Children's Defense Fund, declared the new reform law an "outrage . . . that will hurt and impoverish millions of American children." The reform, she said, "will leave a moral blot on [Clinton's] presidency and on our nation that will never be forgotten."[3]

The Children's Defense Fund predicted that the reform law would increase "child poverty nationwide by 12 percent . . . make children hungrier . . . [and] reduce the incomes of one-fifth of all families with children in the nation."[4]

The Urban Institute issued a widely cited report predicting that the new law would push 2.6 million people, including 1.1 million children, into poverty. In addi-

[1] Cited in Arianna Huffington, "Where Liberals Fear to Tread," August 26, 1996, at *www.arianaonline.com/columns/files/082696.html*

[2] Cited in *The Wall Street Journal, "Welfare as They Know It,"* August 29, 2001, p.A14.

[3] Children's Defense Fund, "Edelman Decries President's Betrayal of Promise 'Not to Hurt Children,'" July 31, 1996.

[4] Children's Defense Fund, "How the Welfare Bill Profoundly Harms Children," July 31, 1996.

tion, the study announced the new law would cause one-tenth of all American families, including 8 million families with children, to lose income.[5]

The Center on Budget and Policy Priorities asserted the new law would increase the number of children who are poor and "make many children who are already poor poorer still . . . No piece of legislation in U.S. history has increased the severity of poverty so sharply [as the welfare reform will]."[6]

Patricia Ireland, president of the National Organization for Women, stated that the new welfare law "places 12.8 million people on welfare at risk of sinking further into poverty and homelessness."[7]

Peter Edelman, the husband of Marian Wright Edelman and then Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services, resigned from the Clinton Administration in protest over the signing of the new welfare law. In an article entitled "The Worst Thing Bill Clinton Has Done," Edelman dubbed the new law "awful" policy that would do "serious injury to American children."[8]

Peter Edelman believed the reform law would not merely throw millions into poverty, but also would actively worsen virtually every existing social problem. He stated, "[t]here will be more malnutrition and more crime, increased infant mortality, and increased drug and alcohol abuse. There will be increased family violence and abuse against children and women." According to Edelman, the bill would fail even in the simple task of "effectively" promoting work because "there simply are not enough jobs now."[9]

WHAT ACTUALLY HAPPENED

In the half-decade since the welfare reform law was enacted, social conditions have changed in exactly the opposite direction from that predicted by liberal policy organizations. As noted above, overall poverty, child poverty, black child poverty, poverty of single mothers, and child hunger have substantially declined. Employment of single mothers increased dramatically and welfare rolls plummeted. The share of children living in single-mother families fell, and more important, the share of children living in married couple families grew, especially among black families.[10]

Reform opponents would like to credit many of these positive changes to a "good economy." However, according to their predictions in 1996 and 1997, liberals expected the welfare reform law to have disastrous results *during* good economic times. They expected reform to increase poverty substantially even during periods of economic growth; if a recession did occur, they expected that far greater increases in poverty than those mentioned above would follow. Thus, it is disingenuous for opponents to argue in retrospect that the good economy was responsible for the frustration of pessimistic forecasts since the predicted dire outcomes were expected to occur even in a strong economy.

Less Poverty

Since the enactment of welfare reform in 1996, the conventional poverty rate has fallen from 13.7 percent in 1996 to 11.8 percent in 1999. Liberals predicted that welfare reform would push an additional 2.6 million people into poverty, but there are actually 4.2 million fewer people living in poverty today than there were when the welfare reform law was enacted.[11]

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[5] Cited in "Urban Institute Study Confirms that Welfare Bills Would Increase Child Poverty," Center on Budget and Policy Priorities, July 26, 1996

[6] David A. Super, Sharon Parrott, Susan Steinmetz, and Cindy Mann, "The New Welfare Law," Center on Budget and Policy Priorities, August 13, 1996.

[7] Quoted in Lisa Bennet-Haigney, "Welfare Bill Further Endangers Domestic Violence Survivor," *National NOW Times,* January 1997.

[8] Peter Edelman, "The Worst Thing Bill Clinton Has Done," *The Atlantic Monthly,* Vol. 279, No. 3 (March 1997), pp. 43–58.

[9] *Ibid.*

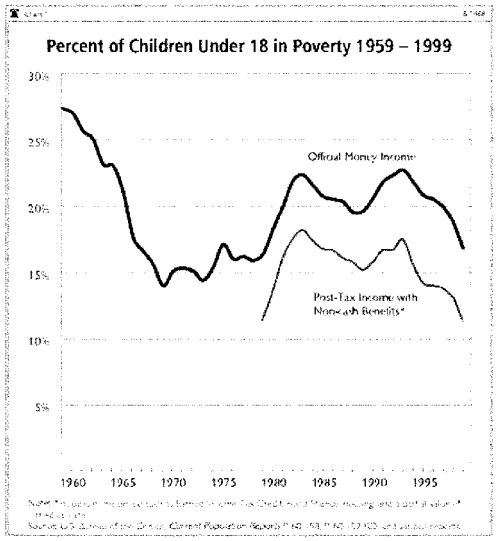
[10] The beginning of welfare reformactually occurred in stages during the mid-1990s; therefore it is somewhat arbitrary to assign a single date to mark the start of reform. During 1993 and 1994, some states experimented with workfare programs using federal waivers. In January 1995, Republicans took control of both houses in Congress and many states began implementing reforms in anticipation of the federal legislation that was finally enacted in August 1996. Overall, the onset of reform could be said to have occurred over a three-year period from 1994 through 1996; thus, some of the positive changes from welfare reform may predate the actual signing of the bill in 1996.

[11] U.S. Bureau of the Census, *Poverty in the United States 1999: Current Population Reports Series P60–210,* (Washington, D.C.: U.S. Government Printing Office, 2000). p. B2.

When the Earned Income Tax Credit and non-cash welfare benefits, such as Food Stamps and public housing, are counted in determining poverty, the poverty rate in 1999 was even lower: 8.8 percent, down from 10.2 percent in 1996.[12]

Less Child Poverty

The conventional child poverty rate has fallen from 20.5 percent in 1996 to 16.9 percent in 1999. In 1996, there were 14.4 million children in poverty compared with 12.1 million in 1999. Though liberals predicted that welfare reform would throw more than 1 million additional children into poverty, there are actually some 2.3 million fewer children living in poverty today than there were when welfare reform was enacted.[13] (See Chart 1.)



The child poverty rate is even lower when the EITC and non-cash welfare benefits, such as Food Stamps and public housing, are counted as income; the 1999 child poverty rate in this more accurate assessment was 11.2 percent, down from 14 percent in 1996.[14]

Less Black Child Poverty

According to the Census Bureau, the decreases in poverty have been the greatest among black children. Today, the poverty rate for black children has fallen to the lowest point in U.S. history. The conventional black child poverty rate has fallen by one-third, from around 43.8 percent in the mid-1990s to 33.1 percent in 1999. There are 1.1 million fewer black children in poverty today than there were in the mid-1990s.[15]

When the EITC and non-cash welfare benefits, such as Food Stamps and public housing, are counted as income, the black child poverty rate is even lower. According to this more accurate measure, the black child poverty rate in 1999 was 21.6 percent, down from 31.1 percent in the mid-1990s. (See Chart 2.)

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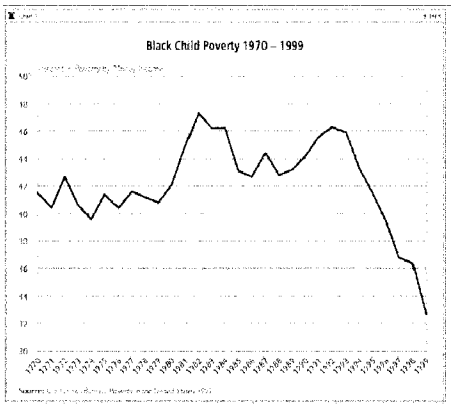
[12] The U.S. Census Bureau defines a family as poor if its annual "income" falls below specified poverty income thresholds. For example, the poverty income threshold for a family of four in 1999 was $17,029. The conventional or most common poverty measure counts most cash as income but excludes welfare benefits, such as the Earned Income Tax Credit, Food Stamps, and public housing. When these benefits are counted, the number of persons deemed poor drops substantially. Poverty figures including EITC and non-cash aid are from U.S. Bureau of the Census, *Poverty in the United States 1999,* p. 29, and *Poverty in the United States 1996, Current Population Reports Series P60–198* (Washington, D.C.: U.S. Government Printing Office, 1997), p. 25. The figures use income definition 14.

[13] U.S. Bureau of the Census, *Poverty in the United States 1999,* p. B2.

[14] Poverty figures including EITC and non-cash aid are from U.S. Bureau of the Census, *Poverty in the United States 1999,* p. 29, and *Poverty in the United States 1996,* p. 25. The figures in the text use income definition 14.

[15] U.S. Bureau of the Census, *Poverty in the United States 1999,* p. B–9.



Less Poverty Among single Mothers

Like the rate for black children, the poverty rate for children living with single mothers also is at its lowest point in U.S. history. The rate fell from 44 percent in the mid-1990s to 35.7 percent in 1999. There are 700,000 fewer single mothers living in poverty today than there were in the mid-1990s.[16]

When the EITC and non-cash welfare benefits, such as Food Stamps and public housing, are counted as income, the poverty rate for single mothers is substantially lower. According to this more accurate measure, the poverty rate for single mother families was 25.7 in 1999, down from 34.4 percent in the mid-1990s.

Decrease in the "Severity of Poverty"

Liberals, like those at the Center on Budget and Policy Priorities, predicted that welfare reform would increase "the severity of poverty." Specifically, it would increase the so-called poverty gap for families with children by over $4 billion.[17] (The poverty gap is the measure of total income that is needed to lift the income of all poor families exactly to the poverty line.) In reality, the poverty gap for families with children has decreased by $4.5 billion.[18]

Similarly, the number of children living in "deep poverty" has declined appreciably. (Families in "deep poverty" have incomes that is less than half the poverty income level.) In 1996, there were 6.3 million children living in deep poverty; by 1999, the number had fallen to 4.9 million.[19]

Dramatic Reduction in Child Hunger

The number of children who are "hungry" has been cut nearly in half since the enactment of welfare reform, according to the U.S. Department of Agriculture. The USDA reports that in 1996, 4.4 million children were hungry; by 1999, the number had fallen to 2.6 million.[20] Thus, there are nearly 2 million fewer hungry children today than at the time welfare reform was enacted. (See Chart 3.)

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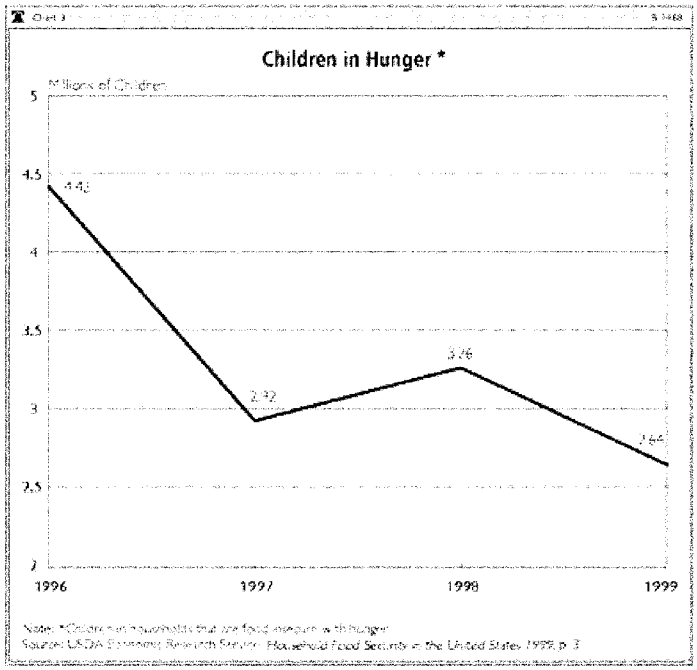
[16] *Ibid.,* p. B–12.

[17] Center on Budget and Policy Priorities, "Urban Institute Study Confirms That Welfare Bills Would Increase Child Poverty."

[18] U.S. Bureau of the Census, *Poverty in the United States 1996*, p. 21, and *Poverty in the United States 1999,* p. 23. Confusingly, the average poverty gap per poor family has actually increased by $428 per year. Ironically, this is largely a result of the substantial reduction in the number of poor families. If the typical family exiting from poverty historically tended to have a higher income than those remaining in poverty, then as the number of poor families shrinks, the average income of those who are still in poverty may actually appear to decrease, since it is the relatively poorer families which remain within the poverty group. This statistical mirage of declining income of the poor can occur even if everyone's income is rising.

[19] U.S. Bureau of the Census, *Poverty in the United States 1996,* p. 2, and *Poverty in the United States 1999*, p. 2.

[20] The figures reflect the number of children living in households that were "food insecure with hunger:" See Margaret Andrews, Mark Nord, Gary Bickel, and Steven Carlson, *Household Food Security in the United States, 1999,* U.S. Department of Agriculture, Economic Research Service, 2000, p. 3.

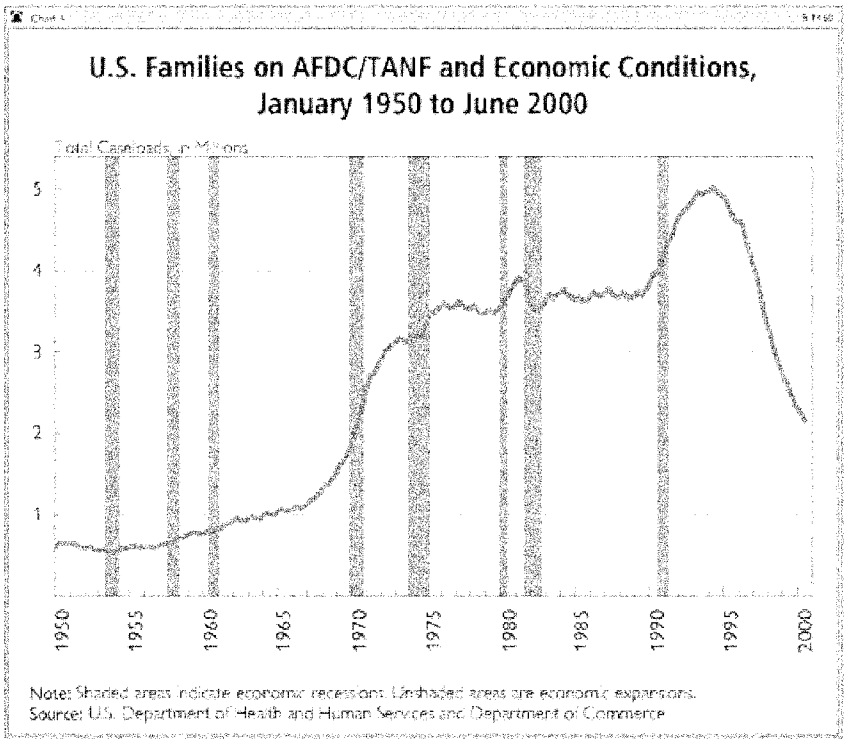


Plummeting Welfare Dependence

The designers of welfare reform were concerned that prolonged welfare dependence had negative effects on the development of children. Their goal was to disrupt inter-generational dependence by moving families with children off the welfare rolls through increased work and marriage. Since the enactment of welfare reform, welfare dependence has been cut nearly in half. The case load in the former AFDC program (now TANF) fell from 4.3 million families in August 1996 to 2.2 million in June 2000. (See Chart 4.)

Contrary to conventional wisdom, the decline in welfare dependence has been greatest among the most disadvantaged and least employable single mothers—the group with the greatest tendency toward long-term dependence. Specifically, dependence has fallen most sharply among young never-married mothers who have low levels of education and young children.[21] This is dramatic confirmation that welfare reform is affecting the whole welfare case load, not merely the most employable mothers.

[21] June E. O'Neill, and M. Anne Hill, "Gaining Ground? Measuring the Impact of Welfare Reform on Welfare and Work," *Manhattan Institute Civic Report* No. 17, July 2001, pp. 8, 9.



Increased Employment

Since the mid-1990s, the employment rate of single mothers has increased dramatically. Again, contrary to conventional wisdom, employment has increased most rapidly among the most disadvantaged, least employable groups:

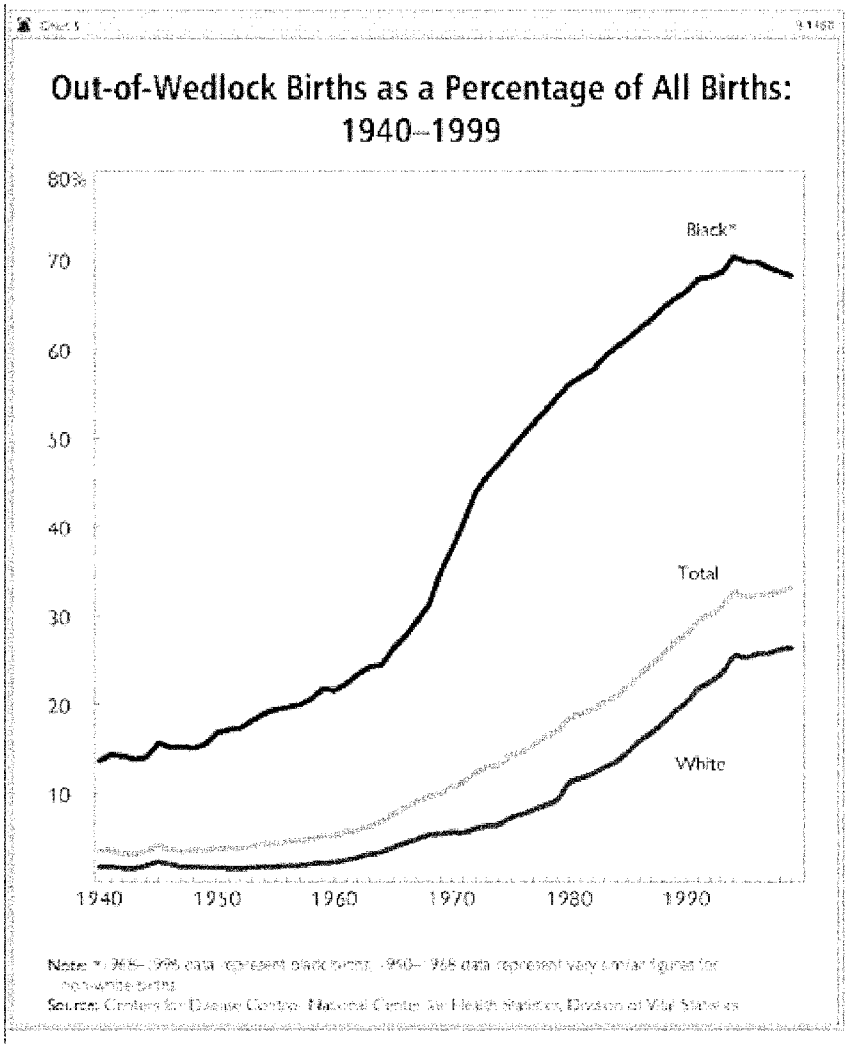
- Employment of never-married mothers has increased nearly 50 percent.
- Employment of single mothers who are high school dropouts has risen by two-thirds.
- Employment of young single mothers (ages 18 to 24) has nearly doubled.[22]

Thus, against conventional wisdom, the effects of welfare reform have been the greatest among the most disadvantaged single parents—those with the greatest barriers to self-sufficiency. Both decreases in dependence and increases in employment have been most dramatic among those who have the greatest tendency to long-term dependence, that is, among the younger never-married mothers with little education.

A Halt in the Rise of Out-of-Wedlock Childbearing

Since the beginning of the War on Poverty, the illegitimacy rate (the percentage of births outside of marriage) increased enormously. For nearly three decades, out-of-wedlock births as a share of all births rose steadily at a rate of almost one percentage point per year. Overall, out-of-wedlock births rose from 7.7 percent of all births in 1965 to an astonishing 32.6 percent in 1994. However, in the mid-1990s, the relentless 30-year rise in illegitimacy came to an abrupt halt. For the past five years, the out-of-wedlock birth rate has remained essentially flat. (See Chart 5.)

[22] *Ibid.,* pp. 10–14.



Among blacks, the out-of-wedlock birth rate actually fell from 70.4 percent in 1994 to 68.8 percent in 1999. Among whites, the rate rose slightly, from 25.5 percent to 26.7 percent, but the rate of increase was far slower than it had been in the period prior to welfare reform.

A Shift Toward Marriage

Throughout the War on Poverty period, marriage eroded. However, since the welfare reform was enacted, this negative trend has begun to reverse. The share of children living with single mothers has declined while the share living with married couples has increased.

This change is most pronounced among blacks. Between 1994 and 1999, the share of black children living with single mothers fell from 47.1 percent to 43.1 percent, while the share living with married couples rose from 34.8 percent to 38.9 percent. Similar though smaller shifts occurred among Hispanics.[23]

[23] Allen Dupree and Wendell Primus, "Declining Share of Children Lived With Single Mothers in the Late 1990's," Center on Budget and Policy Priorities, June 15, 2001, p. 7.

While these changes are small, they do represent a distinct reversal of the prevailing negative trends of the past four decades. If these shifts toward marriage are harbingers of future social trends, they are the most positive and significant news in all of welfare reform.

WHO GETS THE CREDIT? THE GOOD ECONOMY VERSUS WELFARE REFORM

Some would argue that the positive effects noted above are the product of the robust economy during the 1990s, rather than the results of welfare reform. However, the evidence supporting an economic interpretation of these changes is not strong.

Chart 4 shows the AFDC case load from 1950 to 2000. On the chart, periods of economic recession are shaded while periods of economic growth are shown in white. Historically, periods of economic growth have not resulted in lower welfare case loads. The chart shows eight periods of economic expansion prior to the 1990s, yet none of these periods of growth led to a significant drop in AFDC case load. Indeed, during two previous economic expansions (the late 1960s and the early 1970s), the welfare case load *grew* substantially. Only during the expansion of the 1990s does the case load drop appreciably. How was the economic expansion of the 1990s different from the eight prior expansions? The answer is welfare reform.

Another way to disentangle the effects of welfare policies and economic factors on declining case loads is to examine the differences in state performance. The rate of case load decline varies enormously among the 50 states. If improving economic conditions were the main factor driving case loads down, then the variation in state reduction rates should be linked to variation in state economic conditions. On the other hand, if welfare polices are the key factor behind falling dependence, then the differences in reduction rates should be linked to specific state welfare policies.

In a 1999 Heritage Foundation study, "The Determinants of Welfare case load Decline," the author examined the impact of economic factors and welfare policies on falling case loads in the states.[24] This analysis showed that differences in state welfare reform policies were highly successful in explaining the rapid rates of case load decline. By contrast, the relative vigor of state economies, as measured by unemployment rates, changes in unemployment, or state job growth, had no statistically significant effect on case load decline.

A recent paper by Dr. June O'Neill, former Director of the Congressional Budget Office, reaches similar conclusions. Dr. O'Neill examined changes in welfare case load and employment from 1983 to 1999. Her analysis shows that in the period after the enactment of welfare reform, policy changes accounted for roughly three-quarters of the increase in employment and decrease in dependence. By contrast, economic conditions explained only about one-quarter of the changes in employment and dependence.[25] Substantial employment increases, in turn, have led to large drops in child poverty.

Overall, it is true that the health of the U.S. economy has been a positive background factor contributing to the changes in welfare dependence, employment, and poverty. It is very unlikely, for example, that dramatic drops in dependence and increases in employment would have occurred during a recession. However, it is also certain that good economic conditions alone would not have produced the striking changes that occurred in the late 1990s. It is only when welfare reform was coupled with a growing economy that these dramatic positive changes occurred.

Out-of-Wedlock Child-Bearing and the Economy

Out-of wedlock child-bearing and marriage rates have never been correlated to periods of economic growth. Efforts to link the positive changes in these areas to growth in the economy are without any basis in fact. The onset of welfare reform is the only plausible explanation for the shifts in these social trends. Welfare reform affected out-of-wedlock childbearing and marriage in two ways.

First, even before the passage of the law, the public debate about welfare reform sent a strong symbolic message that, in the future, welfare would be time-limited and that single mothers would be expected to work and be self-reliant. This message communicated to potential single mothers that the welfare system would be less supportive of out-of-wedlock child-bearing and that raising a child outside of marriage would be more challenging in the future. The reduction in out-of-wedlock births was, at least in part, a response to this message.

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[24] Robert E. Rector and Sarah E. Youssef, "The Determinants of Welfare case load Decline," Heritage Foundation *Center for Data Analysis Report* CDA99–04, May 11, 1999.

[25] O'Neill and Hill, "Gaining Ground? Measuring the Impact of Welfare Reform on Welfare and Work," Table 4, p. 22.

Second, reform indirectly reduced welfare's disincentives to marriage. Traditional welfare stood as an economic alternative to marriage, and mothers on welfare faced very stiff financial penalties if they did marry. As women leave AFDC/TANF due to welfare reform, fewer are affected by welfare's financial penalties against marriage. In addition, some women may rely on husbands to provide income that is no longer available from welfare. Thus, as the number of women on welfare shrinks, marriage and cohabitation rates among low-income individuals can be expected to rise.

What Will Happen During a Recession?

There is considerable concern over what will happen to welfare case loads and poverty during the current economic slowdown . . . No one at present can answer these questions, but a reasonable guess is that welfare case loads and poverty will rise during the slowdown, though not as steeply as they did in prior slowdowns.

Throughout the slowdown or recession, TANF will provide support to parents without jobs.[26] Welfare reform was not designed to kick single mothers off welfare and abandon them if they cannot find a private-sector job. If the number of available jobs shrinks during the recession, mothers should be welcomed back onto the TANF rolls. However, while on TANF, all parents should be required to perform community service work, training, or supervised job search. Such performance requirements will increase the incentive to re-enter the labor market and will reduce the length of future stays on welfare.

The re-entry into TANF of large numbers of former recipients may seem to conflict with strict time limits on the receipt of TANF benefits. However, federal and most state time limits have sufficient loopholes that time limits should not serve as an obstacle to receipt of benefits in most cases. Under no circumstances should a state deny TANF benefits to a parent who genuinely cannot find private-sector employment.

LOOKING TO THE FUTURE

The trends of the past five years have led some of the strongest critics of welfare reform to reconsider their opposition, at least in part. In 1996, the Deputy Assistant Secretary for Human Services Policy, Wendell Primus, also resigned from the Clinton Administration to protest the President's signing of the welfare reform legislation, predicting that the new law would throw millions of children into poverty.

As Director of Income Security at the Center on Budget and Policy Priorities, Primus has spent the past five years analyzing the effects of welfare reform. The evidence has tempered his earlier pessimism. He recently stated,

In many ways welfare reform is working better than I thought it would. The sky isn't falling anymore. Whatever we have been doing over the last five years, we ought to keep going.[27]

Wendell Primus is correct. When Congress reauthorizes the TANF program next year, it should push forward boldly to further promote the three explicit goals of the 1996 reform:

- To reduce dependence and increase employment;
- To reduce child poverty; and
- To reduce illegitimacy and strengthen marriage.

These three goals are linked synergistically. Work requirements in welfare will reduce dependence and increase employment, which in turn will reduce poverty. As fewer women depend on welfare in the future, marriage rates may well rise. Increasing marriage, in turn, is the most effective means of reducing poverty.

Next Steps in Reform

When Congress re-authorizes the Temporary Assistance to Needy Families programs in 2002, it should take the following specific steps.

1. Strengthen federal work requirements. Currently, about half of the 2 million mothers on TANF are idle on the rolls and are not engaged in constructive activities leading to self-sufficiency. This is unacceptable. Existing federal work requirements must be greatly strengthened so that all able-bodied parents are engaged continuously in supervised job search, community service work, or training.

In addition, some states still provide federal welfare as an unconditional entitlement; recipients who refuse to perform required activities continue to receive most

[26] A recession is two successive quarters of negative economic growth in which the Gross Nationl Product actually shrinks. A slow down is a period of little or no economic growth. The U.S. economy is currently in slow down rather than a full fledged recession.

[27] Quoted in Blaine Harden, "Two Parent Families Rise after Change in Welfare Laws," *The New York Times,* August 12, 2001, Section 1, p. 1.

benefits. In re-authorizing the TANF program, Congress should ensure that the law will prohibit federal funds from being misused in this manner in the future.

2. Strengthen marriage. As Charts 6 and 7 show, the poverty rate of single-parent families is about five times higher than among married couple families. The most effective way to reduce child poverty and increase child well-being is to increase the number of stable, productive marriages. This can be accomplished in three ways.

First, the substantial penalties against marriage in the overall welfare system should be reduced. As it is currently structured, welfare rewards illegitimacy and wages war against marriage. That war must cease.[28]

Second, the government should educate young men and women on the benefits of marriage in life.

Third, programs should provide couples with the skills needed to reduce conflict and physical abuse and to increase satisfaction and longevity in a marital relationship.

The 1996 TANF law established the formal goals of reducing out-of-wedlock childbearing and increasing marriage, but despite nearly $100 billion in TANF spending over the last five years, the states have spent virtually nothing on specific pro-marriage programs. The slowdown in the growth of illegitimacy and the increases in marriage have occurred as the incidental by-product of work-related reforms and not as the result of positive pro-marriage initiatives by the states. The current neglect of marriage is scandalous and deeply injurious to the well-being of children. In future years, 5 percent to 10 percent of federal TANF funds should be earmarked for pro-marriage initiatives.

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[28] While it is widely accepted that welfare is biased against marriage, relatively few understand how this bias operates. Many erroneously believe that welfare programs have eligibility criteria that directly exclude married couples. This is not true. Nevertheless, welfare programs do penalize marriage and reward single parenthood because of the inherent design of all means-tested programs. In a means-tested program, the benefits are reduced as non-welfare income rises. Thus, under any means-tested system, a mother will receive greater benefits if she remains single than if she is married to a working husband. Welfare not only serves as a substitute for a husband, it actually penalizes marriage because a low-income couple will experience a significant drop in combined income if they marry.

For example, the typical single mother on TANF receives a combined welfare package of various means-tested aid benefits worth about $14,000 per year. Suppose this typical single mother receives welfare benefits worth $14,000 per year while the father of her children has a low-wage job paying $15,000 per year. If the mother and father remain unmarried, they will have a combined income of $29,000 ($14,000 from welfare and $15,000 from earnings). However, if the couple marries, the father's earnings will be counted against the mother's welfare eligibility. Welfare benefits will be eliminated or cut dramatically and the couple's combined income will fall substantially. Thus, means-tested welfare programs do not penalize marriage *per se*, but instead implicitly penalize marriage to an employed man with earnings. Nonetheless, the practical effect is to significantly discourage marriage among low-income couples. This anti-marriage discrimination is inherent in all means-tested aid programs, including TANF, Food Stamps, public housing, Medicaid, and the Women Infants and Children (WIC) food program.

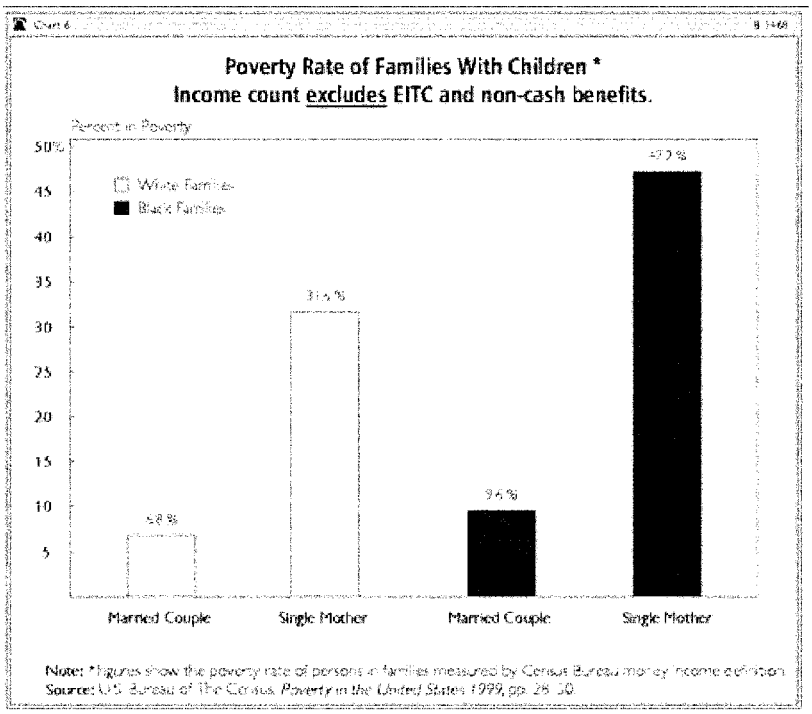
Chart 6
Poverty Rate of Families With Children *
Income count excludes EITC and non-cash benefits.
Percent in Poverty
50%
45
40
35
30
25
20
15
10
5
White Families
Black Families
5.8 %
31.6 %
9.6 %
47.2 %
Married Couple
Single Mother
Married Couple
Single Mother
Note: * Figures show the poverty rate of persons in families measured by Census Bureau money income definition.
Source: U.S. Bureau of the Census, Poverty in the United States 1999, pp. 28, 30.

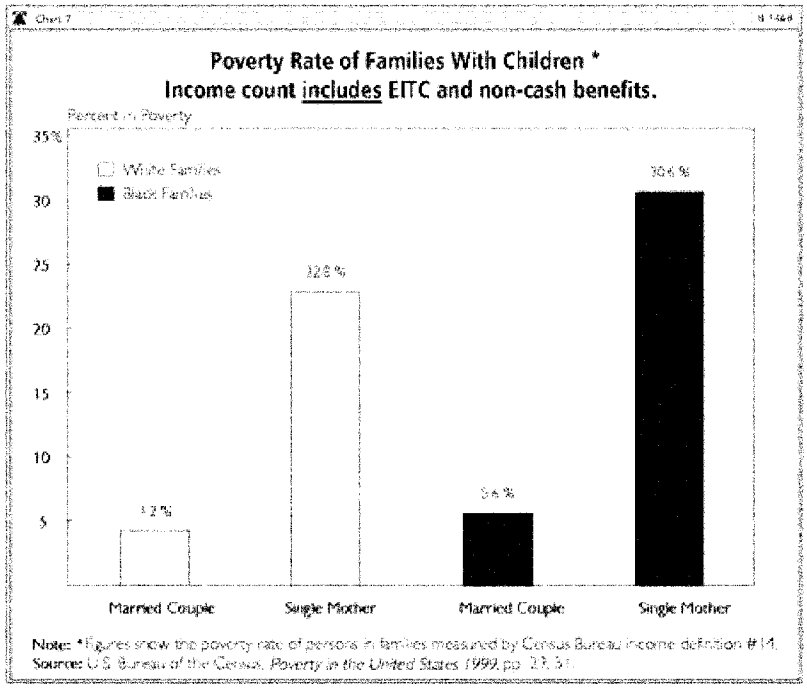
Chart 7
Poverty Rate of Families With Children *
Income count includes EITC and non-cash benefits.
Percent in Poverty
35%
30
25
20
15
10
5
White Families
Black Families
5.2 %
22.8 %
5.6 %
30.6 %
Married Couple
Single Mother
Married Couple
Single Mother
Note: * Figures show the poverty rate of persons in families measured by Census Bureau income definition #14.
Source: U.S. Bureau of the Census, Poverty in the United States 1999, pp. 23, 31.

CONCLUSION

More than 20 years ago, President Jimmy Carter stated, "the welfare system is anti-work, anti-family, inequitable in its treatment of the poor and wasteful of the taxpayers' dollars."[29] President Carter was correct in his assessment.

The 1996 welfare reform began necessary changes to the disastrous old welfare system. The rewards to non-work in the TANF program have been substantially reduced. But much more remains to be done. When Congress re-authorizes TANF next year, it should ensure that, in the future, all able-bodied welfare recipients are required to work or undertake other constructive activities as a condition of receiving aid.

But increasing work is not enough. Each year, one-third of all children are born outside of wedlock; this means that one child is born to an unmarried mother every 25 seconds. This collapse of marriage is the principal cause of child poverty and welfare dependence. In addition, children in these families are more likely to become involved in crime, to have emotional and behavioral problems, to be physically abused, to fail in school, to abuse drugs, and to end up on welfare as adults.

Despite these harsh facts, the anti-marriage effects of welfare, which President Carter noted over two decades ago, are largely intact. The current indifference and hostility to marriage in the welfare system is a national disgrace. In reauthorizing TANF, Congress must make the rebuilding of marriage its top priority. The restoration of marriage in American society is truly the next frontier of welfare reform.

Members of The Heritage Foundation staff testify as individuals discussing their own independent research. The views expressed are their own, and do not reflect an institutional position for The Heritage Foundation or its board of trustees.

Chairman HERGER. Thank you, Mr. Rector. Now to testify, Mr. Primus.

STATEMENT OF WENDELL PRIMUS, DIRECTOR, INCOME SECURITY, CENTER ON BUDGET AND POLICY PRIORITIES

Mr. PRIMUS. Thank you. Mr. Chairman. What all Members of this Subcommittee want is to have both parents of the children who receive welfare to be working in the labor force and not in make-work pay jobs.

Chairman HERGER. If you could speak directly into the microphone, please.

Mr. PRIMUS. Is it on now?

Chairman HERGER. Yes.

Mr. PRIMUS. By that criteria, I would have to judge Mr. Cardin's bill vastly superior to that of the administration's proposal. Here is why. The Administration's proposal restricts State flexibility in how to achieve employment gains. Except for a 3-month period, only individuals who are in non-subsidized work or in work experience programs count toward meeting the 70-percent work requirement. The Administration's proposal is a Washington-knows-best Welfare-to-Work model which would force many States to adopt a New York City style approach. There is no evidence that suggests this particular Welfare-to-Work model emphasizing work experience is better than any other State's model. The proposal does not provide any increased funds for childfare or in the TANF block grant. In fact, in real terms, the moneys are cut.

The best way to describe the administration's proposal is that it is an unfunded mandate upon States. Forty-one out of the forty-seven States that have responded to the NGA survey of States sug-

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[29] Quoted in Roger A. Freeman, *Does America Neglect Its Poor?* Stanford, Cal.: The Hoover Institution, 1987), p. 12.

gests they would have to make fundamental changes to their programs to meet these new requirements. In a press release issued by Secretary Thompson, the administration insisted that all workfare recipients would not be required to work at below the minimum wage. However, Mr. Chairman, your bill still retains the 24-hour requirement. It was not changed. Therefore, it will be very hard for States like Louisiana to achieve these work requirements without waivers.

In a study released yesterday, the Center on Law and Social Policy indicated that meeting these requirements would cost $15 billion, about 26 percent of the TANF and child care block grants in 2007. States are already spending above their annual TANF grants.

In sharp contrast, the Cardin bill would achieve additional employment gains because it increases State flexibility, especially with respect to education and training. It provides real increases in child care of $9 billion and adjusts the TANF block grant for inflation. It only rewards State efforts when mothers leave welfare rolls for work, and something that I think you would be very concerned about, Mr. Chairman, it allows immigrants to be served with federal TANF dollars. This means that immigrants would be subject to the work requirements. Under the administration's approach, immigrants cannot be served and there is no incentive for States to move them into the labor force.

Despite what I have said thus far about work, the most far-reaching and possibly the worst part of the administration's bill is the extraordinary waiver authority. This proposal would abrogate your role as elected Members of Congress and our system of governance. This is a wholesale grant of authority from this Committee and the Congress to the executive branch of government. This would allow, for example, the transfer of funds between programs, from the TANF program to the education programs, and change the appropriation authority of Congress. This would allow child support and child welfare programs to be block-granted. It would allow the Secretary to waive the requirement that all mothers receiving welfare cooperate with child support and would allow the minimum wage laws not to apply to work experience programs.

The language in H.R. 4090 is far too broad. If the issue is flexibility, change the rules that unduly restrict the ability of States to properly and efficiently administer these programs. All the Members of this Committee want effective government. You should be able to do this in a manner other than throwing up your arms and letting unelected officials make these decisions for you.

On child support, as you all realize, the distribution rules are way too complex. You produced a good bipartisan bill in late 2000. You passed it on the House Floor by a vote of 405 to 18. There is no reason why you should not return to those provisions.

Let me add one thought about promoting marriage. I think the approach that is in your bill, Mr. Chairman, is too narrow and inflexible. If you want strong families, I think you also need to be concerned about childbearing among teens. It makes no sense to cut DOL programs that help males get jobs at the same time you are providing marriage skill training. My final point, Mr. Chair-

man, is I hope that this Committee could write a bipartisan bill in the House.

[The prepared statement of Mr. Primus follows:]

Statement of Wendell Primus, Director of Income Security, Center on Budget and Policy Priorities

Thank you, Mr. Chairman, and members of the Committee, for the opportunity to testify before you today. I am Wendell Primus, Director of Income Security for the Center on Budget and Policy Priorities. The Center is a non-profit institute that conducts research and analysis on policy issues affecting low-and moderate-income families at both the state and federal levels. We receive no government funding.

My testimony will briefly review the experience of welfare reform over the last six years, then analyze the Chairman's TANF reauthorization bill in light of what research and state experience have shown to be effective in moving families from welfare-to-work. Finally, I will outline a work-focused alternative plan that would allow states to address some of the remaining challenges of welfare reform by building on current successful state-based approaches.

The Experience of the First Six Years of Welfare Reform

Nearly six years ago, Congress passed legislation that dramatically altered the basic safety net for low-income families with children. The Aid to Families with Dependent Children (AFDC) program, which had existed for 60 years, was dismantled, and a new block grant—Temporary Assistance for Needy Families (TANF)—was put in its place.

States used their block funds to design programs that capitalized on the strong economy and moved welfare recipients into private-sector jobs. As cash assistance case loads tumbled and the economy surged, employment rates among single mothers rose significantly, continuing a upward trend that began in 1993. While clearly playing a role, the law's work requirements were not the only factor in this increase. States were able to use TANF funds to create an expanded system of supports for low-income working families. In addition to helping families leave welfare, these supports, including child care, transportation assistance, and state earned income tax credits, have helped low-wage workers avoid going on to welfare in the first place. Besides TANF, other federal programs, including Medicaid, the Earned Income Tax Credit, and the Child Care and Development Block Grant (CCDBG)—all expanded in the 1990s—are part of this work support system.

The extent to which TANF has been transformed into a work support system is reflected in state spending patterns and the number of families served in TANF that do not receive welfare. Fewer than 4 out of every 10 TANF dollars are now spent on cash assistance.[1] The largest share of the remaining dollars is spent on child care and other work supports. It is important to note that the work support system funded by TANF extends beyond welfare recipients to low-income families who have left welfare and those who have never received welfare. Unfortunately, there is no official count of the number of families who receive TANF-funded work supports outside of the welfare system. However, recent GAO data suggest that at least 1 million non-welfare families—and quite likely many more—receive work supports funded in part with TANF.[2] Thus, the number of non-welfare families receiving TANF-funded work supports is likely as large, if not substantially larger, than the number of families receiving cash assistance who are subject to TANF work requirements.[3]

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[1] Center on Budget and Policy Priorities analysis of fiscal year 2001 data reported by states to the Department of Human Services.

[2] U.S. General Accounting Office, *Welfare Reform: States Provide TANF–Funded Services to Many Low-Income Families Who Do Not Receive Cash Assistance*, March 15, 2002, http://www.house.gov/cardin/GAO_TANF.pdf. GAO counted the number of non-welfare families in a *single* TANF-funded program in 22 states (generally the TANF-funded program with the most participants) and the number of non-welfare families in more than a single program in three states. This count yielded approximately 830,000 non-welfare families who received TANF-funded services. GAO noted that this is a substantial underestimate of the number of families receiving TANF-funded services. If the count were extended to all 50 states, included participants in MOE-funded separate state programs, and encompassed more than a single program from each state, the number would easily exceed one million families. For a further discussion of these points, see Center on Budget and Policy Priorities, *TANF's "Uncounted" Cases: At Least One Million Families Receiving Services in TANF–Funded Programs Not Included in TANF case load,* April 2002.

[3] Of the roughly 2.1 million TANF cash assistance cases, about 1.3 million include adults who are subject to federal work requirements. More than a third of the cash assistance case load (about 700,000 cases) is composed of "child-only" cases that are not subject to federal work requirements. Approximately 8–9 percent of the remaining cases (roughly 110,000 to 130,000

While states have made substantial progress on the employment front in the last few years, the reduction in poverty has been much more modest than the reduction in TANF case loads or the increase in families with earnings. Trends in the "child poverty gap" provide strong evidence that this is due in part to the large reductions in the amount of cash assistance and food stamp received by eligible families. (The child poverty gap, which many analysts consider the single best measure of child poverty, is the total amount by which the incomes of all poor children fall below the poverty line.)

Before counting means-tested programs, the child poverty gap declined substantially between 1995 and 2000, just as it had between 1993 and 1995. The drop in the child poverty gap, as measured before means-tested benefits are counted, primarily reflects the effect of the economy in reducing child poverty through increases in employment and earnings among parents. But when the benefits of means-tested programs (and federal tax policy) are taken into account, the picture changes.

Child Poverty Gap Statistics (in billions of 2000 dollars)

	1993	1995	2000	Change 1993–1995	Change 1995–2000
Before Means-Tested Benefits and Taxes	$87.9	$75.5	$52.4	$-12.4	$-23.1
After Means-Tested Benefits and Taxes	$33.1	$25.7	$22.1	$-7.4	$-3.6

While the gap—still shrunk—by $3.6 billion between 1995 and 2000—this was much more modest than the $7.4 billion drop that occurred between 1993 and 1995, even though pre-transfer poverty fell nearly twice as much during the later time period.[4] These data strongly support the conclusion that poverty could have fallen at a faster rate between 1995 and 2000 if declines in the numbers of children receiving means-tested benefits had not been as sharp.

There appears to be broad bipartisan consensus in Washington and among states that an important goal of the next five years of welfare reform is to enhance child well-being, which includes reducing the extent and depth of poverty among families with children. Meeting this goal will require moving beyond welfare reform's initial focus on case load decline—a move that many states are already in the process of making. In addition, most agree that further progress on this goal will require addressing the following challenges:

- *Helping TANF Recipients Who Have Severe "Barriers" to Employment that Impede Their Progress in Moving toward Self-sufficiency*: While there are significantly fewer families on welfare, a recent General Accounting Office study found that 38 percent of them have a severe physical or mental health impairment. Studies have found that these and other barriers—including domestic violence, lack of stable housing, and having a disabled child—significantly reduce the likelihood of working. In order to make these families part of welfare reform's success, we need to be realistic about what it is going to take to get them from where they are today to where they need to be, and ensure that states have the resources and flexibility to work with them intensively towards that goal.
- *Doing More to Help Recipients Find Better-paying and More Secure Jobs that Can Support a Family:* TANF recipients typically end up in low-paying jobs—most earn less than $8.00 an hour and many earn significantly less than that. Data from studies of parents who left welfare for work show that median quarterly earnings for families that left TANF and were working were typically between $2,000 and $2,500, roughly 33 percent below the poverty level for a family of three.[5] Earnings do grow after leaving welfare, but they still remain quite low even years later. A Wisconsin study that tracked welfare

cases) are families who are not subject to federal work requirements because they include a child under age 1. Thus, slightly less than 1.3 million TANF families are subject to the federal work requirements.

[4] Center on Budget and Policy Priorities analysis of Current Population Survey data.

[5] Elise Richer, Steve Savner, and Mark Greenberg, *Frequently Asked Questions about Working Welfare Leavers*, Center for Law and Social Policy, December 2001.

leavers in that state found that nearly 60 percent had below-poverty-level incomes even three years after leaving welfare.[6]

- *Strengthening Families*: Several "family formation" trends have taken a positive turn in recent years. The teen birth rate has fallen significantly since the early 1990s. The share of children, particularly low-income children, living in two-parent families increased while the share living in single-parent families fell. The number of paternities established soared in the 1990s and amount of child support collected in the federal-state child support system increased dramatically. While these statistics are heartening, there is further progress to be made on all of these fronts.

States have begun to fine-tune their TANF programs to address these issues, but much more could be done to improve outcomes for families in these areas. TANF reauthorization should address these challenges by building on current effective state strategies where they exist, and supporting research and demonstrations to develop a knowledge base on which to build future successful programs.

The Work Provisions in H.R. 4090

H.R. 4090 includes a far-reaching set of changes to the work provisions in the TANF law. The most significant changes are to TANF's participation rate structure under which states must place a certain percentage of families in federally-authorized work activities or face fiscal penalties. The proposed legislation makes the following changes to the participation rate structure.

- States would have to place 70 percent of TANF families in specified work activities by fiscal year 2007, up from 50 percent in the current fiscal year.
- The current case load reduction credit—which reduces state participation rates by 1 percentage point for each 1 percentage point reduction in case loads since 1995—would be replaced with a "rolling" credit. Instead of being based on the reduction in case loads since 1995, a state's participation rate would be determined each fiscal year based on the percentage reduction in the state's case load in the three preceding fiscal years.
- To count fully toward the rate, families with children age 1 or older would have to participate in work activities for 40 hours a week. This change would double the number of hours required for parents with children under age 6 and increase by 10 hours a week the number of hours required for other families.
- The work activities that count toward the first 24 hours of the work requirement would be narrowed to paid work (unsubsidized and subsidized employment, and on-the-job training) and unpaid work (work experience programs and supervised community service). States would be able to count families placed in substance abuse, rehabilitative activities, work-related training, and job search or job readiness assistance, but for no more than three consecutive months in any 24-month period.

Instead of addressing the remaining challenges by building on current state strategies to help families overcome barriers to employment and find better jobs, the proposed legislation would curtail state flexibility and effectively require all states to adopt a federally proscribed welfare-to-work program structure. States would be forced to restructure their current programs and abandon many of the successful strategies they currently use to help parents prepare for, find, and retain employment in favor of more costly programs. Such a change might be warranted if states had clearly failed to implement effective welfare-to-work programs over the past few years, or if there were research evidence showing that the proposed approach was more effective at addressing current welfare reform challenges than existing state approaches. There is, however, no evidence to support either of these conclusions; indeed, there is evidence to suggest that the proposed approach could be *less* effective than other state-based approaches.

The reformulated case load reduction credit is likely to give states little help toward meeting the work participation requirements. Under H.R. 4090, states would only get credit toward their work participation rates if the overall case load fell over the previous three-year period. While no one can predict case load levels with certainty, the rapid case load decline that occurred in the mid 1990s appeared to be leveling off even before the recession and in 2001, 34 states saw their case loads increase. It should be noted that when a state's cash assistance case load remains steady, this does *not* mean that families are not moving from welfare-to-work. It

[6] Maria Cancian, Robert Haveman, Daniel R. Meyer, and Barbara Wolfe, *Before and After TANF: The Economic Well-Being of Women Leaving Welfare*, May 2000.

simply means that the number of families who have fallen on hard times and need help, at least temporarily, is about the same as the number of recipients who were able to leave welfare, often because they found jobs.

The Proposed Participation Rate Structure Would Limit State Flexibility

Under H.R. 4090, states would be required to place a substantially increased proportion of their case loads in a very narrow set of work activities or be subject to fiscal penalties. Two activities, job search and vocational education, that currently count toward the rate would not count at all toward the 24-hour requirement. For recipients who do not already have an unsubsidized job, they could only be counted toward a state's work participation rate if they worked in a subsidized job or participated in work experience, supervised community service, or on-the-job training programs for 24 hours each week. Families would have to be placed in one of these activities even if the state does not believe this would be the best approach to helping them succeed in the labor market.

Some may argue that because participation rates remain below 100 percent, states will continue to have the flexibility to structure different activities for a significant share of its TANF recipients. This is incorrect. While the participation rate that states will be required to meet is less than 100 percent, to achieve a participation rate in the 60 to 70 percent range, they will need to impose the federally-mandated work requirements on nearly 100 percent of families. This is the case for two reasons. First, some parents will not be able to meet the hourly requirements for a particular week because of personal family circumstances, including illness or having to care for an ill child.[7] Second, even in well-run programs, a significant number of recipients are not in activities at any given time because they are waiting for a program to begin a new session, are between work activities or assignments, or they cannot begin a work activity until child care is in place. Researchers have recognized that in order to attain any given participation rate, a state must actively seek to attain participation for a considerably larger group of families.[8]

The proposed legislation would allow states to count families placed in substance abuse, rehabilitative activities, work-related education or training, and job search and job readiness activities for three consecutive months in any 24 month period. It also would allow states to define what counts toward work for the final 16 hours of the 40 hour work requirement. As a practical matter, however, these provisions provide almost no new flexibility for states.

Under current law, states actually have considerable flexibility to place participants in the types of activities that the proposed legislation would now limit to three months. While some of these activities do not currently count toward the work participation rates (except in several states with waivers that the proposed legislation would rescind), states have generally achieved actual participation rates that are substantially higher than the required federal standard. This is due in large part to the current law's case load reduction credit that lower the rates states must meet based on the decline in case loads since 1995. As a result, states have been able to place recipients in activities that do not count toward the federal rate without having to be concerned that they would fail to meet the required standard. Many states have used this flexibility to place participants in barrier-removal activities that have not necessarily been limited to three months, while maintaining their otherwise vigorous and intensive efforts to move recipients to work.

By increasing the overall rates and modifying the case load reduction credit in a manner that would likely limit the extent to which it reduces states' effective rates over time, the proposed legislation would eliminate this flexibility that currently exists.

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[7] The proposal does allow for very limited "leave" for recipients. While months have an average of 4.33 weeks in them, the proposal would provide full credit to a state for a family in which a parent participated in countable activities for 160 hours in the month—the equivalent of four, 40 hour weeks, rather than 4.33, 40 hour weeks. Thus, in an average month, a parent could "miss" up to 13 hours of required activities and still count fully toward the state's work rates. It appears that if the hours were missed in direct work activities, however, the state could lose all credit for the family toward the work participation requirements. The proposal requires, "at least 24 hours per week in a month" of participation in direct work activities which would appear to mean that if a parent were scheduled to participate in work experience (a direct work activity) 24 hours each week and missed two days in a particular week because her child was sick, she would need meet the requirement that she participate 24 hours each week in direct work activities and the state would not be able to count her toward the work participation requirements.

[8] Gayle Hamilton and Susan Scrivener, Manpower Demonstration Research Corporation, *Promoting Participation: How to Increase Involvement in Welfare-to-Work Activities*, September 1999.

Similarly, allowing states to define work activities that count toward the final 16 hours of a 40-hour requirement is not an enhancement to the flexibility states have under the current work participation requirements. For families with children age 1 to 6, the federally-mandated work requirement is 20 hours but states are free (and many do) require participation in state-approved activities—activities which may differ from the work activities under current federal law—for additional hours each week. Since the proposed legislation would require an additional 20 hours of work for these families, it can only be characterized as limiting state flexibility for them, regardless of whether states are able to define allowable work activities for 16 of the new hours.

For families with school-age children who are currently subject to a 30-hour requirement, the proposed legislation would allow states to count a broader range of activities toward hours 25 through 30 of the work requirement than is currently allowed. This is a very limited enhancement of flexibility, however, given that the plan would also narrow substantially what counts toward the first 24 hours of the work requirement. In addition to prohibiting vocational education, job readiness, and job search from counting toward the first 24 hours, the plan would not allow other educational activities and job skills training—which currently can count for 10 of the required 30 hours—to count until the 24 hour requirement in direct work activities is satisfied.

Moreover, regardless of the child's age, in order to meet the 24-hour requirement, states will likely have to place families in the narrower set of paid and unpaid work activities for more than 24 hours. This is because a state gets *no* credit for an individual participating in the work activities prescribed by the proposed legislation for 23 hours or less, even if they are in other activities for 16 hours. To avoid the potential risk of not getting any credit for a family, states are likely to schedule participants in the narrower set of activities for significantly more than 24 hours each week.

Finally, many states—particularly those with low cash benefit levels—will have difficulty meeting the work requirements while complying with the federal legal requirement that recipients not be required to work at an effective wage below the minimum wage. Many TANF recipients receive only partial benefits because they have other forms of income (including Social Security benefits) while many families in low-benefit states receive cash assistance benefits that are below $200 per month. The Herger bill makes no exception to the requirement that families participate in paid or unpaid work for 24 hours each month for families in which such a requirement would mean that they were working at below the minimum wage.[9]

States would be Forced to Abandon their Own Successful Approaches

Under the proposal, all states would face sharply increased work participation rate requirements that would require them to focus on meeting these requirements to avoid fiscal penalties. Families that are not able to find unsubsidized employment, would have to be placed in subsidized work, work experience, supervised community service, and on-the-job training. Only a few states and localities have welfare-to-work programs that place a substantial number of parents in these activities and only about 7 percent of TANF recipients nationally who are not working participate in one of these narrow activities.[10] As a consequence, most states would have to reconstruct their work programs, jettisoning current employment initiatives in favor of the narrow set of activities that would meet the new prescriptive federal requirements.[11]

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[9] There is also no mechanism to reduce the number of required hours by any child support paid to the state by a non-custodial parent of a child receiving TANF assistance. In these cases, even if the state retains the child support to reimburse itself for the assistance provided to the child, the custodial parent would be required to work off the entire TANF grant, rather than the amount of the grant less the among of child support received. In effect, the custodial parent would be forced to work off the non-custodial parent's child support payment.

[10] U.S. Department of Health and Human Services, Office of Planning, Research and Evaluation, Average Monthly Number of Adults with Hours of Participation by Work Activity as a Percent of the Total Number of Adults, Fiscal Year 2000, Table 6C, http://www.acf.dhhs.gov/programs/opre/particip/.

[11] Nationally, in fiscal year 2000, about 21 percent of TANF recipients subject to the work requirements satisfied those requirements by working in an unsubsidized job. An additional 7 percent of TANF recipients worked in unsubsidized jobs but worked fewer hours than required to satisfy current law work requirements. Even assuming that 28 percent of recipients can be counted toward the work participation requirements in H.R. 4090 because they are combining work and welfare, states would have to achieve a very large increase in the proportion of recipients participating in subsidized employment, work experience programs, and supervised community service programs to achieve the proposed participation rate standards. (It is also important

Instead of large-scale subsidized work or work experience programs, most states operate welfare-to-work programs that are focused on placing participants in unsubsidized private-sector employment. These programs generally require participants to conduct an intensive job search often in conjunction with "soft-skills" training and other job readiness activities. In keeping with recent research findings discussed below on the effectiveness of what is commonly referred to as a "mixed strategy" approach, a growing number of states are modifying their programs to combine an overall work emphasis with opportunities for pre-employment training and targeted vocational education. While work experience is often a component in these types of programs, it is typically used on a case-by-case basis, rather than as a one-size-fits-all activity for every participant who does not immediately find unsubsidized employment.

While evaluation studies that cover all 50 states and compare the effectiveness of all of the varying work program approaches are not available, the data that is available generally finds that states using strategies quite different from the particular program model the proposed legislation would mandate have been successful in helping large numbers of parents move from welfare-to-work. In fact, many states utilizing very different approaches have achieved rates of case load reduction and employment that equal or exceed national averages.

There is some evidence to suggest that the model mandated by the proposed legislation could be *less* effective than other state approaches. Washington State's recent decision to discontinue its work experience program is instructive on this point. The state's decision was based in part on results from a recent evaluation of the state's TANF program which found that work experience had no positive impact on participant earnings, while other activities—including jobs skills training, a paid transitional jobs program, and pre-employment training—all had positive impacts on earnings.[12] The pre-employment training program had the strongest earnings impacts, increasing quarterly earnings by $864. The work experience program did appear to increase employment rates somewhat, but other activities, including job skills training increased employment by a greater amount.

Of the programs evaluated in Washington State, only the work experience program and the paid transitional jobs program would appear to count toward the first 24 hours the proposed work rates.[13] Since the paid transitional jobs program is too expensive to operate on the large scale that would be required to meet the proposed rates, Washington State would have little choice but to resurrect a work experience program that it had previously discontinued because of poor results.

The model that would be dictated by the proposed legislation also runs counter to the growing state interest in tailoring work activities more closely to the needs of individual parents rather than being limited to a narrow set of work activities countable toward the work participation requirements. States want to move their work programs in this direction in part because of the substantial evidence that now exists about the extent of barriers to employment among the remaining TANF case load. By narrowing what counts toward meeting work requirements and diverting funding to that very limited set of activities, the proposed legislation will make it more difficult for states to invest in benefits and services that address the significant challenges that remain—helping the harder-to-employ move from welfare-to-work and helping recipients with persistently low wages qualify for higher-paying jobs. In fact, in February the National Governors' Association passed on a bipartisan basis a welfare reform policy that called on Congress to allow states to count a broader range of activities toward the work participation requirements.[14]

The Proposed Legislation Would Mandate an Approach that Runs Counter to Two Decades of Welfare Reform Research

The legislation would mandate an approach that falls outside of the mainstream of current state welfare-to-work approaches despite a lack of research evidence indicating that it would be more effective than other work programs that are evaluated over the last two decades. The clearest finding from this extensive body of research is that providing a range of employment and training services is the most effective

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to note that many of those currently combining work and welfare do not participation in work activities for a total of 40 hours each week and, thus, would not be countable toward the proposed requirement.)

[12] Marieka Klawitter, *Effects of WorkFirst Activities on Employment and Earnings*, University of Washington, September 2001.

[13] Washington State also places a substantial number of families in "community service", but this activity was not evaluated and appears to be defined in broader fashion than would be allowable under H.R. 4090.

[14] National Governors' Association, HR–36, Welfare Reform Policy.

welfare-to-work strategy, rather than the one-size-fits-all model that the H.R. 4090 would impose on states. The single most effective program in the recently completed 11-program National Evaluation of Welfare-to-Work Strategies (NEWWS)—a program that operated in Portland, Oregon in the mid-1990s—did not have a large-scale work experience component. Instead, the Portland program emphasized moving participants quickly into private sector jobs, while allowing for varied initial activities and establishing performance standards that encouraged case managers to help participants find jobs that paid well above the minimum wage and offered better long-term career opportunities.[15] Participants were more likely to find better-paying jobs that were full-time and provided employer-based health insurance than welfare participants in a control group.

Similarly, none of the programs that have been shown to measurably increase child well-being included work experience as a significant program component. Perhaps the most notable example is the Minnesota Family Investment Program (MFIP) demonstration, which increased child well-being (as measured by school performance and behavior), in addition to having strong positive impacts on employment, poverty, and marriage rates. MFIP achieved these outcomes despite placing fewer participants in work experience than in any other program component.[16] Minnesota has since adopted a statewide TANF program modeled on this demonstration program. Program administrators have said that the change proposed by the Administration would force them to shift away from this program model in spite of its unprecedented success.

Sweeping New Waiver Authority Is the Wrong Mechanism for Assuring Adequate State Flexibility

The Herger bill would allow the Secretaries of HHS and the Department of Labor to waive any program rule in *any* program operated through their agencies, with the exception of Medicaid (though it appears that states could seek waivers of SCHIP rules). A companion TANF reauthorization bill introduced by Rep. McKeon (R–CA), chairman of the subcommittee on 21st Century Competitives of the House Education and Workforce Committee (which has joint jurisdiction over some parts of the TANF program) also would include programs under the Secretary of Education in this "super waiver" proposal. Programs that could be affected include unemployment insurance, student loans and aid programs, federal support for K–12 education, job corps, head start, the public health service, and family planning programs. Some have cited this so-called super-waiver proposal as the answer to questions raised about the significant restraint on state flexibility included in the work-related sections of the proposal. (While the current proposal is limited to programs in these agencies, the Administration's original proposal was broader and House leaders have indicated that programs in other agencies will be added to the super-waiver proposal by other House committees.)

The super-waiver proposal does not limit the number of states that can be granted particular types of waivers nor does it impose any significant limitations on the types of rules states can apply to have waived, except that a waiver must not result in higher federal costs than would be incurred under standard federal law. This is in contrast to most current waiver provisions. For example, the Workforce Investment Act allows states to apply for waivers but prohibits waivers of federal worker protection and minimum wage laws. Moreover, unlike past waiver policies which allowed states to operate demonstration projects to test the efficacy of new initiatives or alternative approaches, there would be no requirement that these waivers have a research objective or even be subject to an independent evaluation. Rather than being designed to encourage states to test new approaches, this waiver policy simply would allow waivers of any program rule a state did not like.

The following are just some examples of the kinds of waivers which the Secretaries of these agencies would have authority to approve:

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[15] Fewer than 15 percent of participants participated in work experience in the Portland program. Significantly more participants were placed in basic education, vocational education, and job search. Susan Scrivener, Gayle Hamilton, et al., Manpower Demonstration Research Corporation, *Implementation, Participation Patterns, Costs, and Two-Year Impacts of the Portland (Oregon) Welfare-to-Work Program*, May 1998. The Portland program only used work experience on a individualized basis and program staff custom-designed positions based on participant's skills and interests.

[16] Over a 36-month period, less than six percent of longer-term recipients and about two percent of shorter-term recipients (new applicants when the program began) participated in on-the-job training or work experience. As in Portland, substantially more clients were placed in job search, vocational education, and other educational activities. Cynthia Miller, et al., Manpower Demonstration Research Corporation, *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*, September 2000.

- The Secretary of the Department of Education could waive any rules related to federal education funding, including formulas that direct resources to low-income children.
- The Secretary of HHS could approve a state waiver in which key federal TANF program rules are eliminated—including the maintenance-of-effort requirement, data reporting standards, or the requirement that states not sanction a parent that could not meet work requirements due to a lack of child care.
- HHS also could approve a waiver in which a state would be permitted to divert all of the resources it now devotes to activities to ensure that child care providers offer safe, high-quality care to other purposes. As child care budgets tighten due to heightened work requirements and frozen funding, states may be tempted to ignore the importance of the *quality* of child care services and wish to focus solely on placing as many children as possible in child care programs. Basic health and safety protections now required under federal law also could be waived.
- Waivers that transfer substantial resources from activities permissible under one program to entirely different programs also would be permissible. For example, the Secretaries of these agencies could approve waivers in which federal TANF funds are shifted to provide student aid to middle-income college students, to augment federal funding for public education, or employment and training programs for higher-income laid-off workers.
- The Herger bill also would appear to allow the Secretaries to waive other independent statutory and regulatory requirements applicable to programs within their jurisdiction, including minimum wage requirements, OSHA standards, and civil rights regulations. At a minimum, there is no language in the bill that would clearly prohibit waivers of these requirements. There also is little question that the Secretaries would be able to waive certain program-specific civil rights protections that provide greater protections than general civil rights law or that clarify the applicability of civil rights rules to specific programs. This would include section 188 of WIA which contains equal opportunity and nondiscrimination protections specific to WIA and 408(c) of TANF which provides that the Americans with Disabilities Act and Title VI of the Civil Rights Act of 1964 apply to TANF.

If programs under the jurisdiction of other agencies, the problems only compound. If programs under the Departments of Agriculture and Housing are included, for example, a state could apply for waivers that could dramatically reorder federal funding priorities involving billions of dollars and cutting across multiple programs.

The only statutory limitation, other than cost-neutrality, on these Secretaries' authority to approve waivers is that the state applying must show that the waiver would further the purposes of all of the programs involved. This language is so vague that a Secretary could determine that any state proposal met this test.

In short, this broad new waiver authority would mean that if a state and the administration agree that they do not approve of a statutory provision in TANF, public health programs, child care programs, education and training programs, or any other program within the jurisdictions of HHS and DoL, they can effectively exercise line-item veto power and have that rule waived. This would eliminate any assurance that Congress could establish any national standard or requirement in programs within HHS or DoL. If enacted, this waiver authority would represent an unprecedented abrogation of Congressional authority to establish funding priorities, set funding levels, and legislate program parameters. In transferring such authority to the Executive branch, this provision would allow any Administration to make, in conjunction with a state, unilateral policy decisions that Congress never would have agreed to within the legislative process.

Such broad waiver authority is not needed and could be very damaging. If there are particular areas within a program in which there is consensus that states should have more flexibility in establishing rules, those areas should be addressed in a targeted manner. For example, if there is consensus that states should have more latitude in the way they design their welfare-to-work programs, then the TANF statute should provide that flexibility. Similarly, if there are particular areas in which states should have more flexibility to align WIA and TANF rules, those areas should be identified and the statutes altered to provide that flexibility.

It also should be noted that the Herger bill would terminate welfare-related waiver programs currently operating in some 10 states. These waivers were granted prior to the enactment of TANF and states with such waivers were allowed to continue those programs, even if they conflicted with federal TANF rules, under the 1996 welfare law. It seems odd that while seeking to provide the Administration

and states with new ways to seek very broad waivers, that the bill would terminate those waivers already in place.

The Herger bill also would appear to allow the Secretaries to waive other independent statutory and regulatory requirements applicable to programs within their jurisdiction, including minimum wage requirements, OSHA standards, and civil rights regulations. At a minimum, there is no language in the bill that would clearly prohibit waivers of these requirements. There also is little question that the Secretaries would be able to waive certain program-specific civil rights protections that provide greater protections than general civil rights law or that clarify the applicability of civil rights rules to specific programs. This would include section 188 of WIA which contains equal opportunity and nondiscrimination protections specific to WIA and 408(c) of TANF which provides that the Americans with Disabilities Act and Title VI of the Civil Rights Act of 1964 apply to TANF.

The Child Support and Family Formation Provisions of the Administration's Plan

The proposed legislation makes several changes in the areas of child support and family formation.

- For current and former welfare recipients, states would be given a new option and new incentives to direct child support payments currently retained by states and the Federal Government to families. (Collections on behalf of current and former welfare recipients are often retained by the Federal Government and states as reimbursement for welfare costs.)
- The "illegitimacy reduction bonus" would be replaced with a "Healthy Marriage Promotion" competitive matching grant program. States would be able to use federal TANF funds to meet the state match requirement.
- An additional $100 million is diverted from the high performance bonus for use by the Secretary to fund further marriage promotion research, demonstrations, and technical assistance.
- The fourth purpose of TANF would be changed from "encourag[ing] the formation and maintenance of two-parent families" to "encourag[ing] the formation and maintenance of healthy, 2-parent married families, and encourag[ing] responsible fatherhood." States would be required to establish annual, specific plans and numerical performance goals to improve outcomes with respect to this purpose and the other three purposes of TANF.

Child Support Provisions are More Modest than Earlier House-Passed Legislation

There is strong evidence that non-custodial parents are more likely to pay child support if they know that the support goes to their children. Research has shown that when child support is passed through to families receiving welfare, the child support paid by noncustodial parents increases, welfare receipt declines, and children's financial well-being improves.[17]

The Herger bill includes two provisions that would help states to implement policies that increase the extent to which child support goes directly to children. The first provision would provide states with an option to direct delinquent child support payments collected by intercepting noncustodial parents' federal tax refund checks to the children of *former* welfare recipients. The second provision would help states to implement or enhance policies that direct a portion of child support payments collected from noncustodial parents of children *currently* receiving TANF to their children. Under current law, states and the Federal Government generally retain child payments made by noncustodial parents of children receiving TANF. While states already have the flexibility to pass through child support, if they exercise this option, they must still send the Federal Government its portion of any child support collected, making it an expensive option to take. The Herger bill would help states pay for the costs of providing up to the greater of $100 per month or $50 more than the current state "pass through" to families that receive TANF.

These provisions, while positive, are far more modest, than child support legislation sponsored by Representatives Nancy Johnson and Ben Cardin that passed the House of Representatives in 2000 with overwhelming bipartisan support.

- Within five years of enactment, the Johnson-Cardin bill would have required all states to direct intercepted federal tax refunds to former welfare recipients

[17] Vicki Turetsky, *Reauthorization Issues: Child Support Distribution*, Fact Sheet: "Early Findings from Wisconsin Experiment to Get More Child Support to Families," Center for Law and Social Policy, February 2002, http://www.clasp.org/pubs/childenforce/Early%20Findings%20from%20Wisconsin%20W.pdf.

who are owed past-due child support. A uniform national rule is preferable to a state option in this area for two reasons. It is more equitable than a state option—whether a child receives support should not depend on her or his state of residence. It also makes more sense given the additional complexities that would result in the interstate distribution of child support if states had varying rules in this area.

- The Johnson-Cardin legislation would have limited the requirement that families applying for welfare sign over to the state their right to collect unpaid child support that was owed to them *before* they applied for welfare. (The requirement that families turn over the support owed to them *while* receiving welfare is retained in both bills). The Herger bill leaves this requirement in place. The Johnson-Cardin approach recognizes that families who hold off from applying for welfare should not be penalizing by having to turn over child support that was owed to them before applying for welfare.
- The Johnson-Cardin bill placed a substantially higher limit on the amount of child support that states could pass through to current TANF families with financial support. Under the Johnson-Cardin bill, the Federal Government would help pay for the costs of providing up to $400 in child support to a family with one child receiving TANF. Johnson-Cardin also is more advantageous than the Administration's plan for states that had previously implemented a child support pass-through policy.[18]

Family Formation

There is substantial interest in developing programs that further reduce nonmarital births, foster and strengthen healthy two-parent families, and increase the proportion of children cared for by both parents. However, very little is known about what kinds of policies and programs could produce desirable results in these areas. (One exception is teenage pregnancy reduction, where a growing body of research points to successful strategies.)[19]

Unfortunately, both the Healthy Marriage Promotion competitive matching grant program and the additional research and demonstration funding proposed in H.R. 4090 are so narrowly focused that little would be learned about effective strategies for strengthening and improving child well-being under this proposal. In both cases, the Department of Health and Human Services (HHS) would be required to fund a narrow set projects including marriage promotion activities such as pro-marriage advertising campaigns, pre-marital education classes, marital counseling, and relationship strengthening.

Efforts to reduce teen pregnancy are notably absent from the list of projects that can be funded with these resources, despite research indicating that reducing teen pregnancy can be an effective means to reducing the number of children living in single-parent families. Also absent from the list of allowable uses of these funds are efforts to foster the involvement of noncustodial parents in the lives of their children, or to enhance the ability of noncustodial parents to pay child support could not be supported with these resources.[20] Because we know so little about what works in these areas, states should be allowed to use these funds to conduct a wide range of research and demonstrations that could reasonably be expected to have positive impacts on family formation.

Finally, there are two troubling aspects of the funding mechanism for these efforts. While we support eliminating the "illegitimacy bonus" which appears to have rewarded states that experienced falling nonmarital births unrelated to state efforts in this area, the high performance bonus should not be cut by 50 percent to fund

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[18] Currently, a number of states do pass through some child support—often $50—to families receiving TANF cash assistance. H.R. 4090 impacts these states differently from those that do not currently pass through any child support collections. In the states that currently pass-through child support, federal help would only be available in meeting the costs of *increasing* the pass-through above its current level. For example, if a state already had a $50 pass-through the plan would share in the costs of increasing the pass-through to $100, but not in the costs associated with the first $50 of the pass-through.

[19] See Isabel Sawhill, *What Can be Done to Reduce Teen Pregnancy and Out-of-Wedlock Births?*, The Brookings Institution, October 2001.

[20] Some of these activities could be funded through the fatherhood initiative included in the proposal. However, fatherhood funds cannot be used to fund employment services and the initiative is only authorized rather than actually being funded. In order to fund fatherhood projects outlined in this part of the Herger bill, the Appropriations Committee would have to appropriate resources for it. Moreover, the proposal would only authorize $20 million in funding annually for the fatherhood initiative, far less than the up to $300 million per year in federal TANF funds that could be spent on the marriage-related projects.

these efforts. The TANF program includes many fiscal penalty provisions, but the high performance bonus is the only TANF provision that rewards states for achieving better employment outcomes and increasing access to work supports. In addition, states should not be permitted to use federal TANF funds as the state match for the Healthy Marriage Promotion competitive matching grant program. If the Congress decides that additional resources should be allocated to such marriage-related proposals, states should be required to contribute new resources, rather than taking funds from existing TANF efforts, to participate in a competitive matching program for which they are receiving additional federal funds.

The Fiscal Implications of H.R. 4090

Despite increasing the participation rates that states must meet and hourly requirements that families must meet, while also requiring states to place substantially more parents in more expensive subsidized jobs or work experience programs, H.R. 4090 would freeze both TANF and child care funding for five years at the FY 2002 level. Even without the far more costly work participation requirements on states in H.R. 4090, freezing TANF and child care funding for five years would itself mean that most states would be unable to maintain their current welfare reform efforts.

The 1996 law based each state's TANF block grant level on its historical AFDC spending. Funding was not indexed for inflation. Data from the Treasury Department show that in FY 2001, states spent $18.5 billion a year on TANF—*$2 billion more* than the annual block grant level. States have been able to do this because they can tap unspent funds from the early years of the TANF program. Those funds, however, are dwindling quickly. Many states either have few remaining reserves of unspent funds from prior years or will be without any significant reserves at some point in the next couple of years. If funding remains frozen, many states will have to cut TANF services significantly, including supports for working poor families with children. Adding to this problem, the $16.5 billion will purchase less in services and benefits with each passing year, due to inflation. Since 1997, the block grant has lost 11.5 percent of its value—five more years of funding at the current level would mean that it would fall 22 percent below its value in 1997.

If the child care block grant is frozen, it would lose nearly 12 percent of its value by FY 2007 due to inflation. The cost of child care is comprised primarily of the salaries of child care workers. States will not be able to freeze the salaries of these workers for the next five years and, thus, as the cost of child care rises, states will be unable to maintain their current service levels without devoting increased state resources to child care or using larger amounts of TANF funds for child care, leaving even less in TANF for other purposes. It is likely that most states would be forced either to reduce the number of children served or increase the costs borne by low-income families by reducing the value of the subsidy. Thus, while most analysts agree that there remains large numbers of low-income families who need child care assistance in order to afford quality, stable child care, funding would be falling and states would not be able to maintain even their current child care programs.

The Herger bill includes a provision which would allow states to transfer up to 50 percent of its TANF funds to the child care block grant. Under current law, states can transfer up to 30 percent of TANF funds to the child care block grant but can spend an unlimited amount of TANF funds directly on child care. In fact, under current law, a state could choose to spend its entire TANF block grant on child care assistance. Thus, increasing the amount that can be transferred to the child care block grant provides no additional resources for child care.

New Work Requirements Would Be Costly

Under the proposed legislation, states would face a five-year freeze on TANF and child care block grant funding at the same time that the new federally-mandated work program structure substantially increased their work program and child care costs. An analysis by the Center for Law and Social policy of the Administration's work participation proposal—a proposal very similar to that in the Herger bill—estimates that states would need to spend an additional *$15 billion* between 2003 and 2007 to meet the Administration's work requirements. This figure includes $7 billion in additional work program costs and $8 billion in additional child care costs.[21]

States would face this combination of decreased "real" funding for TANF and child care and increased work program and child care costs at the very time their re-

[21] Mark Greenberg, et al., *At What Price? A Cost Analysis of the Administration's Temporary Assistance for Needy Families (TANF) Work Participation Proposal*, Center on Law and Social Policy, April 2002.

serves of unspent TANF funds from the program's early years were running out. Taken together, these factors would likely force most states to cut spending on TANF-funded programs that support low-income working families who do not receive cash assistance, since the bulk of state TANF spending outside of the traditional welfare system is dedicated to providing supports to these families.

If states are forced to scale back supports such as child care for low-income working families, programs designed to help welfare recipients find and retain jobs may be much less successful. If a parent finds a job and leaves welfare but does not have access to child care, transportation or wage supplements—supports that states now fund with TANF and child care block grant funds—the parent is less likely to retain the job and remain off welfare.

Bill Would be Especially Problematic for States With Low TANF Funding Levels

The fiscal implications of H.R. 4090 would be especially problematic in the large number of states with very low TANF block grant allocations relative to their needy populations. In fiscal year 2001, eight states received less than $600 in block grant funding per-poor child—the national average is about $1200 per-poor child—and another 13 states received less than $900 per-poor child. (These figures include additional TANF funds provided in "supplemental grants"—designed in part to provide additional funding for underfunded states). These underfunded states would likely have even greater difficulty than most states in summoning the resources necessary to create large subsidized job or work experience programs.

Bill Also Would Weaken the Maintenance-of-Effort Requirement

In addition to freezing federal funding, the Herger bill would weaken the current maintenance-of-effort requirement (MOE) which requires states to spend a certain level of their own resources in order to be eligible for the TANF block grant. Under current law, only state spending on needy families can count toward the maintenance-of-effort requirement. The Herger bill would allow state spending on activities related to reducing nonmarital pregnancies or promoting marriage that are not targeted on low-income families to be counted toward the MOE requirement. States already have the ability to spend federal TANF funds on pregnancy prevention and marriage-related programs for non-needy families. Thus, there are ample resources available if states are interested in funding such efforts. The practical effect of the Herger proposal will be that states will be able to count spending on efforts they are already making that serve these purposes and then reduce the amount of resources they spend on TANF-related programs.

For example, suppose a state has been operating for the past five years a mediation program through its court system to try to reduce divorce rates and the program is available to all couples contemplating divorce. This program was established without any consideration of the TANF statute. Under the Herger bill, the state could now count the entire cost of this program toward its maintenance-of-effort requirement, enabling it to withdraw state resources it currently spends on low-income programs to meet the MOE requirement.

Strengthening Work and Families: An Alternative to the Chairman's Plan

There is a better alternative to mandating a top-down approach that would force states to replace their current work programs with more costly and less effective programs that could, in some cases, become "make-work" programs. A better and equally work-focused alternative plan would push states to address the remaining challenges of welfare reform by drawing on lessons from the extensive base of welfare reform research and building on current successful state-based approaches.

Reward States for Putting Parents in Jobs: The case load reduction credit should be replaced with a mechanism that gives states credit toward the work rates when a family leaves welfare for work. The case load credit wrongly rewards states for case load decline, even if it is achieved in the absence of work. Instead, states should get credit based on the number of families that leave welfare for work. This approach would send a far more positive signal to states—it would recognize that states should be rewarded for their programs' successes, namely, the families that have left welfare for work. To provide an additional incentive to keep families employed after they leave welfare, states should continue to get credit for families for six to 12 months after they leave if employment is maintained. States also should get "extra credit" for placing families in higher-paying jobs.

Increase States' Ability to Focus on Helping Parents Find Better-Paying, More Secure Jobs: Additional steps need to be taken to help families get better jobs. States should be given broader flexibility to allow parents to participate in vocational educational programs that could help recipients improve their skills and secure more

stable employment. In addition to the NEWWS evaluation findings, there is growing evidence that carefully designed educational programs can have a substantial impact on earnings. Maine's Parents-as-Scholars program, which allows participation in vocational education, including post-secondary education, for more than 12 months, is one example. Wage rates for Parents-as-Scholars participants jumped by nearly 50 percent—from about $8.00 an hour prior to entering to program to nearly $12.00 an hour after program completion.[22] In spite of its proven success, Maine is not able to use federal TANF dollars to operate the Parents-as-Scholars program because participants would not count toward TANF work rates given the current 12-month limitation on vocational education.

Help Parents with Work Barriers Succeed in the Labor Market: States need more flexibility and support in working with families with barriers to employment. States should be encouraged—not discouraged—to identify parents that have significant barriers to employment and work with those parents to overcome those conditions and move toward employment. At the very least, states should be allowed to count families that they place in barrier-removal activities toward the work participation requirements without any arbitrary limits. As noted above, the proposal to allow certain barrier removal activities to count for three consecutive months in any 24-month period is not a significant improvement on current policy.

Families with barriers would also be helped by improvements in sanction policies. A growing number of rigorous studies conducted by or for states have found that sanctioned families are more likely to have serious barriers to employment than families that leave for other reasons. A pre-sanction review process—in which families are contacted *prior* to the sanction, screened and assessed for barriers that may have hindered families ability to meet work requirements, and provided with services to address any barriers identified—would help improve compliance with work rules and ensure that participants are receiving the right types of employment services.

Provide Additional State Flexibility to Make Work Pay: One of the most important research findings from the past few years pertains to the importance of earnings supplement policies in "making work pay." Since the early 1990's, nearly all states have adopted policies that allow families to keep a share of their welfare benefits as a wage supplement. These supplements remain quite modest—in the most states they are eliminated before a family's earnings reach 75 percent of the poverty line—but help ensure that a family is actually better off by working. Unfortunately, such supplements count against the federal time limit even though families must be working to receive them. This helps explain an unanticipated finding from states that have studied the effects of their time limit policies—that a majority of families who are terminated due to time limits are working prior to their termination. The families terminated due to time limits in these states tend to have lower wages, educational levels, and higher poverty rates than families leaving welfare for other reasons. States that decide to provide wage supplements to working families like these should be able to do so without applying the federal time limit.

Extend Work-Based Reforms to Low-Income Fathers: While TANF has helped boost employment rates for single mothers, more needs to be done to improve employment outcomes for disadvantaged fathers. The employment rates and labor force participation of young black men with a high school degree or less actually fell in the 1990s, even as employment outcomes for young black women improved.[23] The Federal Government should provide states with incentives to extend employment services and other necessary services to low-income fathers. States can currently serve low-income non-custodial parents with TANF funds, but existing programs are limited. States should be allowed to count low-income fathers of TANF children toward their TANF work rates if the fathers are receiving TANF-funded employment services. This would provide states with an incentive to extend TANF-funded employment services to more low-income fathers. States also should be given one-time federal grants to develop programmatic recommendations to extend employment services to low-income fathers and enhance program coordination among programs that work with low-income fathers, including child support, employment, and criminal justice programs.

Allow States to Bring Legal Immigrant Families into their TANF Work Programs: States should also be allowed to bring recent legal immigrant families into their federally-funded TANF work programs. About one in four low-wage workers with chil-

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[22] Rebekah J. Smith, Luisa S. Duprez, and Sandra S. Butler, *Parents as Scholars: Education Works*, March 2001.

[23] Paul Offner and Harry Holzer, *Left Behind in the Labor Market: Recent Employment Trends Among Young Black Men*, Center on Urban and Metropolitan Policy, The Brookings Institution, April 2002.

dren is a immigrant and most of the children in these families are U.S. citizens. A significant share of these low-wage legal immigrant workers are excluded from the federally-funded TANF program because they have lived in the United States for less than five years.[24] In fact, recent legal immigrants are the only significant group of low-wage workers that states are prohibited from serving (aside from families that have received welfare for more than 60 months, but states have flexibility to provide hardship exemptions to families after 60 months).

Legal immigrant families are not only ineligible for TANF-funded cash assistance, but also for TANF-funded work supports and services such as child care, transportation, job training, and English-language instruction. Opponents of state flexibility to serve legal immigrants claim that a five-year eligibility ban is needed to prevent welfare dependency among legal immigrants. However, TANF already provides ample safeguards against welfare dependency, including mandatory work requirements and a five-year limit on assistance. These restrictions apply regardless of immigration status. It isn't clear why a complete eligibility ban—a drastic additional protection against dependency that does not apply to long-term immigrants or to citizens—is necessary for legal immigrants during their first five years in the United States. The Administration also suggests that an eligibility ban is necessary because benefits may induce legal immigrant to migrate to the United States for welfare benefits—the so-called "magnet effect"—even though recent social science research finds no evidence to support the magnet effect hypothesis[25] and some of the staunchest proponents of immigrant restrictions agree there is no magnet effect.[26]

Provide Adequate Funding for States to Operate Effective Work Programs: Finally, if states are to maintain their existing work support system, expand services to more low-income fathers, and make further progress on the challenges that remain, they will need to have an adequate long-term funding base. The TANF block grant should be adjusted to keep pace with inflation. Funding for the Child Care and Development Block Grant also should be increased so states can provide subsidies to a greater portion of eligible families.

Two final issues that arise from the current-law funding structure also need to be addressed. As discussed above, large number of states have very low TANF block grant allocations relative to their needy populations. Reauthorization legislation should allocate additional funding beyond the level currently provided in the supplemental grants—and in H.R. 4090 which would freeze the supplemental grants at their current level—to increase funding levels in these underfunded states. The TANF program also lacks an adequate mechanism for providing states with additional resources for recessions. H.R. 4090 would reauthorize the current contingency fund, but far more substantial modifications are needed than are included in the bill to ensure that states have adequate resources during a downturn.

Thank you for inviting me to testify today. TANF reauthorization represents an opportunity to build on the successes of the last six years to ensure that poor families with children can succeed in the labor market. Reauthorization legislation should take a work-focused approach that recognizes both the strengths of current state welfare-to-work efforts, addresses those areas in which more could be done to help parents overcome barriers and find jobs that can support their families, and provides the resources necessary for states to operate effective programs.

Chairman HERGER. Thank you very much, Mr. Primus. That is our goal and hopefully when it finally comes up, we end up that way. Mr. Turner, now we turn to you to testify. Mr. Turner.

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[24] According to the Urban Institute, some 3 million legal immigrants—about one-third of all legal permanent residents in the country—have been in the United States for five years or less.

[25] See Neeraj Kaushal, *New Immigrants' Location Choices: Magnets without Welfare*, CUNY Graduate Center Working Paper (2002); Madeline Zavodny, *Welfare and the Location Choices of New Immigrants*, Economic Review, Federal Reserve Bank of Dallas (1997); and Madeline Zavodny, *Determinants of Recent Immigrants' Locational Choices*, Federal Reserve Bank of Atlanta, Working Paper 98–3 (1998).

[26] See Comments of U.S. Representative Tom Tancredo and Comments of Daniel Stein, Executive Director of the Federation for Immigration Reform, transcript from Brookings Institution forum on legal immigrants and welfare, February 22, 2002, http://www.brookings.edu/dybdocroot/comm/transcripts/20020228.htm.

STATEMENT OF JASON A. TURNER, DIRECTOR, CENTER FOR SELF-SUFFICIENCY, MILWAUKEE, WISCONSIN

Mr. TURNER. Thank you very much, Mr. Chairman. Mr. Chairman, there has been much discussion this afternoon on the relative roles of the various levels of government in welfare reform. I have had the privilege and honor working as the Federal Director of the Aid to Families with Dependant Children program in the first Bush Administration at HHS, then as a State official leading the planning group that led to recommendations that became—that Governor Thompson made into many of his reforms. Finally, I had the honor of working for Mayor Giuliani as a local official as the Commissioner of the Human Resources Administration, and in that role managed about 7 percent of the national welfare case load. As an official of these three levels of government, I would like to say, Mr. Chairman, that your bill and the President's bill contains objectives which can be met in every State.

Moreover, I could meet these objectives in New York City with less money than has been in the current TANF program because of the very significant case load reductions that have been achieved, freeing up lots of money that used to be spent on cash benefits for services.

Finally, as a State and Local Administrator, I wish to make it clear that strong national work requirements are successful for local administrators to have the authority to move forward and get the kinds of cooperation and support they need at the State and local level for strong programs.

Surprisingly, given the goals of TANF, the proportion of adults who are actually engaged in constructive activities leading to employment is very low, as Mr. Mead said in his own testimony. For example, excluding those who are working in a job while they are also receiving welfare, only one in five welfare recipients are doing any constructive activity, let alone sufficient activity that is going to lead them into employment. Your bill, which requires a combination of 24 hours of work-like activity and 16 hours of very flexible activity, strikes the right balance between mandates for actual work-like employment activity and a level of effort by the individual recipient, on the one hand, and a State ability to design its own program, on the other.

I want to also reiterate what some of my colleagues have said as it relates to the ability to draw in under the existing federal rules people that are sitting out and staying at home and not doing any kind of work activity or any other activity.

In New York City, as a commissioner, I had at any given time between 37,000 and 45,000 individuals, adults, who had been asked to come in and participate in a work program who refused to do so and continued to receive almost all of their benefits while they sat at home. There is very little I can do as a commissioner, or any commissioner can do, under circumstances in which federal law permits almost all of the money that goes through the welfare program to continue to go to individuals who are not willing to help themselves. What we need is what is called the full check sanction that connects the benefit, the welfare benefit with the obligation to go into a work assignment, much the way in a real job when you do not show up to work, you do not get paid, and that helps you

show up to work. We have to move away from a work suggestion program into a work requirement program.

Finally, I would like to say there is plenty of money in this bill for child care and other requirements that are necessary in order for us to have a successful program that moves large numbers of individuals into employment. Lastly—I will save my last comment for the question-and-answer period. Thank you.

[The prepared statement of Mr. Turner follows:]

Statement of Jason A. Turner, Director, Center for Self-Sufficiency, Milwaukee, Wisconsin

Greetings to Members of the Committee:

Thank you for this opportunity to testify.

SUMMARY POINTS OF TESTIMONY

In the discussion below we will make three arguments as follows:

- The reauthorized bill should include strengthened work requirements. These requirements are essential to transforming the meaning of welfare away from a cash entitlement, and to maximizing the rate of movement into and up within the private labor force. The work requirement rates in current law are obsolete and have been overtaken by events. The President's proposal, as modified by Chairman Herger's Personal Responsibility, Work, and Family Promotion Act of 2002, sets us in the right direction.
- Many state programs are unable to engage individuals in constructive activities because adults under current law can ignore the requirement to participate and continue to receive most of their welfare benefits. This undermines the ability of these programs to reach out and bring in those most in need of the services. The solution is to assure that the entire welfare check is made contingent upon acceptance of the obligation to participate in constructive activities (full check sanction), much the way a wage is contingent upon showing up to work.
- The budget for the reauthorized TANF program can be reduced by ten percent without adversely affecting any essential aspect of the program, including the provision of child care for working families, and would in many respects result in improvements in the effectiveness of the service delivery system.

WORK REQUIREMENTS NEED TO BE STRENGTHENED

The TANF program has been extraordinarily successful at reducing the case load and moving individuals into employment, as we have seen above. State programs have achieved this by instituting good up-front job search programs in what is termed as a "Work First" approach. Experimental research over the past decade and a half, influential among the drafters of the current law, had revealed that education and training alone is less effective at helping individuals succeed in the private labor market than early entry into employment if feasible, where on-the-job learning can help individuals move up the employment ladder faster than holding them out of the labor market for classroom instruction. Most often actual work can be combined with education and training in a more effective combination than either one alone.

From this "Work First" orientation, our experience has shown further that for those unable to find immediate private employment, either full or part time, the next best alternative usually includes some work experience as a core part, although not the only part, of an overall schedule and effort resulting in employment. This is especially true for those without extensive prior work history.

There are two key components which together influence the effectiveness of welfare-to-work programs under TANF. One component is the number of hours of activity required of a participant, which is a measure of his or her effort. The second is the overall proportion of individuals engaged in such activities, which is a measure of the breadth and reach of the program. Both components, the intensity and the breadth of program participation, are important to the overall effectiveness of the program. The authors of the current TANF program clearly intended that both program intensity and program breadth be the focus, and they did so by setting meaningful levels of weekly work requirements (measured in hours), and participation rates (measured by the proportion of adults actually engaged in the activity).

Surprisingly, given the goals of TANF, the proportion of adults engaged in constructive activities leading to employment, is quite low, once those who are already employed while on welfare are excluded. Although over 40 percent of the adult case load in the average state is involved in some required activity, nearly 70 percent of these are in unsubsidized employment; i.e., they are collecting welfare while working at a regular job. This is, of course, good as far as it goes. But for the remainder, i.e. those not working and still receiving benefits, current law has done little to encourage states to constructively engage this group. For example, excluding those who are working in a job at the same time they are receiving welfare benefits, of the rest only on in five adults are *doing any* constructive activity leading to work.[1]

In order for the TANF program to make significant continued progress at helping adult recipients achieve financial independence, it will have to find ways to get states to engage a far larger proportion of the adult population than is being served under the current program. A major management commitment is necessary to mount a large and ongoing program for a high proportion of recipients, and although the policy makers who drafted the TANF program may have anticipated that most recipients would be involved in welfare-to-work activities, implementation by states has simply not produced this result.

The President's TANF reauthorization proposal, *Working Toward Independence,* (as modified by Chairman Herger's bill), moves us in the right direction toward the next level of reform by focusing state programs on increasing the level of effort made by individuals in the program, and by increasing the program's breadth and reach. It does this while retaining the state operational flexibility inherent in the TANF program.

The President's plan as modified by Chairman Herger (hereafter PRWFPA 2002), sets a 40 hour week as the standard for welfare-to-work activity, which is an increase from 30 hours per week under current law (or 20 for single parents of children under 6). The 40 hour week is comparable to the time commitment necessary in a full-time job. Unlike current law, however, which measures only participant time spent in work-like activities such as subsidized employment and work experience, the President's plan divides required activity into two parts—work-like activity for 24 hours per week (i.e. three-day equivalent) and state-flexible activity for the other 16 hours. This is intended to give states the flexibility they need to blend other program components into the week to maximize its effectiveness, such as education, training, substance abuse treatment, and job search.

In addition to moving to a higher level of participant weekly commitment, the PRWFPA 2002 bill intends to increase the proportion of individuals actually engaged in welfare-to-work activities by increasing the state required participation rate to 70% from its current 50%, while making certain adjustments (the case load reduction credits) to make it easier for states to achieve.

Are the state work requirements as outlined in the President's plan realistic and achievable for the majority of states? Absolutely!

States have already shown from the current legislation that they are capable of designing programs to meet federal performance targets when challenged to do so. The President's plan sets important targets, but leaves the bulk of the operational decision-making to state policy makers.

Both former Governor Thompson of Wisconsin and Mayor Giuliani of New York City have designed and operated large-scale welfare-to-work programs as originally envisioned by the authors of PWRORA, and as likely to be achieved in practice under the President's bill (with certain suggested modifications). Both Wisconsin and New York share the aspiration to run full-week programs with high levels of required participation. Some of the practical fundamentals of operating such programs are outlined below:

Welfare-to-work programs should constitute genuine practice for private employment.

- The program should operate on a standard full-time workweek which conforms to the expectations of private employment. This allows participants to practice organizing their lives around a realistic work schedule of eight hour work days and five day work weeks;
- Real work should be made part of the weekly activity. The pride and satisfaction of successfully mastering work tasks often results in a big psychological lift and translates into confidence in the search for private employment;

[1] HHS, *Temporary Assistance for Needy Families Program, Third Annual Report to Congress;* August 2000.

- Work assignments must include close supervision and regular feedback. Those who lack work histories are often not familiar with workplace norms of professionalism and conduct, and frequently find it difficult to submit or supervisory authority or get along with co-workers. Good supervisors who agree to make part of their task the acculturation of participants play a large role in the success of their charges.
- There must be swift consequences for non-attendance without cause. The notion of such consequences can be a new and ultimately constructive experience for those used to being involved in a bureaucratic welfare system in which not much changes. Thus, the importance of reliability must be taught, and for this to occur benefits must be closely tied to attendance.

High levels of required and ongoing participation best allows for the goal of replacing cash assistance with work. Welfare-to-work activities which become part of an ongoing obligation as a condition of receipt of welfare, allow for an ever-present option for those rotating in and out of the labor market. It can operate much like an accordion, expanding and contracting to accommodate those out of the labor force, while keeping work habits and skills in good repair.

Required ongoing participant activity probably exerts its greatest net case load impact at the time of enrollment. Where participation in welfare-to-work programs has been required of applicants who do not find private employment within a certain period of time, the number of actual slots used by participants is almost always far fewer than anticipated. Fewer slots are necessary because individuals who know they must engage in work in exchange for benefits frequently elect not to enroll in the program in the first place. Instead, they find immediate employment or increase their hours in existing part-time employment.

Universal work programs require work slots for individuals of all capabilities. Having a near-universal expectation of work helps change the culture of the system and channels the energy of recipients in a constructive direction away from attempting to qualify for exemptions.

Sanction policies play a large role in achieving high levels of participation. High non-participation rates are a feature of most mandatory programs. In Wisconsin, where the Wisconsin Works program pays cash benefits only to those who first participate in work activities, compliance by definition is high. However, in states like New York that do not use a version of full-check sanction for non-participation, a large proportion of families may accept a lower TANF payment rather than engage in work.

High turnover rates present management problems but lower the number of required work slots. The high turnover rate has at least two causes. One cause is that those who reliably participate in their work assignments, even for short periods, find they can obtain private employment. Fully half of all individuals who participated in New York's work experience program for any period during the first quarter of 2000 found employment the same calendar year. In addition, normal case load dynamics in which recipients leave the rolls further increases turnover. The high work experience turnover rate means that far fewer actual slots are needed to run a universal program than would otherwise be required.

In conclusion, managing a large-scale welfare-to-work program is both practical and necessary to achieving true welfare reform. The President's plan, with modifications, sets us in the right direction.

THE CURRENT LAW DOES NOT PROVIDE ADEQUATE INCENTIVE FOR RECIPIENTS TO ENGAGE IN WELFARE-TO-WORK ACTIVITIES

Under the goals and objectives laid out in the President's and Chairman's bill which would result in near-universal engagement in constructive activities by adults on welfare, there will come a point beyond which states will be unable to make progress under provisions of current federal law. The reason for this is that there is currently no federal requirement that cash benefits be connected to an obligation to participate. Only a small portion of the overall cash benefit is affected by non-participation in about half the country. As a result, individuals who refuse offers to participate cannot be induced to enroll and remain outside the ability of states to help them move to self-sufficiency.

As an example from New York City, as of December 2001, there were literally no more individuals left that the welfare agency had not called into its welfare-to-work program. Yet tens of thousands of individuals were at home having refused to cooperate, and were therefore outside the ability of the program to help.

It is essential that a true work program include a connection between the receipt of benefits and positive participation. Those without a work history need to practice work-like habits such as routine and reliability. The connection between benefits

and work effort is an essential part of the learning process. If we don't have it, states are running a voluntary program without the name. The solution is to adopt a version of a full check sanction for non-participation.

A TEN PERCENT REDUCTION IN THE BUDGET ALLOCATED TO THE TANF BLOCK GRANT CAN EASILY BE ACCOMMODATED WITHOUT CONSTRAINING THE PROGRAM'S EFFECTIVENESS

There is far more money available for welfare-to-work expenditures than ever before because about half of the prior expenditures on benefits are no longer required as a result of case load reductions. This of course is a good development overall, and accommodates increased spending per remaining adult recipient, as well as permitting more funds to be dedicated to child care for working families, and other such supports.

However, we may be reaching a point where the plentiful availability of resources may begin to be counterproductive. The excess liquidity in the TANF system can result in programs being less efficient and effective than they otherwise might be if careful use of resources remains a budget necessity. For example, in New York City we now spend about ten times the amount per remaining recipient on welfare-to-work services (of all kinds, including child care and substance abuse treatment) as compared to prior to the passage of TANF, even though case loads are about 60% lower (not ten times lower). This anomaly occurs because benefit payments represented the overwhelming proportion of total welfare spending in the pre-TANF era.

The significant increase in available funds has resulted in enormous pressure for states to find ways to spend or obligate funds. In a ten-state study published about six months ago, the General Accounting Office found that of ten states studied, five had used between fifteen and twenty five percent of their TANF funds to supplant state spending.[2] Moreover, even with the pressure to expend funds, as recently as the first half of fiscal 2001 states as a group were spending at a rate equal to only 91% of their available block and supplemental TANF grants[3] (states have now caught up and are spending at a rate slightly higher than that available through annual grants).[4]

Another way to see the increase in available resources as a result of the case load decline is to consider that from FY 1998 to FY2001, spending on cash assistance declined from 61% of total TANF expenditures to 38%. As a result, significant amounts of funds have been freed up for other uses. However, even counting all the 2001 spending on basic TANF related functions—i.e. for cash assistance; for welfare and working family child care; for education, training and work experience; for state supplements to the EITC; for computers and administration; and for all other direct work supports—there still remained 23% of the TANF block grant which was available and re-programmed for other uses, according to calculations made by the Center for Budget and Policy Priorities.[5]

The result of excess liquidity in the TANF program means, for a state and local administrator, pressure to spend money in ways they might not otherwise deem wise. Some state and local administrators have had difficulty extracting the best value from employment and training vendors.

As of the end of the last fiscal year 7.4 billion dollars in federal funds remained as unobligated or unliquidated from the TANF block grant, or an accumulation rate of about 1.5 billion per year (unliquidated funds may have been committed, see footnote). A ten percent reduction would take out about 1.7 billion dollars per year in the amount of federal funds otherwise available, or an amount not much greater than the excess which has accumulated each year.[6]

Nor is there a shortage of child care funding. For FY 2002 the total federal share of child care funds through the CCDF, TANF and SSBG equals a very generous $8.7

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[2] GAO–01–828, *Welfare Revorm—Challenges in Maintaining a federal-State Fiscal Partnership;* 9/01; p.13.

[3] *Analysis of TANF Spending through the Middle of Federal Fiscal Year 2001*; Center on Budget and Policy Priorities; 9/01; p.13.

[4] *TANF Spending in Federal Fiscal Year 2001;* Center on Budget and Policy Priorities; 3/27/02; p.6.

[5] *TANF Spending in Federal Fiscal Year 2001;* Center on Budget and Policy Priorities; 3/27/02; p.2.

[6] Not all the funds designated as unliquidated are available for reprogramming. As the term is used by states, unliquidated funds may mean funds committed (e.g. per a contract) but not yet spent, or it may mean funds designated for future use by the state or its counties, but not yet programmed. Of the $7.4 billion in federal funds not used by states and accumulated as of the end of the fiscal year, states characterized $4.9 billion of that amount as unliquidated.

billion. To this add the state shares under TANF and CCDF for a combined total of $11.7 billion. This amount does not account for children being cared for while participating in Head Start (another $6.5 billion)[7]

But even these figures underestimate the amount of federal resources devoted to supporting children in care arrangements. The dependent care tax credit subsidizes child care in an amount in excess of $2.6 billion (1998) per year.[8] Moreover the two largest tax programs which help support children, the Earned Income Tax Credit and the Child Tax Credit, dwarf all other programs combined. The refundable EITC, originally conceived as one way to help low-income working families better manage the expenses of working (including the expense of child care), contributes over $30 billion to families per year. Finally, the child tax credit contributes over $20 billion to families.

The two systems, the direct subsidy system and the tax system, work together, with welfare parents and entry level employed adults relying more on direct subsidies, and low and middle income working families utilizing the tax subsidies to a greater extent.

Thirty-two states have no waiting lists for CCDF child care. Of those remaining that do, these states tend to have state criteria which extends eligibility way up into the middle class (e.g. California with a maximum income limit of $35,100, New Jersey at $36,570 and No. Carolina at $34,224).[9] For those well into the middle class, states may wish to assure parents are utilizing the tax subsidy system while reserving its direct subsidies for its lower income families.

Finally, experience shows that child care waiting lists, particularly in large cities, are not always accurate. Maintaining lists is often complicated and bureaucratic. When New York City carefully went through its extensive waiting list, it found far fewer families actually needing child care than was implied by the size of the list. Reasons for this included the following:

- Many families on the waiting list or receiving child care subsidies no longer needed them because the child was no longer living with the family.
- Some previously eligible for care for reasons of work or program participation were no longer engaged in the activity which provided their eligibility.
- Some families were receiving one kind of child care subsidy, but were looking for another kind of care, e.g. a particular center.
- Some families had placed their names several times on one or more lists.
- Child care vendors receiving fixed amounts to make available a certain numbers of slots had turnover vacancies unknown and not listed in the city inventory, thereby undercounting the amount of child care available and paid for.

In conclusion, the tremendous success of PWRORA at helping families achieve self-sufficiency has reduced the level of state and local funds necessary to provide benefit payments. The federal taxpayer should participate in at least some of this success in the form of reduced contributions to the TANF block grant.

Chairman HERGER. Thank you, Mr. Turner. Now we will turn to questioning, and the gentleman from Pennsylvania will inquire.

Mr. ENGLISH. I want to thank all of you for testifying. This is really an extraordinary panel and one which distills a great deal of experience and, I think, a very broad perspective across the political spectrum.

Starting with you, Mr. Turner, I am struck by the emphasis in your testimony on the importance of full check sanctions. Now in your practical experience, what kind of impact has full check sanctions had on welfare rolls?

Mr. TURNER. Well, thank you for asking that question. In Wisconsin, where Governor Thompson instituted a program in which the only way to get benefits was to participate in a constructive activity, what we found was that many individuals seeing that by enrolling in the Wisconsin work program, they would be participating in what amounted to a full work week, ended up making the deci-

[7] Source: HHS.
[8] Source: 2000 Green Book.
[9] Information based on state child care plans submitted to and compiled by HHS, 3/19/02.

sion themselves to go right into private employment. Much of the constructive case load reduction activity and increases in employment had to do with people making their own decisions to go right to work.

In fact, it is almost always easier to help someone get a job before they enter the welfare system than it is once they become dependent for an extended period of time. So, having the full check sanction provision, a provision that can enforce, require, and make constructive activity an integral part of being on welfare, that is an essential aspect of an effective program which will continue to move people to employment.

Mr. ENGLISH. Mr. Primus, you are here testifying today as an advocate of State flexibility, which I find refreshing. Let me just say, you have always been a very principal advocate on these issues. From the standpoint of State flexibility, very briefly, do you feel that full check sanction is something that intrudes on State flexibility?

Mr. PRIMUS. In our comments to the administration about welfare reform, we did not suggest that the ability of States to do full sanctions be taken away or limited. However, mandatory full check sanctions would be an intrusion on State flexibility. What we were primarily concerned about is that recipients understand the requirements that are expected of them and know why they are being sanctioned. That is why we basically advocated for something that was being done by Governor Sundquist, a former Member of this Committee, and by no means a liberal, and would mandate other States follow what is a very good conciliation process in the State of Tennessee.

Mr. ENGLISH. Mr. Rector, I know your foundation has done a great deal of research on this subject. Looking from a broader perspective, have you seen evidence that full check sanction works significantly in providing incentives that reduce the rolls and bring people back into the workforce?

Mr. RECTOR. Yes. Full check sanction is the strongest variable that you can find in determining the level of case load reduction in a State. A State that has a full check sanction system will have a rate of case load reduction three times higher than the States that do not. What you are finding is an increasing share of the national TANF case load is now clustered in the 12 or so States that do not have a full check sanction because they simply have people sitting there doing nothing. Those 12 States now comprise over half of the TANF case load.

Now a critic would say, well, of course, you can get greater case load reduction when you throw people off the rolls. That is not what a sanction does. What a full check sanction does is it communicates that this a real work requirement, it is not a work suggestion. This is for real. The recipient does have to come in to the welfare office. I sat in welfare offices in many different States, and before the 1996 reform, and before full check sanction, the typical experience would be that you would send out letter after letter after letter asking people to come in and engage in job search, in training, anything, and they would never respond. Once you have a full check sanction in place, then you get their attention, then they come in. Then you are simulating a real work environment. This

is actually—and I don't mean this facetiously—this is the most compassionate thing to do, because creating a pseudo reality where they continue to get payments even if they are not behaving in a constructive manner only delays their path toward self-sufficiency.

Mr. ENGLISH. Finally, Mr. Mead, I read your testimony as also being supportive of this kind of a policy. What has your research found? What can you add, listening to the testimony of some of the other panelists?

Mr. MEAD. I did an analysis like the one Bob Rector described. Actually, I used some of his data to do it and introduced additional variables. I also found that the full check sanction was a very powerful determinant of the rate of case load fall for a State in the recent period. That was not true earlier when sanctions were not as strong. Under TANF, it is very clear that the sanction power is a major determinant of whether States are driving the rolls down.

I also would concur in the idea that often recipients misunderstand a partial sanction. They do not understand what is occurring. They often think their grant has simply been recalculated. They do not understand that they are violating an obligation. When you turn off the entire grant, they call up their case worker and ask what is going on, and then they find out. Then some leave. So, it gets the message across.

Chairman HERGER. The gentleman's time has expired. Now the gentleman from Maryland, Mr. Cardin, to inquire.

Mr. CARDIN. Thank you, Mr. Chairman. Mr. Williams, I appreciate in your written statement pointing out the fact that the Congressional Budget Office has indicated that TANF expenditures have exceeded authorized funding levels by $2 billion. You cite that in support of the provision that is in my bill that allows for an annual inflationary increase, and I appreciate that.

I notice also in your testimony you point out the concern on the case load credit and would ask us to move toward an employment credit and other things you are suggesting in the legislation. So, Mr. Chairman, we now have the American Public Human Services Association, the Conference of Mayors, NCSL, NGA, all asking that we make changes in the legislation that has been filed. I hope we will listen to their concerns because these are the people that have to implement the laws that we are going to be passing here. They all disagree with Mr. Turner in his assessment that not only is everything fine but the funding could actually be reduced. I think that is something that we need to really take into consideration.

Mr. Rector, I very much appreciate your direct justification for federal mandates and regulations since it is our money. It is a very direct point and one that has been rejected by the Bush administration and been rejected by both the Republicans and Democrats here in our commitment to give the States the flexibility that they need in order to accomplish the objective.

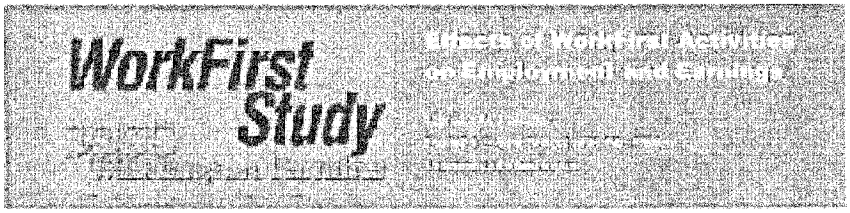
I think Democrats and Republicans both trust the States to do the right thing, which leads me to a question to Mr. Primus, and that is that Secretary Thompson testified earlier today in response to a question from the Chair that the Administration's bill gives additional flexibility to the States, that they have more opportunities and less restrictions than under current law. Do you agree with that assessment?

Mr. PRIMUS. No, I do not agree at all with that assessment. I think I heard Secretary Thompson many times and when he talks about increased flexibility, he is really talking about the last 16 hours. For a mother to count at all in terms of meeting the 70-percent requirement, as you know, a mother can only be engaged in a very narrow and a more narrow set of activities than under current law. Yet, there is one 3-month stint when basically anything the State does would count, assuming again the recipient is engaged in something that is at least 24 hours, but beyond that, this is clearly reduced flexibility.

Mr. CARDIN. There has also been testimony that—certainly NCSL pointed out that they are concerned that the requirements in the administration's bill is going to require States to divert funds from programs such as English proficiencies or classroom vocational education, which now will not count toward the work requirement, but also from daycare for government workfare type jobs. There has been some testimony that that is more important to a person succeeding in the workplace to have that job, be it a subsidized public job, rather than getting the vocational training or the English proficiencies or the other services or job search that currently count toward the work participation requirements. Do you have a view on that?

Mr. PRIMUS. I can submit for the record a recent study done in the State of Washington which shows that paid work experience ranked last in terms of moving recipients into unsubsidized jobs in the private sector. Job search and other Welfare-to-Work models fared much better than the work experience model in terms of moving recipients into work.

[The study follows:]



September 2001

This report uses results from the **WorkFirst Study** (WFS). The sample of 3000 families was drawn from the statewide list of adults receiving welfare assistance in March 1999. Respondents completed a telephone survey that gathered information on work, education, family, and economic well-being.

This report estimates the impact of job preparation activities in WorkFirst on employment and earnings in early 2000. For this report, only adult women in one-parent families are included in the analysis.

The impact of the job Search Workshop, Work Experience, Job Skills Training, Pre-Employment Training, and Community jobs were estimated using multivariate analysis.

Employment information came from state Unemployment Insurance files. State administrative files provided information on client activities. Personal and family characteristics were gathered from the WFS telephone survey.

FINDINGS

- About a third of respondents were referred to Job Search, half were referred to the job Search Workshop, 17 percent were referred to Work Experience and

less than 10 percent were referred to Community Jobs, Pre-Employment Training, and Job Skills Training.

- About half of those referred completed each of the activities, with the exception of job Search and the Job Search Workshop which had much higher completion rates.
- Each of the activities had positive effects on employment or earnings or both.
- The Job Search Workshop, Community Jobs, Work Experience, and Job Skills Training increased the chances of employment. Job Search by itself may also have increased employment though the evidence is weaker.
- Average earnings increased for people who completed Community Jobs, Pre-Employment Training, and perhaps job Skills Training

WorkFirst Activities

This report estimates the effects of selected WorkFirst job preparation activities on employment and earnings in later quarters.

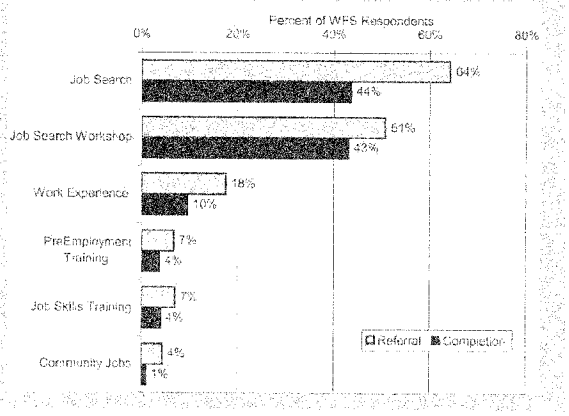
TABLE 1: DESCRIPTION OF WORKFIRST ACTIVITIES

Activity	Activity Description	Time Period
Job Search	Monitored Job Search activities	up to 12 weeks
Job Search Workshop	Workshop to prepare clients to search for job. Combined with longer term Job Search for most clients.	1 week Workshop
Work Experience	Short term work placement. Supervised. No stipend.	12 weeks
Pre-Employment Training	Short term training for specific job.	12 weeks
Job Skills Training	Short term skills training for specific occupation.	6 weeks
Community Jobs	Structured paid work program with support services.	9 months

We chose six activities, Job Search, Job Search Workshop, Work Experience, Job Skills Training, Pre-Employment Training, and Community Jobs because they focus on job readiness and were used by enough WFS respondents to adequately assess their impact. The activities ranged from a 1-week workshop (the Job Search Workshop) to a 9-month intensive work program (Community Jobs).

Figure 1 shows the percentage of WFS respondents referred to and completing each of the activities prior to January 2000.

FIGURE 1: WORKFIRST ACTIVITIES AND COMPLETIONS PRIOR TO JANUARY 2000



About a third of respondents were referred to Job Search, half were referred to the job Search Workshop, 17 percent were referred to Work Experience and less than 10 percent were referred to Community Jobs, Pre-Employment Training, and Job Skills Training.

About half of those referred completed each of the activities, with the exception of job Search and the Job Search Workshop which had much higher completion rates.

Effects of WorkFirst Activities

We used multivariate analysis to account for the selection of clients into activities based on their jobreadiness, the effects of multiple activities, and changes in the effects of activities over time.' The analysis controls for differences in past employment and earnings, demographic and personal characteristics, length of time on welfare, participation in other activities, and geographic location.

Table 2 shows the estimated impact of activities completed in the last 3 quarters 1999 ("recent" activities) as well as the impact of all WorkFirst activities completed prior to January 2000. The impacts show the estimated change in employment and earnings in the first quarter of 2000 attributable to completing the activity. Impacts in bold are statistically discernable from no change (p<.10).

TABLE 2: EFFECTS OF WORKFIRST ACTIVITIES ON EMPLOYMENT AND EARNINGS IN 1ST QUARTER OF 2000

WorkFirst Activity	Recent Activities Only				Recent and Older Activities			
	Employment		Wages		Employment		Wages	
	% pts.	(signif.)	Coeff.	(signif.)	% pts.	(signif.)	Coeff.	(signif.)
Job Search Workshop	**9%**	0.07	$ 79	0.65	**13%**	0.01	**$ 324**	0.03
Job Search Only	6%	0.14	$ 196	0.11	**15%**	0.00	$ 187	0.13
Work Experience	**13%**	0.04	$ 45	0.83	**13%**	0.02	$ 228	0.20
Job Skills Training	30%	0.00	**$ 456**	0.20	27%	0.00	**$ 522**	0.04
PreEmployment Training	9%	0.37	**$ 864**	0.01	7%	0.43	**$ 831**	0.00
Community Jobs	**33%**	0.01	**$ 792**	0.05	**30%**	0.00	**$ 704**	0.08

Notes: Recent activities include those completed from April 1999 to December 1999. Table shows estimated change in outcome due to activity after accounting for previous employment, demographics, personal characteristics, and previous activities.

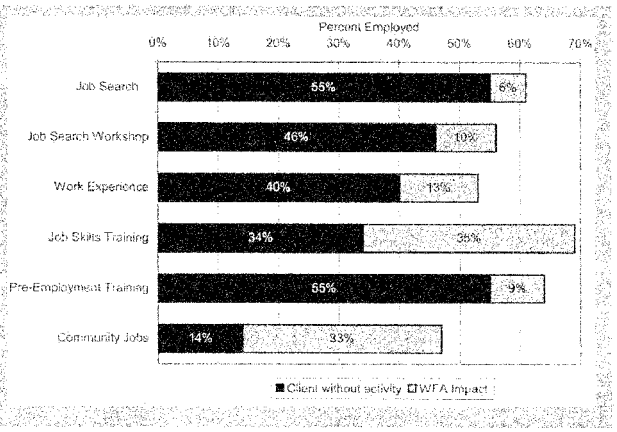
The Job Search Workshop, Community Jobs, Work Experience, and Job Skills Training increased the chances of employment. Job Search alone may also have increased employment, though evidence of that effect is weaker. There is some evidence that the effects of the job Search Workshop, Job Search alone, and Work Experience may be underestimated.

Average earnings increased for people who completed Community Jobs, Pre-Employment Training, and perhaps job Skills Training and the Job Search Workshop.

Effects of Activities on Employment

Figure 2 shows the estimated employment rate and impact of each activity. The characteristics of clients who completed each activity were used to estimate employment rates with and without completion of the activity.

FIGURE 2: IMPACT OF ACTIVITIES ON EMPLOYMENT IN 1ST QUARTER 2000



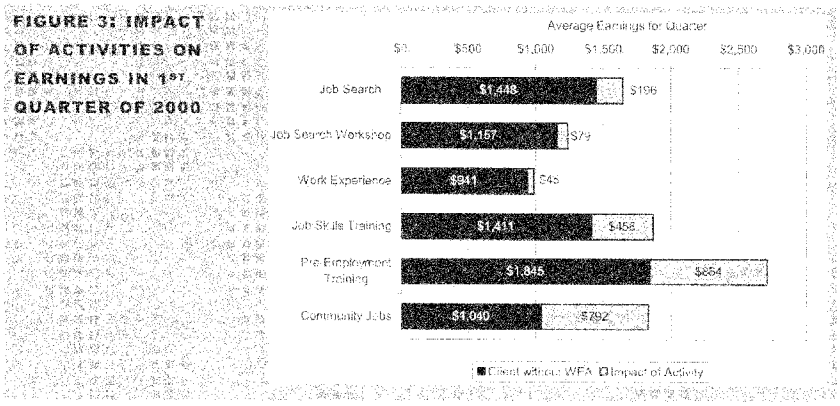
The Job Search Workshop, Job Search alone, and Pre-Employment Training drew clients who were more job-ready. About half of those clients would

have been employed in absence of those activities and the activities had small, if any, effects on the chances of employment.

Community Jobs, Work Experience, and Job Skills Training, all drew clients who were less job-ready. Without the activity, the employment rate for clients would have been about a third for clients for jobs Skills Training and Work Experience and only 14 percent for Community jobs clients. Job Skills Training and Community jobs both increased employment rates by about 30 percentage points; Work Experience increased employment by less (13 percentage points).

Effects of Activities on Quarterly Earnings

Figure 3 shows similar comparisons for Earnings. Clients in Pre-Employment Training had the highest expected wages ($1845 for the quarter) and Community jobs clients had the lowest ($1040).



Completing Community jobs added an estimated $792 to quarterly earnings, Pre-Employment Training added $864. Job Skills Training added $456, though its effect was only statistically significant when older activities were included. The Job Search Workshop, Job Search only, and Work Experience did not increase earnings significantly.

Mr. PRIMUS. I want to add just one other thing on the question you asked a minute ago and that is your bill also provides the flexibility to serve immigrant families. Your proposal also allows States to stop the clock so that it gives the flexibility for mothers who are working 30 hours a week and who receive a small welfare check to continue that welfare check and help them escape poverty. So, there are many other reasons besides the one I noted where your bill gives more flexibility than the administration's bill.

Mr. CARDIN. I thank you, and thank you, Mr. Chairman.

Chairman HERGER. Thank you.

Mr. MEAD. I wanted to add one comment, if I might, on this last point.

Chairman HERGER. Matter of fact, I would like to ask you a question, and why don't you at the same time make that comment if you like. On page three of your testimony, Mr. Mead, you made a statement, "Congress should remember that much of the transitional child care offered by States to families leaving welfare has not been claimed." I would like to ask you what you meant by that and then you are certainly welcome to respond.

Mr. MEAD. What I meant is that people leaving welfare rolls are entitled to have at least a year of transitional child care. Yet, many do not claim that benefit, as they also do not claim food stamps,

Medicaid, and so on. The fact that they do not claim it should cause us to question those who say that lack of child care is the main reason why people have trouble taking jobs, keeping jobs, and so on. It looks as if the clients typically can arrange child care informally, and they do not need the government subsidy. Also until very recently, the amount of money the States had to spend for TANF was more than they needed. Recently they have begun to accelerate their spending, but it is questionable to me, in light of the backlog which many States had, to say that funding is inadequate. The extent of actual need for care is in fact in doubt. You can spend a lot of money in child care if you specify that it is, "high quality child care," and you insist that it have all those attributes. The child care we have is sufficient for people to go to work. So, the idea that there is a shortage, that we need to spend more on this, has to be questioned.

The other point I wanted to make, that it is unfair to assess work experience jobs simply on whether they produce measurable transitions into jobs. For that, some other activities like job search would be more effective. The real purpose of government jobs is not to generate job entries by themselves. It is rather to generate diversion, that is, to cause people who would go on welfare to question that and go out and get a job, as Jason Turner has said. The purpose of public jobs is more to act as an enforcement device. It is to cause more people to go out and get their own jobs off welfare than would be the case if you did not have that requirement. What it does is certify that you cannot escape work by failing to find a job in the private sector. You are going to go to work in some job, in any event.

So, the evaluation findings that say this is less effective than some other things are really not conclusive. It is not so much the effect on case load that counts but the effect off case load, the effect it produces on the entire environment surrounding peoples' expectation about welfare and employment.

Chairman HERGER. I want to thank each of you for your outstanding testimony and, without objection, the report named by Mr. Primus will be made part of the record. Again, thank you, gentlemen, for your testimonies.

With that, we would like to call on panel 5 to come forward, please. Mary-Louise Kurey, National Speaker, Author, and Spokeswoman, Project Reality. Isabel Sawhill, a Senior Fellow at the Brookings Institute. David Levy, President, Children's Rights Council. John Crouch, Executive Director, Americans for Divorce Reform. Geraldine Jensen, President, Association for Children for Enforcement of Support, Incorporated. Finally, Stuart Miller, Senior Legislative Analyst, American Fathers Coalition. Ms. Kurey will testify.

STATEMENT OF MARY–LOUISE KUREY, NATIONAL SPEAKER, AUTHOR, AND SPOKESWOMAN, PROJECT REALITY, GOLF, ILLINOIS

Ms. KUREY. Thank you. I am here today to share with you from personal experiences the outstanding success of abstinence education programs across the country. It has been my privilege to speak with more than 125,000 teens and young adults in 19 States

about postponing sexual activity until marriage and making a new beginning for those who have been sexually active. From African American students in the Washington, DC, public schools to Native American teens in Pine Ridge, South Dakota, I have been honored to address young people from a wide variety of socioeconomic, religious, and ethnic backgrounds, from diverse family and cultural experiences. I also serve as a spokeswoman for Project Reality, an abstinence education organization serving public schools nationally with an emphasis in Chicago and the State of Illinois, and also work with many abstinence programs across the country, including the Best Friends Program. Abstinence education works, and it is a crucial component of achieving the goals of the TANF block grant in the 1996 Welfare Reform Act. It is critical to reauthorize Title V funding for abstinence education programs at current levels while keeping the current definition of abstinence that was signed into law by President Clinton in 1996. These programs make a real difference in the lives of American teens. Studies show since the release of abstinence funding, teen sexual activity has decreased.

According to a report by the Centers for Disease Control put out in 1998, the majority of high school students are virgins and this percentage is increasing. Of teens who have been sexually active, approximately 25 percent are currently abstinent and 93 percent of teens say that teens should be given a strong message that abstinence is the best choice. That last statistic coming from the National Campaign to Prevent Teen Pregnancy.

Abstinence education goes beyond realistic into reality. During my presentations I have seen young men stand up in front of hundreds of their classmates and yell, yeah, virgin and proud. I saw a young woman stand up in front of her classmates and say I have done things I regret but today I am making a new beginning. Once when I was signing T-shirts and baseball caps after a presentation, a young man asked me to write virgin and studly on the back of his T-shirt. Over a year later I returned to that area and when students saw his picture in my book, they said he is still wearing that T-shirt, and he is in college now.

It shows that these programs have a lasting effect, not only on the participants, but on the students who they may associate with as well. In seventh grade I attended a school that was rampant with teen sexual activity and drug use. My locker was next to a locker of a student who sold cocaine. That year I made the commitment that I would not have sex until I was married, and here I am 27 years old, a former Miss Wisconsin, Miss America finalist, and I am a virgin. Choosing abstinence is the best choice that I have ever made in my life. It is very empowering for a young woman in today's sex-saturated society. I was not always so outspoken. In high school many of my friends were sexually active, and I felt this was none of my business.

In addition, they were using condoms so I thought, okay, they are safe. Then at age 15 one of my friends got pregnant while engaging in so-called safe sex with her boyfriend. No one had told us the medical facts that had been published in the New England Journal of Medicine that year. Fourteen to seventeen percent of couples who use condoms to avoid pregnancy get pregnant within 12 months. I saw my friend's life transform from a college-bound,

carefree teenager to a single mother living from one welfare check to the next.

Teens today are also denied information about sexually transmitted diseases. Last year a report was released by the National Institute of Health, titled Scientific Evidence on Condom Effectiveness for Sexually Transmitted Disease Prevention. This report indicates that condoms provide no protection against diseases passed through skin contact, including human papilloma virus, the most prevalent sexually transmitted disease (STD) in the United States, which infects more than 5 million Americans each year and is the leading cause of cervical cancer. This disease takes more women's lives every year than HIV and yet it has only been cited three times by the media since its release in July 2001. Why isn't this information being made available? Abstinence programs give young people this vital information, providing the whole picture about the limits of safe sex, built on the fundamental truth that abstinence is the only 100 percent effective way to avoid out-of-wedlock pregnancies, STDs, and emotional scars.

Teens whom adults say are going to do it anyway, in my experience, need the abstinence message even more because I have learned that the primary causes of teens' sexual activity are not uncontrollable urges, but these teens usually searching for something, love, acceptance, identity, manliness, or purpose to their lives. Abstinence education goes to the heart of these issues, addressing identity, self-esteem, healthy relationships, character, and creating a positive vision for the future. Thank you very much for this opportunity to testify and I welcome any questions.

[The prepared statement of Ms. Kurey follows:]

Statement of Mary-Louise Kurey, National Spokeswoman, Best Friends Foundation, and Spokesperson, Project Reality, Golf, Illinois

Chairman Herger, Congressman Cardin, and Members of the Subcommittee on Human Resources of the House Committee on Ways and Means:

Thank you for the opportunity to testify before you today on the reauthorization of welfare reform, specifically as it relates to Title V funding for abstinence programs. It has been my privilege to speak with more than 125,000 teens and young adults across the United States about postponing sexual activity until marriage and "making a new beginning" for those who have been sexually active. From African-American students in the Washington, D.C. public schools to Native-American teens in Pine Ridge, South Dakota; from Hmong adolescents in the Milwaukee Public Schools to Caucasian and Hispanic teens at a youth rally in Little Rock, Arkansas, I've been honored to address young people from a wide variety of socioeconomic, religious, and ethnic backgrounds, from diverse family and cultural experiences.

I have also spoken about this issue on many TV and radio programs, including "Politically Incorrect with Bill Maher," "Sally Jessy Raphael" and "Life on the Rock." My newly-published book for teens is *Standing With Courage: Confronting Tough Decisions about Sex.*

I serve as a spokeswoman for Project Reality, an abstinence education organization serving public schools nationally, with an emphasis in Chicago and the State of Illinois. Project Reality recently launched its new curriculum *Game Plan* featuring former NBA athlete A.C. Green. I have also worked with many other abstinence organizations across the county, bringing this message of hope and encouragement to youth in 19 states and the District of Columbia.

Every day, I battle on the front lines of the war against teen pregnancy, sexually transmitted diseases, the emotional and psychological trauma that stem from teen sexual activity, and the feelings of hopelessness and indifference that pervade the lives of so many of America's youth.

Abstinence Education Works

Abstinence education works, and is a crucial component of achieving the goals of the Temporary Assistance for Needy Families (TANF) block grant in the 1996 Welfare Reform Act. In particular, abstinence is the only 100% effective way to prevent out-of-wedlock pregnancies, sexually transmitted diseases, and the other negative individual and societal consequences that arise from premarital sex. Adolescents who are emotionally as well as physically healthy are far more able to function as they mature and to benefit from employment opportunities at every level. Undoubtedly, they are also able to benefit far more from the education process, whether it would be at the secondary or college level.

Abstinence education provides teenagers and others with critical information and encouragement that helps them to wait for marriage. The reauthorization of the funding for abstinence programs in the 1996 Welfare Reform Act will be instrumental in furthering these educational efforts. This will help make a real difference in the lives of individual American teenagers today. Long-term, the continued adoption of abstinence until marriage will be a core element that benefits society by supporting and encouraging the formation and maintenance of healthy two-parent families.

The New Sexual Revolution

In spite of the sex-saturated culture we live in today, studies show most teens in the United States are choosing abstinence. When I was in high school, most American teens were sexually active. Today, the reverse is true.

- The majority of high school students are virgins, and this percentage is increasing. Centers for Disease Control and Prevention. (1998). Youth Risk Behavior Surveillance-United States, 1997. *Morbidity and Mortality Weekly Report,* 47(SS–3).

Among teens who have been sexually active, many have chosen to embrace a "secondary virginity" and refrain from subsequent sexual activity:

- Of teens who are sexually experienced—have had intercourse at least one time—approximately 25% are currently abstinent (which means they've had no sexual involvement within the prior three months). Centers for Disease Control and Prevention. (1998). Youth Risk Behavior Surveillance-United States, 1997. *Morbidity and Mortality Weekly Report,* 47(SS–3).

Perhaps most telling is that American teens today want to hear that they are "worth waiting for":

- 93% of teens feel that teens should be given a strong message that abstinence is the best choice. National Campaign to Prevent Teen Pregnancy. *The Cautious Generation? Teens Tell Us about Sex, Virginity and "The Talk."* April 27, 2000

During my presentations, I have seen young men spontaneously stand up in front of hundreds of their classmates and yell, "Virgin and proud!" I've seen young women say to their peers, "I've done things that I regret, but today I'm making a new beginning."

A New Sexual Revolution is sweeping the country. The abstinence movement is not being led by adults, but by young people. They are searching for truth and meaning in all aspects of their lives, including relationships and sexuality.

Abstinence, Marriage and Welfare

Teens who choose abstinence until marriage understand that this isn't about saying no to sex. Abstinence is not a "Just say no" message. It's about teens saying "YES": "Yes" to their future, "yes" to their dreams, "yes" to making a difference in the world, "yes" to becoming the best people they can be, and "yes" to a joyful, lasting marriage.

The divorce rate in the U.S. today is approximately 50%. But studies show that the divorce rate is significantly less for marriages between two virgins as well as among marriages between secondary virgins—individuals who were initially sexually-active with others but practiced abstinence until marriage with the person who ultimately became their spouse.

Abstinence builds a firm foundation for a successful marriage. It is a critical ingredient for increasing the number of happy families in America, and reducing the number of women and children living on welfare.

The Promise of One

My grandfather used to say, "Every child is born into the world with a message—a light—clutched in his hand. But if that child is lost, then that message, that light, is lost to the world forever."

I firmly believe that every teen and young adult has something special to bring to the world. But too often in our society, young people are prevented from fulfilling their potential by the serious consequences of teen sexual activity. I've witnessed first-hand in the lives of close friends the devastating and permanent consequences of premarital sex.

Their experiences reflect the "silent suffering" of my generation:

- Most teens who have been sexually-active regret that choice. National Campaign to Prevent Teen Pregnancy. *Not Just Another Thing to Do: Teens Talk about Sex, Regret, and the Influence of their Parents.* June 30, 2000.
- 1 out of 5 sexually-active teen girls in the U.S. gets pregnant. Alan Guttmacher Institute. *Teenage Pregnancy: Overall Trends and State-by-State Information, 1999.*
- 3 million teens contract a sexually transmitted disease in the U.S. each year. American Social Health Association. *Sexually Transmitted Disease in America: How Many Cases and at What Cost?* Menlo Park, Calif.: Kaiser Family Foundation; 1998.
- 1 out of 4 sexually-active American teens has—or will contract—an STD. Alan Guttmacher Institute. *Sex and America's Teenagers,* 1994.

"Safe" Sex: Pregnancy and Disease

In 7th grade, I attended a public school rampant with drinking, drug use and sexual activity. My locker was next to the locker of a student who sold cocaine. I experienced tremendous peer pressure to use drugs, drink, and become sexually active.

That year, I made the commitment to not use drugs, drink underage, smoke, or have sex outside of marriage. And today, I am grateful to be able to tell you that I have stayed true to each one of those commitments, while enjoying a healthy and fulfilling life—including an active social life. I'm 27 years old, a former Miss Wisconsin, and a virgin. Choosing abstinence until marriage is the best choice I've ever made, and continue to make, in my life.

The tremendous benefits I have received from abstinence go far beyond avoiding negative consequences. I've gained courage, self-respect, integrity, personal strength, character, and a happy and active dating life. This choice is the essence of who I am, and its rewards far outweigh its sacrifices.

But I wasn't always so outspoken about the benefits of abstinence. In high school, many of my friends were sexually active, but I felt that this was none of my business. "Who am I to tell them what to do?" I thought.

Then at age 15, one of my friends got pregnant while engaging in so-called "safe" sex with her boyfriend. No one had told us the medical facts that had been published in the New England Journal of Medicine that year:

- 14–17% of couples who use condoms to avoid pregnancy get pregnant within 12 months. Mishell, D.R. (1989). "Contraception." *New England Journal of Medicine,* 320(12), 777–787.

I saw my friend transform from a college-bound, carefree teenager to a single mother living from one welfare check to the next. Today, my friend can barely make ends meet, and her life is filled with regrets. "I love my little girl," she told me. "But I wonder what my life would be like today if I had waited."

In college, a close friend suffered from a nervous breakdown. In her room in the mental health unit at Sacred Heart Hospital in Eau Claire, Wisconsin, she told me that her eating disorder and her mental collapse were the result of an abortion she was pressured into three years earlier. "Every night as I lie in bed, I hear that little baby's voice crying out to me," she said through her tears. These are the faces behind the statistics of teen pregnancy.

As teens, we also hadn't been informed about the ineffectiveness of condoms against certain prevalent diseases:

- Condoms provide no protection against diseases passed through skin contact, including Human Papilloma Virus, the most prevalent STD in the United States, which infects more than 5 million Americans each year and is the leading cause of cervical cancer. National Institute of Allergy and Infectious Diseases, National Institutes of Health, Department of Health and Human Services. *Scientific Evidence on Condom Effectiveness for Sexually Transmitted Disease (STD) Prevention,* 2001.

Teens still suffer from this lack of information. After a presentation at a school in a small town, a freshman girl approached me, choking back tears. "I'm a virgin, but I have genital herpes," she confided. "No one told me that you can get it just by touch." Because she didn't have intercourse, she thought that she was "safe." She was unaware that some of the most common sexually transmitted diseases like herpes and HPV are passed through skin contact, which is how she contracted genital herpes. She said to me, "I'd be doing what you're doing if I could. But I can't. So I want you to tell my story wherever you go, so that others don't make the same mistake I did."

I often think about what would have happened if these young women had been given the complete facts before they engaged in premarital sex or other supposedly "safe" behaviors. Even if some of them would have made the same choices, shouldn't they have been told the complete truth?

Their experiences compel me to speak out so that others don't suffer the same pain and regret.

Giving the Facts; Opening Communication

Abstinence programs give young people the whole picture about the limits of "safe" sex, built upon this fundamental truth:

- Abstinence is the only 100% effective way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and emotional scars from premarital sex.

Effective abstinence programs also foster more open communication about the true issues behind sexuality and relationships. In my work, I have received questions on a wide range of issues, from how to say no to sex to why condoms are ineffective against genital herpes. Because of my openness in discussing abstinence, teens and college students respond with their personal stories and questions relating to issues such as sexual abuse, sexually transmitted diseases, unhealthy relationships, and emotional and psychological trauma from premarital sex.

The Far-Reaching Causes of Teen Sexual Activity

I have learned that the primary causes of teen sexual activity aren't raging hormones or uncontrollable urges, as the media frequently portrays. Teens who are sexually active are usually searching for something—love, acceptance, identity, manliness, or a purpose to their lives.

One young woman told me, "Guys are my life. I know who I am based on how much they like me."

A teen mother confided, "I wanted to get pregnant, because then I thought I'd be somebody, and there would always be someone there to love me."

Abstinence goes to the heart of these issues, addressing identity, self-esteem, healthy relationships, character, and creating a positive vision for the future.

This is why programs like Project Reality's Game Plan are so successful.

Game Plan, an eight-unit sports-themed abstinence program, helps teens to make healthy choices by addressing issues like peer pressure, self-worth, dating, drug and alcohol use, sexually transmitted diseases, marriage, and goal-setting in the context of creating a "game plan" for life. Students are taught that their choices today can have significant implications for their future, particularly as to whether and to what extent they will accomplish their goals and dreams in life. *Game Plan replaces neediness with empowerment*. Programs such as *Game Plan* arm students with life skills, courage and character, and give them the strength to make the right choices and make a positive difference in the world.

Premarital Sex: A Gateway to Other High-Risk Behaviors

The complex motivations for teen sexual activity are manifested in the link between sex and other high-risk behaviors:

- Teens who are sexually-active are more likely to participate in other high-risk behaviors, like drug use, alcohol abuse, tobacco use and violence. Whitaker DJ, Miller KS, Clark LF. "Reconceptualizing adolescent sexual behavior: Beyond did they or didn't they?" *Family Planning Perspectives.* 2000;32:111–117.

Conversely, teens who are abstinent are less likely to engage in these high-risk behaviors. Abstinence is a key link to combating the high-risk behaviors that plague our country's teens.

After one presentation, a high school junior told me, "I've had sex with a lot of guys. But I've always been drunk, so I didn't think it mattered." She said, "Now I realize I gave each of them a beautiful part of myself. I'm not going to drink anymore, so I'm in control. I'm going to make a new beginning."

Abstinence and the Beauty of Sex

Abstinence is not a rejection of sexuality as something bad. Rather, abstinence affirms that sexuality is something beautiful and precious, so beautiful that it is worth saving for the person who makes the public commitment to love you unconditionally for a lifetime in marriage.

The abstinence approach recognizes that human sexuality is not merely something physical, but involves a person emotionally, psychologically, spiritually, and socially. Abstinence treats sex for what it is—part of the entire person. It is a holistic approach to human sexuality.

Making a New Beginning

Although the majority of American teens are virgins, many are not, and most of these non-virgins are dealing with regrets. (National Campaign to Prevent Teen Pregnancy. *Not Just Another Thing to Do: Teens Talk about Sex, Regret, and the Influence of their Parents.* June 30, 2000.) These students frequently appear to be the most resistant to the abstinence message, and many adults describe them as being teens who will "do it anyway." In truth, these are young people crying out for help, and they are the ones most in need of the abstinence message.

During one presentation, a young woman sitting in the front row glared at me with her arms crossed. When I told the students at the beginning that I was there to share the facts with them but I couldn't tell them what to do, she called out, "That's right!" But when I began to speak about the emotional consequences of premarital sex, she started to cry. At the end of my presentation, she hugged me and thanked me for helping her "to take back her virginity."

A young man approached me after one of my presentations for a program for troubled high school students. He said to me, "Your talk made me look at my life again. I need to stop having sex. I need to wait until marriage starting today."

I've seen countless teens and young adults turn their lives around and embrace a secondary virginity. Regardless of their past choices, they need to know that their sexuality is still a beautiful gift, and that they are not trapped by the past. It's never too late to make a new beginning.

A Message Desperately Needed

The empowering message of abstinence until marriage is not just for teens and young adults who are virgins; it is a message for all singles, regardless of past choices. Abstinence not only prevents teen pregnancy, sexually transmitted diseases, and the emotional trauma that comes with premarital sex. Abstinence also gives young people greater self-worth, courage, and the life skills they need to succeed.

Abstinence programs don't ask, "What's merely good enough for America's youth?" But instead, "What is the best we can give them?"

Your support for these programs will continue a message that is desperately needed. Your vote says to our youth, "Yes, I believe that you are worth waiting for, and that you can choose the best in your life."

Let's fan the flames of the New Sexual Revolution by giving teens and young adults the facts and the relationship skills they need to be abstinent until marriage. Their futures hold tremendous promise. In doing so, we empower all of America's youth to live free of regrets and bring their special light to the world.

Conclusion

Your reauthorization of the funding for abstinence programs under the 1996 Welfare Reform Act will play a critical role in ensuring the continued education and encouragement of the youth of America to remain abstinent until marriage, attain self-sufficiency, and make a positive contribution to our society. The continued adoption of abstinence until marriage will serve as a critical means of helping to reduce out-of-wedlock pregnancy, sexually transmitted diseases, and the other negative individual and societal consequences of premarital sex. It will also be a critical element that benefits society in the long run by helping to encourage the formation and maintenance of healthy marriages and two-parent families. Please let me know if you would like any further information about any of the points raised in my testimony today or if you have any other questions about this important issue.

Chairman HERGER. Thank you, Ms. Kurey. Ms. Sawhill to testify.

STATEMENT OF ISABEL V. SAWHILL, SENIOR FELLOW, BROOKINGS INSTITUTION, AND PRESIDENT, NATIONAL CAMPAIGN TO PREVENT TEEN PREGNANCY

Ms. SAWHILL. Thank you very much, Mr. Chairman. I appreciate the opportunity to testify. I think that welfare reform has been far more successful than many people anticipated back in 1996 and that we should build on that success. In our work at the Brookings Institution where we have been reviewing the research and information available for about the past year, I have become convinced of the importance of four priorities.

One is continuing to move people into unsubsidized jobs and giving States the incentives they need to remain focused on that particular goal. The second is supporting working families in helping them move up the ladder. Third is breaking the cycle of poverty by investing in child care and early childhood education. The fourth is increasing the proportion of children being born and raised in married parent families. Due to the limited amount of time, I am going to focus on that last point, and I would like to make six points about that.

First, half of first non-marital births are to teenagers. Also, roughly half of mothers on welfare had their first baby as a teenager.

Second, marriage is an important goal, but not so much for teenagers. Teenage marriages are twice as likely to end in divorce as other marriages. So, if we care about child well-being, the key behavior is not just marriage but childbearing outside of marriage.

Third, the reduction in teen pregnancy and birth rates in the 1990s has contributed substantially to the leveling off of non-marital childbearing. I have a chart in my prepared testimony, which I hope can become part of the record, that shows this relationship quite dramatically.

Chairman HERGER. Without objection.

Ms. SAWHILL. I think we should build on that success.

Fourth, effective programs for preventing teen pregnancy have been identified. Funds are needed so that good programs can be replicated in more places around the country. In my travels to local communities in this country, what I hear more often than anything else is the need for resources to do some things that we know are working.

Fifth, in light of all of the above, I urge Congress to make reducing teenage pregnancy a purpose of the law. This will signal in an important way, I think, to the States that Congress cares about this objective. I have been very impressed, as have many others, about the extent to which the language in the 1996 law about objectives signaled very much to the States and to the country what they should be focusing on. They have been very responsive to those purposes.

Six, I urge that any family formation fund include in addition to encouraging marriage and supporting fathers preventing teen pregnancy as a worthwhile and permissible activity. Let me stop there for now, and I hope to be able to have more conversation with you.

[The prepared statement of Ms. Sawhill follows:]

Statement of Isabel V. Sawhill, Senior Fellow, Brookings Institution, and President, National Campaign to Prevent Teen Pregnancy

Chairman Herger, Ranking Member Cardin, and Members of the Committee:

I am pleased to have the opportunity to testify today on proposals to reauthorize the 1996 welfare reform law. I serve as a Co-Director of the Brookings Institution's Welfare Reform and Beyond Initiative, and as part of that effort we have carefully reviewed and synthesized a very large volume of research, have talked with many state and local officials as well as other interested "stakeholders," and have done some analysis of different proposals to encourage work or strengthen families. I also serve (part-time and on a volunteer basis) as President of the National Campaign to Prevent Teen Pregnancy, a nongovernmental organization chaired by former Governor Tom Kean. I should emphasize, however, that my testimony today reflects my own views and not the views of any organization with which I am affiliated.

Our work at Brookings has convinced me that welfare reform has been much more successful than many people anticipated. Some of this success is the result of the robust economy that prevailed in the late 1990s and to the expansion of work supports such as the Earned Income Tax Credit. But much of the success we have had in reducing case loads, increasing employment among single mothers, and lowering child poverty must be attributed to the 1996 law. In reauthorizing the law, I believe we can build on that success. In doing so, I want to suggest that Congress give particular attention to the following: keeping the focus on moving people into unsubsidized jobs rather than placing them in government-funded work slots, making work pay, breaking the cycle of poverty by investing in child care and early childhood education, and increasing the proportion of children being born to, and raised by, two-parent, married families. Since my time is limited, and these are large topics, I will focus the remainder of my testimony on the last objective.

Strategies for Reducing the Growth of Single Parent Families

Most people would agree that the ultimate goal is to increase the number of children growing up with two involved parents. Three strategies for doing so are currently under discussion: reducing divorce (or improving relationships) by providing marriage counseling or education to existing couples or those contemplating marriage, helping unwed fathers to support their children and/or to marry their child's mother, and reducing out-of-wedlock childbearing, especially among teens. These agendas are not necessarily mutually exclusive, but they involve different strategies and different target groups (the already married or about-to-be married, the unmarried who have children, and the unmarried who don't have children). In what follows, I want to argue that marriage is a good thing but that preventing early childbearing among those who are young and unmarried but at high risk of becoming unwed mothers and ending up on welfare is likely to be a particularly effective strategy for achieving this goal. (Note that roughly half of all mothers on welfare had their first baby as an unmarried teenager.)

Reducing divorce rates can contribute to fewer children being raised in single parent families. However, after increasing sharply in the 1960s and 1970s, divorce rates have leveled off or even declined modestly since the early 1980s. Moreover, children in divorced families more often retain a relationship with both parents, are more likely to receive support from a nonresident father, are less likely to need, and receive, welfare or other government assistance, and are generally much better off than those born to never-married mothers. Finally, virtually all of the increase in child poverty between 1980 and 1996 was related to the increase in nonmarital childbearing over this period, not to greater divorce. In short, efforts to strengthen marriages in ways that reduce the likelihood of divorce should be welcomed but divorce rates, though high, are not the crux of the problem and thus arguably should not be the focus of any new effort.

The much bigger problem is too many unmarried women having babies. Most of these women are very young when they have their first child. While only 30 percent of all nonmarital births are to women under the age of 20, half of first nonmarital births are to teenagers and most of the rest are to women in their early twenties.[i] So, the pattern typically begins in the teenage years or just beyond, but once begun often leads to additional births outside of marriage. There are two solutions to this problem. One is to encourage these young women to marry the fathers of their children (assuming the fathers are willing). The other is to get them to delay childbearing until they are older and married.

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[i] National Center for Health Statistics, "Births: Final Data for 1999," *National Vital Statistics Report* 49–1 (Hyattsville, MD: National Center for Health Statistics, 2001) 44.

As Chart 1 shows, most women eventually do marry (90 percent by age 45). The problem is one of timing. Up until their mid-twenties, more women have had babies than have ever been married. But after that age, the reverse is true: the number of women who have ever married exceeds the number who have ever had a child. So those calling for more marriage are really calling for earlier marriages. The drawback of this solution is that it requires reversing a strong and generally healthy trend toward later age at first marriage among both men and women. Between 1960 and 1999, age at first marriage increased from 20 to 25 for women and from 23 to 27 for men. Age at first marriage is one of the strongest predictors of marital stability and this trend toward later marriage is a very important—probably the single most important—reason for recent declines in the incidence of divorce. One recent study by Tim Heaton at Brigham Young University based on data from the National Survey of Family Growth finds that all of the decline in divorce rates since 1975 is related to the increase in age at first marriage.[ii] Not only is this trend good for marriage, it is good for children as well. Younger mothers often lack the maturity, patience, and education that have been shown to produce better outcomes for children.

The argument will be made that in earlier times it was common for women to marry young. But our economy now demands much more education than in earlier periods and provides women as well as men an opportunity to pursue both education and a career beyond high school. To be sure, some women may want to forego such opportunities in order to become full-time wives and mothers at an early age; but a social policy that actively encourages such early marriage would be inconsistent with one that also sees investments in education and in stable long-term marriages as socially beneficial.

Perhaps what is really intended by marriage advocates is not a set of policies that would encourage earlier marriages across the board but only in cases where a woman is already pregnant or has had a child. Such "shotgun" or "after-the-fact" marriages to the biological father were common in the past but have virtually disappeared in recent years. Their modern counterpart is what is often called fragile family initiatives—efforts to work with young couples, many of whom are romantically involved or cohabiting at the time of the baby's birth, to help them form more stable ties and where appropriate, marry. These efforts often involve education, training, counseling, and peer support for the fathers. An evaluation of one such effort, Parents Fair Share, produced somewhat disappointing results.[iii] But it would be premature to write off such efforts. About two-fifths of all out-of-wedlock births are to cohabiting couples and cohabitation seems to be rapidly replacing marriage as a preferred living arrangement among the younger generation. These cohabiting families are much less stable than married families. Less than half of them stay together for five years or more.[iv] Whether such couples can be persuaded to marry and whether these marriages would endure if they did is not entirely clear, but some research suggests that marriages preceded by cohabitation are less stable than those that are not.[v] In the meantime, any program that provides special supports, such as education and training, to unwed parents, whether mothers or fathers, runs the risk of rewarding a behavior that society presumably would like to discourage.

Many unwed mothers cohabit not with the biological father of their children but with another man and some of these relationships may also end in marriage. But, surprising as it may seem, such stepfamilies seem to be no better for children than being raised in a single parent home.

More importantly, once a woman has had a child outside of marriage, her chances of marrying plummet. Daniel Lichter of the Ohio State University finds that the likelihood that a woman of a given age, race, and socioeconomic status will be married is almost 40% lower for those who first had a child out of wedlock (and 51% lower if we exclude women who marry the biological father within the first 6 months after the birth). By age 35, only 70 percent of all unwed mothers are married in contrast to 88 percent among those who have not had a child. He compares women who had a premarital pregnancy terminated by a miscarriage to those who

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[ii] Tim Heaton, "Factors Contributing to Increasing Marital Stability in the United States" Brigham Young University, July 2000, 12–13.

[iii] Virginia Knox and Cindy Redcross, *Parenting and Providing: The Impact of Parents' Fair Share on Paternal Involvement* (New York: Manpower Demonstration Research Corporation, 2000).

[iv] Elizabeth Terry-Humen, Jennifer Manlove and Kristin A. Moore, "Births Outside of Marriage: Perceptions vs. Reality," *Child Trends Research Brief* (April 2001) 4.

[v] The National Marriage Project, "Social Indicators of Marital Health and Wellbeing," *The State of Our Unions 2001* (Piscataway, NJ: Rutgers University, 2001) 24.

carried to term, and finds that these differences in marriage rates persist.[vi] This suggests that having a baby out of wedlock causes women to marry less rather than simply reflecting the pre-existing characteristics of this group of women. The reasons unwed mothers are less likely to marry are unclear. They may be less desirable marriage partners, may be less likely to spend time at work or in school where they can meet marriageable men, or may simply lose interest in marriage once they have children. Moreover, having had one child out of wedlock, they appear to be relatively uninhibited about having additional children in the same way. In short, early unwed childbearing leads to less marriage and more illegitimacy. Thus, one clear strategy for bringing back marriage is to prevent the initial birth that makes a single woman less marriageable throughout her adult years. Most young women aspire to marry and publicizing their much reduced chances of marrying once they have a baby might make them think twice about becoming unwed mothers.

Not only are unwed mothers less likely to marry than those without children but when they do marry, they do not marry as well. Their partners are more likely to be high school dropouts or unemployed than the partners of women who have similarly disadvantaged backgrounds but no children. Although marriage improves on unwed mothers' chances of escaping from poverty, it does not offset the negative effects associated with an unwed birth, according to Daniel Lichter and his colleagues.[vii]

My conclusion is that efforts to promote marriage and reduce divorce hold little promise for curbing the growth of single parent families and that what is needed instead is a serious effort to reduce early, out-of-wedlock childbearing. Moreover, as I will argue shortly, unlike encouraging marriage, this is something we actually know how to do. And finally, although some of what needs to be done is controversial, it is no more so than the promarriage agenda that some now tout. According to the Pew Research Center for the People and the Press, the American public is not in favor of the government developing programs that encourage people to get and stay married. Indeed, 79% prefer that the government "stay out" of such activities. Only 18% favor the idea. The group most in favor of this agenda is highly committed white evangelicals but only 35% of this subgroup favors government involvement in encouraging marriage while 60% remain opposed.

Let me be clear that I am not arguing against marriage as a social goal. I am arguing that the most effective and least controversial way to accomplish this goal is to insure that more young women reach the normal age of marriage having finished school, established themselves in the workplace, and done both without having borne a child. The chances that they will then have children within marriage, that the marriage will be a lasting one, and that their children will receive good parenting will be much greater. The chances of achieving this goal will be enhanced if the message young people receive from society is not just that delaying parenthood is important, but also that children belong within marriage. As Wade Horn notes, too many teen pregnancy prevention programs have left the impression that it's fine to have a baby without being married as long as you wait until you're age 20.[viii] But of course there is nothing magic about leaving the teen years. What needs to be stressed instead is accomplishing various life tasks, such as completing one's education and finding a lifetime partner before becoming a parent. Young people accomplish these tasks at different ages but few are ready before their early twenties at best.

None of this is meant to imply that it is not worthwhile to use the bully pulpit to restore a marriage culture, provide pre-marital education and counseling, and engage faith-based communities, schools, and parents in sending different messages to young people about the benefits of marriage. In addition, attention should be given to some of the financial disincentives to marriage, especially in low-income communities. Congress acted in 2001 to reduce the marriage penalty in the tax code, including the large marriage penalty associated with the EITC. And many states have liberalized welfare eligibility standards for two parent families. More could be done but any meaningful reduction of marriage penalties in income-tested programs carries enormous budgetary costs and is unlikely to have more than small effects on behavior. So, without a strong effort to prevent early childbearing, I very much

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[vi] Daniel T. Lichter and Deborah Roempke Graefe, "Finding a Mate? The Marital and Cohabitation Histories of Unwed Mothers," *Out of Wedlock: Trends, Causes and Consequences of Nonmarital Fertility,* eds. Lawrence L. Wu and Barbara Wolfe (New York: Russell Sage Foundation, 2001) 329.

[vii] Daniel T. Lichter, Deborah Roempke Graefe and J. Brian Brown, "Is Marriage a Panacea? Union Formation Among Economically-Disadvantaged Unwed Mothers," The Ohio State University, April 2001, 18–19.

[viii] Wade F. Horn, "Confronting the 'M' Word," *American Experiment Quarterly* 4 (2001): 85

doubt that these efforts alone will significantly reduce the growth of single parent families and improve economic and social environments for children.

Reducing Early Childbearing

After climbing steadily at almost 1 percentage point per year for over twenty years, the proportion of all children born outside of marriage ("the nonmarital birth ratio") leveled off after 1994. Much of the good news is related to a decline since 1991 in the teenage birth rate. (Almost four out of every five teen births is out-of-wedlock.). In fact, as Chart 2 shows, if there had been no decline in the teen birth rate, the nonmarital birth ratio would have continued to climb in the late 1990s, albeit not as rapidly as in the prior decade. More specifically, if teen birth rates had held at the levels reached in the early 1990s, by 1999 the nonmarital birth ratio would have been more than a percentage point higher. This suggests that a focus on teenagers (although not to the exclusion of women in their early twenties who also contribute disproportionately to these trends) has a major role to play in reducing both out-of-wedlock childbearing and the growth of single parent families.

This conclusion is reinforced when one recalls that teens who avoid a first nonmarital birth are more likely to marry and less likely to have additional children outside of marriage. These indirect effects are not included in Chart 2, but as noted above, they are likely to be substantial.

Since the decline in the teenage birth rate has contributed significantly to the leveling off of the nonmarital birth ratio, it is worth asking what caused the decline and whether further steps can be taken to lower the rate (and ratio) further.

Teen births are down because teen pregnancies are down. (The difference between them depends on how many teens have an abortion, and after increasing in the decade immediately following Roe v. Wade, abortion rates for teens, as for all women, have now leveled off or declined.) The decline in teen pregnancy rates has been driven, in turn, by both declining rates of sexual activity among teens and better contraception. Proponents of abstinence like to think that the former has been most important while proponents of birth control give greater weight to changes in contraceptive behavior. With existing data, it's not possible to determine the precise role of each, but almost everyone agrees that both have played a role.[ix] That said, there is a growing public consensus that abstinence is preferable, especially for school-age youth, but that contraception should be available. Polling by the National Campaign to Prevent Teen Pregnancy has consistently found majority support for this view with 73 percent of adults agreeing with the proposition that teens should not be sexually active but that teens who are should have access to contraception. Support for this moderate position has increased 14 percent since 1996.[x]

These data on reduced sexual activity suggest that the emphasis on abstinence, including new funding for abstinence education in the 1996 welfare reform bill, is working to reduce teen pregnancies and out-of-wedlock births. Yet evaluations of abstinence education programs have thus far failed to show much evidence of success. My conclusion is that new messages about abstinence are having an impact but less because they are embedded in so-called "abstinence only" education programs and more because they have infected the entire culture including traditional sex education programs, the media, faith-based efforts, and the way in which parents communicate with their children. The abstinence message is no longer the exclusive province of a small band of conservative activists; it is now being promoted by many organized groups (including the National Campaign to Prevent Teen Pregnancy) and is widely endorsed by most ordinary Americans including parents, teachers, many political leaders, and to a lesser degree, by teens themselves. This shift in both attitudes and behavior during the 1990s is significant and has clearly contributed to the decline in teen and out of wedlock childbearing.[xi]

Other factors that may have played a role include fear of AIDS and other sexually transmitted diseases in combination with more, or more effective, sex education programs (discussed in more detail below). Finally, welfare reform itself in combination with a strong economy may have had an impact. Although the decline in teen pregnancy and birth rates predates welfare reform, most of the decline prior to 1996 was the result of a drop in second or higher order births to teens who were already mothers and appears to have been caused by the availability for the first time of longer-lasting, more effective forms of contraception such as Depo Provera. These

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[ix] Christine Flanigan, *What's Behind the Good News* (Washington: The National Campaign to Prevent Teen Pregnancy, 2001) 7.

[x] The National Campaign to Prevent Teen Pregnancy, *With One Voice* (Washington: The National Campaign to Prevent Teen Pregnancy, 2001) 5.

[xi] Leighton Ku, Freya L. Sonenstein, Laura D. Lindberg, Carolyn H. Bradner, Scott Boggess, and Joseph H. Pleck, "Understanding Changes in Sexual Activity among Young Metropolitan Men: 1979–1995," *Family Planning Perspectives* Vol. 30 (November-December 1998).

methods are not widely used but have caught on particularly among the subgroup of young women who have already had a baby. It was not until the latter half of the 1990s that first births to teens began to decline significantly.[xii] Whether this decline in first births is the result of welfare reform or not is uncertain; but it needs to be emphasized that the 1996 law sent a new message not only to young women but also to young men. The message to young women was financial support for you and your baby is going to be time limited and require that you work. The message to young men was if you father a child, you will be responsible for its support. And several studies have found that tougher child support enforcement reduces out-of-wedlock childbearing.[xiii] Thus, the evidence is at least consistent with the view that welfare reform has played a role in producing the observed trends.

Building on Success

Other data reinforces the view that welfare reform may be affecting family formation. Not only has the teen birth rate declined and the nonmarital birth ratio leveled off, but in the late 1990s the proportion of children living in a single parent family stabilized or even declined modestly for the first time in many decades.[xiv] This reversal of trend was most notable for low-income families, and those with less education or very young children, just as one would expect if welfare reform were the cause. Looking at data for 1997 and 1999, for example, Gregory Acs and Sandi Nelson of the Urban Institute find that the share of families composed of single mothers living independently declined almost 3 percentage points more among families in the bottom income quartile than among those in the second quartile.[xv]

Changes in such behaviors as divorce and out-of-wedlock childbearing are likely to respond only slowly to a shift in the policy environment and it would be premature to attribute all or even most of these changes to the 1996 law. But it would also be wrong, in my view, to say that it has not had an effect simply because evaluations of some of the specific provisions such as family caps or the illegitimacy bonus or abstinence education programs have not shown clear impacts.[xvi] Arguably, much more important than any of these are new messages about time limits, about work, and about abstinence. Young women who decide to have children outside of marriage now know that they will receive much more limited assistance from the government and that they will be expected to become self-supporting. Young men are getting the message that if you father a child you will be expected to pay child support. Teenagers who choose to remain abstinent now feel much more support from program operators, advocates, and peers. If I am right about this, then one important recommendation for policy makers is that they maintain the current thrust of the law. However, programmatic micromanagement of various family behaviors at the federal level is another matter. Detailed prescriptions about how funds can be used at the local level are likely to be neither effective nor widely supported. Broader messages about work, about family formation, about abstinence, and about the need for fathers to support their children should be sufficient.

The main actors in this story are not the Federal Government but states, communities, and nonprofit (including faith-based) organizations. And what they need are resources, technical assistance, and information about what might work to reduce early childbearing outside of marriage and slow the growth of single parent families. Current efforts are fragmented, underfunded, and often ineffective. For all of the reasons stated earlier, the focus needs to be on reaching young people before they have children. The high-risk group includes not only teenagers but also those in their early twenties. But attitudes about sex, relationships, and marriage are formed at an early age and the intense interest in them that develops during the adolescent years produces an especially receptive audience at this time.

The good news is that in the past five years, research on teen pregnancy prevention programs has found a number that work. Douglas Kirby's review, Emerging Answers, published in the summer of 2001, identifies several rigorously evaluated

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[xii] The National Campaign to Prevent Teen Pregnancy, *Just the Facts* (Washington: The National Campaign to Prevent Teen Pregnancy, 2000) 100–102.

[xiii] Irwin Garfinkel, Theresa Heintze, and Chien-Chung Huang, "Child Support Enforcement: Incentives and Well-Being," *The Incentives of Government Programs and the Well-Being of Families*, eds. Bruce Meyer and Greg Duncan (Chicago: Joint Center for Poverty Research, 2000) 10.

[xiv] Richard Bavier, "Recent Increases in the Share of Young Children Living with Married Mothers," Washington: Office of Management and Budget, September 2001, 3.

[xv] Gregory Acs and Sandi Nelson, "'Honey, I'm Home.' Changes in Living Arrangements in the Late 1990s," *New Federalism* Urban Institute Policy Brief B–38 (June 2001) 5.

[xvi] Charles Murray, "Family Formation," *New World of Welfare* eds. Rebecca Blank and Ron Haskins (Washington: Brookings Press, 2001) 145.

programs that have reduced teen pregnancy rates by as much as one half.[xvii] Some effective programs involve teens in community service or afterschool activities with adult supervision and counseling. Others focus more on sex education but not necessarily just on teaching reproductive biology. The most effective sex education programs provide clear messages about the importance of abstaining from sex or using contraception, teach teens how to deal with peer pressure, and provide practice in communicating and negotiating with partners. This research needs to be aggressively disseminated so that local efforts are based on more informed judgments. And since there are a variety of different approaches that can be effective, communities should be allowed to choose from among them based on their own needs and values. Simultaneously, much more emphasis needs to be placed on the potential of sophisticated media campaigns to change the wider culture. Such campaigns have been used to effectively change a variety of health behaviors in the past but their full potential has not been tapped in this arena.[xviii] Some nonprofit groups, such as the National Campaign to Prevent Teen Pregnancy and the National Fatherhood Initiative, are working in partnership with the media to embed new messages into the television shows most often watched by teens. And many states are using the abstinence education funds from the welfare reform bill for public service announcements, but additional resources, including some that could be used to design and implement a national effort, are needed.

Conclusion

The goal of increasing marriage, is, in my view, entirely laudable. However, it needs to be reconciled with other goals, such as supporting children who are already born. One extreme option would be to eliminate benefits entirely for those living in single parent families or for young women who bear a child out of wedlock. A softer version of this would be to earmark some portion of existing government benefits for those who are married or to carve out a portion of the welfare dollars that go to the states for marriage education or other pro-marriage activities.

These policies would come on top of the reforms instituted in 1996 which sent a strong message that women who bear a child outside marriage will no longer be able to raise that child without working and that the men who father such children will have to contribute to their support. The early indications are that these messages may be having an effect: teen birth rates have fallen, the share of children born out of wedlock has leveled off, and the share of young children living in married families have all increased in the late 1990s.

These developments suggest that current policies may be working, and given time for new social norms to evolve, will have larger effects. Pushing pro-marriage policies to the next level could upset the fragile political coalition supporting current reforms. Liberal advocates argue that such proposals effectively divert resources away from helping single parents raise their children. Whatever mistakes the parents may have made, few people want to deprive their children of assistance as a consequence.

The key behavior here is not marriage per se but childbearing outside of marriage. Divorce rates may be high but they are not increasing and have played no role in the growth of single parent families for several decades. Virtually all of that growth, and the associated growth in child poverty in the 1980s and early 1990s, was caused by increased childbearing among young, single women. Moreover, half of that childbearing begins in the teenage years and most of the rest of it takes place among women in their early twenties. Once such women have had a child their odds of ever getting married plummet. In fact, having established a single parent household, these women often go on to have a second or third child, often with different fathers. Many point to the shortage of "marriageable men"—that is, men with good job prospects—in the communities where these women live; but there is a shortage of "marriageable women" as well. Most men are going to think twice about taking on the burden of supporting someone else's child.

There are only two solutions to the problem of childbearing outside of marriage. One is to encourage young women to marry very young, say in their teens or their early twenties at the latest, before they start having children. The other is to persuade them to delay childbearing until they are in their mid-twenties. Although commonplace as recently as the 1950s, early marriage is no longer a sensible strategy in an economy where decent jobs increasingly require a high level of education

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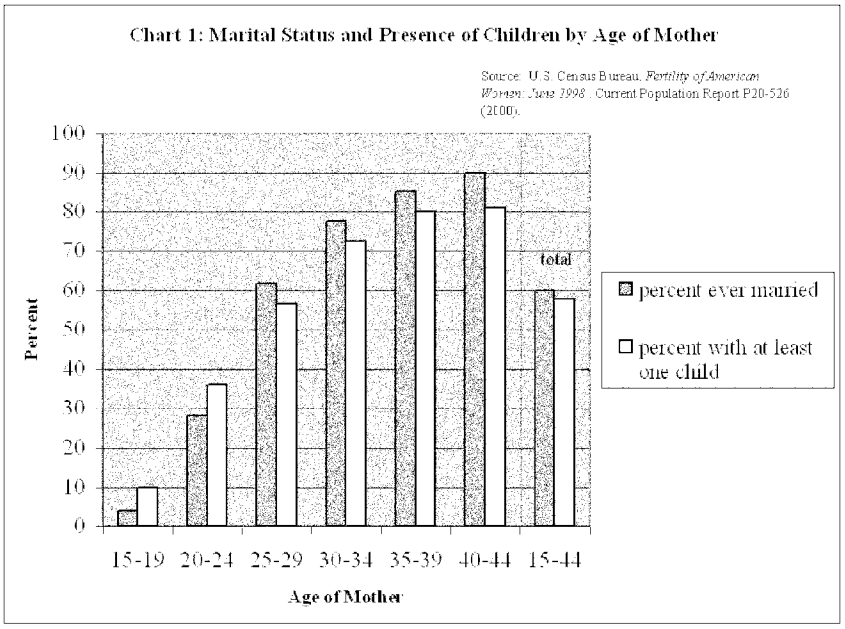
[xvii] Douglas Kirby, *Emerging Answers* (Washington: The National Campaign to Prevent Teen Pregnancy, 2001).

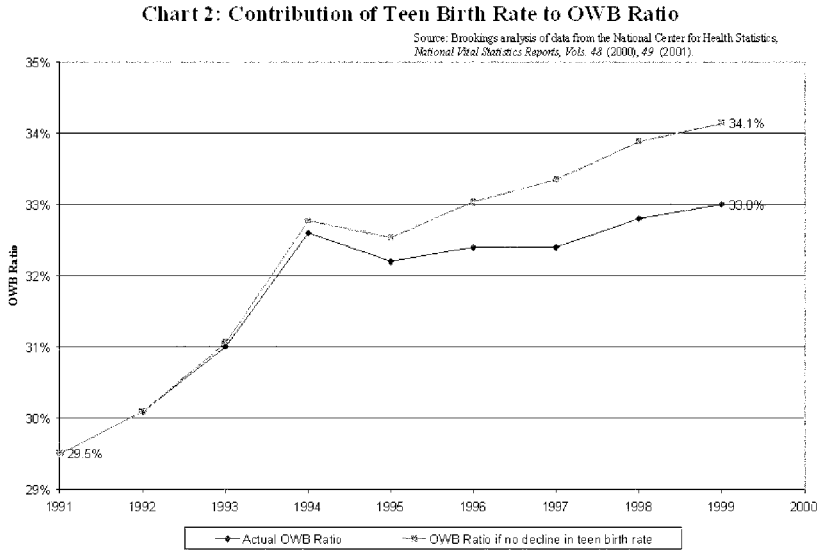
[xviii] Leslie B. Snyder, "How Effective Are Mediated Health Campaigns?" *Public Communication Campaign*, eds. Ronald E. Rice and Charles K. Atkin (Thousand Oaks, CA: Sage Publications, 2000).

and young people need to spend the first few years out of school getting established in the job market. Moreover, teen marriages are twice as likely to end in divorce as marriages among adult women in their mid-twenties.[xix] So if we want to encourage marriage, prevent divorce, and ensure that more children grow up with married parents, we must first insure that more women reach adulthood before they have children. It is a necessary if not sufficient condition for success. It implies redoubling efforts to prevent teen pregnancy. These efforts have now been carefully evaluated and many of them appear to be quite effective.

So-called fatherhood programs which work directly with young men may also help but so far such efforts do not have a solid track record of success and send the wrong message if resources are targeted only on men who have already fathered a child out of wedlock. A far more promising strategy is to focus on young men and women who have not yet had a baby, to convince them there is much to lose if they enter parenthood prematurely, and much to gain if they wait until they are married.



[xix] Matthew D. Bramlett and William D. Mosher, "First Marriage Dissolution, Divorce, and Remarriage," *Center for Disease Control Advance Data* 323 (May 2001) 5.



Chairman HERGER. Thank you, Ms. Sawhill. Mr. Levy.

STATEMENT OF DAVID L. LEVY, J.D., PRESIDENT, CHILDREN'S RIGHTS COUNCIL

Mr. LEVY. Greetings, Chairman Herger and Mr. English. I am David L. Levy, President of the Children's Rights Council (CRC), an international child advocacy group with chapters in 32 States, Europe, Asia, and Africa. Our advisers include Dear Abby, Elizabeth Kubler-Ross, and Senators Fred Thompson, Bob Graham, and Debbie Stabenow. I would get in real trouble, though, if I said I necessarily speak for them on every point I make.

We were delighted that in 1996 Chairman Clay Shaw adopted CRC's suggestion that family formation and family preservation be the fourth goal of welfare reform. We have been surprised why States are having such difficulty in reaching those goals. The CRC always thought it would be fairly easy to take publicly-available recognized data on the increases in marriages or decreases from year to year, increases in divorces from year to year as an indication of whether the States' family formulation and preservation policies were working. Policies such as reducing teen pregnancy, premarital counseling, compatibility testing, parenting education, all of these contribute to States being able to meet those goals.

We also favor co-parenting in divorce. The National Center for Health Statistics found that States with the highest amount of co-parenting, shared parenting, joint custody, all meaning the same thing subsequently have the lowest divorce rate. Apparently knowing that you can't "X" your "ex" out of your life sends a signal to other parents perhaps to re-look at possibly staying married.

We thank four Governors for taking the lead signing laws that say a judge should first consider joint custody or co-parenting. They

are President Bush, when he was Governor of Texas; Tommy Thompson, when he was Governor of Wisconsin; Governor Keating of Oklahoma; Governor Angus King of Maine.

Another point, access funds—visitation funds. Most divorced parents have done everything Congress has asked them to do. They completed their education, they got married, they raised their kids before they got divorced or divorce was asked of them. Not only fathers but 3 million non-custodial mothers in this country. They deserve our support even though there are some bad apples who are clouding the picture. We need to help those good parents who are doing what we have asked of them. We urge Congress to help them. Children's Rights Council was a catalyst behind the $3 million in demonstration grants for access funding in the 1988 Family Support Act. In 1996 there was an increase of $10 million a year in access funds for the States to share in. We need that—it is working well, but there are millions of kids who cannot get to see a parent because $10 million a year cannot go very far for these programs which strengthen families and reduce poverty. More money is available, however.

The Violence Against Women Act has appropriated $15 million for supervised visitation and supervised transfers of children, administered by the U.S. Department of Justice (DOJ), to help victims of domestic violence, and we support that. Seventy-five percent of parents who use these transfer of children sites on the weekend are there for other reasons like communication problems. The CRC uses churches—the faith-based community—to help bring about these child transfer and parent supervisions. We also ask Congress to provide that nonprofits, whose mission statement is to increase contact of children between two non-custodial parents, get more funding from the States because those hundreds of groups can do the job better and cheaper than many groups now performing them.

I would like to introduce Mr. Lonnie Perrin, who is running a Children's Rights Council Safe Haven Transfer at his church, Antioch Baptist Church in Clinton, Maryland. Mr. Perrin is a former football player with the Denver Broncos, Chicago Bears, and Washington Redskins. If I may, Mr. Perrin.

[The prepared statement of Mr. Levy follows:]

Statement of David L. Levy, J.D., President, Children's Rights Council

Dear Chairman Thomas and Members of the Committee:

I would like to refer to two topics.

1. FAMILY FORMATION AND FAMILY PRESERVATION.

We were grateful that Chairman Clay Shaw adopted the suggestion of associates of the Children's Rights Council in 1996 to "encourage family formation and family preservation." as the fourth goal of welfare reform. The Children's Rights Council (CRC) always thought the states could use publicly available data, such as the increase or decline in the number of marriages and divorces in their states, from one year to the next, to show whether their family formation and family preservation policies were working.

Programs that will help increase the rate for marriage and staying married include parenting education, pre-marital counseling, teenagers speaking at schools as to why it would have been better for them—and other young people, to wait until they graduate from school and get married, before they have children—and other programs states are operating.

In divorce, **strong co-parenting or joint custody laws** will help, such as those signed into law by President Bush in 1995 when he was Texas Governor, Secretary

Tommy Thompson when he was Wisconsin governor, Gov. Frank Keating of Oklahoma, and Maine Gov. Angus King.

The National Center for Health Statistics (Vol. 43, No. 9. 1995), found that the states with the highest amount of shared parenting have the lowest divorce rates in subsequent years. It appears that if moms and dads realize they cannot "x" their "ex" out of their lives when they have children, **they are less likely to get divorced.**

Children and their parents who are never married, separated or divorced are not living under one roof, but still constitute a family. They also need more co-parenting. **States should document whether family formation and family preservation policies are working through increases in marriage and decline in divorces.**

2. INCREASE ACCESS (VISITATION) FUNDS.

We urge Congress to increase the access/visitation grants from the $10 million a year in the 1996 Welfare Reform law to $40 million a year in the Reauthorization. These grants are designed to connect children to their non-custodial parents, through such programs as mediation, counseling, and establishing Safe Haven Transfer and Supervised Access Sites. Each state receives at least $100,000 under this grant each year, but it is not enough to assist the millions of children who have problems getting to see their parents through interference by a parent, court or legislative inaction.

CRC operates 18 transfer and supervised sites in six states (MD, MA, CT, NC, OH, IL) and DC. About 40 percent of parents who use these sites are never-married, and to our surprise, **about 35 percent are mothers who do not have primary care of their children**.

The money is available. Just this spring, the Justice Department, under VAWA grants, is offering $15 million to states to protect victims of domestic violence through transfer and supervised sites. While such protections are needed, most children and parents who use neutral drop off and pick up sites are not domestic violence abusers—at least 75 percent of parents are there for other reasons, sometimes only because of the communication breakdown by parents who need a neutral site to transfer their children from one parent to another for the weekend.

We invite Members of Congress and staff to view a brand **new site CRC has just opened at Faith Tabernacle Church to serve Wards 7 and 8, the most disadvantaged area of Washington, D.C.**

In addition to increased funding, we urge that Congress ask the states to provide at least 25 percent of the funds "to various non-profit organizations whose mission statement is to provide greater contact between children and their non-custodial parents." **Many non-profits can provide these services at much lower cost than many current grantees, because we know the field from long experience.**

We also urge evaluations of these programs by the U.S. Department of Health and Human Services, which has **no money set aside for evaluations of these access grants in the 1996 law.**

Note: Most fathers have done what Congress has asked them to do: They completed their education, and got married before they had children. And most parents support their children. **It is time to do right by these dads—and the 3 million non-custodial moms in America, and not penalize them because of the non-supporting bad apples**. Federal Child Support Commissioner Sherri Heller said publicly said that HHS will do more for these parents, and we urge Congress to do more, also, by increasing the access funding and other measures.

Thank you.

STATEMENT OF LONNIE PERRIN, COORDINATOR, ANTIOCH BAPTIST CHURCH, CLINTON, MARYLAND

Mr. PERRIN. As Mr. Levy said, my name is Lonnie Perrin. I am the coordinator of the access and visitation program at Antioch Baptist Church in Clinton, Maryland. Many non-custodial parents do not have access to their children and are not aware that access services are available. We have noticed in the year that we have run the program at Antioch Baptist Church, that we have been able to reunite the child and the parent, get the parents to understand what their role and responsibility is in the child's life. I have

been involved with families and fathers in the metropolitan area for the past 10 years, and I have noticed that access to the child is the key to the father's involvement in the child's life. So, often when you have a young man who is not paying child support, that young man ties child support into access. Sometimes the mother is not providing access because the father is not paying child support or the non-custodial parent is not paying child support. So, in a lot of cases, access ties into a lot of different things that are involved in the child's life. I just want to end by saying I would hope that this Committee would consider expanding funding for access and visitation programs so that we will be able to provide this service to more people, get the word out and reunite non-custodial parents with their children. Thank you.

Chairman HERGER. Thank you very much. The gentleman's time has expired, but Mr. Perrin, thank you very much for your involvement in the community with your church and to help those fathers be able to be more involved with the children.

Mr. LEVY. May I ask that report showing the decrease in divorce in the States with substantial joint custody be made part of the record?

[The report follows:]

DIVORCE RATE IS PROJECTED TO DROP

The Children's Rights Council, a national child advocacy group, predicts, based on current trends, that the divorce rate in the U.S. will be reduced by 5 percent to 10 percent within the next 20 years.

CRC's report will be released at a press conference Friday, September 24, 9 a.m. at CRC's 12th national conference at Holiday Inn Hotel and Suites, 625 First Street, Historic District, Alexandria.

The divorce rate, which has dipped slightly in the past few years from its high of 50 percent of all marriages, will drop further because of the rapid rise of joint custody (shared parenting), and the greater involvement of fathers in their children's lives.

Data from the Census Bureau and the National Center for Health Statistics shows that states with the greatest amount of physical joint custody in 1989 and 1990 had the lowest divorce rate in subsequent years 1991 through 1995. Data is only available for 19 states.

"If a parent knows that he or she will have to interact with the child's other parent while the child is growing up, there is less incentive to divorce," said David L. Levy, Esquire, President of the Children's Rights Council.

The states with the over-all highest amount of physical joint custody and highest decline in the divorce rate are Kansas and Connecticut, but Idaho, Illinois, Montana, Alaska, Rhode Island and Wyoming, also scored well in at least one of the two categories.

"More children growing up with 2 parents means a greater likelihood that children will do better academically, and be less likely to get involved with crime, delinquency and drugs," said John Guidubaldi, E.D., a former president of the National Association of School Psychologists.

Figure 1

STATES WITH THE HIGHEST AMOUNT OF PHYSICAL JOINT CUSTODY	STATES WITH THE HIGHEST DECLINE IN THE DIVORCE RATE
1. Montana	1. Alaska
2. Kansas	2. Kansas
3. Connecticut	3. Connecticut
4. Idaho	4. Illinois
5. Rhode Island	5. (tie) Wyoming
6. Alaska	5. Montana
7. Vermont	7. (tie) Michigan
8. Illinois	7. Oregon
9. Wyoming	7. Idaho
10. Missouri	7. Utah
11. Oregon	11. Nebraska
12. Michigan	12. (tie) Rhode Island
13. Virginia	12. Tennessee
14. Pennsylvania	14. (tie) New Hampshire
15. Utah	14. Alabama
16. Tennessee	16. Pennsylvania
17. Alabama	17. (tie) Vermont
18. New Hampshire	17. Missouri
19. Nebraska	19. Virginia

Note: Data is only available from the Census Bureau and the National Center for Health Statistics for these 19 States.

Further note: The District of Columbia has a relatively new (1996), strong joint custody law, for which data is not yet available. There are weak joint custody laws in both Maryland and Virginia.

Chairman HERGER. Without objection. Thank you, Mr. Levy. Now Mr. Crouch to testify.

STATEMENT OF JOHN CROUCH, EXECUTIVE DIRECTOR, AMERICANS FOR DIVORCE REFORM, ARLINGTON, VIRGINIA

Mr. CROUCH. Good evening, Mr. Chairman. I appreciate the opportunity to speak to you today about marriage education. My name is John Crouch, and I am a divorce lawyer in Arlington, Virginia. It is that experience which motivates me to be involved in the marriage movement.

I am the Director of Americans for Divorce Reform, a small all-volunteer organization that supports a variety of measures to reduce divorce and improve marriage. We work with people around the country who get in touch with us because they want to do something about divorce.

As a divorce lawyer I have witnessed and participated in many of my profession's attempts to improve the divorce process. Our ideal of the good divorce faces many obstacles that are deeply rooted in our culture, our legal system, and in human nature. For most families, easy divorce is a destructive and disastrous myth. Once they begin the process, they learn too late there is not enough money, not enough of the children's time to go around. The same thing happens when unwed parents split up. I have come to believe that the most effective way to minimize the damage of divorce is not to improve divorce, but reduce it. We must do what we can to improve it, but marriage education provides a new and better hope for sustaining marriages.

Marriage education is a proven success. It is no untried experiment. The leading programs have been around for decades, like the Maryland-based Relationship Enhancement curriculum, or the Florida-based PAIRS program which has been adapted by the

American Bar Association for use in the public schools. The PREP program from the University of Denver has been used in the public sector for years. It is taught in the Army and has also been taught since 1994 by Chesterfield County, Virginia's public mental health center.

These programs and their results are described in my written materials at smartmarriages.com. There is abundant evidence of how marriage education programs strengthen marriages and reduce divorce. I ask that my written materials with those citations be entered in the record.

Chairman HERGER. Without objection.

Mr. CROUCH. Marriage education does not come from think tanks or politicians. It comes from social workers, educators, psychologists, chaplains, pastors, and lay volunteers who are out there working with couples. They have joined the marriage movement in response to experience, not theory. Some of us come to it from our work with families and children of divorce in the court system. We have resolved to go upstream and try to prevent the incurable suffering we deal with every day.

Marriage education is a poverty prevention program, so it should be open to all without means testing. All children are put at risk by divorce and illegitimacy. Statistics on poverty and other effects of divorce can be found on Americans for Divorce Reform's Web site, divorcereform.org.

Marriage education is not marriage promotion, but that too is appropriate, for people who have already assumed the burdens of marriage by having a child together. Generally, it is very wise to delay marriage until you are prepared for all the responsibilities of parenthood, but it is tragically frivolous to continue that policy when you already have a child to raise together.

Marriage education is fiscally responsible. It can be provided very simply and inexpensively, as the Chesterfield County program shows. Curriculum development and instructor accreditation are already being done, so government does not need to replicate that work, nor politicize it.

Divorce and illegitimacy cause a lot of government spending and major government involvement in families' lives. Government already provides parenting classes, divorce classes, sex education, family life education, and the only thing missing from that menu is marriage.

Divorce and illegitimacy are not sustainable choices for most families, or for our society as a whole. Of all the things the Federal Government might do about these compelling national problems, providing marriage education through tested, proven programs is one of the most judicious, effective, non-divisive, and fiscally responsible steps that it can take.

I would like to thank you for having me to speak to you, and I would be happy to answer any questions you may have. For more information, you can also go to Americans for Divorce Reform's Web site at divorcereform.org.

[The prepared statement of Mr. Crouch follows:]

Statement of John Crouch, Executive Director, Americans for Divorce Reform

Introduction

I am the Executive Director of Americans for Divorce Reform, a small all-volunteer organization that supports a variety of measures to reduce divorce and strengthen marriage. In my day job, I am a divorce lawyer, and it is that experience which motivates my involvement in the marriage movement. I am also trained to teach Relationship Enhancement, a marriage education curriculum, and am on the Advisory Board of the DC-based Smart Marriages coalition.

As a divorce lawyer I have witnessed, and participated in, many of my profession's attempts to improve the divorce process. I have served as Chair of the Arlington County Bar Association Family Law Section and as Co-Chair of the American Bar Association Family Law Section Child Custody Committee, and I currently am starting a DC-area Collaborative Divorce Lawyers Network (www.co-divorce.com) and chairing an ABA committee that is drafting standards for lawyers who represent children. I have been in a position to observe the built-in obstacles to improving the divorce system, to making the ideal of "the good divorce" a reality for most families. These barriers are mostly side effects of things we consider good, in fact indispensable, in our legal system. I have also had to face the fact that for many couples divorce just is not sustainable no matter how you slice it: there is not enough money, not enough of the children's time, to satisfy both parents' basic needs, as long as they insist on going their separate ways.Thus I have come to believe that the most feasible way to reduce the damage divorce does is not to improve divorce, but to reduce it. Of course we must keep doing what we can to improve it, but the rise of marriage education, and a new openness to changing divorce laws, provide new hope for reducing divorces and improving marriages.

Marriage Education is A Proven Success; Reduces Divorce, Improves Marriages

Marriage education is no untried experiment. The leading programs have been around for many years. At least one of them, PREP, has been used in the public sector as well as the private sector for some years now. PREP is taught in the Army, and has also been taught since 1994 by a county mental health department in Chesterfield County, Virginia. (See attached two-page article on that program, and a study of its effectiveness, Appendix I.)

There is abundant evidence that certain marriage education programs work, and of exactly what it is they do that is effective in strengthening marriages and reducing divorce rates. (Citations and summaries of several studies are attached as Appendix II.)

Even a Libertarian Can See a Role For Government Here

As a libertarian-leaning Republican, I nonetheless support some government provision of marriage education in the TANF context. (1) It can be provided very simply and inexpensively, as in the Chesterfield County program. (2) Divorce and unwed parenthood cause considerable government spending and entail major government involvement in families' lives. (3) Curriculum development, instructor training and accreditation are currently provided or overseen by the private sector. This avoids the need for layers of bureaucracy to handle those crucial tasks, and it also keeps them from being politicized. (4) Governments already provide parenting classes, divorce classes, divorce mediation, and secondary-school Family Life Education. If the only thing missing is marriage, what message does that send?

The Poor Aren't the Only Ones In a Marriage Crisis

Putting funds into poverty prevention programs, such as marriage education, should not be equated with taking money away from the beneficiaries of other programs. Practically all children of divorce are at risk of poverty, becoming single parents, etc., so TANF-funded marriage education programs generally should not have to be means-tested. However, it is appropriate to develop some programs targeted to low-income populations.

Marriage Education Is Not Political

It is unfortunate that since the President's inclusion of it in his budget, recent news coverage has pigeonholed marriage education as a left-right political issue. It is true that it has received some valuable support from think tanks and faith-based public policy groups in recent years, but that is not where marriage education comes from. Marriage education has been pioneered and sustained by people way outside the Beltway, most of whom are not involved in politics at all. They are psycholo-

gists, social workers, educators, military chaplains, pastors, and trained lay volunteers, working with actual couples, not political abstractions.

The marriage movement, of which the marriage education movement is a leading part, does indeed arise in large part from think tanks, academics and politicians, but they have come to their pro-marriage position in response to experience, not theory. Some, like me, come to it from our work with divorcing families in the court system. Others, from their work with the children of divorce. Some, from years of academic research that has forced them to change their initial rosy hypotheses about divorce. And many have had their eyes opened by their own divorces or those of family members. From the beginning, this movement has been led by liberals and moderates as well as conservatives. It has come this far without any of the usual left-right finger-pointing and drive-by debate, perhaps because conservatives and evangelicals realize that they have been as fully immersed in the divorce culture as anyone else.

Conclusion

Of all the things the Federal Government might do about the compelling national problems of divorce and illegitimacy, providing marriage education through time-tested, proven programs is one of the most judicious, effective, non-divisive, fiscally responsible steps it could take.

CAN WE REALLY STEM THE TIDE OF DIVORCE?

Chesterfield Co. Program Trains for Marriage
By Patricia Cullen, M.S.N., Chesterfield

[reprinted from Virginia State Bar Family Law News, Vol. 19 No. 3 (Fall 1999), pp. 3–4]

Family law attorneys live on the front lines of family breakup. On a daily basis, you observe the toll divorce takes on adults and children alike. Sometimes you succeed in helping your divorcing clients reach fair settlements without protracted litigation. In other situations, this is impossible and court intervention is inevitable. Particularly when children are involved, you may often wonder if it is possible, at least in some cases, to prevent the heartache you frequently witness in your role as legal advocate and counselor.

For the past 20 years, two researchers at the University of Denver Center for Marital and Family Studies, Drs. Howard Markman and Scott Stanley, have been working with their associates to find out whether or not divorce is preventable. During the initial phase of their research, these two psychologists studied newly married couples over a number of years to see who would stay married and who would eventually divorce. They found that the variable most likely to predict marital success was the ability to manage conflict well. In other words, couples who somehow knew how to work out their differences effectively were the couples most likely to remain happily married. Couples who could not find constructive ways to handle typical marital conflicts were far more likely to divorce, no matter how happily married they were at first.

Based on what they had observed in their initial research, the Denver team then developed a couples' class to teach the communication skills all couples need to argue effectively and maintain the fun and friendship which brought them together in the first place. The class is called "**P**revention and **R**elationship **E**nhancement **P**rogram (PREP)." In a five-year follow-up study, the researchers found that couples who attended PREP had a divorce rate 50% lower than control couples who did not. These findings have been replicated in other studies, both here and abroad, and give cause for optimism about slowing down the divorce rate.

In Chesterfield, the local mental health center began offering the PREP program to county residents in 1994. The class is offered several times a year to married and engaged couples for a nominal fee. The response to this seven-session class has been quite favorable. Clients' written evaluations give the content and instructors high ratings.

The class is education, not therapy. There is no "sharing" of private matters or feelings with other couples. "Marriage education", like other adult education, is designed to teach skills to people who actually want to learn them and have voluntarily taken the initiative to improve themselves. Like adult education, it builds on students' existing skills and life experiences.

In a six-month phone follow-up study conducted last year, 80% of the couples who had participated in the class were still using the communication skills they had

learned, particularly a communication skill called the speaker-listener technique. This structured, practical technique is used when couples confront a difficult conflict that could easily escalate into a destructive fight. It slows down the conversation so that each person knows the other is really listening. It is nearly impossible for conflict to escalate when both parties are listening carefully, honestly and openly.

In addition to the speaker-listener technique and other methods for fighting fairly, the Chesterfield class also contains material on problem solving, how to deepen marital commitment, and enhancing fun and intimacy. Each week, couples get to practice new skills in breakout sessions, in which the couples work privately with one of the instructors, who coaches them as they practice their new skills. Research at the University of Denver has shown that practicing with an instructor during class helps couples learn the techniques correctly. Couples are then much more confident about their ability to use the techniques where it really counts—at home.

PREP is one of the best-researched marital education programs in the country. The program is useful to couples who have a good marriage and simply want to "make a good thing better," as well as for couples who are struggling.

Although many couples could benefit from the information and skills presented in the class, unfortunately PREP is not yet widely available. We now know what makes a marriage successful and how to prevent divorce. The challenge is how to get this important information out to the public, so we can begin to reduce our divorce rate. Spread the word.

For more information contact Pat Cullen or Robin Jones at Chesterfield Mental Health Center, cullenp@co.chesterfield.va.us, 804–768–7204.

NEW RESEARCH ON EFFECTS OF MARRIAGE TRAINING

The Chesterfield follow-up study's results parallel recent research by the developers of PREP, which was presented by Dr. Howard Markman at the Arlington "Smart Marriages" conference this past July. An 18-year follow-up study of PREP showed that six times as many of the people with standard Pre-Cana counseling divorced as did the couples with PREP, and this ratio increased over time. This study is one with a control group and in which there was no "self-selection effect": the couples did not choose which kind of counseling to get; the people running the study chose for them.

The study showed that people who were trained by their own clergy and laity using the PREP program improved a lot in how they talk about problems—but people trained by PREP clinical staff at the University of Denver only improved a little. People in "naturally occurring" church premarital counseling show a sharp decline in how they communicate, probably because the counseling gets them talking about tough issues for the first time but does not necessarily give them any additional skills for doing so. Over the years, the difference in marriage quality between PREP couples and couples with standard Pre-Cana counseling increases greatly. "Negative verbal communication" increases between the period immediately after marriage and the time five years into marriage for both groups, but it increases much more for the non-PREP couples. PREP couples had considerably less negative verbal communication at five years than they did before marriage.

The study also showed that couples learn the communication skills permanently and use them. They do not do the "speaker-listener technique" in their daily lives, because that would be ridiculous, but they use this and other techniques effectively at times of high conflict. Using the techniques learned together in PREP, even when it doesn't lead to a solution, helps couples feel that they are working as a team. Couples in PREP counseling reported that communication skills were the best part of the training. 78% of males and 75% of females say this. Wives like the technique because they know their husbands are listening and understanding. Husbands like it because it breaks up wives' monologues. The research indicated that men are just as interested in and good at conversation, intimacy, etc. as women, but they avoid it because it leads to conflict, which they want to avoid or solve quickly. They want safety and rules for conversation, and limits on its length.

—John Crouch

APPENDIX II:

RESEARCH ON THE EFFECTIVENESS OF MARRIAGE EDUCATION

EXCERPTS FROM "ACTING ON WHAT WE KNOW: THE HOPE OF PREVENTION",

By Scott M. Stanley and Howard J. Markman, of the University of Denver Center for Marital and Family Studies; (303) 759–9931; http://members.aol.com/prepinc

Full article available at http://www.smartmarriages.com/hope.html

Some updated references added by witness. Some marked "in press" have since been published.

[Author Note: Preparation of this brief was supported in part by National Institute of Mental Health, Prevention Research Grant, Grant 5–RO1–MH35525–12 Long Term Effects Of Premarital Intervention. Requests for information on the research underlying this chapter can be sent to the authors at the Center for Marital and Family Studies, Psychology Department, University of Denver, Denver, Colorado 80208.]

Outcome studies attempt to assess the comparable effects of various approaches to preventing or reducing marital distress and divorce. Here is a brief review of findings on three of the most widely used programs for couples—programs that are used both maritally and premaritally (from Silliman, et al., in press). These three programs are among the most commonly researched, used, and recognized in the couples' psycho-education field:

Relationship Enhancement

RE, an empathy-building social learning program of 16–24 hours, is one of the most extensively tested skills building programs in existence. This program based on a Rogerian communication model shows impressive results for a wide variety of types of couples (DeLong, 1993). While the program has been used for treating a wide array of problems, it is use with premarital and marital couples is the focus here. Related to this use, several treatment groups of college-age, dating couples gained significantly in empathy skills (e.g., Ridley, et al., 1982) and problem solving skills (Ridley, et al., 1981) from pre to post-test and relative to control groups.

One six-month follow-up found disclosure and empathy gains for RE participants relative to a lecture-discussion control group (Avery, et al., 1980), while another found communication, but not problem solving skills retention for experiential vs. discussion group couples (Ridley, et al., 1981). Sustained gains in self-disclosure were not evident at follow-up in comparisons of participants and non-participants in another study (Ridley & Bain, 1983). Heitland (1986) observed significant pre to post-test differences on listening, expression, and problem solving for college and high-school participants in an eight-hour RE workshop, relative to control group couples. Meta-analytic research on many major marital programs (RE, CC, Engaged Encounter; Giblin, Sprenkle, & Sheehan, 1985) found RE to have the strongest effect sizes of those tested.

Couple Communication

Like RE, CC is one of the older and best researched skills-based programs for couples. While the program can be used in a variety of formats and settings, most of the outcome research on CC has studied the effects of the 12 hour, structured skills training program, with most samples being married couples from middle-class backgrounds (Wampler, 1990). There is evidence suggesting the relevance of the material for couples at various stages and with various backgrounds (Wampler, 1990). Studies also show clear gains in communication behavior post-training (e.g., Russell, et al., 1984).

Wampler (1990) reviewed studies on CC, noting strong gains in communication quality following training, but also noting that these effects diminish over time. Gains in individual functioning and relationship quality are more durable, although the longest term follow up assessments are well less than a year in duration (Wampler, 1990). CC is used by clergy, lay leaders, therapists, business personnel, and chaplains in all branches of the U.S. armed forces. Presenters of CC can use the approach individually with couples or in group settings. The program was redesigned and updated in 1991.

Prevention and Relationship Enhancement Program

PREP targets changes in attitudes and behavior that are specifically related to risk and protective factors in a wide array of marital research. The rationales for

PREP and programs like it are specifically supported by 1) studies that predict marital success and failure, 2) outcome research on program effects, and 3) survey research on what couples say are the most relevant topics of prevention. PREP primarily targets [factors] that are highly predictive of marital success or failure, and that are amenable to change.

PREP offers a 12-hour sequence of mini-lectures, discussion, and interpersonal skill practice in week night, weekend, or one-day formats (Markman et al., 1986; Stanley, et al., 1995). Topics of focus include communication, conflict management, forgiveness, religious beliefs and practices, expectations, fun, and friendship (Markman, Stanley, & Blumberg, 1994). Also, strategies for enhancing and maintaining commitment have come to play an increasingly larger role in the kinds of cognitive changes attempted in PREP (e.g., Stanley, Lobitz, & Dickson, in press). Both secular (or non-sectarian) and Christian versions of PREP are available (Stanley & Trathen, 1994). As is true of other programs, PREP is not exclusively focused on skills training. PREP also includes an extensive assessment focus in the form of in depth exercises about expectations and beliefs that will affect marriages.

PREP has been more extensively researched regarding long-term effects than other programs—with most of the research using premarital couples. The most recent study on it (Stanley, Markman et al., 2001) reports on the results of the dissemination of an empirically-based, premarital education program within religious organizations. The following major results are discussed with respect to premarital prevention: (a) Clergy and lay leaders were as effective in the short run as our university staff; (b) couples taking the more skills-oriented intervention showed advantages over couples receiving naturally occurring services on interaction quality; and (c) couples reported that the communication skills components of premarital education were the most helpful.

In the long term study in Denver, program effects have been tracked using both self-report and observational coding of couple interaction (Markman et al., 1988; Markman et al., 1993). The following are a sampling of findings from this research project. Three years following intervention, the PREP couples maintained higher levels of relationship satisfaction, sexual satisfaction, and lower problem intensity than matched control couples (Markman et al., 1988). PREP participants demonstrated significantly more positive interaction up to four years post-intervention, including greater communication skill, support/validation, positive affect, positive escalation, and overall positive communication relative to a matched control group. PREP couples also showed greater communication skill, positive affect, and overall positive communication than couples who had declined the intervention years earlier (Markman, et al., 1993). More significantly, clear group differences were obtained up to four years following intervention on negative communication patterns (e.g., withdrawal, denial, dominance, negative affect, etc.), with PREP couples communicating less negatively than both matched control couples and decliner couples. These kinds of differences are very important because such patterns are strongly correlated with marital distress, violence, and breakup (Holtzworth-Munroe, et al., 1995; Markman, Floyd, Stanley, & Storaasli, 1988; Gottman & Krokoff, 1989). The follow ups with the Denver sample also revealed a statistically greater chance of premarital breakup among control group and decliner couples than PREP couples, with similar, though non statistically significant, trends for divorce and separation four to five years after training (Markman, et al., 1993).

In a pre-post design using random assignment, Blumberg found PREP more effective than Engaged Encounter in building positive communication, problem solving, and support/validation behaviors at post-intervention (reported in Renick, Blumberg, & Markman, 1992). Similar research programs in Germany (Hahlweg & Markman, 1993; Hahlweg et al., 1997) and Australia (Behrens & Halford, 1994) have demonstrated significant gains in communication, conflict management, and satisfaction at post-test, with the former sample showing a maintenance of communication and satisfaction gains at one and three year follow-ups. Furthermore, the most recent data from the Germany project show that, at the five year follow up, PREP couples have a divorce rate of 4% vs 24% for the control couples (Hahlweg, personal communication, February, 1997). VanWidenfeldt et al., (1996) did not obtain the same kinds of positive findings. However, interpretations of these results are problematic because the PREP couples had been together significantly longer than controls, the PREP couples had been together an average of nine years prior to intervention (making generalizations to prevention difficult), and a differential dropout rate led to the control couples being increasingly select for couples doing well over time.

On a further encouraging note, Giblin, et al., (1985) conducted a meta-analysis of marital enrichment outcome research. In general, they found strong evidence for a positive effect across a number of programs, with those taking such programs being

generally better off than about 70% of those not taking such programs. Further, they found that the measures that tended to demonstrate the strongest effects (those perhaps most sensitive to capturing the effects of such programs) were behavioral (e.g., objective coding of interaction). Lastly, they concluded that the programs showing the most promising effects were those utilizing behavioral rehearsal (e.g., skills training). . . . Their results suggest a wide variety of couples and families can benefit from such programs, and in fact, they found some of the strongest effects for those in greater need.

What Couples Report About Their Satisfaction With Premarital Training

Separate from data on effectiveness from outcome studies, most couples report high satisfaction with their experience in preventive/premarital programs. In a nationwide random phone survey, 35% of couples marrying in the past five years had premarital counseling in a religious context, and 75% of these couples reported that this preparation was helpful to them (Stanley and Markman, 1997). The Creighton University report on premarital preparation in the Catholic church found that, within the first four years of marriage, 80% of the individuals surveyed reported the training as valuable (Center for Marriage and Family, 1995). Sullivan and Bradbury (1997) found that approximately 90% of couples who taken premarital training would choose to do so again—though there were no differences between those who did and did not have some premarital training on marital outcomes. Couple satisfaction with preventive interventions is an important measure of outcome. While the studies on program effectiveness are complicated and open to various interpretations, there can be no doubt that couples who take part in preventive [training] come away valuing [it].

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Chairman HERGER. Thank you, Mr. Crouch. Now, Ms. Jensen to testify.

STATEMENT OF GERALDINE JENSEN, PRESIDENT, ASSOCIATION FOR CHILDREN FOR ENFORCEMENT OF SUPPORT, INC., SACRAMENTO, CALIFORNIA

Ms. JENSEN. Thank you for this opportunity to testify. Association for Children for Enforcement of Support, Inc. (ACES), is the largest child support organization in the country. Our 400 chapters with 50,000 members are representative of the 20 million children who are owed about $83 billion in unpaid child support. Welfare reform has assisted many of our families. One of our members recently said it best when she said, I am finally off of welfare and in the ranks of the employed. The $400 a month in child support added to my wages from my job at the restaurant make it possible for me to support my two children. Now, I can look into my kids' eyes and stand proud because they know their parents are both doing their part.

Families entitled to child support have five requests of Congress in the welfare reform proposal. Our first request is that you simplify the distribution regulations and ensure that families receive correct and prompt payments. Thousands have experienced delays and problems receiving payments. An example of this was in Ohio who failed to implement the pre-assistance of arrearage regulation; 160,000 families were shorted $38 million in child support. The State illegally withheld the child support from Ohio's poorest families. Those who participate in Ohio's Work First became employed and left the welfare rolls. The ACES filed a lawsuit. Subsequently, the Governor issued an executive order and the legislature acted to give the $38 million with interest back to the families. Unfortunately, the families are still waiting for their refunds. Many of them have 5 years of back support due. In this case, the deadbeat is the State of Ohio. Ohio estimates that it will cost about $18 million to untangle the records and that it will take 18 months. Twelve million dollars of this is being paid by the Federal Government. Complicated distribution regulations are expensive and harmful to families. The ACES asks that you end any type of calculations based on pre-assistance arrears and that all of the child support that is paid when a family is on welfare is passed through to them. We would like States to use the same rules they use for earned income so that they only have one system to program into their computer, and it will reduce many of the inaccuracies from workers having to learn complicated systems. We would also like to see the Internal Revenue Service (IRS) offset program be extended to families just like the State offset program is and that families with children who are over age 18 have access to that pro-

gram. It would certainly help those families put their children through college if they could receive back support.

We also ask that child support be moved up in the priority scheme so that payments are distributed to families before income tax refunds are attached to pay back taxes and other benefits due back to the government.

The IRS has a proven track record in this program. Collections have increased 635 percent since its inception in 1984. We ask that you mandate States to use the IRS full collection service in cases where arrears are more than $10,000. Currently this program can be used when arrears are $750, but it is rarely implemented by the States.

Third, we ask that you do not award States that fail to meet computerization deadlines. States were given an option of a rebate if they had a computer online by October 1, 2001. California continues not to have a child support computer system and has no plans for one until 2005. Michigan does not have a system in place, but reports to the Federal Government that they do, when those of us who live in Michigan know that the legal module was not even put online until March 31, 2002. Michigan also appears to believe that federal computer funding is endless. They have spent $400 million. They have asked for $647 million more. They are building a $1 billion child support system. The computer system to put a man on the Moon did not cost a billion dollars.

We ask that you stop States from illegally withholding child support payments more than 2 days. There is $634 million currently being held by the States. Some States even escheat the money to the State general funds after they cannot find the parent.

Finally, we would ask that you would improve interstate child support collections. The collections overall have improved, but only 6 percent of the money collected is for interstate families, when 40 percent of the families have interstate cases. We ask that you have HHS be able to send the income withholding order directly to the employer rather than notifying the State who then sends the order over. States are overwhelmed by the large number of data they receive. New York reported 177,000 matches; Texas, 166,000. Simplifying this process will help many families be able to get off of welfare and stay off. Support is important to our families. Thank you.

[The prepared statement of Ms. Jensen follows:]

Statement of Geraldine Jensen, President, Association for Children for Enforcement of Support, Inc., Sacramento, California

ACES has 50,000 members and 400 chapters located in 48 states. We are representative of the families whose 20 million children are owed over $83 billion in unpaid child support. We have banded together to work for effective and fair child support enforcement. As one of our members said,

"I'm finally off of welfare and in the ranks of the employed. The $400 a month in child support added to my wages from my job at the restaurant makes it possible for me to support my two children. Now I can look my kids in the eye and stand proud because they know their parents are both doing their part."

Child support payments amount to almost 26% of family income for low-income families. Single parents leaving the welfare rolls rely on child support payments to supplement low wages more than ever before due to welfare reform.

Families owed child support are requesting five things from Congress as part of welfare reform re-authorization:

1. Simplify child support distribution regulations to ensure that families receive correct and prompt payments

2. ***The IRS offset program should be part of "family first" distribution and assist families with children owed support who are over age 18—child support should be listed as the number one claim when attaching federal tax refunds***
3. ***Do not reward states that fail to meet computerization deadlines by suspending penalizes***
4. ***Stop states from holding and/or sending unclaimed child support payments to state general funds. States are holding $634 million in undistributed funds.***
5. ***Make sure states implement and enforce child support enforcement laws as outlined in PRWORA and improve their methods for collecting on interstate cases and cases involving large arrearages***

1. Improving and Simplifying Distribution Regulations

Thousands of families have experienced delays and problems receiving support payment once they left the welfare rolls. The main cause of the problem is complicated distribution regulations which state governments have failed to implement or have incorrectly applied to post-welfare cases:

- End the calculation of pre-assistance arrears as part of the welfare debt even when payments are received when the family is on assistance.
- Pass through all support collected to the family while on assistance.
- Use the same method states use for earned income monthly reporting so that they have only one process to be programmed in the computer and implemented by state workers to reduce administrative costs and increase accuracy.

ACES recently conducted a survey of families affected by the child support laws in PRWORA. We found that there are serious problems with the distribution of child support. Many families report that child support is being collected but they are not receiving payments. Others state that payments to them are sporadic or that they are uncertain how much is being collected because child support received is of varying amounts.

In Ohio, the Department of Jobs and Family Services failed to implement changes in the Welfare Reform law, which reduced the amount of welfare benefits the state was allowed to recoup from pre-assistance arrears. This caused 160,000 families to receive less child support than they were due. About $38 million was illegally withheld from Ohio's poorest families, those who participated in Ohio Works First, became employed, and left the welfare rolls An ACES investigation discovered that the Ohio Department of Jobs and Family Services (ODJFS) ***knowingly*** brought online a computer system in October 2000 that ***miscalculated*** distribution of child support payments owed families.

In February 2001, ACES filed a *Writ of Mandamus* in State Appeals Court against ODJFS for putting the interests of the State ahead of those of affected children. As a result, Governor Taft has issued an Executive Order and the Ohio legislature has acted to release state funds to the 160,000 affected families, those who left the welfare rolls after October 1997. Ohio is supposed to be returning $44.6 million ($38 million plus interest) but families have yet to receive a payment, eight months after the Governor announced the refunds. ODJFS did not correct the records. In fact, they were unable to untangle the pre-assistance arrears from legitimately owed welfare arrears so they just changed the arrears to all be owed to the family. Now, when payments are received, even if there is a legitimate debt owed to the state, it cannot be collected. The state has told us that if they ever get the records corrected they will not pursue families to return overpayments. We have asked the Federal Office of Child Support if they are willing to give up their 50% of the welfare debt on these cases. They report that federal law would not allow this. Please act to help these families. They are caught up in a complicated distribution system that the state cannot seem to implement. They did all that Congress asked—they got a job, and left the welfare rolls. All they are asking is for support legally due to their children.

Families were deprived of $17 million in child support collected through attachment of state income tax refunds and $21 million in child support collected through various other methods. ODJFS estimates that review and recalculation of the 160,000 cases will cost $18 million and take 18 months. About $12 million of this is being charged by Ohio to the Federal Government as an administrative cost. In fact, the $18 million it is costing to correct the records is the same amount that Ohio received last year in federal incentive payments.

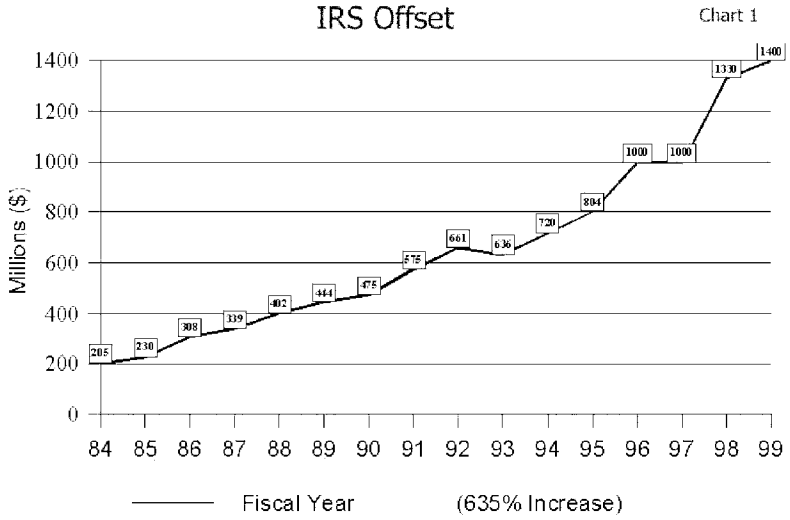
The process to refund the money includes:

- Case-by-case review by county child support enforcement agencies to identify affected families and gather payment data
- Calculations by ODJFS to determine amount of refund due
- Payment of the refund by the Ohio Treasurer
- Separate payment by Ohio Auditor's Office for 6.5% interest due.

ODJFS readily admits it knew that the computer was improperly withholding money from families but did not wish to face a $25 million fine for not having its computer system online, so it made the choice of saving the state money to the detriment hundreds of thousands of children.

2. IRS Offset Collections Show Highest Rate of Increase

The IRS Offset program has a proven track record in collecting child support. Collection under this program has increased from $205 million in 1984 to $1.33 billion in 1998, a 635% increase. (See **Chart 1**)



PRWORA required states to implement laws which provided for family-first distribution of state tax offsets. The same requirement should be in place for the IRS Offset Program. Children need child support payments for food, clothing, health care and educational opportunities *now*. The government can wait but children's needs can't. Also, allowing the offset to be used to collect back support due for children over age 18 will position many families to better afford college expenses and will reduce the need for some student loans. This important enforcement tool should be used to send a strong signal to those who fail to support their children. They should not be exempted from their federal income tax refunds being attached just because their children are over age 18.

Also due to the proven IRS collection record, ***ACES requests that language be added to the welfare re-authorization bill which requires states to refer cases to the IRS for full collection services when arrears total more than $10,000.*** And language requiring the IRS to report annually to Congress concerning collection rates for these cases. Currently, cases with an arrearage of $750 or more can be referred to the IRS. States do not take advantage of this extra enforcement tool at rates that significantly assists families.

3. Automation Problems

Since the 1984 Child Support Amendment passed, Congress has been giving states incentives and funding to develop statewide computer systems. Many deadlines have passed or have been extended. In the 1988 Family Support Act, states were told to have computers in place by Oct. 1, 1995 in order to receive 90% federal funding. When only 1 state met this deadline, it was extended to October 1, 1997.

When only 21 states met this deadline, penalties were changed so that states could get waivers to penalties if they were making sufficient progress on computerization.

The Federal Office of Child Support reports the following [1]

Montana was the only state to the meet the October 1, 1995 deadline. The October 1, 1997 deadline was met by Delaware (conditional), Georgia (conditional), Virginia, Washington, West Virginia (conditional), Arizona (conditional), Utah, Connecticut (conditional), Wyoming, Mississippi, Louisiana (conditional), New Hampshire, Idaho, Colorado, Oklahoma (conditional), Wisconsin, Rhode Island (conditional), Guam, New York (conditional), Iowa, and Alabama (conditional).

Certified in 1998: Texas (conditional), Arizona (conditional), North Carolina (conditional), New Jersey (conditional), Vermont (conditional), Puerto Rico (conditional), Maine, Tennessee (conditional), Minnesota (conditional), Kentucky, South Dakota, Arkansas, Massachusetts, Florida, Missouri, and Hawaii. *Certified in 1999:* New Mexico (conditional), Illinois (conditional), Oregon (conditional), Maryland, Pennsylvania (conditional), and Arkansas. *Certified in 2000:* Washington, D.C., Indiana, Kansas, North Dakota, and Nevada. *States NOT Certified*: California, Michigan, Nebraska (report pending), Ohio (report pending), South Carolina, and the Virgin Islands. Conditional Certification for many states is due to the inability of their computer systems to process referrals.

States were provided with federal funding in PRWORA to update existing child support computer systems. Penalties for states that had not yet computerized were given an opportunity to get a penalty rebate if they met a deadline of October 1, 2001. California remains without a statewide computer and reports that they will not be computerized until 2005, Michigan states they have a statewide computer as of October 1, 2001, even though everyone knows that they did not put the legal module on line until March 31, 2002, just days before the Federal Government inspectors were due to arrive in Michigan to test the computer system.

Michigan appears to believe federal computer funding is endless. They have designed a system which, after already having spent $400 million, needs another $647 million to be fully functional. The Office of Child Support Enforcement is supporting Michigan's $1 billion child support computer system, stating in a letter to ACES that since Michigan collects $1 billion a year in child support, it is cost effective to have a $1 billion computer system. *The computer system to put a man on the moon did not cost $1 billion.* After spending hundreds of millions of dollars, Michigan officials stated they are only expecting a conditional certification because the system is not completely up to federal requirements. Please do not let states that have failed to computerize child support after 16 years, with federal funding at 80–90%, exempt out of penalties for failure to have systems in place. Michigan spent $90 million in the first three months of 2002 alone of which 80%, or $72 million, was from federal funds. The penalty for not having a system in place by October 1, 2001 was less than that, $50 million.

4. Undistributed Funds

States report an undistributed funds pool of over $634 million at the end of 2000 in collected but undistributed child support. Most states cannot explain the existence of the fund pools nor do they know to whom the money rightfully belongs. For example, in California, there is an unexplainable $192 million or so that is reported to the Federal Office of Child Support as net undistributed funds, but only $45 million in actual cash. The other approximately $148 million cannot be accounted for. It is quite possible that money has been diverted to general fund accounts. In Michigan, the amount of undistributed funds doubled from about $20 million in 2000 to $40 million in 2001 and Tennessee has the highest rate/case of undistributed funds at $71 million at the end of 2001. (See **Chart 2**)

[1] Certification Reviews of Child Support Enforcement Systems, Division of Child Support Information Systems, January 6, 2000

Chart 2

COLLECTED BY STATE, UNDISTRIBUTED CHILD SUPPORT PAYMENTS

[In dollars]

STATE	DEC. 31, 2000	DEC. 31, 1999
ALABAMA	3,702,988.00	3,264,610.00
ALASKA	3,631,382.00	1,747,989.00
ARIZONA	Not available	9,506,700.00
ARKANSAS	3,593,031.00	3,990,073.00
CALIFORNIA	176,270,539.00	127,951,700.00
COLORADO	4,282,615.00	629,475.00
CONNECTICUT	1,718,800.00	1,381,554.00
DELAWARE	4,551,948.00	3,509,654.00
DISTRICT OF COLUMBIA	1,734,501.00	1,361,607.00
FLORIDA	41,704,057.00	45,637,093.00
GEORGIA	317,413.00	2,518,115.00
GUAM	3,365,040.00	1,721,121.00
HAWAII	3,785,481.00	1,220,932.00
IDAHO	129,504.00	16,940.00
ILLINOIS	1,316,851.00	261,935.00
INDIANA	14,000,594.00	14,934,035.00
IOWA	4,499,764.00	989,989.00
KANSAS	4,047,695.00	327,474.00
KENTUCKY	11,276,489.00	11,072,597.00
LOUISIANA	826,468.00	387,290.00
MAINE	4,254,567.00	4,464,573.00
MARYLAND	10,786,404.00	7,828,829.00
MASSACHUSETTS	11,252,358.00	7,220,855.00
MICHIGAN	26,663,060.00	28,818,050.00
MINNESOTA	7,513,981.00	770,348.00
MISSISSIPPI	3,222,524.00	2,800,100.00
MISSOURI	18,820,049.00	14,273,822.00
MONTANA	933,690.00	262,725.00
NEBRASKA	3,907,814.00	98,217.00
NEVADA	Not Available	1,555,070.00
NEW HAMPSHIRE	Not Available	1,401,062.00
NEW JERSEY	8,258,611.00	4,058,470.00
NEW MEXICO	2,356,732.00	123,011.00
NEW YORK	57,464,975.00	52,860,921.00
NORTH CAROLINA	8,952,542.00	10,097,638.00
NORTH DAKOTA	2,196,554.00	1,288,608.00
OHIO	19,703,191.00	19,070,984.00
OKLAHOMA	1,404,426.00	2,277,525.00
OREGON	1,552,068.00	1,796,673.00
PENNSYLVANIA	17,140,468.00	18,971,240.00
PUERTO RICO	4,275,058.00	5,013,990.00
RHODE IS.	2, 555,282.00	1,488,480.00
SOUTH CAROLINA	6,122,065.00	5,013,990.00
SOUTH DAKOTA	998,649.00	715,738.00
TENNESSEE	71,123,844.00	72,480,009.00
TEXAS	28,301,977.00	34,935,212.00
UTAH	763,059.00	926,179.00
VERMONT	1,770,454.00	1,622,436.00
VIRGIN ISLANDS	396,784.00	254,396.00
VIRGINIA	5,074,764.00	4,714,466.00
WASHINGTON	2,770,568.00	3,099,927.00
WEST VIRGINIA	10,424,260.00	4,278,930.00
WISCONSIN	6,527,459.00	7,179,526.00
WYOMING	2,638,832.00	1,000,698.00
TOTAL UNITED STATES:	634,890,229.00	560,713,864.00

States have had many problems implementing State Disbursement Units. For example, in Illinois, the Clerk of Courts in some counties bundled checks, money orders, and cash brought in by non-resident parents and mailed them to the state without identifying information attached. Employers did not use the new case numbers assigned to them for income-withholding purposes. Each case was given a new

number in the distribution unit system. The number was neither the parent's social security number nor the court docket number. Rather than obtaining a list of names and addresses from employers for whom the payments had been sent, the money was returned to the employers. Other families report massive problems because the statewide computer system cannot adequately interlink with the state distribution computer system to determine payment distribution in multi-family situations.

Many states have systems where undistributed and unidentified funds are deposited into state unclaimed funds accounts. Michigan has deposited $1.5 million into the state general fund account in the past two years. Families are not told about this process and there is no requirement for it to be publicized.

Federal law requires states to do an annual self-assessment in 42 USC Section 654(15)(A). The Secretary has the authority to issue regulations on what the self-assessment will cover. Those regulations have been issued, but the distribution section does not require reports on undistributed funds or what efforts states are making to reduce this problem (45 CFR Section 308.2(d)). The regulations should be amended to require such reporting. It would at least get states to address the problem and make some plan for dealing with it.

The Federal law which gives OCSE authority to audit state programs to determine whether "collections and disbursements of support payments are carried out correctly and are fully accounted for" in 42 USC Section 652(a)(4)(C)(ii)(II). Health and Human Services should be required to issue a regulation saying that this power would be exercised whenever a state reported undistributed funds in excess of.03% of its total yearly collections. The auditors could then determine the source of the problem and require the state to correct problems that can be corrected.

There is currently a performance standard for state paternity establishment programs. If a state fails to meet this standard, it is not in substantial compliance with its IV–D obligations and that triggers financial penalties (42 USC Section 652(g)). Using this model, a similar penalty provision for states that have large amounts of undistributed collections should be developed.

In addition, states could be required to place all undistributed funds in an interest-bearing account. They should also be required to pay the interest to the custodial parent (when identified) or the non-custodial parent (if not found, the money should be returned to the obligor). If neither the custodial parent nor the non-custodial parent can be identified, the state could keep the interest but would have to report it as program income.

If the State Disbursement Unit (SDU) receives any information with a payment that indicates that the payment might be for one or more identifiable families, but the SDU holds the payment while it is trying to determine for which family the payment was intended, it should be obligated to notify all families potentially involved and give them a chance to come forward with information or claim the money.

OCSE should make it clear that SDUs, IV–D programs, and absent parent employers are legally required to send copies of their payment and collection records on request to the family and its representatives. This must be true even for out-of-state SDUs, IV–D programs, and absent parent employers. It must also include records of an out-of-state SDU, IV–D program, or employer of child support being sent to the SDU, clerk of courts, or IV–D program in the family's state. This change would better enable families to identify where in the process money is disappearing.

OCSE should make SDUs and IV–D agencies create publicly searchable databases containing the known information on all undistributed child support payments, so families and their representatives can look for, and claim, their money. OCSE regulations should require states to complete data entry setting up a new SDU account within three days of the first child support order in a case, regardless of whether data entry is done on the state level by SDU or the IV–D unit, or at the local level by IV–D staff or clerks of courts.

OCSE regulations should require states to have quality assurance programs to ensure that data entry creating new SDU accounts is performed accurately and within time deadlines.

OCSE regulations should require both IV–D and SDU customer service programs to be able to promptly resolve payee family complaints regarding non-processing or mis-processing by the SDU of child support it has received. This should include:

a. requirement that payee families receive toll-free customer service numbers at the time of the first child support order on their case
b. Limits on the percentage of calls that can result in a busy signal or no answer
c. Require that the customer service program be able to electronically access court orders; IV–D, SDU, and court payment ledgers; and SDU and IV–D account data for each complaining payee family

d. Require that the customer service program be accessible by telephone to legal counsel for the payee family pursuant to specified confidentiality protocols;
e. Require that the customer service program begin research regarding the payee family's complaint within one business day and have sufficient staff to do so
f. More generally, states should be required to send monthly payment and balance notices to all cases for both payee families and payors. States should no longer be permitted to obtain waivers of the monthly notice requirement.

5. Effective Child Support Enforcement

Children who receive child support:

Are more likely to have contact with their fathers [2]
Have better grade point averages and significantly better test scores [3]
Have fewer behavior problems [4]
Remain in school longer [5]
Receipt of child support is associated with significantly higher expenditures on children than any other source of income.
About 20% of our nation's children have a parent living outside the household and are entitled to child support. They are four times more likely to be poor and five times more likely to receive food stamps than children who live with two biological parents. Child support, when received by low-income families, accounts for 26% of family income.

Strong Child Support Enforcement:

Reduces the divorce rate [5]
Reduces the number of births to never married parents [6]
Reduces teenage pre-marital childbearing [7]
New studies show that strong child support enforcement programs have far-reaching positive social impact that reduces the number of children living in fatherless households and promotes marriage. Many recent studies have shown that strict establishment and enforcement of child support obligations is leading to lower divorce rates and fewer illegitimate births. In "The Effect of Child Support Enforcement on Marital Dissolution," Lucia A. Nixon found that strong child support enforcement reduces marital breakups, and in "The Effects of Stronger Child Support Enforcement on Non-Marital Fertility," Anne Case found that anything that increases the cost of fatherhood reduces the probability of children being born. "The Impact of Child Support Enforcement Policy on Non-Marital Child Bearing," showed that in states with a strong child support enforcement programs, non-married women had fewer children.

State governments alone have been unable to collect sufficient back-support due. (See **Chart 3**)

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[2] Argys, Peter, Brooks-Gunn, and Smith, "Contributions of Absent Fathers to Child Well-Being: The Impact of Child Support Dollars and Father-Child Contact", University of Colorado (1996).

[3] Graham, Beller, and Hernandez, "The Relationship between Child Support Payments and Offspring Educational Attainment" in Child Support and Child Well-Being (Garfinkel, MacLanahan, and Robbins (eds), Washington, DC (1994).

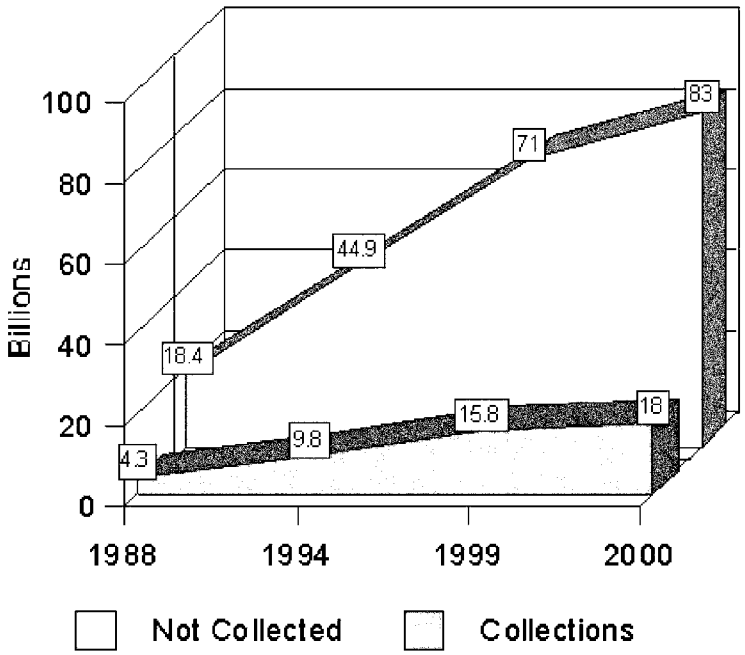
[4] H. McLanahan, *et al*, National Survey of Families and Households (1994)

[5] Nixon, Lucia, The Journal of Human Resources, XXXII–1, Winter 1997,Vol. 32, No. 1 and Barnow, Burt S., *et alK, "The Potential of the Child Support Enforcement Program to Avoid Costs to Public Programs: A Review and Synthesis of the Literature", U.S. Department of Health and Human Services, HHS 100–97–007 (2000)*

[6] Case, Anne, Fathers Under Fire, Chapter 7, "The Effects of Stronger Child support Enforcement on Non-marital Fertility" and Plotnick, Robert D., *et al*, "The Impact of Child Support Enforcement Policy on Non-marital Childbearing," University of Washington (2000)

[7] Plotnick, Robert D., *et al*, "Better Child Support Enforcement: Can It Reduce Teenage Premarital Childbearing?", University of Washington (1998)

Chart 3



State governments have been unable to collect support in interstate cases. (See **Chart 4**)

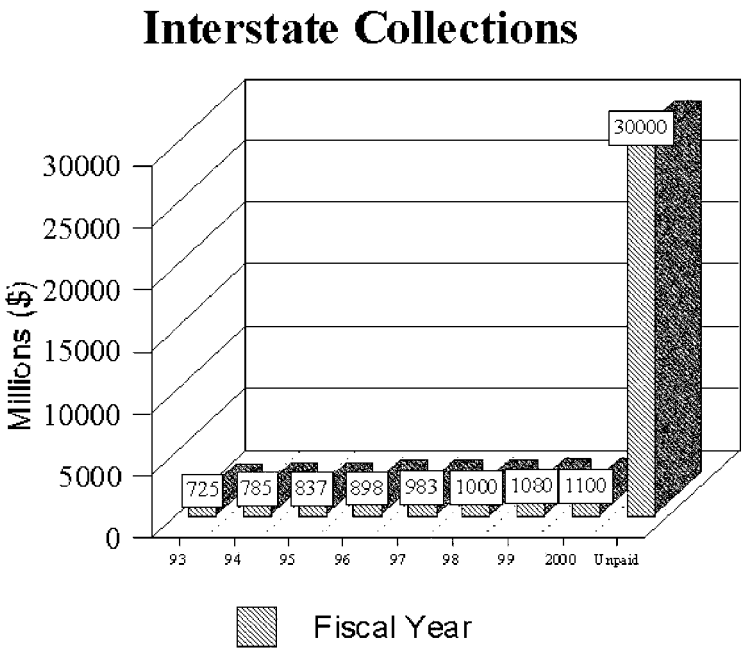


Chart 4

Families Benefit From Effective Child Support Enforcement

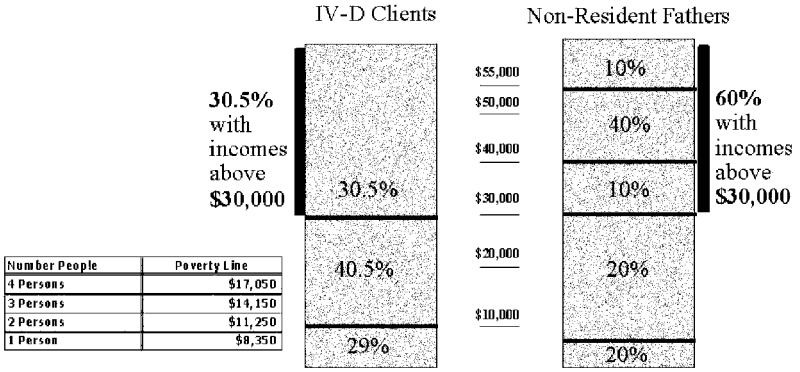
ACES has been monitoring the current child support enforcement system since 1984. In addition to obtaining information about the child support enforcement system for our members, ACES operates a national toll-free Hot Line for families with child support problems, issues, and questions. We receive up to 100,000 calls per year from parents throughout the U.S. From these calls and our members, we gather statistics and data on the status of the current child support enforcement system.

The average ACES member is a single-parent, and she has two children. About 50% of ACES members are divorced, and the other half were never married. Members average income is $15,000 per year as of the end of 2001, and 85% have, in the past, received some form of public assistance. At present, about 33% of our membership receives public assistance. ACES members report that collection of child support, when joined with available earned income, allows 88% to get off public assistance. Collection of child support enables our low-income, working-poor members to stay in the job force long enough to gain promotions and better pay so that they can move their family out of poverty, and on to self-sufficiency. The collection of child support, when joined with earned income, means our members can pay their rent and utilities, buy food, pay for healthcare, and provide for their children's educational opportunities. Lack of child support most often means poverty and welfare dependency. At the very least, it means having to work two or three jobs to survive. This leaves our children with literally no parent who spends time providing their children adequate nurturing, supervision, and the attention they need and deserve.

Parents Have the Ability to Pay Child Support: 60% Have an Income of Over $30,000

"Characteristics of Families Using Title IV–D Services in 1995", a study by Matthew Lyon shows that 1% of families using IV–D services had $0 income; 10% had an income of $1–$5,000; 18% had an income of $5,000–$10,000; 15% had an income of $10,001–$15,000; 10% had an income of $15,001–$20,000; 7% had an income of $20,001–$25,000; 8% had an income of $25,001–$30,000 and 30.5% had an income

above $30,000. In the book, "Fathers Under Fire", by Irv Garfinkel, data reported on the income of non-resident parents showed that 20% had an income under $6,000; 20% had an income of $10,000–$30,000; 10% had an income of $30,000–$40,000; 40% had an income of $40,000–$55,000 and 10% had an income in excess of $55,000 (**Chart 5**).



Data from the 1997 National Survey of American Families showed that of the 11 million fathers who weren't living with their children, about 4 million paid formal child support while the other 7 million did not. Of these 7 million fathers, 4.5 million have sufficient income to pay support. About 2.5 million were poor and probably unable to contribute significant child support.

The Federal Office of Child Support, in its preliminary data for the year 2000, shows that collections rose from $15.4 billion to $18 billion, for families with cases open at a government child support agency. The 1999 data shows slightly less than 50% of the children *still* do not have orders and the collection rate is 37%. This increase from 23% in 1998 is in part due to new reporting requirements for states and new regulations which allow states to close old cases where collections had not been made. U.S. Census Bureau data from the May 1999 *Current Population Report*, which includes data for families with and without a government child support case, for the year 1998, shows that the percentage of single-parent families who receive child support (some or all support due in 1998) was only 32%. The collection rate shows no significant improvement.

The most recent data available from the Federal Office of Child Support (**Chart 1**) shows that total collections for 2000 are $18 billion, up from $15.8 billion in 1999, up from the $14.3 billion in 1997, which was up from $13.3 billion in 1996. IV–D agencies spend $25 to collect $100, and 55.5% of collections are from payroll deductions.

5. Need Improved Interstate Collections

Chart 2 shows interstate collections. In 2000, interstate collections of $1.1 billion out of a total $17.9 billion are 6.1% of total. This is a decrease from $1.08 billion out of $15.9 billion (6.7%) in total collections in 1999. Interstate child support cases make up 36% of the case load. UIFSA, the *Uniform Interstate Family Support Act* required PRWORA to be adopted verbatim by all states. PRWORA has not yet shown itself to be of any assistance in processing interstate cases faster or more effectively. In fact, ACES has been told by several state IV–D agencies and state courts that it is more difficult to use than URESA, its complicated predecessor. Problems are being reported with the provision for direct income-withholding. If a non-resident parent receives an income-withholding order at their place of employment, and the order is for the wrong amount, wrong person, or contains some other mistake of fact, there is no mechanism in place to resolve problems. The state which sent the order is inaccessible to the non-resident parent and the state IV–D agency in their state is not even aware of the order or that a case exists in another state.

To increase the effectiveness on the interstate withholding process, **ACES recommends that HHS be empowered to send income-withholding notices to employers on cases with existing income-withholding orders rather than just notifying the state of a new employer.** States should be sent a copy of the income—withholding order listing the new employer so that, if needed, they can conduct a mistake-of-fact hearing and credit the case with payments which are re-

ceived. This is needed because states often fail to act on data received from the Federal New Hire Registry. State governments report being too short-staffed to process the large amount of data received. For example Alabama received 56,000, Arizona 49,00, Florida 121,00, Illinois 105,00, Mississippi 50,000, Missouri 67,000, New York 117,000, Texas 166,00, and VA 199,00 matches.

ACES recent survey of families about the impact of PRWORA child support laws revealed that, although adopted by local law and policy regulation, few provisions are being effectively utilized. ACES members and clients were questioned regarding past welfare enrollment, existence and amount of arrears, credit bureau reporting, bank account attachments, driver's license suspensions, professional license suspensions, income-withholding practices of the state child support agency, income tax refund seizures, and payment distribution.

Of the families surveyed,

89% said they had received welfare benefits in the past
44% had an order established before they went on welfare

Of those who had been on welfare,

42% said that no support payments were collected while they were on welfare
13% said that child support payments were collected and sent to them while they were on welfare
44% said that child support payments were collected for them and kept by the state

When asked about arrears owed:

89% of those responding to the survey said there were arrears owed more than the amount of support due in 30 days
Of the 89% who are owed more than current support, only 12% affirmed that non-payors in their cases had been reported to credit bureaus
26% answered negatively
54% were unsure
18% added comments including reasons given by the local child support agencies for failing to institute this practice, including policies of waiting periods before taking action, and reports of filing grievances with the agencies with a continuance of inaction even after the grievance was filed

Answers to questions regarding wage withholding provided insight to reasons the child support program is performing so poorly:

41% of those polled said that the state or court had not attached the non-payor's paycheck to collect child support payments
41% stated that the income withholding was instituted only after the custodial parent notified the state or court where the non-payor was working
Only 4% answered that the state New Hire Registry was used to find the employer

The New Hire Registry was developed to ensure efficient collection methods by requiring employers to report new hires within 20 days. This data is to be measured against state and federal case registries and matches are sent back to the state for institution of income-withholding procedures. The system is failing because states are not able to keep pace with the number of matches sent to them and because some states, including California, still do not have PRWORA compliant case registries, so they cannot send or deal with appropriate data.

Even more distressing were the results of questions asked regarding bank account attachments:

Only 1% affirmed that bank accounts had been attached to collect overdue child support payments
56% stated that bank accounts had not been attached

Similar results were found when we asked about driver's license and professional license suspension:

Only 2% reported professional license suspensions
9% responded affirmatively to the question of whether driver's licenses had been suspended
6% reported that the non-payor was notified of an impending driver's license suspension, but that the state failed to take action

Expedited process and federal timeframes are not being followed by state IV–D agencies. ACES members report a 1–3 year wait to establish paternity, 2 years to establish an order, 6–9 months for an income-withholding, 6–9 months for a court

hearing, and 1–3 years for modification, 5 years for medical support establishment and/or enforcement, 1 year for a Federal Parent Locator results, and 1–2 years for action on interstate cases.[8]

About 50% of all children in the U.S. will spend part of their life growing up in a single-parent household. An effective and efficient child support enforcement system is needed. The only government system which affects more children is the public school system. Your action to assist America's children receive the support of both parents is needed. Please act today to ensue the nation's children the opportunity to grow and thrive.

Declaration

ACES, The Association For Children For Enforcement of Support, Inc. receives $15,000 in federal funding from the City of Toledo, Community Development Block Grant. We do not receive any state government funding

Chairman HERGER. Thank you very much for your testimony. Now, Mr. Miller to testify.

STATEMENT OF STUART A. MILLER, SENIOR LEGISLATIVE ANALYST, AMERICAN FATHERS COALITION

Mr. MILLER. Chairman Herger, Mr. English, the American Fathers Coalition represents about 250 fathers' groups throughout the country.

While polling the various organizations to ask what issues I should present here today, I was overwhelmed by the feelings that were expressed to me by the groups that the entire U.S. Government is aligned against fathers. While obviously this is not true, we can understand to a degree where they get this feeling. It wasn't that long ago that Congress paid people to drive fathers out of their homes. The "no man in the house rule" was one of the most perverse aspects of the old welfare system, and in spite of welfare reform, some of the old anti-father sentiments still exist, particularly among frontline TANF workers. These attitudes need to be changed if we are going to take welfare reform to the next level. When a mother applies for welfare, the first question we need to ask is where is the father. Let us get him in here now.

We may have a family that doesn't need to be on welfare. This family may need something as simple as job placement assistance. Maybe one or both of the parents need substance abuse counseling, parenting education, job training. We won't know and can't provide the services if we don't get both parents in in the very beginning.

Getting both parents involved at the outset is an integral step in implementing another crucial aspect of welfare reform, marriage. Just as we support our President in his war against terrorism, we need to support our President in his war against poverty. Marriage is one of the most effective tools we have in fighting poverty. In order for marriage initiatives to work, marriage needs to be attractive.

Again, we go back to attitudes. How can we ask women to do what Congress is unwilling to do itself? Look at how we define families. Women, Infants and Children, what is missing from this definition? Fathers.

Anti-marriage activists will stereotype all men as potential abusers in spite of women's slightly higher abuse rates. Politicians will malign all fathers as deadbeats or, worse, drive-by dads, and Con-

[8] ACES annual membership survey (2000).

gress will leave them out of the definition of family. We can't ask women to commit to marriage out of one side of our mouth, while on the other side we are maligning the very person to whom we are asking her to commit.

Children love, want, and need both parents. Getting both parents involved in the beginning will screen out abuse, provide a venue for needed services, and, if the children are lucky, might even lead to marriage. It won't happen unless we change the way we handle initial in-take procedures.

The several States also need various tools and expansion of existing tools to implement effective welfare reform. As we all know, child support is an essential ingredient for welfare reform, but child support relief is also an essential ingredient. We must expand child support forgiveness efforts which have been successfully implemented in some States which enable many families to become self-sufficient.

There also needs to be mandatory DNA testing. In California almost 80 percent of all child support orders are entered by default. In other words, this means the punitive father is not even there when the order is entered. Under the 1998 Deadbeat Parents Act, we can turn delinquent obligors into federal felons, but what if the person we turn into a felon is not the biological father? Congress should not be in the business of turning innocent men into federal felons merely to balance our welfare budget.

More important than turning innocent men into felons, innocent children are deprived of knowing who their father really is. Anyone who has been to a doctor lately knows that family medical history is essential in treating a patient. Knowledge of this history can literally mean the difference between life and death.

In 1996, you passed landmark welfare reform legislation eliminating the "no man in the house rule" that was driving men out of their families. You should all stand up and take a bow. Now it is time to move to the next level of welfare reform. Reengage men in the business of parenting not by just removing the obstacles to father involvement, but by paving the way and implementing incentives that will encourage men to fulfill this highest and most rewarding calling. Then I will be back to ask you to take another bow, which will be even more deserved. Thank you.

[The prepared statement of Mr. Miller follows:]

Statement of Stuart A. Miller, Senior Legislative Analyst, American Fathers Coalition

Mr. Chairman and Distinguished Members:

The American Fathers Coalition represents about 250 father's groups throughout the country. When polling the various organizations for key issues to present to this Committee, I was overwhelmed by the fact that most groups expressed that they felt that the entire United States Government was aligned against them. While this obviously is not true, their feelings are, to some degree, understandable. It was not that long ago that Congress paid people to chase fathers out of their families.

The "no man in the house rule" was one of the most perverse aspects of the old welfare system. And in spite of welfare reform, some of the old anti-father sentiments still exist, especially among front-line TANF workers. These attitudes need to be changed if we are going to take welfare reform to the next level.

When a mother applies for welfare, the very first question that needs to be asked is "where is the father?" And then let's get him in there. We may have a family that doesn't need to be on welfare. This family may need something as simple as job-placement assistance. Maybe one or both parents need substance abuse coun-

seling, parenting education, or job-training. We won't know and can't provide the services if we don't get both parents participating in the very beginning.

Getting both parents involved at the outset is an integral step in implementing another crucial aspect of welfare reform: marriage. Just as we support our President in his war against terrorism, so should we support the President in his war against poverty. As we all know, marriage is the most effective tool we have in fighting poverty. But, in order for marriage initiatives to work, marriage needs to be attractive.

Again, we go back to attitudes. How can we ask women to do what Congress is unwilling to do itself: include fathers. Look at how we define families "WIC: Women, Infants and Children" What's missing from that definition? Fathers.

Anti-marriage activists will stereotype all men as potential abusers, in spite of women's slightly higher abuse rates. Politicians will malign all fathers as "deadbeat-dads" or worse, "drive-by dads," and Congress will leave them out of the definition of family. We can't ask women to commit to marriage out of one side of our mouth, while on the other side, we are maligning the very person to whom we're asking the mother to commit.

Children love, want and need *both* parents. Getting both parents involved in the beginning will screen out abuse, provide a venue for needed services and if the children are lucky, might even lead to marriage. But, it won't happen unless we change the way we handle initial intake procedures.

The several states also need various tools and expansion of existing tools to implement effective welfare reform. As we all know, child support is an essential ingredient for welfare reform. But child support relief is also an essential ingredient. We must expand child support forgiveness efforts which have been successfully implemented in some states which enable many families to become self-sufficient.

There also needs to be mandatory DNA testing. In California, 80% of all child support orders are entered by default. In other words, the putative father is not even there! Under the 1998 Deadbeat Parents Act, we have the ability to make federal felons out of delinquent child support obligors. But, what if the person we turn into a felon is not the biological father? In Los Angeles County alone, there are over 300 men per month ordered to pay child support for children that are not theirs. It should not be the policy of this Congress to turn innocent men into federal felons merely because we want to balance our welfare budget.

But, more important than turning innocent men into felons, innocent children are deprived of knowing who their biological father really is. Anyone who has been to a doctor lately knows that information regarding "family medical history" is essential in treating patients. Knowledge of this history can literally mean the difference between life and death.

In 1996, you passed landmark welfare reform legislation eliminating the "no man in the house rule" that was driving men out of their families. You should all stand up and take a bow. Now it is time to move to the next level of welfare reform.

Re-engage men in the business of parenting by not just removing the obstacles to father-involvement, but by paving the way and implementing incentives that will encourage men to fulfill this highest and most rewarding calling. Then, I will be back to ask you to take another bow, which will be even more deserved.

Chairman HERGER. Thank you very much, and I want to thank each of you again for your outstanding testimony, and thank you for appearing. With that we will move to panel 6. Jodie Levin-Epstein, Senior Policy Analyst, Center for Law and Social Policy; Helen Blank, Director of Child Care Division, Children's Defense Fund; Martha Davis, Vice President and Legal Director, NOW Legal Defense and Education Fund; Shay Bilchik, President and Chief Executive Officer of Child Welfare League of America; Nanine Meiklejohn, Legislative Affairs Specialist, American Federation of State, County and Municipal Employees.

It is also my great pleasure to introduce an individual from my home district, the chief of police of the city of Chico. Since becoming the chief of police, he has emerged himself in the community, taking a lead on many local efforts to improve Chico. He has met and exceeded the community's expectations. Chief of police, Michael R. Efford. With that, chief of police Efford, please, to testify.

STATEMENT OF MICHAEL R. EFFORD, CHIEF OF POLICE, CHICO POLICE DEPARTMENT, CHICO, CALIFORNIA

Mr. EFFORD. Thank you, Mr. Chairman, Members of the Subcommittee. Thank you for the opportunity to testify today about the critical crime prevention issues presented by the decisions you are about to make on welfare reform and child care. My name is Michael Efford, and I have spent the past 30 years in law enforcement, serving for the last 3 years as the chief of the city of Chico. I am here on behalf of more than 1,500 police chiefs, sheriffs, prosecutors, and victims of violence from across the country who have joined together to create Fight Crime: Invest in Kids. Our mission is to take a hard-nosed look at the research about what really works to keep kids from becoming criminals.

We believe there is no substitute for tough law enforcement, but those of us on the frontline in the fight against crime also know that we will never be able to arrest, try, and imprison our way out of the crime problem. Once a crime has been committed, neither the police nor prisons can undo the agony of the crime victim and repair that victim's shattered life. We can save lives, hardships, and money by investing in programs that are proven to keep children from growing up to become criminals.

I have worked in some of the most underprivileged neighborhoods where children hung out on street corners because they had no place else to go. I cannot tell you how many times that I have had to arrest people who might have turned out to be good neighbors if only we had made the investment they needed on the front end.

Just last year I came across a young man named Shawn whose family had sent him from the Los Angeles area to be with relatives in Chico to get him out of the gang-ridden neighborhoods in south central Los Angeles. I tried to get Shawn into a martial arts program, an after-school program, but his family couldn't afford even those minimal costs for that program. Subsequently, without a constructive environment for Shawn to invest his after-school time in, he became involved in gangs in Chico and eventually ended up getting a 13-year-old girl pregnant.

I am here today because the right decisions on welfare reform and child care can help communities and families keep kids like Shawn from becoming criminals. As President Bush's new early childhood initiative says, early childhood is a critical time for children to develop the physical, emotional, social, and cognitive skills they will need for the rest of their lives. That is why it is crucial that our Nation's children are participating in programs that give them the right start in life. Quality educational child care programs are proven to dramatically reduce the chances that at-risk children will grow up to become criminals. When our fight against crime starts in the highchair, it won't end in the electric chair.

Of course, the opportunity to prevent crime doesn't end when kids start school. The prime time for violent juvenile crime is the after-school hours from 3 to 6 p.m. Not surprisingly, quality after-school programs are also proven to reduce crime both now and down the road. I have seen that this works firsthand as an active member on the local board of directors for our Boys and Girls Club in Chico. Our choice is simple. We can either send our children to

after-school programs that will teach them good values and skills, or we can entrust them to the after-school teachings of Jerry Springer, violent video games, or the streets.

Congress should be congratulated for the overwhelming success of welfare reform in moving families from welfare dependency to work, but decent child care and after-school activities for the children of these working families cost money, more money than many of these families can afford without help from the government. The Child Care and Development Block Grant helps. Unfortunately, it is so underfunded that it has been able to serve only one out of seven children eligible for that program. In addition, any decision to increase welfare reform work requirements will increase the need for child care funding even more.

Many of the parents who don't receive child care assistance are forced to make do with child care that no Member of this Committee would want for their child or grandchild. Law enforcement believes that we can and we must do better. The California police chiefs, sheriffs, and district attorneys associations have all passed resolutions supporting investments in quality child care and after-school programs. So, have the National Sheriffs Association, the Major Cities Chiefs, the Fraternal Order of Police, and the National District Attorneys Association. Every day we fail to help working families afford quality educational child care and after-school programs, we increase the risk that you or someone you love will fall victim to violence.

I am here to ask you to pay attention to this plea from the people on the front lines. Congress must substantially increase funding for the Child Care and Development Block Grant. In other words, invest in America's most vulnerable kids now so they won't become America's most wanted adults later. I thank you again for this opportunity to testify before you today.

[The prepared statement of Mr. Efford follows:]

Statement of Michael R. Efford, Chief of Police, Chico Police Department, Chico, California

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to testify before you today. My name is Michael Efford, and I am the Chief of Police in Chico, California. I am also a member of the anti-crime group Fight Crime: Invest in Kids, which is made up of more than 1,500 police chiefs, sheriffs, prosecutors and victims of violence from across the country who have come together to take a hard-nosed look at the research about what really works to keep kids from becoming criminals.

I am very pleased to be here today to share with you what I hope will be a unique perspective on welfare reform: its impact on crime. During my 30-year career, I've been involved in virtually every aspect of law enforcement. I have worked as a front line police officer and have seen first hand how the lack of properly supervised activities can lead kids into a crime-laden environment. I have listened to testimony in our courtrooms by so many of our young people as they were sentenced to incarceration. I have heard the same account over and over: if there had only been some positive influence in their lives, their story may have come out different. Luckily, I have also been fortunate enough to see and work with programs and activities that provided that badly-needed positive experience—and today I'd like to tell you about some of those experiences and the research that relates to them.

Government's most fundamental responsibility is to protect the public safety. In many cases, this requires capturing, trying and imprisoning those who have committed a crime. There is no substitute for tough law enforcement. But once a crime has been committed, lives have already been shattered. Those of us on the front lines in the fight against crime understand that we'll never be able to just arrest and imprison our way out of the crime problem. We can save lives, hardship—and

money—by investing in programs that can keep children from growing up to become criminals in the first place.

The members of Fight Crime: Invest in Kids have come together to issue a "School and Youth Violence Prevention Plan" that lays out four types of programs that research proves—and law enforcement knows—can greatly reduce crime. The violence prevention plan calls for more investments in:

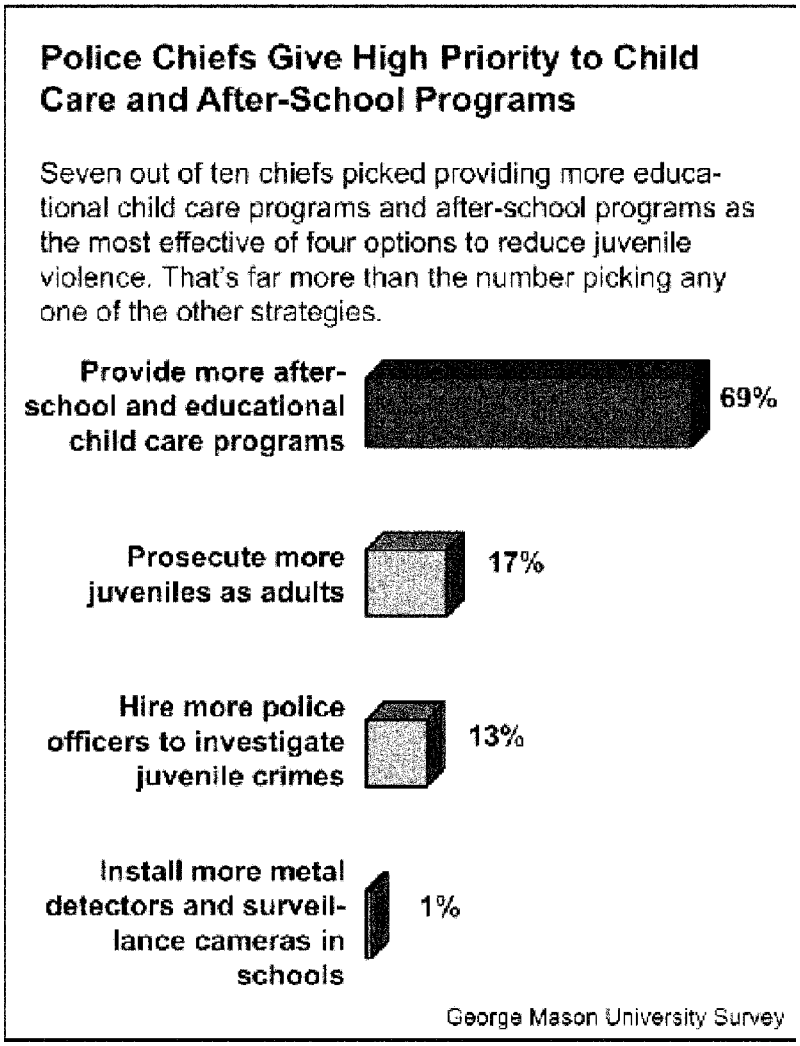
- after-school programs;
- quality educational child care programs;
- activities that get troubled kids back on track before it's too late; and
- services that can treat and prevent child abuse and neglect.

These investments are overwhelmingly supported by law enforcement. A poll of police chiefs nationwide conducted by George Mason University professors in 1999 showed that 86 percent of chiefs believed that expanding after-school programs and educational child care would greatly reduce youth crime and violence. When asked to rate the value on a scale of 1 to 5 of parent coaching programs for high-risk families, which are proven to reduce child abuse and neglect, 79 percent gave such programs a 1 or a 2 (with 1 being "very valuable" and 3 being "valuable").

The chiefs were also asked which of the following strategies they thought was most effective in reducing youth violence:

- providing more after-school programs and educational child care;
- prosecuting more juveniles as adults;
- hiring more police officers to investigate juvenile crime; or
- installing more metal detectors and surveillance cameras in schools.

Expanding after-school and educational child care was picked as the top choice by more than four to one over any other option. In fact, more chiefs chose "expanding after-school programs and educational child care" as "most effective" in reducing crime than chose the other three strategies combined. Of course, that doesn't mean they're against those other strategies. But police chiefs are clear that these preventive approaches will have a greater impact than the others.



These chiefs are not alone. Dozens of state and national law enforcement associations have adopted resolutions highlighting the crime-fighting importance of quality child care, after-school programs, and programs that prevent abuse and neglect, including the Fraternal Order of Police, the Major Cities Chiefs organization, the National District Attorneys Association, the National Sheriffs Association, and the Police Executive Research Forum. In my own state of California, the California Police Chiefs Association, the California District Attorneys Association, the California State Sheriffs' Association and the California Peace Officers' Association have all adopted similar resolutions.

I know from first-hand experience that these types of programs really can make a difference. I spent a large portion of my career working with youth. I have worked in neighborhoods with strong gang influences, and in some of the most underprivileged neighborhoods where children "hung out" on street corners and alleyways because they had no place else to go. I spent several years as a detective, pursuing the criminal activities of young people whose lives could have been different if only they had had some structure in their young lives. As an active member on the board of directors of my local area Boys and Girls Club, I have also seen first hand how

well-organized and properly-supervised activities provide our youth with the alternatives that they so desperately need. In 1998, I worked with a large group of young men and women to build a skate park in their neighborhood. I was very fortunate to be able to watch these young "castaways" of society work to see their dream come into fruition, and then see the lasting impact that their success had on their lives. Something as simple as a skate park changed dozens of young lives forever. Throughout my career, I have seen it proven time and again that early interventions with our youth can change a path leading to criminality toward that of being a productive member of our society.

Based on these experiences, I would now like to discuss a few of the ways welfare reform legislation can reduce crime. Welfare dependency is bad for children. The welfare reform legislation passed by Congress in 1996 has been an extraordinary success at helping parents leave welfare and enter the workforce—something necessary to improve the lives of children and make our communities safer.

Welfare reform now offers us the opportunity to fight one of the most egregious crimes of all—child abuse and neglect. Child abuse and neglect is a crime that keeps on giving. It hurts innocent kids immediately. And it too often starts a cycle of violence that leads to more crime, and sometimes more child abuse. Most kids who are abused or neglected grow up to become law-abiding citizens despite what they have gone through. But too many don't. Being abused or neglected multiplies the risk that a child will grow up to become a criminal—a tragedy for the child, and also a tragedy for us all. The abuse and neglect occurring in a single year results in between 45,000 and 135,000 extra arrests for violence and 1,000 to 3,000 murders ultimately committed by some of those victimized as children.

The welfare reform legislation passed in 1996 increased funding for the Social Services Block Grant—a program that is actually the Federal Government's single largest support for child abuse and neglect-related services. This block grant helps states and communities fund a variety of activities—including foster care, adoption and child protective services. Unfortunately, the level of funding for this important program has been cut by almost 40 percent from what it was promised in 1996. Welfare reform proposals that restore SSBG to its previously-set funding level will provide communities with much-needed help for efforts to prevent and treat child abuse and neglect, and therefore reduce later crime.

Another child abuse and neglect-related issue in welfare reform is kinship care. I'm sure we'd all agree that, whenever possible, we want children to be raised by their parents. But when that either is not desirable because the parents are abusive or is simply not possible, the next best scenario is for that child to live with a relative. About 420,000 children who are raised by relatives receive TANF support from child-only grants, and another 80,000 children receive support because the relatives who care for them are on TANF. It is critical that these relatives be able to care for these children. I hope Congress makes sure that these children are not returned to dangerous settings or placed in expensive foster care because their relative caregivers—many of whom are grandparents and are unable to work—have lost their TANF support due to time-limits or work requirements.

Now I'd like to talk about the program through which I believe welfare reform legislation can make the biggest impact on crime—the Child Care and Development Block Grant (CCDBG). As I mentioned earlier, the success of welfare reform has helped millions of parents into the workforce. With that success comes the reality that most parents, even parents of very young children, are working.

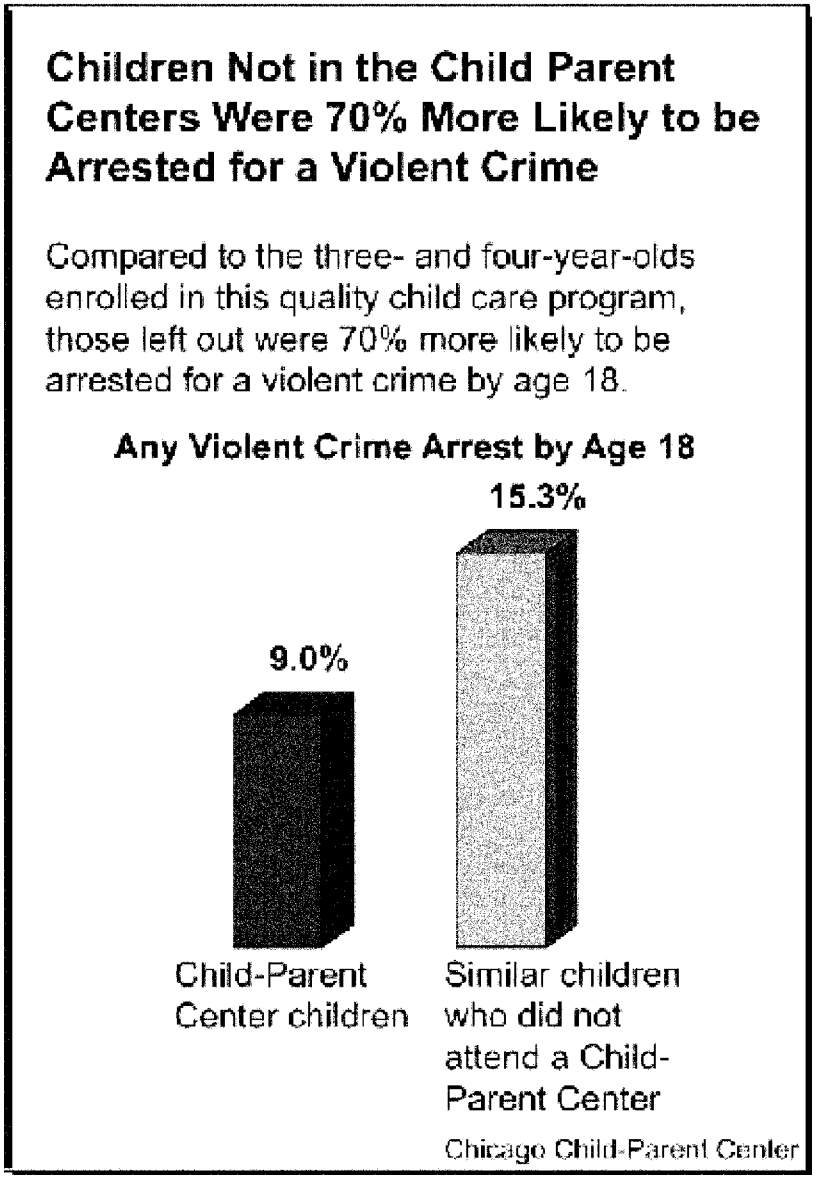
While these parents are at work, their kids will be in someone else's care. As the President pointed out last week, 62 percent of young children—13 million kids—are in the care of someone other than their parents during the work-day. The question is: will it be stimulating, nurturing care that helps kids develop, or "child storage" with too few adults—who have too little training—and too many kids?

To quote President Bush's new early childhood initiative released last week, "early childhood is a critical time for children to develop the physical, emotional, social, and cognitive skills they will need for the rest of their lives." The good news is that numerous studies of quality early childhood programs have shown that participants have better self-esteem, achievement motivation, social behavior, academic achievements, cognitive development, grade retention and other benefits than similar children who did not participate in such programs.

What is equally important but less well-known is that quality educational child care programs can also significantly reduce the chances of a child growing up to become a criminal. A study published in the Journal of the American Medical Association last year demonstrated this fact. Over the last 30 years, Child-Parent Centers have provided school readiness child care to 100,000 3-and 4-year-olds in Chicago's toughest neighborhoods. The study published in JAMA examined outcomes at age 18 for 1,000 of these children, and a matched group of 500 similar children who had

not been enrolled in the Child-Parent Centers. The study showed that kids who did not receive the Child-Parent Centers' quality child care were 70 percent more likely to have been arrested for a violent crime by the time they reached adulthood. Kids left out of the program were also more likely to be held back in school, more likely to drop out, and less likely to graduate.

The researchers estimated that the program will have prevented 33,000 crimes—including 13,000 violent crimes—by the time all 100,000 participants reach age 18. Clearly hundreds of thousands of crimes would be prevented each year if all families nationwide had access to programs like this. When our fight against crime starts in the high chair, it won't end in the electric chair.



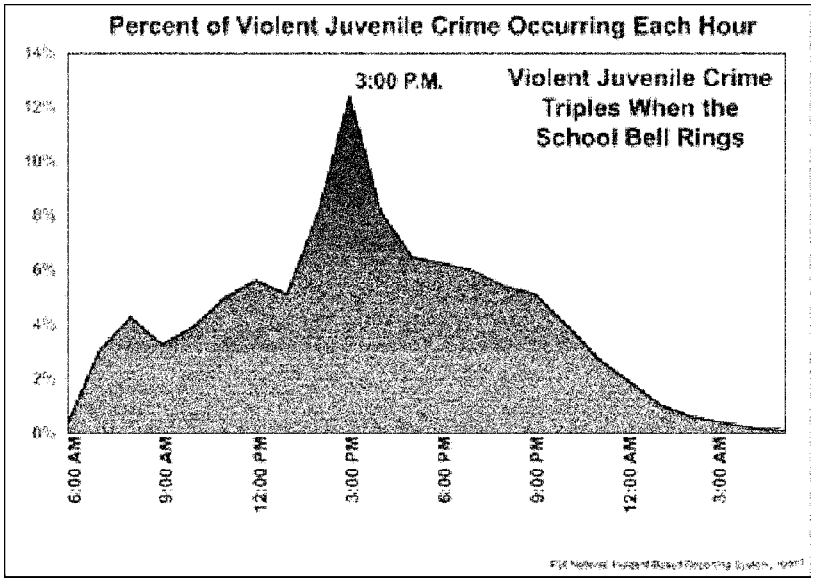
In addition to saving lives, these programs also save money. Counting only savings to government, the Chicago Child-Parent Centers returned almost three dollars for every dollar invested. Counting those government savings, savings to crime victims, and benefits to the participants in the program, the results are $7 saved for every dollar invested.

Unfortunately, millions of children are being left out of these types of programs. Without government help, such programs are just too expensive for low-and moderate-income families. In every state, the cost for an infant to attend a good child care center is higher than the cost of tuition at a public university. Adequate care for two children in a child care center can easily cost over $12,000 a year—about $2,000 more than a minimum-wage worker earns working full-time.

Many working parents can't possibly pay these costs, any more than they could pay private school tuition if public schools were eliminated. Unfortunately, the crime-reduction and other benefits I described earlier only occur when children are able to participate in quality programs—not programs that are simply "child storage." We can no more afford to accept child care that is merely "custodial" than we could accept assigning some children to public schools that are "custodial" rather than "instructional." Clearly that is not what Congress or the President desires, given the recent enactment of the No Child Left Behind Act.

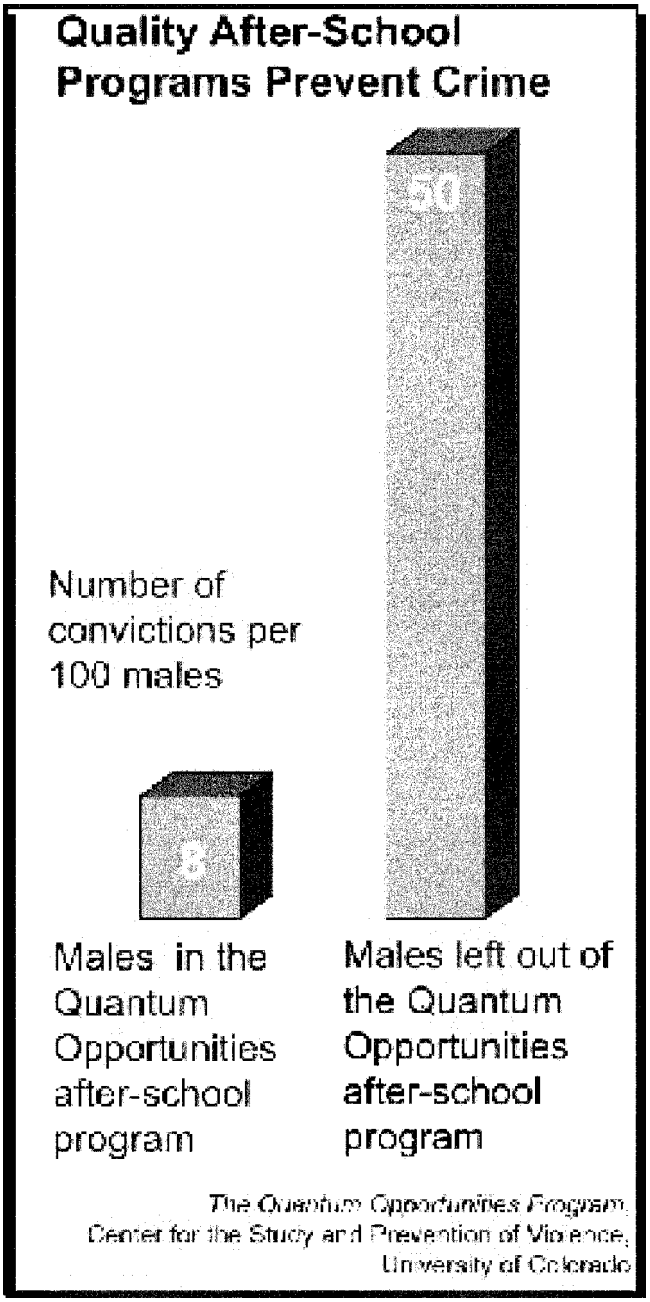
To make sure child care is not simply "child storage," it is imperative that CCDBG legislation provides for quality improvements to child care programs. An increase in the CCDBG "quality set-aside," currently at a mere four percent, would help facilitate this improvement by supporting: scholarships to enhance the levels of educational attainment for child care providers; training that includes approaches through which providers can enhance children's cognitive, social, emotional and physical development; and increased compensation levels that attract and retain qualified providers. Enhanced standards, an area that President Bush addressed in his recent early childhood education proposal, can also help to improve quality. However, all such quality initiatives require additional resources.

In addition to helping families send their young children to safe and stimulating environments while the parents work, CCDBG also helps families send their school-age children to safe and stimulating settings after school. As you probably know, the prime time for violent juvenile crime is in the after-school hours, from 3 to 6 p.m. These are also the peak hours for teens to commit other crimes, have sex, smoke, drink, use drugs, or become a victim of a crime. As more and more parents enter the workforce because of welfare reform, many teenagers are left in unsupervised environments. Already more than 10 million children and teens—including 7 million 5–14 year-olds—are unsupervised after school on a regular basis. In fact, 31 percent of school-age children of recent welfare leavers—and even higher proportions of school-age children of welfare recipients and other poor parents—do not participate in extracurricular activities. This rate is more than three times higher than the non-participation rate of children in families with incomes greater than 200 percent of the poverty line.



After-school programs can cut crime immediately by keeping kids safe and out of trouble during these dangerous hours. They can also cut later crime by helping participants develop the values and skills they need to become good, contributing citizens. In one study, students whose families were on welfare were randomly divided into two groups when they started high school. One group was enrolled in the Quantum Opportunities after-school program, which provided tutoring, mentoring, recreation, and community service programs and some monetary incentives to keep attendance up. The second group was left out of the program.

When studied two years after the four-year program ended, the group of boys left out of the program had six times more convictions for crimes than those provided with the program. In addition, every dollar invested in this program produced three dollars in benefits to government and the recipients. That doesn't even count the savings that result from a lowered crime rate. Our choice is simple: we can either send our children to after-school programs that will teach them good values and skills, or we can entrust them to the after-school teachings of Jerry Springer, violent video games or the streets.



In conclusion, investing in quality educational child care and after-school programs are among the most significant steps Congress can take to stop kids from growing up to become criminals. That is why substantial increases are needed in the Child Care and Development Block Grant. Unfortunately, this program is so under-funded that only one in seven children who are eligible for benefits receive

them. If increased work requirements are added to welfare reform, without a significant increase in CCDBG, then the unmet need will only increase. I hope that you will provide a substantial increase in funding for this program to allow more of the eligible children to participate—and to improve the quality of programs. Every day we fail to help working families afford quality educational child care and after-school programs, we increase the risk that you or someone you love will fall victim to violence. We need to invest in America's most vulnerable kids now, so they won't become America's Most Wanted adults later.

Thank you once again for this opportunity to testify before your subcommittee. I would be happy to answer any questions you may have.

Chairman HERGER. Thank you very much, Mr. Efford. Now, Ms. Levin-Epstein to testify.

STATEMENT OF JODIE LEVIN-EPSTEIN, SENIOR POLICY ANALYST, CENTER FOR LAW AND SOCIAL POLICY

Ms. LEVIN-EPSTEIN. Thank you, Mr. Chairman and Members of the Subcommittee. Thank you for giving me the opportunity to testify.

My focus today is child well-being. The HHS Assistant Secretary Wade Horn has said, the principal question to ask of welfare reform is, are children better off? He urged caution in order to avoid unintended consequences. Chairman Herger, you probably summed it up best when you said, no success is a success unless it works for kids.

My remarks will highlight child well-being issues in several areas. With respect to the proposed work structure, to compete for family friendly jobs such as day jobs rather than night jobs, parents need educational skills. Under current law, States may count full-time training for up to 12 months. Under your proposal, sir, that would not be possible. Such training would count only for 3 months.

Further, your proposed approach is fundamentally inconsistent with what we know works from the research. The most successful site in the national evaluation of Welfare-to-Work strategies was Portland, Oregon, which stressed moving individuals into the workforce quickly, but emphasized finding good jobs and allowed the first activity for each person to vary depending upon skills, work history, and other factors. It was not a one-size-fits-all approach, and your proposal, sir, is much more of a one-size-fits-all approach. States under your proposal would not be able to adopt the Portland model, because most of the activities provided by Portland could not count toward the first 24 hours of program activity after the first 3 months.

I suggest, sir, we don't need to be playing in this sandbox. We need to be outside this sandbox, we need to look at a whole array of other issues. The States have repeatedly told us in surveys and we have seen through the recent National Governors' Association survey that this sandbox would create problems.

The next area is the superwaiver. Under the proposed superwaiver, the executive branch would be able to waive virtually any protection contained in federal child welfare, child support, child care, or other laws. As written, these waivers would happen automatically with no requirement for even cursory review. If the Sec-

retary didn't respond to a State's request within 90 days, the unintended consequence could be that children could be harmed.

In the child support distribution area we have already heard testimony today. What we need to appreciate is that next to earnings, child support is the second largest income source for poor, single-female-headed families receiving child support, which amounts to 26 percent of their budget, about $2,000 a year. We appreciate that you focused on that issue, sir, but we think you haven't gone far enough to recognize the virtues of child support distribution. We commend the provisions in the bipartisan Johnson-Cardin bill.

In the area of kinship care, when relatives assume caretaking responsibilities for a child, this kinship care often enables a child to avoid foster care. Under current TANF policy, if the relative care giver is included in the grant, federal limits and work requirements apply, which may make it difficult or impossible for the relative to provide a stable home. We recommend that you address these issues.

With respect to non-marital births, in your bill, up to $300 million is made available to encourage States to increase their efforts to promote healthy marriages. For many children the reality is that marriage is not a feasible or even a desirable option for their parents. Given the overarching purpose which we share to improve the child well-being of, we hope, all children, States should be encouraged to help all parents, whether unmarried, married, separated, divorced, or remarried, so that they can work together to raise their children and give them the supports they need to do so.

Despite the role teen pregnancy prevention holds in decreasing non-marital births as noted by Isabel Sawhill, the Herger bill does not promote it. Indeed, the $200 million pot of funds made available in the healthy marriage promotion grants element of the bill precludes pregnancy prevention programs from getting grants. Even proven programs such as school community service programs could not get funded. It would ironically also preclude replication of strategies that appear to have a positive marriage outcome. For example, in Minnesota the Minnesota Family Investment Program, without mentioning marriage, increased marriage rates among single parents and marital stability among two-parent families. The other $100 million dollars for research grants also targeted primarily at marriage may well also preclude investment in teen pregnancy prevention. We commend the Cardin approach again.

With respect to TANF teen parents, we urge you to make sure that TANF teen parents get on the radar screen, and what we are learning from new research is that too often they are not even getting applications. They are being shut out at the door. We think Congress should consider a transitional period for teens to come into compliance with these rules.

I urge you to consider the child well-being implications of each of these provisions and others as you deliberate the rest of the bill. Thank you.

[The prepared statement of Ms. Levin-Epstein follows:]

Statement of Jodie Levin-Epstein, Senior Policy Analyst, Center for Law and Social Policy

Mr. Chairman and Members of the Subcommittee:

Thank you for giving me the opportunity to testify. I am Jodie Levin-Epstein, a Senior Policy Analyst at the Center for Law and Social Policy (CLASP). I began my work at CLASP in 1988, the year the Family Support Act was enacted. CLASP is a nonprofit organization engaged in research, analysis, technical assistance and advocacy on a range of issues affecting low-income families. Since 1996, we have closely followed research and data relating to implementation of Personal Responsibility and Work Opportunity Reconciliation Act. We place a special emphasis on understanding what is actually occurring at the "ground level" through on-going dialogue with state officials, administrators, program providers, and individuals directly affected by the implementation of welfare reform efforts.[i]

My testimony will address a number of reauthorization issues central to child-well being. The Administration has proposed to establish that the purpose of the welfare program be an "Overarching Purpose to Improve the Well-being of Children." HHS Assistant Secretary Wade Horn has underscored this goal and said, "The principal question to ask of welfare reform is—are children better off?" He also has urged that generally, one should "proceed cautiously" in order to avoid unintended consequences.[ii] Chairman Herger has perhaps summed up best the interest in child well-being when he said "No success is a success unless it works for kids".

In its proposal, the Administration puts forward several new provisions designed to encourage states to increase their efforts to promote healthy marriages, citing research that establishes marriage as the "ideal environment for raising children." However, for many children the reality is that marriage is not a feasible or even a desirable option for their parents. Given the Administration's overarching purpose to improve the well-being of (presumably all) children, states should be encouraged to help all parents—whether unmarried, married, separated, divorced, or remarried—to work together to raise their children and give them the supports they need to do so.

The Administration has also proposed to restructure the welfare program's work requirements. Yet, there is a danger that this work proposal could generate new risks for children at the same time as it would diminish resources needed for programs that address child well-being. There is yet another danger lurking behind this one: important child well-being issues may be "crowded out" from the deliberative process because of the intense focus on the Administration's proposed changes to TANF work requirements and to promoting marriage.

It is not yet clear how TANF implementation has affected children, but research on pre-TANF programs suggests that positive effects may depend on improved family income, and that there may be negative effects on adolescent children that result from increased maternal employment. Recent work by the Manpower Demonstration Research Corporation (MDRC) and other work by Child Trends, looking at pre-TANF welfare-work programs, found that while many programs raised employment rates, only some raised income, because gains in employment were often offset by losses in benefits. In those programs where employment was associated with increased family income, the research has found evidence of positive effects on elementary school-age children's school achievement. By contrast, programs that increased employment but did not increase incomes had few effects on elementary school-age children. However, several programs that increased maternal employment had negative effects on adolescent children's school achievement. At this point, it is unclear whether this adverse impact is principally a function of decreased supervision, increased stress on parents, or increased responsibilities for teens with working parents.

The data suggests that positive child outcomes are tied to increased income; yet it would be a mistake to ignore something much less tangible and yet as fundamental: the need for a child to be cared for by a loving adult. Thus, it is important to appreciate that underlying child well-being, is family well-being.

Highlighted below are some of the key child well-being issues that should be addressed during reauthorization.

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[i] This testimony reflects collaborative work with a number of CLASP colleagues, including Vicki Turetsky, Mark Greenberg, Rutledge Hutson, Rachel Schumacher, Steve Savner, Jennifer Mezey, John Hutchins, and Christine Grisham.

[ii] September 5, 2001 HHS Conference On Welfare Reform.

The Administration's Work Requirements May Hinder Its Articulated Goal To Improve Child Well-Being[iii]

The Administration has proposed to modify the goals of TANF to articulate that the overarching goal of state TANF efforts should be to improve child well-being. And, the Administration has suggested that so long as the 24-hour "direct work" requirements were satisfied, states could count structured activities that furthered child well-being toward meeting the remaining 16 hours of the 40 hour obligations. What would count as a structured activity is something outside the home—like parental participation in a school field trip; what would not count is parental engagement with school homework.

In many ways, this framework seems unresponsive to the central issues that states must address in efforts to simultaneously promote work and advance child well-being. A better approach would be to place weight on such factors as increasing the income of families who go to work, broadening access to child care, or improving access to jobs which have sick and vacation leave and do not require nighttime or weekend hours. The Administration's framework also restricts stand-alone education and training; specifically, it only counts 3 months within any 24-months, making it that much harder for a parent to gain skills and credentials that could lead to a better quality job (i.e. a job with flexible hours and benefits). These restrictions on education and training are proposed despite new research which suggests that welfare programs which improve a parent's educational attainment, often improve the child's cognitive and academic levels.

In at least two ways, the 40-hour framework could actually be contrary to promoting child well-being: first, as noted in the child impact research above, participation in work-related programs by low-income parents appears correlated with adverse impacts on teens' school performance. This counsels for the importance of helping parents find jobs that are consistent with family responsibilities, and against simply mandating 40 hours of out-of-home participation. Second, it is by no means clear that mandating participation in structured out-of-home activities with children is the best way to promote child well-being.

Work Requirements and Reauthorization: CLASP recommends that Congress consider the unintended consequences to child well-being that could result directly from the proposed 40 hour participation requirement. We have recommended a number of changes in federal law to improve TANF's employment outcomes, but we believe that the participation rate changes proposed by the Administration are not necessary, and would be costly and potentially counter-productive.

Child Support Distribution Can Enhance Income And Parenting[iv]

The work-welfare programs with the best outcomes for young children are those that resulted in increased income. Effective child support is a valuable way to increase income for low income families. Next to earnings, child support is the second largest income source for poor, single female-headed families receiving child support. For poor families who get child support, the child support amounts to 26 percent of the family's budget, or $2000 per year. Child support lifts about a half million children out of poverty, reducing poverty among these children by 5 percent.

Child support can also translate into increased parental engagement. For the noncustodial parent, typically the father, making the payment can represent his basic commitment to his children. For the custodial parent, usually the mother, receiving the payment means she can often forego a second or third part-time job, affording her more time to supervise and engage her children and often allowing her to work more regular hours.

Child support translates into improved parental engagement most readily, it appears, the more support the family receives. However, current child support distribution laws limit the amount of child support a family actually gets. How much child support the family actually gets depends on how the government distributes

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[iii] On TANF work participation see: "At What Price?: A Cost Analysis of the Administration's Temporary Assistance for Needy Families (TANF) Work Participation Proposal," and "Unwise and Unworkable: Work Participation Requirements in the Administration's Welfare Plan," CLASP, forthcoming; "Children and Welfare Reform," *The Future of Children,* Vol 12–Number 1., The David and Lucile Packard Foundation, Winter/Spring 2002; "Comments Regarding the Reauthorization of the Temporary Assistance for Needy Families (TANF) Block Grant," submitted to the U.S. Department of Health and Human Services by the CLASP, November 30, 2001.

[iv] On child support distribution see: "Reauthorization Issues: Child Support Distribution," CLASP, February 2002; "W2 Child Support Demonstration Evaluation: Phase I: Final Report," Daniel Meyer and Maria Cancian, University of Wisconsin, Institute for Research on Poverty, April 2001; "Child Support Offers Some Protection Against Poverty," Elaine Sorenson and Chava Zibman, The Urban Institute, March 2000.

the money it collects—that is, how much of the money goes directly to the family and how much is kept by the government. We now operate under an extraordinarily complex set of distribution rules that few understand. Indeed, the current system serves as a disincentive for dads to pay child support because too often they do not see their dollars buying needed diapers, . . . instead, they see it disappear into state coffers. States are no happier with the current distribution rules. Implementation of the current rules are estimated to cost up to $360 million per year, and a number of states are facing lawsuits and audit problems because they have not accurately implemented the distribution rules.

A demonstration in Wisconsin—which examined the impact of having all the current child support go directly home to the family—found that this led to more dads being willing to pay child support; and, those dads paying more support. From the perspective of child-well being there are also intriguing hints in the data that suggest that the increased income also reduced family tension and eased the way to other positive benefits for the children. These positive outcomes were particularly evident for the subgroup where the dads paid enough child support to make a difference in family budgets. The Wisconsin evidence suggests that distributing the money directly to the family led to less conflict between the parents, improved child health outcomes, increased mothers' satisfaction with the child care arrangements they could secure, and, for teens, better school performance and less trouble with the law. Another striking finding is that there was no difference in overall government costs—the cost of distributing all of the current support to families was offset by more support paid by fathers and less welfare used by mothers.

Child support distribution and reauthorization: CLASP urges the House to adopt the bipartisan distribution reform provisions in Johnson-Cardin HR 1471 (the "Child Support Distribution Act of 2001") and Cardin HR 3625. In 2000, the House passed nearly identical provisions by a vote of 405–18.

Kinship Care TANF Policies Should Be Family Friendly[v]

When relatives assume caretaking responsibilities for a child, this kinship care often enables a child to avoid foster care. Some of these kinship families receive modest support from TANF. However, current TANF policies are not as "family friendly" to these kin caregivers as they ought to be. Reauthorization is an opportunity to address this issue as well as improve coordination between TANF and the child welfare system.

In 1999, approximately 420,000 children living with relatives received TANF "child-only" grants. This means, a grant was given to support only the child and not the relatives caring for the child. Nearly 80,000 more children lived in relative headed households that included the relative caregiver in the grant.

There are a number of issues about whether this manner of supporting kinship caregivers is "family friendly." Under current TANF policy, if the relative caregiver is included in the grant, federal time limits and work requirements apply which may make it difficult or impossible for the relative to provide a stable home for the child. While the kin are extending themselves to help out a relative child, current TANF policy limits the assistance available to them. For example, if an aunt and uncle take in a two year old nephew and are included in the grant, they can receive assistance for only five years. The notion that the child would need to enter foster care or move to another relative when he turns seven is inconsistent with the child welfare goal of finding a safe, permanent placement. The work requirements add another possible tension. For example, if a 65 year old, retired grandmother on a fixed income takes in her grandchild and begins to receive TANF, she is subject to her state rules regarding job search, job training, and employment. While it is possible these state services might help her, it is also possible that she cannot comply with these requirements and provide a stable home for the child. A kinship caregiver could receive a TANF "child only" grant without being subject to the work requirements and time-limits. However, since the size of these grants are relatively small (averaging $7.00 per day), a relative caregiver may not be able to adequately care for a child with a child-only grant. In either case, kinship caregivers face a unique set of circumstances and needs which raise questions about how best to serve these special families.

In addition to the kinship care connection, families in the child welfare system and families in the TANF system often have quite similar needs. They often face the challenges of poverty, substance abuse, mental health, and domestic violence.

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[v] On kinship care and TANF see: "Reauthorization Issues: The Child Welfare Link," CLASP, February 2002; " Child Welfare and TANF Reauthorization," CLASP, February 2002; "Red Flags: Research Raises Concerns About the Impact of Welfare Reform on Child Maltreatment," CLASP, October 2001.

Yet, the services available to families and the manner in which the services are offered often depend on which door the families first enter. In some cases families in both systems have child welfare service plans that conflict with the requirements of their TANF individual responsibility plans. This raises issues of coordinated, collaborative service delivery.

Kinship Care and Reauthorization: CLASP recommends that Congress amend the time limit provision so that the 60 month limit applies only to birth and adoptive parents, not relative caregivers; allow a state to exempt relative caregivers from work requirements (and the participation rate) while encouraging states to assess the kinship family's needs, design a service plan and offer appropriate services to meet the family's needs. More generally with respect to the potential child welfare and TANF intersection, we recommend that Congress expand the kinds of activities that count as participation and amend the state plan requirements to require states to describe interagency coordination, among other new plan elements.

Infant Care Options Are Neded[vi]

Reauthorization presents an opportunity to test new approaches to infant care. Infancy, it is now recognized, is fueled by experiences that contribute to future development. Research on the significance of a child's early years ("zero to three") to brain development demonstrates that the relationships and experiences formed during this period can contribute significantly to future functioning. When parents of infants go to work, however, often the available infant care is of low quality and/or high cost. Current TANF policies may exacerbate this dual dilemma; furthermore, the Administration's proposed increased work requirements could have the effect of mandating that more mothers of infants leave home for work and thereby, further increase the demand for and strain the supply of quality infant care.

Under current TANF policy, states decide whether and to what extent to impose work requirements on parents of infants. The majority of states categorically exempt parents with children under age one (in these states, the time-limit clock runs during the exemption; these families, however, are not included in the calculation of the state's participation rate). Eighteen states require participation by parents of children under age one.

Under the Administration's proposal, while states would still get to choose whether to exempt mothers with infants, the increased work participation rates could induce states to get more mothers of infants into the workforce in order to help the state meet the proposed higher rates. In essence, in the drive to meet a higher work participation rate, states may find themselves forced to "throw a wide net" and limit exemptions; in practice, a state cannot readily know which of two comparable mothers is the one that will help it meet its participation rate so it may, in response to increased rates, abandon its exemption policy in order to hook a "countable" parent—whether there is an infant in the home or not.

If more mothers of infants are to enter the workforce, the costs and quality of infant care need to be addressed. The costs of infant and toddler care are high. One study found that the average annual cost of child care for infants in center care is about $1,100 a year higher than the center care costs for a 4 year old. This same study found that in every state, the cost of child care for an infant in an urban area center is more than the cost of tuition for a public college in the same state; in more than half the states, the infant care cost is more than twice the tuition cost. The Administration's proposal does not call for an increase in child care funding. This is problematic because the inadequacy of funding for child care for infants as well as low-income children of other ages was evident prior to the Administration's proposal. The proposed work requirements would expand even further the need for subsidies.

Most mothers of infants are not in the workforce most of the time and this is useful to remember as policies that target poor, single mothers are considered. Nation-

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[vi] On infant care see: "Investing in Family Well-being, a Family-Friendly Workplace and a More Stable Workforce: A "Win-Win" Approach to Welfare And Low-Wage Policy," (Draft) Ellen Bravo, Mark Greenberg, Cindy Marano, CLASP joint publication, January 2002; "Testimony of Mark H. Greenberg," CLASP, U.S. Senate Committee on Finance, and, U.S. Senate Committee on Health, Education, Labor and Pensions, March 19, 2002; "Unfinished Agenda Child Care for Low-Income Families from 1996: Implications for federal and State Policy," CLASP, March 2002; "The High Cost of Child Care Puts Quality Care Out of Reach for Many Families," Children's Defense Fund, Winter 2002; " From Neurons to Neighborhoods The Science of Early Childhood Development," Editors Jack P Shonkoff, Deborah Phillips, National Research Council, Institute of Medicine, National Academy of Sciences 2000; "Temporary Assistance for Needy Families (TANF) Program Third Annual Report to Congress," U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research and Evaluation, August 2000.

ally, half of the mothers of infants are not employed. Another 17 percent work part-time. Only about one-third of mothers work full-time according to recent Census data (and, the Census does not consider full time to be 40 hours; instead it counts anything more than 35 hours).

The choice to provide in-home infant care should be available to low and moderate income families as it is to upper income families. At the same time, the supply of quality infant care needs to be expanded so that those who wish to (or are required to) return to work can do so with the assurance that their infant will receive the kind of care that is developmentally sound.

Several states have recently adopted a potential model that allows low income families to care for infants at home: Both Minnesota and Montana have enacted programs under which parents who qualify for child care subsidies can elect either to have the subsidy pay for out-of-home care or to stay at home caring for their child and receive the subsidy as a replacement for lost wages.

Infant care and Reauthorization: There are significant unmet needs for child care for low income families generally, and particularly, with respect to quality infant care. In addition to addressing these unmet needs through increased mandatory CCDF funding, Congress should provide new funding for a set of demonstration projects drawing on the Minnesota/Montana model, to test the feasibility and evaluate the effects of programs that allow parents to choose between rapid return to work and staying at home to provide care for an infant. Further, Congress should consider a range of refinements on current policy related to the parents of a child under age one. For example, states that impose work requirements might be restricted from mandating full-time employment or mandating employment without helping the family find appropriate infant care.

Adolescent-Sensitive TANF Policies and Programs Need to be Developed[vii]

Research on the impact of welfare on children typically has focused on elementary school age children and not the impact on adolescents. This research focus parallels TANF operational practice in which attention is directed to younger children, largely in terms of their child care needs and little attention is directed towards adolescent needs (except for teen pregnancy prevention). Yet, there are at least 1.3 million youth (ages 12–19) who are "recipient children" in the TANF program.

New research reports from MDRC and Child Trends, however, suggests that the teen population appears to be particularly vulnerable to poor outcomes when their mothers participate in work programs. The initial wave of research suggests that even when mothers do well (i.e. their participation increases family income) for some adolescents this improvement does not "inoculate" them from a set of poor outcomes.

Specifically, the research found that adolescents whose mothers participated in work programs were (1) less likely to be perform above average in school and (2) more likely to repeat a grade or be enrolled in special education (10% higher than adolescents whose mothers did not participate in such a program).

While the research has been able to pinpoint some negative schooling outcomes, what is less clear is what factors are contributing to these outcomes. Child Trends posits several possibilities including that mothers' stress may lead them to parent harshly; parental participation in the work program may lead to less supervision of adolescents; and, parental participation may change the role of the adolescent in the household into one in which the adolescent takes on adult responsibilities such as primary child care provider for a sibling or bringing income into the household through outside employment. MDRC found in a review of three programs with data on adolescents with "adult responsibilities" that there were adverse consequences: two programs increased the likelihood of the adolescent being responsible for a sibling's care, a third increased the likelihood of more than 20 hours of work per week (see, as well, the earlier discussion of the Administration's proposed work requirements).

Adolescents and Reauthorization: CLASP recommends that Congress take a set of steps which can foster adolescent-sensitivity in the TANF context. First, we urge that Secretary's TANF research agenda on child impacts address questions directed at outcomes for adolescents. Second, state plans should be required to describe the steps the state expects to take to consider whether its polices and programs might positively or negatively influence adolescent well-being.

[vii] On adolescents and TANF see: "Welfare Policies Matter for Children and Youth: Lessons for TANF Reauthorization," Pamela Morris, Lisa A. Gennetian, and Virginia Knox, *The Next Generation*, MDRC, March 2002; "Welfare Reform's Impact on Adolescents: Early Warning Signs," Jennifer Brooks, Elizabeth Hair, and Martha Zaslow, Child Trends, July, 2001.

Proven Teen Pregnancy Prevention Programs Should Be Funded And Promising Programs Evaluated[viii]

While public attention in reauthorization has been drawn to proposals related to marriage and couples and the child impacts of such initiatives, the role of teen pregnancy prevention in decreasing non-marital births is little recognized. Teen pregnancy rates in the U.S. have dropped significantly in the last decade: there has been a 22% decline between 1991 and 2000. That good news is tempered by the fact that this nation still retains the distinction of having the highest birthrate among the developed countries. And while it is useful to avert teen pregnancy because of the social and economic consequences typically attendant to teen parenting, it is also a vital way to address non-marital births.

One way to avert non-marital births is for couples to be married. The other way to reduce such births is for unmarried couples to avoid pregnancy. One third of all births in the country are non-marital. This is one of the underlying reasons behind the current movement to foster marriages. While there is uncertainty around the question of how government can best foster healthy marriages, there is sound scientific research regarding teen pregnancy prevention programs that can effectively address the problem by helping to prevent a non-marital birth. These proven programs should be replicated at the same time as emerging, promising approaches are evaluated.

While most non-marital births are to older women, many of these women started as teenage mothers. Of all non-marital births, more than half (57%) were teen births or births by older women who first were teen mothers (1992–95 average). About 80% of teen births (400,000 per year) are non-marital. Thus, a focus on teens in efforts to address non-marital births makes particular sense.

In sum, a reauthorization strategy that focuses on investments in teen pregnancy is compelling for several reasons. First, teen births are a substantial part of the overall picture of non-marital births. Second, we know of programs that have been proven to help reduce pregnancy and sexual risk-taking. Finally, encouraging marriage by teenagers might result in a "premature" marriage; the earlier the marriage, the more unstable and likely to dissolve.

Teen Pregnancy, Couples & Marriage and Reauthorization: CLASP recommends that Congress re-direct the current "illegitimacy bonus" and use those monies in the manner proposed in H.R. 3625. In that measure, the $100 million is devoted to research, technical assistance, and demonstrations and is split three ways: for replication and adaptation of proven best practices related to teen pregnancy prevention (first and subsequent births); for programs that increase the ability of non-custodial parents to financially support and be involved with their children; and for programs that promote two parent families.

Abstinence Education Should Devolve Program Content To the State[ix]

Child-well being is enhanced when premature sexual activity is averted. Promotion of abstinence can be an important tool in helping avoid unintended pregnancy and sexually transmitted illnesses. However, programs that exclusively teach abstinence and do not provide participants with information about how to contracept can lead to increased health risks for some participants over time. Republican and Democratic Members of the Subcommittee (Representatives Nancy Johnson, (R–CA), Benjamin Cardin, (D–MD), and Jim McDermott, (D–WA) at a November, 2001 hearing, noted the value of flexibility in allowing states to determine what they consider the best approach to utilizing federal abstinence education funds.

The abstinence education program established in 1996 (often called "Section 510") is designed to teach that individuals should abstain unless they are married—whether they marry at 16 or 60 or whether they are divorced and between marriages. Under current law, programs funded through Section 510 are not to use these funds to provide participants with education about how to avoid sexually transmitted disease and pregnancy if they fail to abstain.

Some have worried that contraceptive education might have the unintended consequence of increasing sexual activity and that is why young people should not receive such education; multiple studies now show, however, that such concerns are

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[viii] On teen pregnancy prevention see: "Emerging Answers: Research Findings on Programs to Reduce Teen Pregnancy," Douglas Kirby, National Campaign to Prevent Teen Pregnancy, May 2001; "Reauthorization Issues: Reproductive Health," CLASP, January 2002; "Comments to the U.S. Department of Health and Human Services Regarding Teen Pregnancy Prevention and Teens Parents Provisions in the Temporary Assistance for Needy Families (TANF) Block Grant," CLASP November 30, 2001; "Is Teen Marriage a Solution?" CLASP, April 2002

[ix] On abstinence see: "Reauthorization Issues Abstinence Education," CLASP, January 2002; "Reproductive Roulette," *American Prospect,* Fall Issue, 2001; "Teen Pregnancy Prevention Hearing Submission, House Human Resources Subcommittee," CLASP, November 15, 2001.

unfounded. In contrast, evaluations of programs that combine abstinence education with contraceptive information find that they can help delay the onset of intercourse without a concomitant concern regarding health risk.

Significantly, recent research regarding particular abstinence strategies raises some hopes but at the same time, also health concerns. Notably, research on a "virginity" pledge—to abstain from sex until marriage—delayed intercourse on average by nearly 18 months, but pledging had no effect among older teens (18 and older). Further, pledgers were less likely than a comparison group to use contraceptives once they had intercourse, and thereby were at greater risk for sexually transmitted infections and pregnancy.

While there is very strong support for abstinence education, most parents want abstinence education taught along with contraceptive information. Nearly 100% of parents of 7th-12th graders want their children's sexuality education program to cover abstinence, according to a national study in 2000 by the Kaiser Family Foundation. Notably, these parents *also* want lessons on how to use condoms (85%) and on general birth control topics (90%). State and local surveys also have found strong support for information about both abstinence and birth control.

Medical experts also find problematic those abstinence programs that only teach abstinence ("abstinence-only") and preclude contraceptive education. The National Academy of Sciences' Institute of Medicine, the National Institutes of Health, and the Academy of Pediatrics have all commented on the importance of including contraceptive information in education programs.

Since 1996, at least $533 million in federal and state matching funds have been earmarked for abstinence-unless-married programs. These include the $50 million in annual federal "Section 510" funds which require a state match of $3 for every $4 federal dollars. In addition, since the passage of TANF, millions more in abstinence-unless-married education funding has been made available through two other federal funding sources (the Adolescent Family Life Act and a grants program called SPRANS–CBAE). All three of these funding sources are subject to the eight-point definition laid out in the welfare law, which includes provisions that require any abstinence-unless-married program have as its "exclusive purpose, teaching the social, psychological and health gains to be realized by abstaining from sexual activity" and that the program teach that "sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects."

The Administration, in addition to seeking reauthorization of Section 510, wants to increase funding for SPRANS–CBAE to $73 million, a $33 million increase. Proponents of increased funding argue that funding "parity" is needed between abstinence-unless-married education and family planning available to teens. This comparison, however, contrasts expenditures for education against costs for medical services. Thus, this is a comparison of "apples" and "oranges" and creates even greater misunderstanding in the public debate.

The request for additional funding for SPRANS–CBAE appears to be inconsistent with the Administration's own call for accountability in government spending. In its FY 2003 budget, the Administration promotes accountability and asserts "the assumption that more government spending gets more results is not generally true and is seldom tested." Yet more government spending on unproven abstinence unless married education is specifically sought.

Abstinence Education and Reauthorization: CLASP recommends that Congress devolve to states the decision about what to include and not include in a "medically accurate" abstinence education program. Some states may decide to maintain the current program as is. Other states should be free to decide that, in light of available research, age-appropriate information about contraception should be included. In some states, the state may decide to devolve the content decision to localities so that programs may be most appropriately tailored to local interests. CLASP also urges Congress not to expand funding for SPRANS–CBAE.

Teen Parents' Special Needs Meeting Requirements Should Be Addressed[x]

In 1996, teen parents received particular attention in the creation of TANF. In part, this is because historically about 40–50% of older women receiving AFDC became a parent as a teenager. In the 2002 reauthorization, little attention is being

[x] On Teen Parents see: "Reauthorization Issues: Reproductive Health," CLASP, January 2002; "Comments to the U.S. Department of Health and Human Services Regarding Teen Pregnancy Prevention and Teens Parents Provisions in the Temporary Assistance for Needy Families (TANF) Block Grant," CLASP November 30, 2001.

Note: all published CLASP publications are available online at: www.clasp.org and list authors

paid to the experiences of teen parents in TANF. Yet, it appears that too often needy teen parents and their very young children are not receiving TANF.

Participation in TANF requires minor teen parents to meet two important eligibility requirements that reflect goals specific to teens—participation in school and living in an approved setting (teen parents are also subject to other eligibility rules that are not limited to teens such as child support cooperation). Generally, the TANF time-limit clock does not tick on minor teens if they are engaged in meeting education requirement (this can include 18 year olds who are in schooling full-time). Once teen parents participate in TANF, these goals remain central to effective implementation. Thus, if implemented well, the TANF requirements should help teens "stay on track" towards economic self-sufficiency. However, new research suggests that some teen parents who are in need of assistance are too often "turned away at the door"—not even given a chance to meet the requirements.

Research undertaken by the Center for Impact Research (CIR) in Chicago and replicated in Atlanta and Boston indicates that some teen mothers are wrongly denied TANF, in some measure due to caseworker misunderstandings about the TANF teen parent rules. CIR trained teen parents to conduct interviews of other teen parents and the results of these 1500 interviews indicate the current law may have important unintended and negative consequences. Depending on the site, somewhere between 35–58% of those teen parents who sought but did not receive TANF were either not given an application to complete or not contacted after submitting an application. (Those who did get to a submit an application also were on occasion denied due the teen rules, sometimes it appeared, inappropriately). While more research is needed to fully understand this "turned away at the door" phenomenon, to some extent it results from local caseworker misapprehension that a teen parent must already meet the teen parent requirements when she comes to apply. This is often out of sync with state policy, which allows for caseworker flexibility to permit such teens to receive TANF. Indeed, already in Illinois, the state agency is moving to improve the application process and the engagement of needy teen parents in TANF.

The 1996 focus on teen parents reflected a concern that teen parents need help to get on or stay on a path that will lead to economic self-sufficiency. For teen parents to "stay on track" more readily, help may be needed to avoid a rapid repeat birth. About 20% of the roughly 500,000 teen births each year are not the first child to a teen mother; about 100,000 teenagers gave birth to a second or higher order child in 2000. When teen mothers have more than one child, problems compound for both the mother and child. Teen mothers who have more than one child are less likely to complete high school or to get a GED; babies born to a teen who already has one child are more likely to be born premature or at low-weight. While it is not evident how much of a contribution, if any, the specific TANF teen parent requirements make to the goal of reducing subsequent births, in an effective program a case manager working with an at-risk teen mother might engage this mother in a set of activities that could ameliorate this problem. Certainly, if the teen mother is not engaged in meeting TANF program requirements or served by other social service programs, she may miss essential case management.

Teen Parents and Reauthorization: CLASP urges Congress to establish a "transitional compliance" provision, a period of up to 180 days for teen parents who at application do not meet program requirements. This allows the state to provide customized case management to help the teen come into compliance. The purpose of the transitional eligibility period would be to "signal" to states that time is available to provide supports and services for teen parents, enabling teen parents to come into compliance with federal requirements. CLASP further urges Congress to "start the clock" on teen parents (through age 19) once they have completed education/training requirements.

Mr. Chairman, thank you for the opportunity to testify regarding issues of child well-being.

Chairman HERGER. Thank you, Ms. Levin-Epstein. Now, Ms. Blank to testify.

STATEMENT OF HELEN BLANK, DIRECTOR, CHILD CARE AND DEVELOPMENT DIVISION, CHILDREN'S DEFENSE FUND

Ms. BLANK. Thank you. Children's Defense Fund (CDF) welcomes this hearing and the Subcommittee's focus on legislation to renew the TANF and child care programs. We ask that a new re-

port that we have written be put in the record on low-income women's employment.

Chairman HERGER. Without objection.

[The report is being retained in Committee files.]

Ms. BLANK. We urge you to build on the progress made over the past years and renew these programs so they will better help low-income families get and keep permanent, stable jobs, improve child well-being and readiness, and reduce child poverty, and help families with severe barriers to employment. We applaud Representative Cardin for his leadership in developing H.R. 3625, the Next Step in Reforming Welfare Act. It is an important first step, and a number of improvements are needed in TANF to meet these objectives.

The first is more resources focused on work supports, especially education and training, as well as initiatives that will get benefits to the families who need them. States must have the option to enroll more parents in a range of education and training programs and to have these activities count toward the federal work requirement. If parents are going to get the real jobs they need to adequately support their children, they have to have the skills that will secure them these jobs, and parents with postsecondary education are more likely to get higher-paying and more permanent jobs.

Once work supports are in place, it is essential to ensure that families have access to the services and benefits they need to make ends meet and keep their jobs. H.R. 3625 includes a competitive grant fund to help States reopen gateways to work supports for which many low-income working families are eligible and still need even if they are not receiving TANF.

Finally, if low-income families are going to be able to get and keep a job and stay off welfare, we must significantly increase resources for child care. The discussion about child care cannot focus just on the needs of welfare families. All low-income families are just one unstable child care arrangement away from welfare. There is not much difference between a low-income family struggling to stay off welfare and a family that is on welfare.

There has been much discussion and debate about the need for child care and whether new investments are necessary. I ask you to speak to parents and providers. There is no doubt that millions of families aren't receiving the child care help they need to go to work with the knowledge that their children are in safe and supportive environments that will help them go to school ready to learn. Child care costs are high, $4,000 to $10,000 a year. They cost more than college tuition in almost every State, yet only one in seven children eligible for federal child care help is receiving it. Over one-third of the States have waiting lists or have closed intake. These waiting lists are long: 37,000 in Texas, 47,000 in Florida, 18,000 in Massachusetts, 12,000 in Indiana, and over 200,000 in California.

Some say, well, if these families find child care, that is fine. We need to look at where these children are and the hardships these families are facing. Many of these families end up turning back to welfare. In a 1998 survey of parents on the waiting list in Santa Clara County, California, over a third of the parents were earning

less than $10,000 a year. About 40 percent of the families say they have given up searching for work. They couldn't find affordable child care. Forty-two percent had problems with their children's care. In a Houston survey, families were spending 25 to 30 percent of their income on child care. In Minnesota over 70 percent of families on waiting lists were in bankruptcy or faced severe economic distress. In several surveys, about a quarter of the families turned to welfare.

I know this Committee is very concerned about good parenting. What waiting list surveys also tell us is that parents are under extraordinary stress because they can't make ends meet, and that affects how they treat their children. As we go home from a tough day at work, we know how it affects how we treat our own children.

Anyone who believes that child care funding is not an issue should listen to parents. Listen to this Florida mother who testified 2 weeks ago: "I am a 30-year-old single mother of a beautiful 2-year-old girl. I am a hard worker, and I have always prided myself on my ability to be self-sufficient. I am confronted with new obstacles for which there seems to be no way around. As a single mother, I make only enough to pay my bills. My income is $13,500 a year, including my food stamp benefit. Until recently I received transitional child care assistance. However, I lost assistance, and now I am on the waiting list with the 47,000 other families in Florida. I pay half my income for child care."

Waiting lists only tell part of the story. They don't include the families who don't apply because they know it is futile or the millions of families, including welfare families, who don't know that child care help exists because it is a well-kept secret in many States.

The signals from States are that this problem is getting worse. Connecticut in a few months will no longer provide child care help to families leaving welfare. Six thousand low-income working families are scheduled to lose help in Texas.

Families who receive help still face hurdles because they often don't get enough help to access the quality of care their children—and these are our poorest children—need to start school ready to learn. If TANF and CCDBG money is frozen, approximately 114,000 children will lose help in 2007. More families will be on waiting lists, and providers who are low-wage women themselves aren't even going to be able to get increases in their rents.

We urge you to increase TANF for inflation and to increase the Child Care and Development Block Grant by $20 billion over 5 years. If you increase CCDBG by $20 billion, 2 million more children can get child care help, and we can improve the quality of care that children get. We would urge you to look at the need for child care and look at what families are facing every day and how hard it is to provide good child care in this country.

[The prepared statement of Ms. Blank follows:]

Statement of Helen Blank, Director, Child Care and Development Division, Children's Defense Fund

The mission of the Children's Defense Fund is to Leave No Child Behind© and to ensure every child a Healthy Start, a Head Start, a Fair Start, a Safe Start and a Moral Start in life and successful passage to adulthood with the help of caring

families and communities. CDF provides a strong, effective voice for all the children of America who cannot vote, lobby or speak for themselves. We pay particular attention to the needs of poor and minority children and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investments before they get sick, into trouble, drop out of school, or suffer family breakdown. CDF began in 1973 and is a private, nonprofit organization supported by foundation and corporate grants and individual donations. We have never taken government funds. The Act to Leave No Child Behind (H.R. 1990/S. 940) is comprehensive legislation that reflects our vision for America's children and families.

CDF welcomes this hearing and the Subcommittee's focus on legislation to renew the Temporary Assistance for Needy Families (TANF) and Child Care and Development Block Grant (CCDBG) programs and other programs of crucial importance to low income children and families.

We urge you to build upon the progress made over the past years and renew these programs so that they will better:

- Help low income families get—and keep—stable, permanent jobs;
- Improve child well-being and school readiness, and reduce child poverty; and
- Help families with severe barriers to employment.

Your legislation must provide states and families with the resources, supports and flexibility needed to build upon what we have learned so far. The research evidence is strong: when welfare-to-work programs succeed in raising family income, the well-being of children improves. They do better in school and have fewer behavior or mental health problems. Quality child care helps children enter school ready to learn and helps parents find jobs and maintain steady employment. It is also true that when these programs fail and family income declines, children have more behavior and mental health problems.

We applaud Representative Cardin for his leadership in developing the Next Step in Reforming Welfare Act (H.R. 3625), comprehensive reauthorization legislation that provides the resources and supports that will improve TANF and CCDBG for low income parents and children. We urge the Subcommittee to incorporate the provisions of Rep. Cardin's bill, as well as other provisions from the Act to Leave No Child Behind (H.R. 1990) into your final legislation.

The reauthorizations of TANF and CCDBG have come at a critical time for low income families with children. During the 1990s, the strong economy, the increasing value and availability of work supports such as the Earned Income Tax Credit and subsidized child care, and the work requirements of the 1996 welfare law have all contributed to the increase in employment among low income parents. The number of children in families with one or more unemployed parents dropped by 1.4 million from 1995 to 2000. Single mothers dramatically increased their labor force participation—73.9 percent were employed in 2000, up from 62.8 percent in 1995. Even among women who have not completed high school, employment increased from 33 percent to 53 percent from 1994 to 2001.[1]

But the economic boom and the work supports now in place have not been enough to provide stable jobs with above-poverty pay for substantial numbers of families with children. Three-quarters of all poor children in the U.S. live in families where someone works. According to the Urban Institute, half of those leaving welfare for work had below-poverty family earnings in 1999.[2] Various state surveys have shown that two-thirds or more of parents have worked at some point after leaving welfare. When families were working, they tended to work full-time or close to full-time hours, according to most reports about families that left TANF. Yet one of the few long-term surveys of welfare-to-work evaluations found that parents were working only about half the time over a four-year period.[3] Other data show that only a little more than a third of families leaving welfare work four quarters in a row.[4]

The experience of the past decade has shown both the benefits and limits of a strong economy for low income families. In the past year, we have also seen the precariousness of employment when the economy falters. Most of the employment gains of 1995 to 2000 were wiped out in the recession of the following year. The number

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[1] Isabel Sawhill and Ron Haskins, "Welfare Reform and the Work Support System," Policy Brief No. 17 (Washington, DC: The Brookings Institution, March 2002), citing Urban Institute data. Available online at http://www.brookings.edu/wrb.

[2] Urban Institute.

[3] National Evaluation of Welfare-to-Work Strategies (4 year evaluation); available online at http://www.mdrc.aa__psiweb.com/Reports2001/NEWWS__PE__Impacts/NEWWS__PE__Impact.htm.

[4] Robert A. Moffitt, "From welfare-to-work: What the Evidence Shows," Policy Brief No. 13 (Washington, DC: The Brookings Institution, January 2002). Available online at http://www.brookings.edu/wrb.

of children with at least one unemployed parent jumped more than 40 percent, from 2.8 million in 4th quarter 2000 to 4.0 million in 4th quarter 2001 (almost as much as the 1.4 million drop of the previous 5 years). Single mothers, who accounted for more than half of the total increase in working parents from 1995 to 2000, were disproportionately affected by the downturn in employment in 2001.[5]

Even in an economic boom, it would be impossible to improve child well-being while freezing child care and TANF funding for another five years. Rep. Cardin's bill takes an important step forward in raising the TANF block grant for inflation, substantially increasing the funding for Child Care and Development Block Grant, and establishing funds targeted to carry out TANF's goals. These investments will allow and encourage states to help low income families move forward and to make more secure the gains achieved by families thus far.

Help Low Income Families Get and Keep Stable, Permanent Jobs

Low income families all around the country are struggling to find steady jobs that will allow them to support their children and escape poverty. The key to their success is the availability of and access to essential work supports—child care, education and training, health care and transportation assistance. Without these supports, an unreliable child care arrangement, a car breakdown, a health crisis can make the difference between welfare or work for too many families. Congress has an opportunity to ensure the availability of work supports that are essential to help these families become productive workers and lift their children out of poverty.

Increase Child Care Funding

Studies show that when child care is available, and when families can get help paying for care, they are more likely to work. Without help, they may not be able to secure a job and stay employed and may end up turning to welfare.

- In a survey of Minnesota families with children, one out of five said that child care problems had interfered with getting or keeping a job in the previous year.
- In a study of families who were potential recipients of child care assistance in Illinois, nearly half said that the cost of child care had negatively impacted their opportunities for employment.

The welfare law created a new urgency to meet families' need for child care help while offering states new opportunities and resources to accomplish this task. The number of children and families receiving assistance has increased significantly over the past five years as a result of significant increases in federal and state funding for child care. However, the goal of providing adequate supports for all children and families who need them remains far out of reach. Only one out of seven children eligible for child care assistance through the Child Care and Development Block Grant (CCDBG) program is currently receiving it.

Child care costs can be a staggering burden for these working parents and consume a large portion of their paycheck. Child care costs can easily average $4,000 to $10,000 a year—more than the cost of college tuition at a public university. Yet 77 percent of higher education costs are covered by public and private dollars. In contrast, parents pay the bulk of child care costs. Spending by parents accounts for 60 percent of the cost, compared to 39 percent for government and just 1 percent for businesses.

A Fragile Foundation: State Child Care Assistance Policies, a recent report by the Children's Defense Fund covering the 50 states and the District of Columbia (and which we request be included in the hearing record), reveals that inadequate federal and state funding prevents millions of children in low income working families from being able to get the help they need.

Many hard-working low income families are not even eligible for help due to low state income eligibility cutoffs for child care assistance. Many who are eligible cannot get it—either because they are put on waiting lists or turned away due to inadequate funds, or because no effort has been made to let them know they are eligible to get help. Those fortunate enough to actually qualify for child care assistance face additional hurdles. In some cases, the amount the state will pay for care is so low that parents cannot find good quality providers who can afford to serve their children, and in other cases parents have to pay so much in parent fees or co-payments that child care expenses still are a staggering financial burden.

As of March 2000, only four states allowed families with incomes up to the maximum level allowed under federal law (85 percent of state median income) to qualify

[5] Arloc Sherman, "The Recession Hits Children: 4 Million Had an Unemployed Parent in October-December, 2001" (Washington, DC: The Children's Defense Fund, April 2002). Available online at http://www.childrensdefense.org.

for assistance. In two-fifths of the states, a family of three earning $25,000 could not qualify for help. Even if a family is eligible for child care help, they may not necessarily receive it.

- As of December 2001, more than one-third of the states had waiting lists or frozen intake—meaning they turned families away without even taking their names—because they were unable to serve all eligible families who applied.
- Some of these waiting lists were extremely long: nearly 47,000 children in Florida, more than 36,000 children in Texas, 18,000 children in Massachusetts, and 12,000 children in Indiana.
- Studies and interviews with parents highlight the challenges that families on waiting lists face—many must choose between paying the rent or paying for child care, going into debt or settling for inadequate care because they cannot afford better options.
- In a 1998 survey of parents on the waiting list for child care assistance in Santa Clara County, California, over one-third of parents reported earning less than $10,000 annually. About 40 percent of the families said they had given up on searching for work because they could not find affordable care for their children.
- In a 1999 survey of families on the waiting list in Houston, most families reported that they spent 25 to 30 percent of their income on child care. Nearly one-third of the parents said that they had to put off paying other bills in order to pay child care expenses first, and 17 percent had to do without certain necessities. Nearly two-fifths of the families had to work fewer hours or miss work because of inconsistent child care.

Waiting lists tell only part of the story. They do not include families who do not bother applying for assistance because they know it is futile to expect to get help. The waiting lists would be even longer and many additional states would have to turn to them if more families knew they could get help. States report that many eligible families are not sufficiently informed about child care assistance. Two-fifths of the states acknowledge that eligible families are often unaware that they could receive help paying for care. If more families were informed about the availability of child care assistance and applied for it, it is highly unlikely the demand could be met, even in states that currently have no waiting lists. Only four states indicate that they could serve all eligible families.

Families that are fortunate enough to receive assistance may still find child care unaffordable due to burdensome co-payment policies. All states require families receiving assistance to contribute toward the cost of care based on a sliding fee scale and many states require families at the poverty level or below to pay a fee. Thirty-five states charge fees to families earning half the poverty level ($7,075 a year for a family of three in 2000), even though there is scarcely room in their budgets for the most minimal charge.

Clearly, there are numerous gaps in state child care assistance policies. These gaps are now growing wider in a number of states. For example, Connecticut plans to eliminate child care assistance for families transitioning off welfare.

The impact of inadequate investments on the number of families who can receive child care assistance is illustrated by the situation in Texas, which already has a long waiting list. In 2001, the state failed to provide a sufficient funding increase to maintain even the current level of support for low income working families. In order to meet strict welfare-to-work requirements, the state will devote a larger proportion of its funds to serving families trying to move from welfare-to-work, which will cut back help for low income families working to stay off welfare. An estimated 6,000 fewer children in low income (non-welfare) families are expected to receive child care assistance in 2003, as compared to 2001.

Despite the urgent need for additional child care, the Administration has proposed to freeze funding for the Child Care and Development Block Grant for the next five years. Under the Administration's plan, at least 114,000 fewer children will receive child care assistance. We urge you to firmly reject this short-sighted proposal.

In order to truly help parents work and help children learn, we urge the Subcommittee to increase the Child Care and Development Block Grant by $20 billion over the next five years. These funds will allow states to double the number of children provided with child care assistance and erase their long waiting lists. Further, it will allow states to make improvements in child care quality that are so important to preparing children to enter school ready to learn.

Allow States to Offer More Education and Training

States must have the option to enroll more parents in a range of education and training programs and to have those activities count towards the federal work requirement. The Next Step in Reforming Welfare Act (H.R. 3625) allows 2 years of

vocational education. H.R. 3625 also includes an Employment Advancement Fund, which can be used to provide more resources to states that wish to utilize more education as part of a strategy to help parents who have entered the labor force to advance in it. In addition, states intent on securing the Poverty Reduction Bonus in H.R. 3625 might choose to invest in more education and training as a means of increasing the earnings of parents leaving TANF. Parents with post-secondary training are more likely to get higher-paying, more permanent jobs.

The Administration's TANF plan would make it more difficult for states to invest in post-secondary education. Under current law, a year of vocational education counts towards the first 20 hours of work per week for a limited number of TANF participants. The Administration's plan expands the number of hours that must be spent in more narrowly-defined work activities to 24 per week, but excludes vocational education from these hours. Although parents would be allowed to enroll in education for the remaining hours, states will have few resources to put towards such activities. To increase the odds of meeting the steeper work participation rates, states will try to require more than 24 hours of paid or unpaid work. Most states have not created work experience jobs (working off benefits in community placements) because they are costly and do not have a good track record for leading to permanent employment. In the recent National Governors' Association/American Public Human Services Association survey, one state noted that it was in the process of ending contracts for a work experience program because "it has not been as effective as other services in helping clients find employment." Nevertheless, the pressure to drastically increase participation rates and hours is likely to force states to fund work experience programs. With no additional TANF block grant funding over 5 years, there will be little left for education or training.

Help families receive the benefits for which they are eligible

H.R. 3625 assists states in improving access to the services and benefits that serve as work supports through a $100 million a year competitive grant fund. These grants would help states re-open gateways to work supports for which many working families are eligible—even if they no longer receive TANF. The Children's Defense Fund's Community Monitoring Project found that only half of those who left TANF were receiving food stamps; less than one-third were getting child care help; and three-fifths had health insurance of any kind, despite low incomes.[6] Under the grant fund in H.R. 3625, states could seek funds to streamline eligibility procedures, co-locate eligibility workers in convenient locations, and/or improve outreach to families. This is a constructive approach that will stabilize work and help families to make ends meet by improving access to help including food stamps, the Earned Income and Child Tax credits, child support enforcement, child care, and health coverage (and sometimes housing or other subsidies).

Improve Child Well-Being and School Readiness and Reduce Poverty

Poor children should not suffer from the combined effects of rising unemployment and a weakened safety net. But in 2001, even though the number of children with unemployed parents surged, TANF spending on cash assistance was $546 million less than in the previous year.[7] The likelihood that even the poorest children would be helped by cash assistance plunged from 1994 to 2000. In 1994, 61 percent of children in families' whose non-welfare income was below ***half*** the federal poverty line received welfare assistance. In 2000, only one-third of children this poor were in families that received TANF.[8]

Make Poverty Reduction a Purpose of TANF

Rep. Cardin's bill sets forth the goal of reducing child poverty and gives states funding and incentives to achieve the goal. Reducing the extent and severity of child poverty is added as an explicit purpose of TANF. This language directs states to take steps to help families who are extremely poor, and not to limit their attention to those families just below the poverty line.

Provide funding to enable states to develop anti-poverty strategies

States must have the resources to help families secure permanent jobs and to provide a range of supports to stabilize employment and reduce poverty. H.R. 3625 provides resources through the Poverty Reduction Bonus, the Employment Advance-

[6] Children's Defense Fund, *Families Struggling to Make It in the Workforce: a Post Welfare Report* (Washington, DC: 2000). Available online at http://www.childrensdefense.org.

[7] Zoe Neuberger, "TANF Spending in Federal Fiscal Year 2001" (Washington, DC: Center on Budget and Policy Priorities, revised March 27, 2002). Available online at http://www.cbpp.org.

[8] Calculations by the Children's Defense Fund, U.S. Census Bureau Current Population Survey data, 1994–2000.

ment Fund, and the Family Formation Fund to enable states to try the anti-poverty strategies most targeted to their own economic conditions. In marked contrast, the Administration's plan is explicit in stating that improving child well-being underlies all the TANF purposes, but does not recognize that reducing poverty is central to improvements in child well-being, and provides no new funds to help states develop anti-poverty approaches.

The Administration's plan does divert at least $200 million in existing TANF funds towards marriage promotion and reduction of out-of-wedlock births (with another $100 million to be supplied through a state matching requirement, which states can satisfy by using federal TANF funds). Encouraging two-parent families can certainly be an anti-poverty strategy. Redirecting the $100 million in Bonus to Reward Decrease in Illegitimacy funds towards research and demonstration projects for family formation is a valid idea, but states should be allowed to pursue multiple strategies towards reducing poverty.

Provide Wage Supplements

H.R. 3625 also provides that wage supplements given to families with low earnings do not count as assistance, and therefore fall outside the federal time limit. Currently, a few states (Illinois, Delaware, Maine, and Rhode Island) use their own funds to continue cash supplements for families that work and/or participate in post-secondary education. Because findings from welfare-to-work evaluations strongly show that increased family income helps children, states should be able to use federal TANF funds to continue wage supplements as long as earnings are low enough that families remain eligible.

Improve the Quality of Child Care

Quality child care is also critical to improving child well-being and helping children enter school ready to succeed. The nation cannot proceed successfully on its track towards improving educational outcomes unless it focuses on the developmental needs of young children. The process of learning to read begins well before a child enters elementary school.

States need more resources devoted to improving the quality of child care. They are currently required to spend a minimum of 4 percent of their CCDBG funds on quality efforts. They have used these funds for vital supports and creative initiatives, ranging from hiring more inspectors to ensuring facilities are safe, to housing infant and toddler, health, and early literacy specialists in resource and referral programs to work with their communities' child care providers. However, a 4 percent set-aside is not nearly enough considering the numerous components that need to be in place for children to receive the quality of care they need, including well-trained and well-compensated staff, low child-staff ratios, safe, roomy facilities designed to meet the needs of young children, basic equipment such as books and toys, regular monitoring and inspection of providers, and resource and referral programs to help families find care and support providers. We urge you to support an increase in the quality set-aside to 12 percent, as proposed in Rep. Cardin's bill.

Help families to receive the child support they are owed

Getting more child support to families is an important anti-poverty measure. The poverty rate for custodial families who receive all the child support they are owed is 15.2 percent, compared with the 35.7 percent poverty rate for families that do not receive any of the child support they are due.[9] When poor children do receive support, it adds an average of $2,000 a year to their family's budget, increasing their total income by 26 percent.[10] The child support distribution improvements passed by the House in 2000, many of which have been included in the Administration plan and H.R. 3625, should be part of TANF reauthorization legislation.

Restore TANF to legal immigrants: Many legal immigrant families—many of whom were working—experienced severe hardships after being denied benefits in 1996 such as food stamps, Medicaid and TANF. More than one-fifth of all poor children in America live in immigrant families. Thirty-seven percent of children of immigrants lived in families reporting trouble affording food, compared with 27 percent of children of non-immigrants. Children of immigrants are also more than two times as likely as children of natives to live in families that pay more than half their income for housing. Restoring TANF eligibility to legal immigrants would be

[9] U.S. Census Bureau, *Child Support for Custodial Mothers and Fathers*, P60–212 (Washington, DC: October 2000). Available online at http:/www.census.gov/hhes/www.chldsupt.html.

[10] Vicki Turetsky, Testimony before the Subcommittee on Social Security and Family Policy, Senate Finance Committee (Washington, DC: Center for Law and Social Policy, submitted for the record October 11, 2001). Available online at http://www.clasp.org.

an important anti-poverty strategy.[11] The Administration plan restores food stamps to some legal immigrants, but fails to restore TANF.

Help Families with Severe Barriers to Employment

Require Screening and Assessments to Identify Barriers to Employment

Forty-four percent of TANF adults reported one or more serious physical or mental impairments in 1999, compared with 16 percent of other U.S. adults. Research found that one-fifth of parents receiving TANF reported that one or more children had a health problem. Domestic violence, substance abuse, illiteracy, or inability to speak or write English are also prevalent. Without treatment, families with one or more problems are more likely to be sanctioned and lose assistance than are other recipients.

TANF can be improved by requiring screening and assessments, with an individualized Personal Responsibility Plan developed for each family. If mental health or substance abuse services are identified as necessary steps, those services should be considered part of the plan, and families should get participation credit when they undertake such treatment. Any family about to lose assistance because of a failure to comply with program rules should receive a further in-person evaluation and a compliance plan devised to address the barriers to employment. In Tennessee, where a similar approach has been taken, the number of families losing assistance through sanctions has been considerably reduced.

Set Appropriate Work Participation Requirements

The 40-hour work requirement should be rejected in favor of individualized plans based on screening and assessments by trained caseworkers and appropriate professionals. The 70 percent participation rate should be rejected in favor of the employment credit (included in the Making Work Pay Act, H.R. 4057 and H.R. 3625). The employment credit replaces the case load reduction credit by reducing the required work participation rates only when states succeed in placing people in jobs—not simply because they leave the TANF rolls. The Levin credit sends all the right messages to states—they are rewarded when families leave TANF for real jobs, and rewarded further when the jobs pay at least one-third of the state's average wage. In addition, states are given credit when they provide child care or transportation help to low income working families that are not receiving cash assistance.

Protect Families During an Economic Downturn

Many welfare recipients transitioning into work are ineligible for Unemployment Insurance. Congress should make improvements in Unemployment Insurance so that new entrants into the labor force could count their most recent quarters of work and they would be more likely to qualify for UI. Similarly, parents seeking part-time work ought to be eligible for UI benefits. Because only one in five single mothers with work experience ever qualifies for UI, TANF has become the de facto unemployment insurance system for many low income mothers. Working families should have better access to unemployment compensation.

Additional investments in TANF and child care will help more low income parents get into stable employment and help ready their children for school. We should not miss an opportunity this year with reauthorization to expand investments in programs that are so crucial to the success of children and families and to truly ensure that no child is left behind.

Chairman HERGER. Thank you. Thank you, Ms. Blank. Now, Ms. Davis.

STATEMENT OF MARTHA F. DAVIS, VICE PRESIDENT AND LEGAL DIRECTOR, NOW LEGAL DEFENSE AND EDUCATION FUND, NEW YORK, NEW YORK

Ms. DAVIS. Thank you for the opportunity to testify today. As you consider TANF reauthorization, I want to emphasize three specific proposals that we believe must be incorporated if welfare is going to truly move women and their families out of poverty.

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[11] Food Research and Action Center, "Research on Hunger Impacts of Food Stamp Cuts to Legal Immigrants" (Washington, DC: 2001). Available online at http://www.frac.org.

First, any TANF reauthorization bill should expand opportunities for education and training. This is particularly important precisely because federal welfare primarily assists single-female-headed families. Due to workplace discrimination, job segregation, and other factors, women can compete in the marketplace only if they have access to education and training.

Consider these remarkable statistics. A woman with a high school degree makes an average of $9,000 a year less than a man with the same very modest qualifications. Without additional education, women's wages lag behind men's. This gap is most significant for women of color. African-American women are paid 65 percent of the salaries averaged by white men, while Latinos receive a mere 52 percent. In short, education and training are key to women's economic security.

The Administration's bill, the Herger bill, proposes to thwart additional educational opportunities while instead using precious TANF dollars to promote marriage, a combination that gives women no choice but dependency while intruding on one of their most private decisions. There is little public support for this approach. Indeed the Pew Research Center recently reported that 79 percent of those surveyed favored governments staying out of marriage promotion.

Instead of diverting precious TANF dollars to this unproven and unpopular program, TANF reauthorization should focus on an approach that we know works, education. The TANF reauthorization should expand the definition of work activities to include a range of educational opportunities. The arbitrary 12-month limit on training should be removed rather than constricted, as the current pending bill suggests. An individual should be allowed access to a full range of training for jobs with living wages. Ensuring adequate funding for child care, as you have just heard, is also an important aspect of supporting any effort to move families out of poverty.

Second, civil rights laws must apply to TANF recipients. We at the National Organization for Women (NOW) Legal Defense have firsthand experience with this since we represent two women who are suing New York City because they were sexually harassed in their welfare-to-work placements. We have been joined with the U.S. Government, the U.S. Department of Justice, in this suit, who are also suing New York City. One of our clients was stalked by her city supervisor in her workfare placement. Another plaintiff was racially harassed when she found a noose hanging above her desk along with racist caricatures. New York City has taken the position that civil rights laws do not protect these workers. We think there should be a limit, that the line should be drawn for State flexibility far before you get to the point that a State can take the position that workers are not eligible for civil rights protections.

The TANF reauthorization should require evaluation of the extent to which States have complied with civil rights protections as related to TANF and should require that recommendations be made for improving such compliance. Further, TANF reauthorization should ensure application of workplace protections, such as the Fair Labor Standards Act, OSHA, Title VII and IX of the Civil Rights Act of 1964, and the Americans with Disabilities Act to

Fair Labor Standards Act, OSHA, Title VII and IX of the Civil Rights Act of 1964, and the Americans with Disabilities Act to TANF recipients in the same manner as such laws apply to other workers.

Third, TANF reauthorization should recognize that welfare recipients face multiple work and life barriers to economic security. Forty-four percent of TANF recipients face more than one barrier to employment. As many as 60 percent of women receiving welfare have been victims of domestic violence as adults, and as many as 30 percent report abuse within the last year. Long-term welfare recipients are 75 percent more likely than those on welfare for less than 2 years to have extremely low basic skills. Long-term recipients are also significantly more likely to have mental health problems, to have abused alcohol, and to have medical problems. To address this, TANF reauthorization must ensure that trained caseworkers screen individuals for barriers to economic security, refer those in need to qualified professionals for assessment and service provision, and recognize participation and counseling or other activities that address these barriers as work activities.

Further, the family violence option, which is the ground-breaking initiative from the 1996 law that has now been adopted by 43 States, should be mandatory in every State. This is really a model for the sort of process of identifying barriers that I am talking about. The NOW Legal Defense worked closely with Members of Congress in crafting this option in 1996.

A proposal like that set out by the administration's bill and by the Herger bill that fails to adjust TANF dollars for inflation, that diverts TANF funds away from effective education and training programs to fund experimental marriage promotion programs, and imposes unreasonable work requirements will undermine efforts to reduce poverty.

To learn from the past 6 years and improve the current system, Congress must pay careful attention to the data that demonstrates that welfare reform cannot be done on the cheap, and that education, training, and child care are critical components of successful poverty reduction. We look forward to working with you to improve the lives of low-income women as this legislation moves forward. Thank you.

[The prepared statement of Ms. Davis follows:]

Statement of Martha F. Davis, Vice President and Legal Director, NOW Legal Defense and Education Fund, New York, New York

Thank you for the opportunity to testify today.

By way of introduction, my name is Martha F. Davis and I am the Vice President and Legal Director of NOW Legal Defense and Education Fund. I also teach welfare law at New York University School of Law. For more than thirty years, NOW Legal Defense and Education Fund has used the power of the law to define and defend women's rights. Working in Congress, the courts and the media, NOW Legal Defense acts strategically to secure equality for women across the country. We currently chair a large coalition of groups—called the Building Opportunities Beyond Welfare Reform coalition—that is committed to shaping the welfare system to improve women's lives and opportunities.

As this House approaches welfare reform reauthorization, we believe that there are five specific proposals that must be incorporated if welfare is to going to truly move women and their families out of poverty. There are also three proposals on the table, described below, that we believe would be harmful to the goals that we all share of assisting those in poverty to improve their lives.

First, any TANF reauthorization bill should expand opportunities for education and training. This is particularly important precisely because federal welfare primarily assists single female-headed families. Women can compete in the marketplace only if they have access to education and training. Consider these remarkable statistics: according to the National Committee on Pay Equity, a woman with a high school degree makes an average of $9000 a year less than a man with the same modest qualifications. Without additional education, women's wages lag behind men's; for example, in 1999 median weekly earnings for full-time wage and salary workers were $473 for women and $618 for men.[1] This gap is even more significant for women of color; African-American women are paid 65% of the salaries averaged by white men, while Latinas receive a mere 52%.[2] Significantly, however, 44% of adults (read women) on welfare report education less than high school.[3] In short, education and training are key to women's economic security.

The Bush Administration proposes to thwart additional educational opportunities while instead using precious TANF dollars to promote marriage—a combination that gives women no choice but dependency, while intruding on one of their most private decisions. In contrast, our specific proposals for reform would promote women's opportunities and abilities to compete for good jobs. Proposed legislative language is attached as Appendix A. In particular, TANF Reauthorization should expand the definition of work activity to include: elementary and secondary education, literacy, ESL, GED and higher education; participation in a work-study program; and 6 hours per week of study time. The arbitrary 12-month limit on training should be removed and individuals should be allowed access to a full range of training for jobs with living wages. Finally, the 30% cap on the percentage of a state's case load that can be counted toward federal work participation rates for individuals participating in vocational training or teens pursuing a high school diploma should be removed.

Second, civil rights laws must apply to TANF recipients. This is something that we at NOW Legal Defense have first hand experience with, since we represent two women who are suing New York City because they were sexually harassed in their welfare-to-work placements. Indeed, one of them was stalked by her City supervisor. Another plaintiff in the case was racially harassed when she found a noose hanging above her desk along with racist caricatures. New York City has taken the position that these women have no protections and no recourse, a position that has been upheld by a federal district court but that will almost certainly be appealed. This is plainly inconsistent with our national values. It undermines the legal and human rights of all workers when TANF recipients are denied basic protections. TANF Reauthorization should require evaluation of the extent to which states have complied with civil rights protections as related to TANF and recommendations for improving such compliance. Further, TANF Reauthorization should ensure application of workplace protections such as the Fair Labor Standards Act, OSHA, Titles VII and IX of the Civil Rights Act of 1964, and the ADA to TANF recipients in the same manner as such laws apply to other workers. Proposed legislative language is attached hereto as Appendix B.

Third, TANF Reauthorization should recognize that welfare recipients face multiple work/life barriers to economic security. Forty-four percent of TANF recipients face more than one barrier to employment.[4] As many as 60% of women receiving welfare have been victims of domestic violence as adults and as many as 30% report abuse within the last year.[5] Long-term welfare recipients are 75% more likely than those on welfare for less than two years to have extremely low basic skills. Long-term recipients are also 39% more likely to have a mental health problem, 69% more likely to have abused alcohol, and 56% more likely to have a medical problem.[6] To address this, TANF Reauthorization must ensure that trained caseworkers screen individuals for barriers to economic security, refer those in need to qualified

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[1] U.S. Dep't of Labor, Women's Bureau, "20 Facts on Women Workers" (Mar. 2000), available at http://www.dol.gov/dol/wb/public/wb_pubs/20fact00.htm.

[2] Nat'l Comm. on Pay Equity, "Advocates Take Action for Fair Pay," press release (Mar. 13, 2001).

[3] Zedlewski, Shelia. "Do Families on Welfare in the Post TANF Era Differ from Their Pre TANF Counterparts?" *Urban Institute New Federalism*. (Washington: February 2001). Online access 10/09/01 http://newfederalism.urban.org/pdf/discussion01–03.pdf at 18.

[4] GAO, *More Coordinated Federal Effort Could Help States and Localities Move TANF Recipients With Impairments Towards Employment* (GAO–02–37) at 3–4.

[5] Richard Tolman & Jody Raphael, *A Review of Research on Welfare and Domestic Violence*, 56 J. of Soc. Issues (no. 4) 655–82, at 657.

[6] Krista Olson & LaDonna Pavetti, "Personal and Family Challenges to the Successful Transition from welfare-to-work." *The Urban Institute* (Washington: 1996) at http://www.urban.org/welfare/reportl.htm.

professionals for assessment and service provision, and recognize participation in counseling or other activities that address these barriers as work activities. Further, the Family Violence Option, the groundbreaking initiative from the 1996 law that has been adopted by 43 states, should be mandatory in every state. NOW Legal Defense worked closely with Members of Congress in crafting the option. Proposed legislative language to extend the Family Violence Option to all states is attached as Appendix C.

Fourth, safe, quality child care must be a key component of welfare reform. Only 12% of eligible families are currently receiving federal child care assistance.[7] TANF Reauthorization must ensure access to child care to TANF recipients who are engaged in a work activity, and increase CCDBG funding to meet that goal. Further, TANF Reauthorization should strengthen protections from sanctions for parents who cannot find child care. Although current law includes sanction protection for single parents with a child under age 6, there are no protections for parents with children over age 6 who cannot find appropriate or affordable after school care or for parents of children who may need specialized care. I think we can all agree that a 7-year-old is not ready to stay home alone. TANF Reauthorization must recognize that older children need care, and if such care is not available, families should not lose basic subsistence benefits as a result. Proposed legislative language that would address this issue is attached as Appendix D.

Fifth, TANF Reauthorization should be fair to those families that are playing by the rules and, because of larger economic factors, continue to need welfare. As the economy has soured, the need for cash assistance has increased. Thirty-three states reported higher case loads in September 2002 than in March 2001. Some states have shown continuous case load growth in recent months, including substantial growth over the past year in Nevada (38%), Indiana (25%) and West Virginia (22%).[8] To address these issues, TANF Reauthorization must ensure that the clock is stopped while individuals are in compliance with program rules (for instance, engaged in a work activity). The arbitrary 20% cap on hardship exemptions should be repealed. Finally, the time clock should be stopped by a recession, when the state unemployment rate is 5.5% or higher, or has increased by the lesser of 50% or 1.5 percentage points. The legislative language in Appendix A would address these concerns.

If these five proposals were adopted as part of TANF Reauthorization, it would go a long way to improving the system and addressing the needs of poor women and families on welfare.

While there are many components of the Bush Administration's TANF Reauthorization Proposal about which we have grave concerns, there are three components that we believe would significantly harm women on welfare and their families.

First, the Bush Administration has proposed continuing federal TANF funding at the 1996 level through 2007, despite the clear need for a major increase. This funding level is tens of billions less than the amount that is needed to address family poverty and support parental employment, and represents a substantial cut in funding after inflation.

Second, the Bush Administration's plan would further divert TANF funds away from cash assistance and job training by setting aside $300 million for highly speculative and faddish marriage promotion and family formation projects. Particularly when juxtaposed with the Administration's failure to expand educational opportunities for welfare recipients—an already proven route out of poverty—the Administration's plan seems intended to return us to a day when women were expected to sacrifice their individual potentials and opportunities at the altar. Many—in fact, polls say the majority of the public—are skeptical of any government role in promoting marriage. Certainly, if public funds are to be used for this purpose, they should not be taken from funds needed to provide basic cash assistance, training and child care. Similarly, while there is a need for more funding for "responsible parenthood" programs which provide services to low income non-custodial parents, this should be new funding, not a diversion from existing capped amounts. And these programs should serve all non-custodial parents, not just non-custodial fathers, as the Bush plan seems to propose.

Finally, the Bush plan would increase to 40 the number of hours required for work to count; increase the participation rate standard to 70%; and eliminate the case load reduction adjustment to the participation rate standard. To meet these new requirements, states would almost inevitably have to assign most recipients to

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[7] HHS, ACF, HHS News, *New Statistics Show Only Small Percentage of Eligible Families Receive Child Care Help*. (Dec. 6, 2000).

[8] Center for Law and Social Policy. "Welfare case loads Are Up in Most States." At http://www.clasp.org/pubs/TANF/FY01%20case load%20Data.htm (visited Jan. 15, 2002).

workfare programs, where they would work from 24–40 hours a week without compensation beyond their welfare check. This is counterproductive. Studies have consistently shown that education and training are critical components of moving toward self-sufficiency. Further, welfare families are by definition families with children. We have already seen disturbing evidence that onerous work requirements are harmful to these families—increasing delinquency, for example. Increasing the required hours will only further undermine these families.

In sum, TANF Reauthorization provides an opportunity to assess the successes and failures of the past six years, and improve upon the current system. To do that, Congress must pay careful attention to the data that demonstrates that welfare reform cannot be done "on the cheap" and that education, training and child care are critical components of successful poverty reduction. We look forward to working with you to improve the lives of low income women as this legislation moves forward.

APPENDICES

APPENDIX A

WORK REQUIREMENTS FOR TANF RECIPIENTS

The Problem: States and recipients should be able to choose from a variety of work activities for placement under the TANF program. In addition, if a recipient is complying with all work requirements, the time clock should not be running against her.

The Solution: The list of potential work activities should be expanded. A bonus should be created to reward states for high performance in moving recipients into employment that will move families out of poverty, removing employment barriers and providing work supports. The statute should be amended as follows:

Expansion of work activities:

Section 407(d) (42 USC 607(d)) is amended as follows:

(1) by striking paragraph (4) and inserting the following:

(4) transitional work experience leading to jobs that provide an income of not less than 250% of the poverty line;"

(2) by striking paragraph (7) and inserting the following:

(7) voluntary participation in a community service program;"

(3) in paragraph (8) by striking "(not to exceed 12 months with respect to any individual)";

(4) by striking paragraph (9) and inserting the following:

(9) job skills training directly related to employment, including participation in training for technical, professional, or nontraditional occupations for women.

(5) by striking paragraphs (10) through (12) and inserting the following:

(10) participation in a State or federal work-study program under part C of titile IV of the Higher Education Act of 1965;

(11) education, including but not more than 6 hours of home study per week, in the case of a recipient who is enrolled——

(A) at an elementary or secondary school (as defined in the Elementary and Secondary Education Act of 1965);

(B) in a course of study leading to adult literacy, English as a second language, or a certificate of high school equivalency; or

(C) at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965), regardless of the content of the course of study;

(12) the provision of appropriate care to a child who has a disability or a serious health condition (as defined in section 101(11) of the Family Medical Leave Act) or has not attained 6 years of age, by a recipient who is a parent or caretaker relative of the child; and

(13) participation in treatment or an educational activity designed to address a mental health problem, disability, substance abuse, or domestic or sexual violence.

Removal of limitation on educational activities:

Section 407(c) (42 USC 607(c)) is amended to strike paragraph (D).

Time limit exception:

Section 408(a)(7); 42 USC 608(a)(7) is amended by adding at the end the following:

(H) EXCEPTION FOR COMPLIANCE WITH WORK ACTIVITIES.—In determining the number of months for which an individual has received assistance

under the State program funded under this part, the State shall disregard any month throughout which the individual is in compliance with all applicable work requirements of the State program.

Bonus:

Amend Section 403(a)(4) (42 USC 603(a)(4)) to read as follows:
(4) BONUS TO REWARD HIGH PERFORMANCE STATES——
(A) IN GENERAL—The Secretary shall make a grant pursuant to this paragraph for each bonus year for which the State is a high performing State with respect to a category described in subparagraph (C).
(B) AMOUNT OF GRANT——
(i) Subject to clause (ii) of this paragraph, the Secretary shall determine the amount of the grant payable under this paragraph to a high performing State under each of the three categories described in subparagraph (C) which shall be based on the score assigned to the State under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.
(ii) The total of the amounts payable to a State under the paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.
(C) FORMULA FOR MEASURING STATE PERFORMANCE—Not later than October 1, 2003, the Secretary in consultation with affected groups, including recipient groups and State governors, shall issue regulations implementing criteria for awarding bonuses under this paragraph in each of the three following categories:
(i) PREPARATION AND PLACEMENT OF RECIPIENTS IN EMPLOYMENT THAT WILL MOVE FAMILIES OUT OF POVERTY—The degree of success in implementing employment-related measures, including job entry, job retention and earnings gain rates, improvement in each of such measures, and the success of States in——
(I) meeting self-sufficiency needs for welfare leavers;
(II) training, placing and retaining welfare leavers in higher-waged jobs identified in an assessment done by the State;
(III) training, placing and retaining welfare leavers in technical, professional or non-traditional employment occupations for women;
(IV) providing career development assistance related to higher-waged jobs including reliable, up-to-date career counseling services, employability assessments on available employment that pays a sustainable wage, nontraditional training and education options and employment opportunities;
(V) encouraging participation in post-secondary educational programs;
(VI) encouraging use of effective literacy programs that strengthen basic skills in the context of employment; and
(VII) encouraging participation in vocational education programs for occupations identified in an assessment of available jobs that pay a sustainable wage.
(ii) REMOVAL OF BARRIERS TO SELF SUFFICIENCY—The degree of success in removing mental health, substance abuse, disability or domestic or sexual violence barriers to escaping poverty;
(iii) PROVISION OF WORK SUPPORTS—The extent to which the State has increased the percentages of eligible families receiving (I) Food Stamps; (II) Medicaid and SCHIP; and (III) Child Care Subsidies.
(D) SCORING OF STATE PERFORMANCE; SETTING OF PERFORMANCE THRESHOLDS—For each bonus year, the Secretary shall—(i) use the performance measure developed under each of the three criteria in subparagraph (C) for a measure to assign a score to each eligible State with respect to the measure for the fiscal year that immediately precedes the bonus year; and (ii) prescribe a performance threshold for each such measure in such a manner so as to ensure that—(I) the average total amount of grants under this paragraph for each bonus year is $200 million; (II) each measure described in subparagraph (C) is assigned a bonus reward of not less than $60 million; and (III) the total amount of grants to be made under this paragraph for all bonus years equals $1,000,000,000.
(E) DEFINITIONS.—In this paragraph:
(i) BONUS YEAR—The term "bonus year" means fiscal years 2002 through 2008.
(ii) HIGH PERFORMING STATE—The term "high performing State" means with respect to a measure and a bonus year, an eligible State whose score assigned pursuant to subparagraph (D)(i) with respect to one of the measures under subparagraph (C) for the fiscal year immediately preceding the bonus year equals or exceeds the performance threshold prescribed by the Secretary.

APPENDIX B

CIVIL RIGHTS

The Problem: Just like other employees, welfare recipients in work experience programs, welfare-to-work placements, and job training programs have the right to a discrimination-free workplace. From the beginning of the TANF program, the federal executive branch has consistently said that federal employment protection laws, such as the minimum wage law and the employment discrimination laws, apply to workers in TANF workfare programs in the same way they apply to other workers. The statute should be amended to clarify this and to codify the position of the federal executive branch.

The Solution:

Amend Section 407(d) (42 U.S.C. 607(d)) as follows:

(1) by adding a new subsection (e) as follows:

(e) Application of workplace laws to welfare recipients.

Notwithstanding any other provision of law, workplace laws, including the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.), and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), shall apply to an individual who is a recipient of assistance under the temporary assistance to needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in the same manner as such laws apply to other workers. The fact that an individual who is a recipient of assistance under the temporary assistance to needy families program is participating in, or seeking to participate in work activities under that program in satisfaction of the work activity requirements of the program, shall not deprive the individual of the protection of any federal, State, or local workplace law.

Section 408(d) (42 U.S.C. 608(d)) is amended as follows:

(1) by adding at the end the following——

(5) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681)

APPENDIX C

FAMILY VIOLENCE OPTION

The Problem: Federal law permits each state to choose whether to adopt the Family Violence Option, or "FVO," in their administration of TANF. Adoption permits the state to waive welfare applicants and recipients, from some or all welfare program requirements if they are victims of domestic or sexual abuse or violence (definitions of these terms vary from state to state). Among welfare requirements that states may waive are participation in work activities, time limits on benefits, and cooperation with child support collection. Since 1996, a majority of states (32) and the District of Columbia have adopted the FVO as part of their welfare law. Twelve other states have equivalent policies that enable abuse and violence victims in some cases to seek temporary or indefinite waivers from some or all TANF requirements. However, five states have no FVO policies.

The Solution: Amend the Family Violence Option, requiring states to certify that they have established standards and procedures to ensure that trained caseworkers will screen individuals for domestic or sexual violence, and extend the federal definition of work to include participation in counseling or other activities designed to address domestic or sexual violence.

A BILL TO ENSURE THAT ALL STATES ADDRESS DOMESTIC AND SEXUAL VIOLENCE IN THEIR TEMPORARY ASSISTANCE TO NEEDY FAMILIES PROGRAM.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "SAFETY AND SELF-SUFFICIENCY Act of 2001".

SECTION 2. ADDRESSING DOMESTIC AND SEXUAL VIOLENCE IN TANF PROGRAM

Section 402(a)(7) of the Social Security Act (42 U.S.C. 602(a)(7)) is amended—

(1) by striking the heading and subparagraphs (A) and (B) and inserting the following——

"(7) CERTIFICATIONS REGARDING DOMESTIC AND SEXUAL VIOLENCE——

"(A) GENERAL PROVISIONS—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure domestic and sexual violence is comprehensively addressed, and a written document outlining how the State will do the following:

"(i) Address the needs of a recipient who is or has been subjected to domestic or sexual violence, including how the State will—

"(I) have trained caseworkers screen, and, at the option of the recipient, assess and identify individuals who are or have been subjected to domestic or sexual violence;

"(II) provide each recipient of assistance with adequate notice of eligibility and program requirements, confidentiality provisions, assessment and program services, and modifications and waivers available to such individuals as well as the process to access such services, modifications, or waivers;

(III) refer such individuals for appropriate counseling and other supportive services, modify or waive eligibility or program requirements or prohibitions to address domestic violence and sexual assault barriers, and ensure such individual's access to job training, vocational rehabilitation, and other employment-related services as appropriate;

"(IV) restrict the disclosure of any identifying information obtained through any process or procedure implemented pursuant to this section absent the individual's written consent or unless otherwise required to do so under law; and

"(V) pursuant to a determination of good cause, waive, without time limit, any State or federal eligibility or program requirement or prohibition for so long as necessary, in every case in which an individual or family receiving assistance under this part has been identified as having been subjected to domestic or sexual violence and the requirement makes it more difficult for the individual to address, escape or recover from the violence, unfairly penalizes the individual, or makes the individual or the individual's child(ren) unsafe.

"(ii) Coordinate or contract with state or tribal domestic violence coalitions, sexual assault coalitions, or domestic or sexual violence programs in the development and implementation of standards, procedures, training, and programs required under this Act. to address domestic and sexual violence.

"(iii) CASEWORKER TRAINING.—Train caseworkers in—

"(I) the nature and dynamics of domestic or sexual violence and the ways in which they may act to obstruct the economic security or safety of the individual and the individual's children;

"(II) the standards, policies and procedures implemented pursuant to this part, including the individual's rights and protections, such as notice and confidentiality;

"(III) how to screen for and identify when domestic or sexual violence creates barriers to compliance, and how to make effective referrals for services and modify eligibility and program requirements and prohibitions to address domestic and sexual violence barriers; and

"(IV) the process for determining good cause for noncompliance with an eligibility or program requirement or prohibition and granting waivers of such requirements.

"(iv) USE OF QUALIFIED PROFESSIONALS.—At State option, enter into contracts with or employ qualified domestic violence and sexual violence professionals for the provision of services in each of the fields of domestic or sexual violence.

"(B) DEFINITIONS.—

"(i) DOMESTIC OR SEXUAL VIOLENCE.—In this title, the term 'domestic or sexual violence' has the same meaning as 'battered or subject to extreme cruelty' in 402(A)(7)(C)(II)."

"(ii) QUALIFIED PROFESSIONAL DEFINED—For purposes of this Act, the term 'qualified professional' includes a State or local victim services organization with recognized expertise in the dynamics of domestic or sexual violence who has as one of its primary purposes to provide services to victims of domestic or sexual violence, such as a sexual assault crisis center or domestic violence program, or an individual trained by such an organization.

SECTION 3. ASESSMENT.

(1) Section 408(b)(1) of the Social Security Act (42 U.S.C. 608(b)(1) is amended by striking "and" and inserting after employability, "and potential barriers, including domestic or sexual violence, mental or physical health, learning disability, substance abuse, English as a second language, or insufficient housing, transportation or child care"

(1) Section 408(b)(2)(A) of the Social Security Act (42 U.S.C. 608(b)(2)(A) is amended by striking "and" at the end of paragraph (iv) and the period at the end of paragraph (v), and inserting "; and" and inserting—

(vi) documents the individual's receipt of adequate notice of program requirements, confidentiality provisions, assessment and program services, and waivers available to individuals who have or may have been subjected to domestic or sexual violence, as well as the process to access such services or waivers; and

(vii) may not require the individual to participate in services to address domestic or sexual violence.

SECTION 4. REVIEW AND CONCILIATION PROCESS.

Section 408(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

"(12) REVIEW AND CONCILIATION PROCESS.—(A) In general—A State to which a grant is made under section 403 shall not impose a sanction or penalty against an individual under the State program funded under this part on the basis of noncompliance by an individual or family with a program requirement, where domestic or sexual violence is a significant contributing factor in the noncompliance; and

(B) Prior to imposing a sanction or penalty, the State shall specifically consider whether the individual has been or is being subjected to domestic or sexual violence, and where such violence is identified, make a reasonable effort to modify or waive program requirements or prohibitions, and offer the individual referral to voluntary services to address the violence.

SECTION 5. STATE OPTION TO INCLUDE SURVIVORS IN WORK PARTICIPATION RATES—

STATE OPTION TO INCLUDE SURVIVORS IN WORK PARTICIPATION RATES—States may consider individuals receiving services or a waiver from program requirements under Section 402 (a)(7) as being engaged in work for the month for purposes of determining the monthly participation rates under subsection (b)(1(B)(i).

SEC. 6 EXCLUSION OF SURVIVORS OF DOMESTIC OR SEXUAL VIOLENCE FROM 20 PERCENT LIMITATION ON HARDSHIP EXCEPTION—

Section 408(a)(7)(C) (42 USC 608(a)(7)(C) is amended—

(1) in clause (i), by striking 'by reason of' and all that follows through the period and inserting 'by reason of——

(I) hardship; or

(II) if the family includes an individual who has been subjected to domestic or sexual violence

(2) in clause (ii), by striking 'clause (i)' and inserting 'clause (i)(I)' and

(3) in clause (iii), by striking 'clause (i)' and inserting 'clause (i)(II).

SECTION 7. TECHNICAL ASSISTANCE.

Section 413 of the Social Security Act (42 U.S.C. 613) is amended by adding at the end the following:

"(j) TECHNICAL ASSISTANCE.—

"(1) GRANTS AUTHORIZED—The Secretary of Health and Human Services shall make an award to a national victim services organization or organizations to identify and provide technical assistance with respect to model standards and procedures, practices and training designed to comprehensively address domestic and sexual violence, including for individuals with multiple barriers, and move individuals subjected to domestic or sexual violence into employment without compromising their safety or that of their child(ren)."

"(2) GRANTS TO STATES.—The Secretary of Health and Human Services shall provide grants to states and localities to contract with a State or tribal domestic violence coalition or sexual assault coalition or joint domestic and sexual violence coalition to—

(i) provide training to caseworkers and technical assistance regarding screening, assessing, and providing services to address domestic or sexual violence, modifying or waiving eligibility or program requirements or prohibitions, and assisting individuals subjected to domestic or sexual violence to secure and retain employment; and

(ii) develop and implement demonstration projects to promote best practices in serving individuals who have been subjected to domestic or sexual violence, with priority given to programs that contract with qualified professionals.

"(3) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out paragraph (1), there are authorized to be appropriated to the Secretary $1,000,000 for Fiscal Year 2003, to carry out paragraph (2) there are to be authorized and appropriated not more than $10,000,000 for each fiscal year 2003–2007.

APPENDIX D

CHILD CARE PROTECTIONS

The Problem: Nearly all of the adults moving off welfare and into waged work are women with children. But women with children can only work if they have access to reliable and affordable childcare. Without it, their families' financial security and well-being are jeopardized. A report issued in 2000 by the U.S. Department of Health and Human Services, Administration for Children and Families, found that only 12% of eligible families are currently receiving federal childcare assistance.

The Solution:

Sanction protection amendments:

Amend Section 407(e)(2) as follows:

(1) By striking "EXCEPTION" and inserting "CHILD CARE EXCEPTION"; and

(2) By striking "proves that the individual has a demonstrated inability (as determined by the State)" and inserting "certifies that the individual is unable"; and

(3) By adding at the end of paragraph (2) the following:

a. "(3) ADDITIONAL CHILD CARE EXCEPTIONS—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an individual to engage in work required in accordance with this section if the individual is a custodial parent or caretaker relative caring for—

(A) a child who has a disability or a serious health condition (as defined in section 101(11) of the Family and Medical Leave Act), and the individual does not have meaningful access to safe, appropriate, affordable, and quality care for the child; or

(B) a child who has attained 6 years of age and the individual does not have meaningful access to safe, appropriate, affordable quality after-school or summer care for the child.

Work Requirement Amendments for Parents of School Age Children:

Section 407(c)(1)(A) should be amended by adding the following provision at the end of the section:

"Notwithstanding the preceding sentence, the maximum average number of hours per week shall be 20 for any week in which the recipient is the parent or caretaker relative of a child who has attained 6 years of age and does not have meaningful access to safe, appropriate, affordable quality after-school or summer care for the child."

Chairman HERGER. Thank you, Ms. Davis, for your testimony. Now, Mr. Bilchik for your testimony.

STATEMENT OF SHAY BILCHIK, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CHILD WELFARE LEAGUE OF AMERICA

Mr. BILCHIK. Mr. Chairman, Mr. English, I am delighted to be here on behalf of the Child Welfare League of America testifying on this legislation. On behalf of our 1,175 public and private not-for-profit child-serving agencies across the country, I will start my testimony by saying that we are pleased that the legislation before you includes a modification to the overarching language to the purposes of the Act to include child well-being as one of the overall goals of TANF programs.

H.R. 4090 requires the State to measure the goals and methodologies toward reaching the four purposes of TANF. The League supports adding a requirement to that, that the TANF State plans must also include the measures of child well-being.

The League is not recommending a mandate, but would suggest a flexible process whereby States design and implement TANF programs that will measure themselves. This would assure that promoting child well-being would remain a strategy in the TANF pol-

icy and planning process. Some have framed this part of the TANF reauthorization debate as a choice between child well-being and poverty reduction as a strategy. We do not see these two measures as competing, but rather as complementary. This is evidenced by the fact that more than 12 million children under age 18 continue to live in poverty in this country, despite the successes of welfare reform.

Second, the League urges Congress to carefully consider changes to the existing TANF work requirements and how they will affect children. A parent who is working serves as a model for children in the behaviors that we wish to see as children grow. Behaviors such as hard work, self-reliance, and achieving goals can all benefit children. When that work has meaning, it promotes dignity, self-worth, and self-esteem for the parents.

The TANF already includes definite work requirements and targets for parents and States. Congress must carefully consider how changes to these existing work rules will affect families. We hope Congress will not engage in a debate that ignores the needs of struggling parents who are trying to work to find quality child care and to be the best parents they can be. Additional work requirements could have the unintended result of becoming stresses and challenges to the families we are trying to serve. Congress should ensure that policies allow parents to spend time with their children. To meet their children's needs, we must ensure that families who may already be under stress and struggling to meet their own economic needs have time to also tend to the needs of their families.

Third, the League recommends that the flexibility to serve families through TANF be maintained and not altered in ways that would restrict States' abilities to address the needs of children who are eligible for child-only grants. Nine percent of the total families on TANF are kinship child-only grants.

The League also recommends the eligibility link between Title IV–E foster care and adoption assistance in AFDC be removed. This change will eliminate a costly administrative burden and will treat all children with special needs equitably. Current law requires 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.

The League is pleased that Title IV of H.R. 4090 will make it easier for States to operate Title IV–E child welfare waivers; however, we are very concerned about the potential impact of the superwaiver authority proposed in Title VI. This new authority would allow federal agencies to waive countless program requirements with an automatic 90-day approval process. This authority could undercut important gains that this Subcommittee enacted in child welfare over recent years. This could open the door to block grants for child welfare and other important programs that provide needed assistance for vulnerable children. Further, this new authority cannot ensure that the protections in place under current law and regulations for vulnerable children would be maintained.

Fourth, 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 dis-

covering they need two incomes to make ends meet. We have an ever-growing need for child care with or without changes to TANF work requirements. Congress recognized this in 1996 when it said States must spend a substantial portion of the amounts available to provide child care to low-income working families who are not working their way off welfare or are at risk of becoming welfare dependents. Congress made clear that child care was intended for more than just the goal of reducing cash assistance case loads. That same law also increased the number of families who were potentially eligible for child care by increasing the maximum income eligibility from 75 percent to 85 percent of a State's median income.

Child care must address the needs of those on or leaving TANF as well as the broader population. All of this must be done while improving standards and quality of child care. To increase child care funding is important to make sure we meet the goals of TANF reform.

We have three related items I will mention very briefly, Mr. Chairman. First, the fact that the social services block grant be increased back to $2.8 billion. I think there has been leadership on this Committee. The President has demonstrated leadership in seeing that the social services block grant is restored to that $2.8 billion. We must pay attention to the substance abuse problems facing these families, and last but not least, we must make sure that we pay attention to the impact on youth. Current research is demonstrating there may be a negative impact from the welfare reform on this population. Research needs to be done on this, and youth development opportunities need to be provided for these children in order to make sure that they succeed in their lives. Thank you, and I look forward to working with you on this legislation.

[The prepared statement of Mr. Bilchik follows:]

Statement of Shay Bilchik, President and Chief Executive Officer, Child Welfare League of America

Mr. Chairman and Members of the Subcommittee, I am Shay Bilchik, President and CEO of the Child Welfare League of America. I welcome this opportunity to testify in behalf of more than 1,175 public and private nonprofit child-serving agencies nationwide on the reauthorization of the Temporary Assistance for Needy Families program (TANF) and reauthorization of the mandatory funding levels in the Child Care and Development Fund (CCDF).

TANF reauthorization this year presents the first real opportunity for Members of Congress, the Administration, and the nation to review and evaluate the significant decision made in 1996 to replace the Aid to Families with Dependent Children's program (AFDC). We have an opportunity to evaluate what has worked and to make changes that, hopefully, will improve the lives of millions of low-income children and their families.

Child Well-Being

CWLA represents both public and private nonprofit agencies that serve children, youth, and families every day. Advancing child well-being is at the core of our agencies' missions. CWLA is pleased the Administration has offered as one of its main themes the need for TANF to focus on ways to promote child well-being. We look forward to working with this Subcommittee and other Members of Congress in crafting legislation that will improve the lives of our most vulnerable children.

CWLA agrees with the Administration's proposal to tie child well-being to the purposes of the TANF statute. Including this phrasing in the purposes section of the law is one step to better provide a link between TANF and the children who make up most of the TANF case load. CWLA also supports the Administration's suggestion that TANF state plans should include measures of child well-being so that states design and implement TANF programs that will measure themselves against how they affect children.

Poverty is an overarching indicator of child well-being and should be addressed in TANF reauthorization. Although some have framed this part of the TANF reauthorization debate as a choice between child well-being and poverty reduction as a strategy, CWLA does not see these two measures as competing, but rather as complementing each other. With poverty as an overarching indicator of child well-being, the challenge will be to develop strategies that address the needs of these children.

CWLA encourages states to develop child well-being outcome measures. Each state should also move toward the goal of adopting some standardized indicators for child well-being based on indicators that researchers have found to be associated with positive outcomes for children. CWLA's monograph, *Making Children a National Priority: A Framework for Community Action,* presents indicators of child well-being in terms of five fundamental needs: fulfilling basic needs, ensuring nurturing relationships, protecting children from harm, easing the impact of harm, and promoting optimal development.

Child Trends, a nonprofit, nonpartisan research organization, recently drafted a comprehensive list of indictors that significantly overlaps CWLA's recommendations. These include a range of options in six areas: education, socioemotional development, health and safety, attitudes, family well-being, and poverty. Within each of these areas are more specific measures. For example, socioemotional development measures include indicators on adolescent mental health, behavioral problems, teen child-bearing, and afterschool activities. Family well-being includes a range of concerns and measures, such as parent monitoring and supervision, work efforts among adolescents, parent-child relationships, connectedness and activities, and housing adequacy and homelessness.

CWLA recommends this Subcommittee consider the existing research as a way to improve understanding of how states might better measure their TANF policies and their positive and negative effects on children and families. We would be pleased to further contribute to this discussion as this legislation is drafted, debated, and enacted, and as regulations are shaped.

States will also need federal leadership as they develop their own sets of child well-being indicators. Any new outcome measures should be coordinated with ongoing federal efforts to develop child well-being outcomes. The Adoption and Safe Families Act requires the U.S. Department of Health and Human Services (HHS) to develop measures for outcomes on safety, permanency, and well-being, by which all state child welfare agencies' performance is reported to Congress annually.

Reports were published in 2000 and 2001, but, to date, only measures in safety and permanency have been implemented, with measures in well-being still in development. This is due, partly, to the complexities of measuring well-being and partly due to lack of comprehensive, comparable data being collected. Another federal effort under way is the development of measures to determine the well-being of youth leaving the foster care system, mandated by the Chafee Foster Care Independence Act.

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 parent who is working serves as a model for children and the behaviors that we wish to see as children grow. Behaviors such as hard work, self-reliance, and achieving goals can all benefit children. When that work has meaning, it promotes dignity, self-worth, and self-esteem for the parent.

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. Congress must carefully consider how changes to these existing work rules will affect families. We hope Congress will not engage in a debate that ignores the needs of struggling parents who are trying to work, to find quality child care, and to be the best parents they can be.

Additional work requirements could have the unintended result of becoming stressors and challenges to families. We must consider the amount of time it takes to get to work. We must ensure that policies allow parents to spend time with their children—to meet some of their children's needs, such as affection, by which children develop self-esteem, and support so children can develop new skills and capabilities. We must ensure that families who may already be under stress and struggling to meet their own economic needs have time to tend to routine care and family needs and time for family emergencies.

There are ways to strengthen the current work requirements, such as replacing the case load reduction credit with a credit that encourages states to place adults into jobs with substantial wages. CWLA urges Congress to reject strategies that will force states to meet a numerical goal of 40 hours of work, creating a system focused only on reaching numbers and not on moving families forward. We cannot ignore the reality that many of these parents spend several hours each week traveling to and from jobs, to and from child care providers, and to and from school.

Some proposals Congress may consider may include a flexible definition of activities and work. Additional work requirements may appear simple and flexible at the federal level, but when implemented locally, they may become more stringent. New federal work requirements may force states to design policies with a very specific number of work activities. States may try to avoid federal penalties rather than focus on progress for families. Consistent with a work policy that helps parents move into permanent, productive jobs, CWLA urges the Subcommittee to consider ways that work requirements can address barriers to self-sufficiency. We address this more fully in our comments on barriers and screening.

TANF and Child Welfare

There is a long historical link between Title IV–A of the Social Security Act and the child welfare system. The links that existed under AFDC continue under TANF, including funding, the families and children served, and the way the two programs are administered. A significant percentage of families in the child welfare system receive cash assistance and services funded by TANF. TANF funds also provide needed supports to prevent children from coming in contact with the child welfare system in the first place.

Child Only Cases

CWLA recommends that the flexibility to serve families through TANF be maintained and not altered in ways that would restrict states' abilities to address the needs of children who are eligible for child-only grants.

Child-only cases under TANF, and under AFDC, have always represented a significant percentage of the overall cash assistance case load. In 1999, child-only families represented 29% of the total number of families receiving TANF. This does not mean, however, that none of these families had a parent in the household, or that all of them were kinship care families. In fact, most of the child-only case load includes a parent. Parents may be ineligible for TANF because of their legal alien status, because of their disability status under TANF, or because they receive Supplemental Security Income. In 1999, of the child-only case load, 30% were children in families where the head of the household was related but not the parent. These child-only kinship families represented approximately 9% of the total families on TANF.

Kinship care allows relatives to care for their family members' children within the context of the family. This form of family care strengthens the family system and enables children to remain within the family if separation from their biological parents is necessary. Kinship caregivers are being responsible family members and responsible members of society. Receiving TANF child-only stipends helps kinship caregivers meet some of the essential needs of the children for whom they have taken full responsibility. The caregivers that care for their family members' children are usually living on fixed incomes. Many live in poverty, and they are not prepared financially to provide these children with basic essential items. They have chosen to keep their children within the family, however.

The child-only stipend provides some limited financial help with the daily expenses incurred in raising a child, but it is insufficient to cover the costs of raising a child. Child-only stipends vary considerably in different parts of the country. CWLA encourages states to increase the amount of monthly stipends for children living with kin.

Title IV–E Foster Care and Adoption Assistance

The 1996 TANF law repealed the eligibility standards for AFDC. TANF, however, requires 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. CWLA recommends the eligibility link between Title IV–E foster care and adoption assistance and AFDC be removed. This change will eliminate a costly administrative burden and will treat all children with special needs equitably.

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 Bush's recent statements acknowledging the link between the quality of care and whether children enter school ready to learn. To change the current system of care into a quality system that is both a critical support for parents who work outside the home and an educational and child well-being tool for the children who attend that care, we need significant investments at the federal, state, and local levels.

It is true that the decade of the 1990s represented a historic increase in child care funding. It is also true that those 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 this increase in federal child care dollars, funding for the Child Care and Development Fund (CCDF) is inadequate. HHS indicates that approximately one in seven eligible children receive care. 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 reach all those in 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.

CWLA is disappointed with recommendations by the Administration and others who argue that no new resources are needed for child care and that current funding will address current or future work requirements in TANF. We should continue to recognize that our child care system is not designed merely to provide the minimal form of care for those who are on or who are leaving TANF.

In the conference report that accompanied the 1996 reauthorization legislation (Report 104–725), Congress made clear its intent: "States must spend a substantial portion of the amounts available to provide child care to low-income working families who are not working their way off welfare or at risk of becoming welfare dependents." Congress made clear that child care was intended for more than just the goal of reducing cash assistance case loads. That same law also increased the number of families who are potentially eligible for child care by increasing the maximum income eligibility from 75% to 85% of a state's median income.

Child care must address the needs of those on or leaving TANF, as well as a broader population. All this must be done while improving standards and quality of that care. To accomplish these goals, CCDF funding must be increased substantially. CWLA recommends no less than a $11 billion increase in mandatory funds, as included in at least two legislative proposals before Congress. If work requirements are altered significantly, then this total will have to be increased even more.

Social Services Block Grant

The Social Services Block Grant (SSBG) has long been a source of funding for child care. Recent state reports indicate, however, that the most prominent use of SSBG funds are for child welfare services. SSBG also funds a number of other human services, including 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 care, the reduction in SSBG funding since 1996 has eroded the block grant to such an extent that many human services, including child care, are in competition for these funds. Clearly, SSBG does not sufficiently meet the great need for additional child care resources. CWLA urges Congress to restore SSBG funding in FY 2003 and beyond to $2.8 billion, the level agreed to in the 1996 TANF law. In doing so, this would allow other critical human service needs to be met.

TANF and Barriers to Employment: Substance Abuse

Families receiving TANF assistance face a number of barriers. As a result, some TANF recipients are unable to move from welfare to personal responsibility and work. These barriers may include substance abuse, mental illness, domestic violence, and disabilities. For those families who come to the attention of the child welfare system—a good portion of them TANF recipients—alcohol and other drug (AOD) use is a major contributing factor for remaining unemployed for long periods of time.

Estimates of the prevalence of substance abuse among TANF recipients range from 16% to 37%. In a survey of CWLA member agencies, caseworkers reported that up to 80% of the families that come to the attention of the child welfare system have a substance abuse problem. HHS estimated in August 2000 that at least 460,000 families on welfare—about 1.2 million parents and children—were affected by substance abuse. Several studies have suggested a high prevalence of substance abuse among women receiving TANF, with rates as high as 27% to 39%. Whatever the prevalence of the problem, TANF caseworkers, in particular, see substance abuse as perhaps the most inflexible of the barriers facing people who are trying to make the transition from welfare to permanent employment.

In keeping with the philosophy of removing obstacles to work to achieve the overall goals of personal responsibility and self-sufficiency, CWLA supports changes and improvements in screening and assessment, sanctions, and work requirements for those needing substance abuse treatment and applying for TANF benefits.

Family Screening and Assessment

The purpose of family assessment is to learn about and engage a family in identifying their needs, strengths, and current resources. Family screening and assessment is a key ingredient in our efforts to assist families in achieving self-sufficiency. It is also a vital tool for helping families improve their parenting abilities and to ensure child safety and well-being. Families seeking cash assistance often face many other stressors in their lives that can become barriers to completing TANF successfully and that can jeopardize child safety and well-being. These include the need for adequate housing and transportation, substance abuse and behavioral health treatment, and assistance with domestic violence.

Many jurisdictions have initiated screening and assessment for families. Some conduct an assessment with all new families requesting assistance. A personal responsibility plan is developed, based on the assessment findings. The plan sets forth the services the family will receive to address barriers, and includes recommendations from substance abuse or behavioral health assessments. Assessments may be conducted "mid-course" to determine client progress and make any necessary corrections to the service plan. Finally, some jurisdictions require a full assessment with the family prior to imposing sanctions.

These steps can prevent problems for families down the road—both the failure to meet work requirements and the increased risk of child abuse or neglect. For those families already involved with the child welfare system, joint TANF-child welfare assessments provide the opportunity to implement a coordinated service and work plan with the family. This reduces the likelihood that the family will experience "competing" or disjointed demands by different parts of the system and provides the family with a single plan for accomplishing both their work and family goals.

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 should identify potential barriers that might 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, including substance abuse, physical and behavioral health, and domestic violence, and for risks 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.

Substance Abuse and Sanctions

Families in need of services such as substance abuse treatment must receive the assistance they need to overcome barriers to employment. CWLA recommends that states conduct a presanction review before sanctioning parents who are considered noncompliant. Parents should not be subjected to sanctions and case closures because of the state's limited substance abuse treatment capacity. If substance abuse treatment services, as specified in the individual responsibility plan, are not available to the parent, states should refrain from sanctions or case closures.

Substance Abuse and Work Requirements

We must view substance abuse treatment as both work and job preparation. Comprehensive, family-focused treatment programs, either residential or outpatient, require that parents engage in intensive therapy sessions, group counseling, parenting classes, and education or job training services. A 1998 Legal Action Center study, entitled *Helping Women with Alcohol and Drug Problems Move from welfare-to-work*, looked at 20 women's treatment programs and found that 60% included work and vocational training as part of treatment, whereas 75% required work and vocational training during the substance abuse treatment process.

The Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act [42 USCA Sec.12210(b)(1)], and state laws require welfare programs to provide meaningful access and accommodation to people with disabilities. ADA covers parents in drug treatment programs. Reasonable accommodation and individualized assessment are key entitlements accorded to persons covered by ADA. Substance abuse treatment as a work activity can constitute reasonable accommodation for parents. CWLA asks the Subcommittee to consider providing substance abuse treatment as a work activity as a reasonable accommodation for parents. Successful transition from treatment to work is necessary to ensure that states provide reasonable accommodation for persons in treatment.

Improving Access to Comprehensive Treatment for Families

With the reauthorization of TANF, Congress is taking a long, hard look at the characteristics shared by those who remain on the TANF rolls. The hardest-to-serve will be those who have been unable to gain employment. Clearly, behavioral changes will be critical to move those who have not been able to find and keep jobs because of existing barriers, particularly those confronting substance abuse.

CWLA is encouraged by the Administration's provision to give work credit to families engaged in short-term substance abuse treatment. Although we feel that three months is not nearly long enough to effectively address a substance abuse problem, the recognition of treatment as a work activity is extremely important. We would encourage reasonable accommodation given to treatment as a work activity to take into account the parent's particular circumstances and needs as part of the individual responsibility plan. Aside from the needed improvements of screening and assessment, sanctions, and work requirements, substance abuse treatment services must be available for this to work. If treatment capacity is not accessible for those individuals most in need, family assessment and reasonable accommodation will not be successful. The Center for Substance Abuse Treatment has found that when treatment is available, parents are more likely to be employed and moving toward self-sufficiency.

We have a real opportunity with the reauthorization of TANF to change behavior—a goal in both welfare reform and treatment for substance abuse.

TANF and Adolescents

TANF has resulted in unanticipated negative consequences for teens. New research indicates an already high risk group of adolescents face added difficulties due to these welfare reforms. According to a study by the Manpower Demonstration Research Corporation, which looked at data from 16 programs involving almost 15,000 children and adolescents, teens have more problems than do younger children when their mothers participate in welfare-to-work programs.

The studies indicate that school achievement is negatively affected for adolescents, they repeat a grade more often, and they use more special education services. The research suggests that reduced supervision and monitoring when maternal employment increases and adolescents take on adult roles, such as caring for siblings or paid work (more than 20 hours per week), affect youth negatively.

Congress should consider these new findings. Work requirements that keep parents away from their children longer, especially without adequate child care supports, should be examined. Forcing older siblings into a caretaker role, is no substitute for needed child care and opportunities for positive youth development.

According to an analysis of Child Trends' research, other negative effects include increases in delinquency, arrests, involvement with police, smoking, drinking, and drug use. These negative impacts on youth should be addressed. New resources should be made available to promote the positive and healthy development of young people. Youth fare better when they have access to ongoing relationships with caring adults, safe places with structured activities during nonschool hours, access to services that promote healthy lifestyles, marketable skills and competencies through education and youth development, and opportunities for community service and civic participation.

Proven effective youth development strategies should be employed, such as character development and ethical enrichment activities; mentoring activities, including one-to-one relationship building and tutoring; community youth centers and clubs; nonschool hours, weekend, and summer programs; sports, recreation, and other activities promoting physical fitness and teamwork; and services that promote health and healthy development and behavior on the part of youth, including risk avoidance programs.

Reauthorization of TANF provides an opportunity to ensure that youth have access to the services and strategies necessary to support their positive and healthy development. In so doing, we can counteract the unintended negative consequences of TANF for this vulnerable population.

TANF reauthorization also allows us to examine the abstinence education program enacted at the same time as the TANF law in 1996. In FY 2002, Section 510 of the Title V Maternal and Child Health Block Grant was funded at $40 million for abstinence education. If this program is considered part of the TANF reauthorization, CWLA encourages the Subcommittee to consider enhancing state flexibility so states may use abstinence education funds in ways that best meet the needs of adolescents in those states. In addition, we encourage language to provide that scientifically and medically accurate information be taught in all abstinence education programs.

Conclusion

The reauthorization of TANF and the Child Care and Development Fund may be the best opportunity Congress will have this year to improve the lives of low-income children and families. Decisions made at the federal level will shape state and local policies, affecting millions of children and families in the years to come. Now is the time for Congress to provide the resources, flexibility, and direction needed to assist adults receiving TANF with the tools they need to move from poverty to self-sufficiency and to better help their children. CWLA looks forward to working with members of this Subcommittee, Congress, and the Administration as TANF reauthorization proposals are considered this year.

Chairman HERGER. Thank you, Mr. Bilchik. Now, Ms. Meiklejohn.

STATEMENT OF LEE SAUNDERS, EXECUTIVE ASSISTANT TO THE PRESIDENT, AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AS PRESENTED BY NANINE MEIKLEJOHN, LEGISLATIVE REPRESENTATIVE

Ms. MEIKLEJOHN. Thank you, Mr. Chairman. My name is Nanine Meiklejohn, and I am a Legislative Representative at the American Federation of State, County and Municipal Employees (AFSCME). I appreciate your allowing me to fill in for Mr. Saunders, and we appreciate being here.

I want to use my time to stress AFSCME's strong opposition to the waiver provisions and work requirements in H.R. 4090. Congress just recently created waiver authority for the U.S. Department of Labor job training programs as part of the Workforce Investment Act. The new waiver authority is therefore unnecessary and, we believe, harmful.

Under it, for example, States could privatize unemployment insurance operations. Our testimony describes the accountability problems that have arisen in privatized TANF operations in Wisconsin and Florida. These problems and more would develop in privatized unemployment operations. Eventually we could see a private company move unemployment insurance telephone centers overseas, and this is no alarmist fear. The E Funds Corp., which manages TANF and food stamp electronic benefit cards for 19 States, recently moved its telephone call center from Wisconsin to Bombay. With the waivers, States also could shift federal job train-

ing funds away from dislocated workers to TANF recipients, waive nondisplacement and worker protections in Workforce Investment Act, and put TANF participants in work at sub-minimum wages.

It is disappointing that the President's proposal has resurrected the 1996 ideological dispute over who is toughest on work instead of inviting us to work together on a sensible and reasonable strategy.

The work participation rules are an extreme policy change. Although Secretary Thompson has stated that the administration would adhere to minimum wage rules, H.R. 4090 does not accommodate States where benefits are so low that recipients working 24 hours would work at sub-minimum wages. Thus H.R. 4090 appears to allow sub-minimum wage work. The TANF must be amended to make it clear that the Fair Labor Standards Act, civil rights laws, and other workplace protection laws apply to all TANF work activities and cannot be waived under any circumstances.

Even with that change, however, the work participation requirements are unrealistic and too rigid. They refocus the entire system on large-scale workfare systems. Some have called the work requirements "doing New York City all over the country." In fact, even New York's workfare program hasn't come anywhere close to meeting these work participation rates.

What is especially troubling is that New York's Work Experience Program (WEP), has been a failure, and the city is turning away from it. The WEP created a large subclass of unpaid workers who perform regular municipal functions, but who earn a welfare check instead of a paycheck. The city has hired very few WEP workers, even though some have been in their positions for years. Thousands of city jobs have been lost. The AFSCME's affiliate, District Council 37, filed five separate lawsuits alleging displacement violations in 1999 under the State law. Around the same time, a decline in workfare slots began, going from 35,000 in December 1999 to 16,000 last November. We see this decline as a tacit admission by the city that our charges have merit.

A federal mandate to return to large-scale workfare would put intolerable pressure on TANF offices and welfare recipients in New York City and elsewhere as well. Our members in TANF offices already face difficult challenges. They work many overtime hours, struggling without adequate training or technology to serve too many families. They often face hostile and desperate people. Under H.R. 4090, they would have to do much more intensive and intrusive tracking, more record keeping, meet a new 60-day time limit to perform a thoughtful client assessment, and continue working with recipients reaching their time limits. They would be under considerable pressure to make the numbers add up so their State avoids financial penalties. With their job performance riding on how well they do that, they will feel pressure to sanction more people.

The resulting increased tensions will lead to more abuse and threats of violence in the workplace. Instead of these unrealistic and inflexible numerical goals, AFSCME supports expanding on the flexibility currently in TANF to provide a broad array of education, training, and support services to address the individual needs of families on welfare. Thank you.

[The prepared statement of Mr. Saunders follows:]

Statement of Lee Saunders, Executive Assistant to the President, American Federation of State, County and Municipal Employee

Mr. Chairman, my name is Lee Saunders. I am Executive Assistant to the President of the American Federation of State, County, and Municipal Employees (AFSCME), and, for three and a half years, I also served as Administrator of AFSCME District Council 37 in New York City.

AFSCME represents over 1.3 million employees of federal, state and local governments, local non-profit organizations, and health care facilities. Nationwide, we represent several hundred thousand TANF and other social service workers. In New York City, we represent 125,000 employees, including approximately 25,000 social service employees.

In my testimony, I want to address three issues of importance to AFSCME: proposals to change the work participation requirements; the need to upgrade the quality of services in TANF offices; and accountability under TANF and the proposed super waiver.

Earlier this year, before President Bush submitted his recommendations for reauthorizing TANF, we had hoped to have a very different debate. We had hoped Congress would consider how to build on the experiences of states, TANF workers and clients and take the next step toward helping poor families leave welfare for long-term employment at living wages. We wanted to:

- focus the program on reducing poverty instead of case loads,
- increase flexibility to provide education and training and to address the multiple barriers that keep many recipients from holding down a steady job,
- increase funds for childcare and the TANF block grant so that states can provide a better system of work supports and services,
- amend TANF to strengthen the nondisplacement protections and to add a transitional jobs program as an alternative to work experience programs,
- add a new grant program to upgrade the skills of TANF employees and the effectiveness of TANF offices in meeting the individual needs of TANF recipients,
- Restore benefits to legal immigrants who pay the same taxes as everyone else and who work in some of the hardest jobs in our society, and
- Suspend the TANF lifetime limits when individuals are working but still receiving supplemental assistance from TANF or when a jurisdiction experiences the disappearance of large numbers of jobs, especially low skilled jobs, such as occurred in New York City after September 11.

Unfortunately, the President's work participation proposal has thrown the current debate backward to 1996. It ignores the dramatic number of individuals who have left welfare for employment. It seeks to resurrect an ideological fight that might score political points over who is "tough on work" but does not challenge us to work together on a sensible and reasonable strategy for helping states help poor families move into the mainstream.

Work Requirements

At the heart of the President's TANF recommendations is a requirement for "universal engagement" in which states would have to enroll 70 percent of their adult case load in "constructive activities" averaging 40 hours per week. Of the 40 hours, a minimum of 24 hours must be in employment or other work activities, which may no longer include job search or vocational education to the extent they are currently allowed.

These participation rules represent an extreme policy change. In their original presentation, they even relied on subminimum wage work in order to reach 24 hours of work in low benefit states. In addition, the White House fact sheet stated "these [TANF] payments do not entitle an individual to a salary or to benefits provided under any other provision of law."

While we were pleased that Secretary Thompson affirmed that the Administration would adhere to a minimum wage policy, he did not address the status of the other workplace protection laws or the other provisions of the Fair Labor Standards Act. Furthermore, the courts have gone both ways on the question of workplace protections in various cases involving the treatment of individuals in New York City's Work Experience Program (WEP). Therefore, if Congress continues work experience, as we expect it will, we believe that TANF must be amended to codify the heart of the Department of Labor guidance regarding the applicability of workplace protections laws.

Even with such a modification, however, the work participation percentages and design are unrealistic, unreasonable, and too inflexible. They refocus the program on large-scale workfare systems and away from developing educational and job skills. They set too high a bar for states, local governments and individuals. They will hurt poor families by increasing sanctions, and they will hurt workers by displacing jobs and depressing wages and benefits in the low wage labor market.

Some have referred to the President's plan as "doing New York City all over the country." In fact, however, even New York City, at the height of its workfare program, would not have come close to meeting these work participation requirements. We estimate that in order to comply with the 70 percent work participation rule today, the City would have to make sure 126,000 people were working. As of last November, only 47,192—or 26 percent—of the adult case load were in work activities. Even if the workfare program were running at its peak level of around 36,000 in 1999, the City would have only 37 percent or 66,367 people in work activities that would meet the Administration's test.

The gap between the idea of requiring 70 percent of the case load to work 24 or 20 hours per week and the reality of implementing it is further demonstrated by Los Angeles County. We estimate that the County would have to ensure that 91,670 adults were working a minimum of 24 hours per week. To put this in perspective, the County itself employs 94,211 employees (and only 75,166 county, if police, firefighters, corrections, and teachers are excluded). While not all of the necessary work slots would be created in the county government, the operational challenge and cost would be overwhelming since low skilled work slots would have to be developed and managed in the public, non-profit and private sectors.

Clearly, then, this approach would force states to redirect substantial TANF resources into creating and supervising hundreds of thousands of work slots. States would have to abandon the many flexible strategies that they have used to blend work, education, training and job search to tailor programs to meet the individual needs of welfare recipients. Even then they would face a high probability of failure unless they reduced their case loads through sanctions in order to make it easier to meet the rigid work test.

What makes this approach even more troubling is that New York City's WEP program is not a model that should be replicated. It has been a failure on many levels, and, indeed, the City is turning away from it.

The WEP program created a large subclass of unpaid "workers" who perform regular municipal functions, sometimes supervisory in nature, but who earn a welfare check instead of a paycheck and who have no employment benefits. These individuals have been assigned largely to three classes of work: office services, maintenance services, and human/community services. Some of them have been in their positions for years. And yet, the number that transition to regular city jobs has been abysmally low:

Year	Transition Number
1997	117
1998	211
1999	234
2000	79
2001	62

In addition to failing to provide a path to jobs with living wages, the WEP program has resulted in the elimination of thousands of city jobs. Unfortunately, New York law prohibits us from sharing with you the specific WEP assignments by department that we receive from the City and comparing them with comparable city jobs to demonstrate our case to you. However, we can provide information already in the public domain and directly observed by AFSCME staff.

Between December 1993 and November 1998, the number of civilian employees declined by about 15,000 in civilian agencies, and most of the lost jobs were entry-level positions. We estimate that the WEP program directly caused the loss of 800 jobs in the Parks Department and 1,600 in the Human Resources Department.

AFSCME's affiliate, District Council 37, filed five separate lawsuits alleging displacement violations under the New York State social services law, which was amended to provide for substantially stronger non-displacement protections than the weak provisions in the federal law. Among other things, these lawsuits documented an 85 percent staff reduction from 136 to 24 custodial assistants in the City's welfare offices while hundreds of WEP workers were assigned to clean the offices. Another City agency lost 274 custodian positions out of a total of 389 positions over a six-year period. In Orchard Beach Park, there were over 60 employees in 1996,

yet by the summer of 1999 only about 12–13 city workers were left. Even so, there were still over 60 people working in the Park. The rest were WEP workers.

We do not think it is mere coincidence that the decline in workfare slots from 35,559 in December 1999 to 16,384 last November began around the same time AFSCME District Council 37 filed its lawsuits. We see the City's actions as a tacit admission that our charges have merit. Indeed, the City tried and failed to have the cases dismissed. Currently, only about 5,000 of the WEP positions are in mayoral agencies.

As the WEP program began to decline, AFSCME District Council 37 worked closely with low income advocates to convince the City Council to adopt a transition jobs program as an alternative to the WEP program. Although the City Council approved one, the Giuliani Administration refused to implement it.

One program was instituted, however, that combined work in the City's parks with training. While the training component of the "Job Opportunity Program" needs to be strengthened, the program assigned 3,000 welfare recipients to positions in union-represented jobs with union wages and benefits for a temporary period of time. Unfortunately, in the last days of the Giuliani Administration, the City contracted with a temporary employment agency, Temp Force, to take over payroll functions for the program. In the process, Temp Force became the "employer" and is paying wages of $7.95 per hour instead of the union wage of $9.85 per hour.

Even with the disappointing decision to outsource the Job Opportunity Program, it should be clear that New York City has been heading away from workfare and that the Administration's proposal and any other similar one would be at odds with the direction the City has been taking recently.

Conditions in Local Welfare Offices

The extreme work and engagement requirements in the Administration's plan would put intolerable pressures on TANF offices and welfare recipients, who even under current law, have been under considerable stress.

In New York City, not a week goes by without incidents of verbal abuse or violence. Until recently, TANF agency employees worked under threatening signs proclaiming "The clock is ticking." Their job performance evaluations have been heavily influenced by pressures to reduce the rolls and get recipients into WEP. As their case loads rose, their ability to provide services effectively and in a humane manner was compromised with tension between worker and client increasing.

A report on the status of caseworkers and clients in Illinois issued by AFSCME District Council 31 in 1999 documented similar problems and concerns. Among other things, the study found:

- Workloads of frontline workers increased substantially despite case load declines because of a radically altered role for the caseworker. More than 73 percent of the caseworkers surveyed reported at least four new duties. Responsibilities expanded from benefit eligibility determination to include: a thorough assessment of each client; development of a comprehensive services plan; paternity establishment; identification of job leads, job referrals, and job search oversight; monitoring of time limits and more.
- Many caseworkers were working substantial amounts of compensated and uncompensated overtime, coming in early and staying late, to try to keep up with their assignments and the department's constantly changing policies even as they struggled with outdated and inadequate technology that undercut their productivity.
- The caseworkers urgently felt the need for more training. New employees often received only "on-the-job" training while long-time employees wanted more training to prepare them for their new responsibilities. Frustration with the lack of training was a major cause of the 30 percent turnover rate among first year employees.
- The resulting pressures increased tensions between caseworkers, who felt under pressure to enforce rules "in the strictest and most inflexible manner possible" and clients who had trouble reaching their caseworkers and perceived them as meanspirited and uncaring. Again verbal abuse and even threats of physical violence resulted.

Against this backdrop, the Administration's plan to replace the flexibility that does exist currently with rigid requirements for 40 hours of activity and a mandatory evaluation for each client within 60 days are at odds with each other and the reality of life in a TANF office.

On the one hand, TANF workers will be responsible for substantially more record keeping as they try to document their clients' compliance with the 40-hour per week participation requirement. On the other hand, somehow they would have to do a

thoughtful assessment of each client's needs within a specific time period mandated by law. How they could ever effectively arrange for constructive activities or document the time spent during the 16 hours during each week when work is not required is not at all clear. Presumably, they would have to engage in extremely intrusive and time consuming monitoring or give cursory attention to the requirement.

Either way, they no doubt would be under extreme pressure to make the numbers add up so that the state would avoid financial penalties. At the same time, clients will find it impossible to meet a rigid 40 per week requirement that is more demanding than most employees experience in the workplace where the average weekly hours worked was 34.5 hours in 2000.

As caseworkers see their job performance evaluated on how well they meet ever more rigid and unrealistic numbers, they will face pressure to sanction more people. The resulting increased tensions will, we fear, lead to more abuse and threats of violence in the workplace.

Instead of these unrealistic and inflexible numerical goals, AFSCME supports expanding on the flexibility currently in TANF to provide a broad array of education, training, and support services as proposed in Representative Cardin's bill (H.R. 3625). AFSCME also has worked with the National Association of Social Workers, National Urban League, and other unions to develop a quality improvement proposal that would improve the effectiveness and productivity of TANF offices with technology improvements, model caseworker training projects, and research into caseworker-client ratios. We strongly urge you to include these recommendations in the bill to be approved by the Subcommittee.

Program Accountability

The Administration's "super waiver" is the one area where it proposes greater flexibility. This super waiver is designed to give sweeping authority to the heads of five federal departments to waive federal requirements to promote "program integration."

Although we have not been able to review the details of the super waiver, we are concerned that it could lead to a de facto block granting of federal programs, more privatization of services, and, possibility, the conversion of federal grants into individual vouchers. In all of these cases, we believe that accountability for federal taxpayer funds will be weakened and that program goals will be compromised.

We are especially concerned that "integrating" the Workforce Investment Act (WIA) and Wagner-Peyser Act with TANF could mean a redirection of Labor Department resources toward TANF clients and away from workers not on welfare, who are served by WIA. In light of the failure of the Administration to recommend any new resources to accompany its new expectations for the TANF system, it is highly probable that states will be forced to redirect resources from any related programs to which they have access.

The experience with privatized administration of the TANF program to date is instructive and should raise serious doubts about the loss of protections for citizens and accountability to taxpayers when services are privatized through with a contract process or a voucher system.

One of the most profound changes in federal policy under TANF was the elimination of the cash entitlement and the requirement for public administration of the program. By 2000, less than one-third of TANF funds was devoted to cash payments, while the rest was being spent on a broad array of employment, training, and social services.

Two states, Florida and Wisconsin, are notable for the management of their TANF programs. In Florida, TANF was "integrated" with the new WIA programs under a single administrative entity called Workforce Florida. In a striking departure, this not-for-profit corporation was given unrestricted authority to make policy for the programs under its control. In other words, it is performing important state policy-making functions, and is not simply a service provider. The consequences of the arrangement are discussed in an article titled "Privatization of TANF in Florida: A Cautionary Tale" by Cindy Huddleston and Valory Greenfield in the January-February edition of the Journal of Poverty Law and Policy.

Huddleston and Greenfield point out that, while the Florida law specifically made Workforce Florida subject to the state's public records and sunshine laws, it did not mention the state's Administrative Procedures Act. That law protects citizens by prohibiting public agencies from acting arbitrarily, unilaterally, or illegally. It gives individuals the right to notice and a hearing if their substantial interests are affected by agency action. It requires public notification and an opportunity for input on agency plans. To date, according to the article, Workforce Florida has asserted that it is not covered by the Act or bound by its requirements.

Another area of uncertainty in Florida has been the implications of the privatized arrangement for constitutional due process protections, which require government to use reasonable and fair procedures before depriving citizens of benefits or other property interests. Neither Workforce Florida nor the regional workforce boards have acknowledged officially that TANF recipients must be provided due process before being sanctioned or deprived of a service. Regional workforce boards are not required to give written notice of decisions or the opportunity of requesting a hearing. However, the related state agency, the Agency for Workforce Innovation, recently has published guidance detailing a framework for each local workforce board in setting up a grievance procedure.

In Wisconsin, the privatized W–2 program in Milwaukee demonstrates a different set of problems. At the start, the process was set up to award state contracts to counties that demonstrated an aggressive policy of reducing case loads. Milwaukee, where most of the state's case load resided, was never seriously considered for a public operation. The original competitive bidding process to select the five private providers involved classic pitfalls, including underbidding by three of the five private agencies that subsequently received $18.2 million in additional funds after the state awarded them contracts.

Millions of dollars in TANF funds were diverted from services to the poor. Between 1997 and 1999, the five contractors earned profits in the range of $26.2 million in TANF funds that were realized by reducing case loads and, therefore, program costs. Among other things, they used the funds to invest in various business enterprises including the purchase of a cellular telephone company and real estate. State audits have found that the private agencies misappropriated more than $875,000. Among these expenditures was spending by Maximus for staff parties and entertainment, pursuing welfare contracts in other states, flowers, hotel bills for Maximus' top managers, and a political contribution. Other audits found that Employment Solutions, Inc., a subsidiary of Goodwill Industries, charged taxpayers for $810,000 in staff bonuses, including a $61,000 bonus for the Executive Director, and spent $270,000 in TANF funds to seek contracts in other states.

AFSCME strongly opposes expanding opportunities for more of these arrangements through broad waiver authority. Instead, Congress should require states to use public agencies to determine eligibility and pay cash benefits and should apply additional accountability requirements designed to protect the taxpaying public on states for the expenditure of TANF funds. These requirements should provide the same or equivalent protections as those available under federal requirements for fair and impartial administration by merit system employees and the constitutional protections inherent in public administration.

In summary, the Administration's recommendations for TANF reauthorization offer too much flexibility in one area and far too little in others. We believe the legislation proposed by Representatives Cardin and Mink represents a far better approach, one that focuses on the needs of poor families, instead of one driven by arbitrary numbers.

Chairman HERGER. Thank you, Ms. Meiklejohn. The gentleman from Pennsylvania to inquire.

Mr. ENGLISH. I will keep this brief. Ms. Meiklejohn, I think you make some very good points on the issues of privatization and nondisplacement, and I would welcome an opportunity to review the language that we are working off of now and see if there are some ways of accommodating your concerns. I know that you raised these issues in 1996, and they were at least in part accommodated in the language that we ended up adopting.

It seems to me that there is fairly broad ideological support for some of the concerns you are raising in Congress. So, I suspect those two issues in particular are things that we may be able to get Republicans and Democrats to agree on. So, I appreciate your raising these issues more than really anyone has so far, and I am grateful for the opportunity to hear your testimony. I yield back the balance of my time.

Chairman HERGER. Thank you, Mr. English, and again we want to thank all of our panelists for the outstanding testimony.

With that, I would like to call up panel 7, Rabbi David Saperstein, Director and Counsel, Religious Action Center of Reform Judaism; Kathleen A. Curran, Health and Welfare Policy Advisor, U.S. Conference of Catholic Bishops; Brenda Girton-Mitchell, Associate General Secretary, Public Policy, National Council of Churches of Christ in the USA; Sister Mary Elizabeth Clark, Lobbyist, Network, a National Catholic Social Justice Lobby; Reverend Nathan Wilson, Director of Public Policy; Valora Washington, Ph.D., Executive Director, Unitarian Universalist Service Committee. I understand we have a replacement here for Rabbi Saperstein. Lauren Schumer? Ms. Schumer, would you like to begin?

STATEMENT OF RABBI DAVID SAPERSTEIN, DIRECTOR, RELIGIOUS ACTION CENTER OF REFORM JUDAISM, AS PRESENTED BY LAUREN SCHUMER, LEGISLATIVE DIRECTOR

Ms. SCHUMER. Thank you. Rabbi Saperstein regrets that his schedule did not allow him to remain this late to testify. My name is Lauren Schumer. I am the Legislative Director at the Religious Action Center of Reform Judaism, which represents over 1,700 rabbis and 900 synagogues with 1.5 million members. I am here today to address our Nation's welfare system and how this Congress will fund it in next year's budget. The religious communities of America care deeply about these issues.

The budget of the United States is the great moral document of our Nation. It reflects the American Government's values, priorities, and vision for the American people. Through it real lives are shaped; opportunities and rights are enhanced or diminished. Almost every one of the world's major faiths teaches as a central tenet a variant of the core theme in the Bible: The moral test of any society is what its economic and social policies do or do not do for the most vulnerable of God's children. These, the powerless and the voiceless, the elderly, the ill, the widow, the orphan, the child, and the stranger, are the members of America's society whom we, lawmakers and advocates alike, are called to protect. Our welfare system is a key expression of these values.

The 1996 welfare reform law ended the welfare system as we knew it, but it did not end poverty as, alas, we still know it. The question that haunts us still is whether our purpose and the purpose of welfare reform is to reduce case loads or reduce poverty; to save money or to save lives. As debate over TANF intensifies, Congress has both the opportunity and the obligation to remedy the program's failings.

The TANF's success has often been quantified by the decreasing size of the welfare rolls. We must measure TANF's success in terms of quality of life, not quantity of welfare recipients. Poverty reduction, not case load reduction, must be the principal goal of our national welfare policy.

The Administration's welfare proposal, as well as the Chairman's, recognizes and attempts to remedy some of the programmatic limitations of the 1996 law, such as the direct provision of child support payments to mothers and children, and the President's proposal would restore food stamps to legal immigrants. We commend the administration for these steps in the right direction. The restrictions are still too great, and the levels of funding both

for individual recipients and for the welfare system as a whole remain distressingly low. We are particularly alarmed to hear that the expansion of food stamps to legal immigrants in the farm bill is currently under attack in the Conference Committee. At the very least, the President's own proposal to expand benefits to legal immigrants should be included in the final version of the bill.

We have many concerns discussed in our written testimony, but let me focus on one major concern, the level of funding. First, TANF reauthorization should provide increased long-term funding so that States cannot only continue their existing programs, but also develop new poverty reduction strategies and initiatives.

Second, the TANF block grant should be indexed to inflation in order to avoid underfunding its essential programs.

Third, in order to reduce the disparity in funding allocations among States relative to the number of people who are poor, supplemental grants must be reinstated to States that have low levels of funding per poor person or high rates of growth.

Fourth, States must be allowed to carry over funds for cash grants or for any other service or activity funded under TANF.

Fifth, instead of reducing the credit States receive for moving recipients from welfare-to-work, States that make progress in decreasing the poverty level of families moving from welfare to self-sufficiency or in increasing child well-being should be rewarded with performance bonuses.

Sixth, the 5-year limit should be lifted.

Seventh, there should be increased funding for poor children and for child care.

Eighth, legal immigrants ought to be entitled to all welfare benefits without a waiting period. We must ensure that TANF is funded at a level that guarantees child care, job training, health care, and nutrition assistance to help move poor people out of poverty and into long-term self-sufficiency. Only then will the cries of the poor be silenced. Only then will we fulfill our moral obligation to share the bounties of our Nation to those of God's children who are less fortunate than we and who are depending on this Congress to provide effective, fully funded programs to allow them and their families to move from welfare-to-work, from poverty to self-sufficiency, and from desperation to dignity. I thank you for the opportunity to testify.

[The prepared statement of Mr. Saperstein follows:]

Statement of Rabbi David Saperstein, Director, Religious Action of Reform Judaism

Good morning Mr. Chairman, distinguished members of the Committee. I am Rabbi David Saperstein, Director of the Religious Action Center of Reform Judaism, which represents over 1700 rabbis and 900 synagogues with 1.5 million members. I am also an attorney and for many years have taught on the faculty of Georgetown University Law Center.

The 1996 welfare reform law ended the welfare system as we knew it, but it did not end poverty in America. Child poverty is still too high, too many families are strained, fragile, and broken, too many families still have not found work and the purpose it brings. Although the Administration's welfare proposal recognizes and attempts to remedy some of the programmatic limitations of the 1996 law—such as restoration of food stamp benefits to legal immigrants and direct provision of child support payments to mothers and children—of significant concern are the astonishingly low levels of funding allocated to both individual programs and the welfare system as a whole.

Funding levels, of course, reflect not only policy but moral choices at work. That is why it has been said that the budget of the United States is the great moral document of our nation. It reflects the American Government's values, priorities and vision for the American people. Through it, real lives are shaped, opportunities and rights are enhanced or diminished. The moral test of any society is what its economic and social policies do—or do not do—for the most vulnerable of God's children. These—the powerless and the voiceless, the elderly, the ill, the widow, the orphan, the child and the stranger—are the members of American society whom we, lawmakers and advocates alike, have been called to protect.

A powerful and pervasive theme in our tradition is the protections and benefits we accord to the *ger*—the Hebrew term we erroneously translate in the Bible as the "stranger." The *ger* was not a person just passing through (albeit they too we entitled to some social benefits). The *ger* was the person who came to live in Israel, who was willing to abide by the rules of our society, to work and pay taxes whenever possible, to observe the non-ritual laws of Israel—and to whom the Bible and the Talmud grant all the social benefits of the society accorded to the Jews. Is that not exactly the situation of the legal immigrant who comes to our nation?

The Census Bureau reports that there are over 30 million immigrants living in the United States. This represents 11 percent of the total population. Prior to 1996, legal immigrants were usually able to receive public benefits on the same basis as U.S. citizens. With the passage of TANF, eligibility is now based on citizenship status rather than legal status.

The changes in law came at the same time as the immigrant population reached near-record levels throughout the country. The largest immigrant group, immigrants admitted as lawful permanent residents—in most cases for family reunification purposes—is ineligible for benefits. Present policy has an extremely negative impact on the children of immigrants. According to the Center on Budget and Policy priorities, more than one in five low-income children in the United States live in noncitizen families. Nearly 40 percent of these families have difficulty affording food, compared with 27 percent of native-born families. Children of immigrants are twice as likely to live in families that pay more than 50 percent of their income for a place to live. They are more than four times as likely to live in crowded housing. The moral fiber of our nation, a nation that wishes to help not harm; to aid, not to assault; to develop not to destroy; depends on the recognition that moral public policy must create a zone of protection for all Americans.

Jewish tradition commands us, "You shall not wrong a stranger or oppress him, for you were strangers in the land of Egypt." Just two weeks ago Jews around the world celebrated our exodus from slavery in Egypt. As Jews, we are commanded to retell the story of our exodus. At the Passover seder meal, we are commanded to invite all who are hungry and all who are in need to come to our table and to share in our celebration. We are commanded to invite Jew and non-Jew alike; we are commanded to invite both our neighbors and those we do not know.

The story of the immigrant is a shared story. Throughout our collective history Jews have been immigrants, strangers in strange lands. We have faced great hardship and persecution, but we have also flourished. The story of the immigrant is the story of America. And, with support from our elected officials, we can be confident that the best chapters are yet to be written.

The Temporary Assistance for Needy Families program outlines America's public policy priorities in the fight against poverty. If we are to truly combat poverty, TANF's budget must reflect the economic realities of our day. The Administration's proposal purports to maintain the same overall funding since the 1996 welfare reform law by freezing the TANF block grant at $16.5 billion. The value of the block grant fell by 13.5 percent between Fiscal Year 1997 and Fiscal Year 2002. If it is not adjusted for inflation, the real value of the block grant in 2007 will be 22 percent below its 1997 value—in effect, a significant cut for working families. According to the Treasury Department, TANF spending by states totaled $18.5 billion in Fiscal Year 2001—about $2 billion more than the annual block grant provided. Between March and September 2001, cash assistance case loads rose in 33 states. States have had to dip into their unspent reserves in order to meet growing need. Some states, such as Montana, have shifted TANF funds from work support programs to cash assistance because of case load increases. States will have to scale back program funding as they exhaust their reserves unless additional resources are made available through reauthorization. If the funding levels in the block grant continue to decrease in inflation-adjusted terms while states continue to deplete their TANF reserves, these states will have to make even deeper cuts over time. Freezing the block grant will significantly jeopardize the ability of individual states to provide adequate job training and other crucial programs to help those experiencing poverty rise to a level of self-sufficiency. At a minimum, the TANF block grant should be

indexed to inflation in order to avoid under-funding its essential programs. In fact, TANF reauthorization must provide increased long-term funding so that states can not only continue their existing programs, but also develop new poverty-reduction strategies and initiatives. In order to reduce the disparity in funding allocations among states relative to the number of people who are poor, Supplemental Grants must be reinstated to states that have low levels of funding per poor person or high rates of growth. States must be allowed to carry over funds for cash grants or for any other service or activity funded under TANF. Instead of reducing the credit states receive for moving recipients from welfare-to-work, states that make progress in decreasing the poverty level of families moving from welfare to self-sufficiency or in increasing child well-being should be rewarded with performance bonuses.

The Administration's proposal would increase the number of hours welfare recipients must work in order to receive cash assistance from 30 to 40 hours per week. The proposal creates a number of problems for states administering welfare programs. The Administration's proposal to increase the number of hours recipients must work to receive cash assistance from 30 hours per week to 40 hours per week means that only five states (Alaska, Hawaii, New Hampshire, New York, and Wisconsin) would be able to meet the Federal Labor Standards Act provisions that require that a welfare recipient work no more hours than those calculated by taking the amount of the combined cash assistance and food stamp benefit and dividing it by the minimum wage.

In addition, we are concerned that the increased work requirement will result in welfare recipients being forced to take low-paying, dead-end jobs rather than jobs that hold the promise of future economic stability and sustainability. In a recent National Governors' Association survey, 38 states reported that the new work requirements would force them to create costly "make-work" jobs. Instead of focusing simply on case load reduction, TANF should provide quality education and job training instead of unpaid public works programs that would consume significant resources now dedicated to effective job training and meaningful employment.

The TANF block grant at its current level would not cover the cost of cash assistance under the Administration's proposal, much less the increased demand in child care and transportation that would result from increasing the overall state work participation rate from 50 percent to 70 percent in 5 years. Essentially, the Administration's proposal costs states more money, but does not include any increase in the TANF block grant.

President Bush's proposal also cuts funding for children. The President's pledge to "continue to maintain historically high levels of support for child care" will actually limit the availability of child care funding. TANF funding is a vital component of state child care assistance programs, and states are increasingly dependent upon this funding to address their child care needs. States can transfer up to 30 percent of their TANF funds to the Child Care and Development Block Grant, or directly spend TANF dollars on child care without transferring the funds to the CCDBG. TANF is already a greater source of child care funding than the CCDBG: In 2000, states redirected $3.9 billion in TANF funds to child care, compared to $3.5 billion spent through the CCDBG. The CCDBG itself requires increased investment, as well. According to the Children's Defense Fund, although only one in seven children eligible for CCDBG assistance currently receives help from the program, a child care budget that does not include increases for inflation means that 30,000 fewer children will be able to be helped. Freezing the child care budget for the next five years will require cutting 114,000 children from child care programs by Fiscal Year 2007. A significant portion of the increasing need for child care funds is due to salary costs. The salaries of child care workers cannot be frozen over the next five years, and the already rising costs of providing these services will necessarily continue to rise. Child care is vital to the efforts of low-income parents to get and keep jobs. The Administration's proposed child care budget would be a devastating blow to the welfare system's ability to ensure that all children are fully prepared to enter school and would jeopardize its efforts to help families become truly self-sufficient. A nation that neglects its children is a nation that short-changes its future. Unconscionably, the proposals before us now would condemn the most vulnerable of God's children to suffering and deprivation.

In addition to our misgivings about inadequate funding for TANF, we are concerned about significant funding allocations for misguided programs within the Administration's welfare reform proposal. Of particular concern is a proposal to spend $135 million on abstinence-only sexuality education programs. Contrary to the argument made by abstinence-only advocates, studies have overwhelmingly shown that abstinence-only programs do not deter or delay sexual activity. No credible scientific evidence exists to show the effectiveness of sexuality education programs that exclude information about contraception. In fact, a 1997 report by the United Nations

examined 22 HIV/AIDS and comprehensive sexuality education programs indicates that it is these comprehensive programs that are demonstrably effective in delaying the onset of sexual activity, reducing the number of sexual partners, and decreasing the incidences of sexually transmitted diseases and unplanned pregnancies. In addition, the President's proposal allocates $500 million for programs to promote marriage. While we agree that healthy marriages are a critical cornerstone of our nation, we hesitate when the government attempts to narrowly define what constitutes a healthy family. We are troubled by the proposal's exclusion of plans to strengthen overall family life at America's increasingly diverse contemporary family table. While we support initiatives to provide accurate and effective sexuality education and programs to strengthen families, we cannot afford to pour these desperately needed funds into such highly flawed programs.

As debate over TANF reauthorization intensifies, Congress has both the opportunity and the obligation to remedy the program's failings. The overarching goals set out for TANF in 1996 were admirable, but the specific policies and regulations used to achieve these goals often fell far short of the mark. TANF's "success" has often been quantified by the decreasing size of the welfare rolls. Although the total number of people on welfare has certainly been reduced, TANF has not alleviated the depth or breadth of poverty in the United States. We must measure TANF's success in terms of quality of life, not quantity of welfare recipients. Poverty reduction, not case load reduction, must be the principal goal of our national welfare policy.

Just prior to the passage of the 1996 welfare reform legislation, the Union of American Hebrew Congregations, the lay body of the Reform Jewish Movement, passed a comprehensive resolution on "Our Economic Commitment to America's Poor." The resolution recognized the importance of prudent fiscal reforms and of welfare reform, but asserted that reform must not result in undue burdens to the most needy. The resolution further asserted that "the United States Government [must] . . . ensure an adequate, federally guaranteed safety net to protect our nation's most vulnerable populations." Any legislation that does not meet this standard should not be passed by Congress or signed into law by the President.

Judaism has long recognized the need to promote the health and well-being of all members of society and the responsibility of working to realize the Biblical vision that "there shall be no needy among you." The great scholar Maimonides taught that the highest degree of tzedakah—charity—is to enable a person to earn his or her own livelihood. All faith communities are united by commandments to share our bread with the hungry, to protect the stranger in our midst, and to care for the poor and vulnerable children in our communities.

In the rulings of Jewish texts and in the implementation of those rulings during the 1500 years of the self-governing Jewish community, the government and the public sector played a central role in achieving social justice. By Talmudic times, at least four communal funds (food, clothing, burial, and money funds), plus communal schools for all children, were required in every sizeable community. By the Middle Ages, these had grown into a veritable bureaucracy of social welfare institutions, rivaling our own today, with extensive communal regulation of the environment, consumer rights, and worker's rights. *Tzedakah* functioned as a system of taxation, not a voluntary philanthropic enterprise. Since members of the Jewish community were *compelled* to support these institutions, there are analogous in our own time to government institutions, not to voluntary private charities.

In fact, we are deeply concerned with the Administration's interest in using faith as a tool with which to fight poverty and substance abuse. President Bush has made clear his support for ending "discrimination against faith-based organizations that compete for contracts to provide social services to people who need help," and he has also said that "one sure way" to treat those with substance abuse problems is to "introduce them to faith." Faith-based organizations certainly deserve support and encouragement for the important work they do and the valuable services they provide. However, if we are to protect the First Amendment and the religious liberty of all Americans, we must ensure that pervasively religious organizations do not receive direct funding from the government, preferential treatment, or exemptions from civil rights regulations. We must also ensure that the beneficiaries of social services provided by faith-based organizations are not subjected to proselytization or religious indoctrination when they go to obtain their government benefits. Finally, we must ensure that religious organizations do not become the sole providers of social services in America, absolving the government of its responsibility to assist those in need. We must continue to look for ways to improve much-needed social services and support the good works of faith-based organizations, but we must do it without threatening America's "first freedom."

Since the Great Depression, America's policy makers have sought to provide for vulnerable populations and have woven a safety net for America's poor, unfortunate

and disadvantaged. Our government has a moral responsibility to ensure that welfare programs provide real jobs, real job training, and a real safety net to Americans in need. That responsibility inherently includes providing the necessary dollars to make these vital programs work. Breaking the chains of poverty cannot morally be accomplished by underfunding these vital programs which provide the most basic needs to the hungry and the strangers and the child. We must ensure that TANF is funded at a level which guarantees child care, job training, health care, and nutrition assistance to help move people out of poverty and into long-term self-sufficiency. Only then will the cries of the poor be silenced; only then will we be free of our moral obligation to share the bounties of our nation with those of God's children who are less fortunate than we and who are depending on this Congress to provide effective, fully-funded programs to allow them and their families to move from welfare-to-work, from poverty to self-sufficiency, and from desperation to dignity.

Mr. ENGLISH. [Presiding.] Thank you, Ms. Schumer. Ms. Curran, your testimony, please.

STATEMENT OF KATHLEEN A. CURRAN, POLICY ADVISOR, UNITED STATES CONFERENCE OF CATHOLIC BISHOPS

Ms. CURRAN. Thank you Chairman Herger and you, Mr. English, and the Members of the Subcommittee for this opportunity to present the views of the United States Conference of Catholic Bishops as you consider appropriators for TANF reauthorization.

In 1995, the administrative board of the Bishops' Conference outlined six criteria for reform. As we did then, we urge lawmakers to enact welfare policies that will protect human life and dignity, strengthen family life, encourage and reward work, preserve a safety net for the vulnerable, build public/private partnerships to overcome poverty, and invest in human dignity.

With these principles in mind, we believe TANF reauthorization presents an opportunity and a challenge to sharpen our focus on the persistent problem of poverty in this most prosperous of nations. We must do our best to make sure that no one who works in this country will see their family in need. We must give States the policy tools and resources they need to help low-income Americans leave poverty and dependence and achieve self-sufficiency.

We must make clear that addressing the moral scandal of so much poverty, especially among children, in the richest Nation on Earth is a key goal of our national welfare policy. We can do this through a three-pronged strategy of policies that support work, strengthen families and marriages, and sustain the needy and vulnerable among us, especially our children, and by dedicating adequate resources to accomplish these goals, by funding TANF at least at the current levels adjusted for inflation.

My longer statement, which has been submitted for the record, suggests several policy directions in each of these areas, but for now I will just touch on a few. First, TANF recipients need more than just any job. They need a pathway out of poverty, and for many that means access to education and job training and in some cases substance abuse treatment as well as a job. States should have greater flexibility to choose to count job training, vocational and postsecondary education, and substance abuse treatment toward work requirements, alone or in conjunction with an employment requirement. Several of the current reauthorization proposals include ideas on these issues, and we hope the final legislation will make progress in these areas.

We support continuing TANF's emphasis on work; however, we share the various concerns that have been raised about current proposals that would simultaneously increase State work participation rates, increase to 40 the hours per week required of individuals, and end the case load reduction credit. The concerns are about whether such changes made together would be achievable or would limit the flexibility of States to continue the programs they have developed to get recipients off assistance and dependence and into employment. Given the potential impact of such changes, we urge Congress not to adopt an approach that combines these elements as currently proposed, particularly without significant increases in funding for child care and for States to develop the large-scale work experience or community service programs they would need to ensure that the new work targets would be met without diverting resources from current employment focused programs and work supports.

Programs to increase to 40 the hours of activities required appear to assume that 40 hours constitutes a standard full work week, but according to data from the Bureau of Labor Statistics, for many American workers, especially those in the kind of jobs TANF recipients are likely to have, the average work week is 35 hours or less, and that includes paid leave time. Thus, requiring TANF recipients to engage in 40 hours of activities per week actually holds them to a higher standard than many other parents who work.

Second, there has been and will be much discussion about marriage and family formation policies in TANF reauthorization. For decades our welfare policy actively discouraged the formation and maintenance of two-parent married families. One valuable aspect of our 1996 welfare reform law was the recognition that our National policies must support families, not undermine them, and help parents in meeting their responsibilities to their children. Children do better economically, emotionally, and spiritually when raised by both parents in the context of a stable, healthy marriage, and we should make appropriate efforts to encourage abstinence before marriage, to assist single parents considering marriage, and to help married parents to stay together. Yet we must also recognize that many factors in our society, including the realities of domestic violence and destructive behavior, leave many single parents struggling to support children on their own. Single parents deserve our help, too, without feeling coerced into entering into inappropriate marriages or staying in dangerous relationships. At the very least, we hope there is agreement that the first step in a promarriage policy should be to end more stringent State and federal TANF requirements for two-parent families, and we urge Congress to do so.

Third, in 1996, legal immigrants were categorically barred from public benefits programs. The Bishops' Conference has long advocated for the availability of basic necessities to all those in need, regardless of their race, creed, ethnic origin, or nationality, and we urge you to restore benefit eligibility to legal immigrants.

Fourth, access to food stamps and Medicaid can mean the difference between success or failure, hunger and illness, or progress for those struggling to leave welfare for work. The law should en-

sure that welfare leavers are automatically eligible for Medicaid and food stamps for a full year after they leave TANF, and States should be required to make sure leavers know they are eligible for these benefits and that they are able to access them.

Finally, 23 States restrict or deny additional cash benefits when a TANF family's size increases because of the birth of a baby. We urge Congress to amend TANF to ban State family cap policies on pro-life and pro-family principles. The Bishops' Conference has long opposed such policies because of deep concern about their impact on the well-being of children both born and unborn.

Finally, we urge Congress to avoid casting TANF reauthorization in terms of false choices that will diminish public debate and people's lives. Refuse to pose welfare reform as a choice between encouraging greater individual responsibility or accepting greater social responsibility. Both are necessary to help families overcome poverty. Refuse to pose welfare reform as a choice between investing in decent work, child care and education and training or recognizing the importance of responsible parenthood and healthy marriages.

[The prepared statement of Ms. Curran follows:]

Statement of Kathleen A. Curran, Policy Advisor, United States Conference of Catholic Bishops

Chairman Herger and Members of the Subcommittee, my name is Kathleen A. Curran and I am policy advisor on health and welfare issues with the United States Conference of Catholic Bishops' (USCCB). I welcome this opportunity to share with you the views of the Bishops' Conference as you consider proposals for reauthorization of the Temporary Assistance for Needy Families block grant program (TANF).

In the 1990s, we as a nation reexamined the welfare structure that had evolved over several decades, and called for a reform of the way in which we help those among us in need. Our Conference was among those urging fundamental reform of a system that did not serve recipients, taxpayers or our society as well as it should have. The debate over how to change that system culminated in the 1996 passage of the Personal Responsibility and Work Opportunity Reconciliation Act, replacing the Aid to Families with Dependent Children entitlement program with TANF block grants to the states, a time-limited assistance program focusing heavily on reducing welfare case loads and moving people into work. While it is encouraging that case loads have fallen by over 50% through fiscal year 2001, it is clear that not all recipients who leave TANF do so to take a job of any sort, let alone stable full-time work that allows them to support their families in dignity.

In considering whether and how to amend TANF, facts and figures, numbers and statistics can be necessary and important tools, both in assessing the effects so far of the 1996 law and in developing new policies and new ways to measure future effects. But I urge you to remember that is all they are—tools. Simply setting, meeting and assessing numerical goals—whether for reducing case loads, boosting work participation rates or increasing the incidence of marriage—must not become the measure of our nations welfare policy. We must not lose sight of the real families, real individuals, real children whose lives will be deeply affected by the changes that will be made in TANF. We must seize the need to reauthorize the TANF program as an opportunity, and a challenge, to sharpen our focus on the persistent problem of poverty in this, the most prosperous of nations. We must do our best to make sure no one who works in this country will see their family in need. We must give states the policy tools and resources they need to help low-income Americans leave poverty and dependence and achieve self-sufficiency.

Thus, as the nation turns to TANF reauthorization, we must make clear that reducing poverty, especially among children, is a central goal of our national welfare policy. We can do this in two ways. First, we should amend the law to include poverty reduction among the stated goals and develop appropriate incentives for states to reduce the extent and depth of poverty within their borders. Second, we should assess welfare policies, both current and proposed, by whether they will be effective in alleviating the poverty of our sisters and brothers and in helping them to improve their own lives and the lives of their families.

The central challenge we face is not just people in need of help, but the tragedy of so many families living without dignity and hope in our nation. While some would focus instead on child well-being, these goals are not contradictory. There ought to be a way bring together both goals, measuring welfare reform by how it reduces poverty in a land of plenty and how it improves the lives of its children.

Principles For Welfare Reform

The Administrative Board of the Bishops' Conference articulated principles for welfare reform in 1995 which retain their relevance today. I reiterate what the Bishops said then: the Conference's intent in offering its reflection on welfare policy is not to align itself with a particular partisan or ideological agenda. We draw our directions from consistent Catholic moral principles, guided by traditional values: respect for human life and dignity; the importance of family and the value of work; an option for the poor and the call to participation; and the principles of subsidiarity and solidarity.

We also draw upon the Church's experience living with, serving, and being the poor among us. The poor are our neighbors and our parishioners. The Catholic community, perhaps the largest nongovernmental provider of human services to poor families, meets the poor in our soup kitchens, shelters and Catholic Charities agencies. Our community has lived with the realities of welfare reform, encouraging and helping people to make the transition from welfare-to-work. But we also live with those who are left behind, who turn to our parishes, eat in our soup kitchens, sleep in our shelters and ask for our help. Some are moving ahead and we welcome and celebrate their progress. But some are left behind and this is the unfinished task for our nation, which seeks "liberty and justice for all."

In light of our principles and our everyday experiences, our Conference will apply six principles in evaluating proposals for changes during TANF reauthorization. We urge lawmakers to enact polices that:

Protect human life and human dignity: A fundamental criterion for all public policy, including welfare policy, is respect for human life and human dignity. In particular, we must protect the lives and dignity of vulnerable children, whether born or unborn, and develop policies that safeguard children and discourage inappropriate or morally destructive behavior.

Strengthen family life: Our welfare policy should affirm the importance of marriage, strong intact families, personal responsibility, self-discipline, sacrifice and basic morality. It should help mothers and fathers meet the social, economic, educational and moral needs of their children. We should strive to keep marriages strong and families together, and, when that is not possible, to keep fathers involved in the lives of their children in a healthy and constructive manner.

Encourage and reward work: Those who can work, should work. Work is the means by which individuals support themselves and their families, participate in Gods creation, express their dignity, and contribute to the common good of society. The challenge is to ensure that our nations policies support productive work with wages and benefits that permit a family to live in dignity.

Preserve a safety net for the vulnerable: Society has a responsibility to help meet the needs of those who cannot care for themselves, who through no fault of their own cannot work or whose work is caring for young children or disabled family members. Our policies should help and sustain the most vulnerable among us, enhancing the ability of all children, including immigrant children, to grow into productive adults. Legal immigrants should be eligible for benefits on the same terms as citizens, and the children of undocumented persons should not be left without help.

Build public/private partnerships to overcome poverty: Overcoming poverty and dependency requires creative, responsive and effective actions in both the public and private sectors. Under the TANF block grants, states have been given a high degree of flexibility in shaping programs to meet the needs of their populations and to draw more upon the skill and responsiveness of community institutions. We must strive to achieve and preserve the appropriate balance between the roles of the federal and state governments and private entities in fighting poverty. This is why we support the Presidents faith-based and community initiatives proposal. While we support the active role of states and of faith-based and community groups, their efforts cannot replace the important responsibility of the Federal Government, on behalf of our entire society, to establish just public policy and to commit sufficient national resources to meet the basic needs of the American people.

Invest in human dignity: To continue and complete the work of welfare reform begun in 1996, we will continue to need significant public investment in TANF. We cannot let declining case loads deceive us into thinking we can reduce TANF block grants. The commitment and effort of individuals seeking to leave welfare for work,

poverty for self-sufficiency, must be met by a public commitment to provide the jobs, training, education, child care, health care, transportation and other supports necessary to make that transition successfully.

In pursuing these principles, we urge the Congress to avoid casting TANF reauthorization in terms of false choices that will diminish public debate and peoples' lives. Refuse to pose welfare reform as a choice between encouraging greater responsibility or accepting greater social responsibility—both are necessary to help families overcome poverty. Refuse to pose welfare reform as a choice between investing in decent work, child care, and education and training, or recognizing the importance of healthy marriages and responsible parenthood—both are necessary to improve children's lives. Children's lives and their hope for the future are enhanced or diminished by the choices of their parents *and* the policies of their government. Reauthorization is an opportunity to improve TANF to encourage wise choices by their families and wise investments by our nation in decent work, child care, and education and training.

Do not draw our circle of concern too tightly. Single parents *and* two parent couples struggle to raise their families in dignity. The children of parents who were born here and of those who came here to escape poverty and conflict are equally deserving of our help. Help not only those who can move from welfare-to-work with a little push and minimal assistance, but also those trapped without skills or education or facing addiction or disability. Do not be afraid to insist on performance and commitment from states as well as families in need, holding states accountable for programs that help people not only leave dependency, but also to leave poverty behind.

Lastly, avoid an overly ideological, polarized and partisan debate over TANF reauthorization that will only undermine the steps our nation must take to overcome poverty and restore human dignity for our families and children.

A Strategy For Addressing Poverty Through TANF Reauthorization

With these principles in mind, we urge that a central goal for TANF reauthorization should be to address the moral scandal of so much poverty in the richest nation on earth. To accomplish this, TANF should seek to reduce poverty through a three-pronged strategy of supporting meaningful work, strengthening family life and marriage, and sustaining the needy and vulnerable among us, especially our children; and to ensure adequate resources to accomplish these goals by committing to TANF funding levels at least equal to current levels adjusted for inflation. I would like to suggest some policy directions in each of these three areas, touching on only some of the many issues that TANF reauthorization will encompass. I am pleased to note that several of these ideas are reflected in various of the reauthorization proposals that have already been put forward.

Supporting Meaningful Work

1. Expand the definition of work to include education and substance abuse treatment: TANF recipients need more than just any job—they need a pathway out of poverty, and for many that means access to education and job training, and in some cases, substance abuse treatment, as well as a job. Under current law, individuals may count only vocational education training towards work participation, for a maximum of 12 months, and states may allow no more than 30% of their case load to do so. But serious efforts to get a college degree or overcome an addiction is hard work and should be recognized as such. States should have greater flexibility to count job training, vocational and post-secondary education and substance abuse treatment towards work requirements, alone or in conjunction with an employment requirement. For instance, states could be given the option to allow participants to count education towards work after a one or two year period of employment.

Several of the current reauthorization proposals include ideas in this area which deserve support. For example, most of them include some provision for allowing states to count as work activities, for limited periods of time, substance abuse or other programs to address work obstacles. We hope the final legislation will include similar provisions, and in the case of substance abuse, will give states the flexibility to include longer treatment programs of up to nine months. With respect to educational activities, allowing states to count 24 months of vocational *and* educational training as work, or allowing states to have a percentage of TANF recipients in so-called "Parents as Scholars" programs, combining work and post-secondary education, are promising ideas found in current proposals.

2. Ensure that those leaving welfare have access to transitional benefits: Food and basic health care are essential building blocks for life. As welfare recipients make the transition from cash assistance to relying on work income alone, access to noncash benefits such as food stamps and Medicaid can mean the difference be-

tween success or failure, hunger and illness or progress. The law should ensure that welfare leavers have automatic and meaningful access to Medicaid and food stamps for a full year after they leave TANF. TANF leavers are eligible for one-year transitional Medicaid coverage; they should be automatically eligible for food stamps for one year as well.

In addition to granting automatic eligibility, states should be required to make sure those leaving TANF understand that they are eligible for these benefits and that they are able to access them. Studies have indicated that former welfare recipients who are eligible for but do not receive food stamps and Medicaid often do not realize they are eligible, or are unable to navigate complicated administrative requirements, including midday appointments at state offices forcing them to miss work. States must streamline their processes so new workers do not have to choose between obtaining needed benefits and keeping their jobs, between work and feeding their families, between employment and health care.

3. Child care assistance: Finding and paying for adequate child care can be one of the biggest challenges facing parents trying to move from welfare-to-work. The problem is exacerbated for parents who must work weekend or night shift jobs, times when child care is particularly hard to find. As with food stamps and Medicaid, many families leaving TANF do not receive child care assistance even though they are eligible. We must make sure all working parents have access to safe, affordable child care at the times they need it by increasing funding for federal child care assistance programs such as the Child Care and Development Block Grant (which must also be reauthorized next year) and the Social Services Block Grant, by making sure low-income parents know they are eligible, and by increasing the availability of adequate child care facilities. Several reauthorization proposals call for additional CCDBG funding, and we urge the Subcommittee to incorporate additional resources for child care in its TANF legislation.

4. Flexibility in time limits: A five-year time limit on federally-funded cash assistance was one of the hallmarks of the 1996 law, and for many time limits appear to have provided the motivation needed to get into, or back into, the workforce. But for others, especially those who must overcome many obstacles to work, time limits can be arbitrary and punitive. I urge you to look seriously at ways to give states more flexibility in how they apply time limits while continuing to use federal TANF funds, so they can make time limits work for all recipients. For example, states could have the option to "stop the clock"—to continue providing cash assistance to recipients complying with work requirements and not count those months towards the five-year time limit. Or states could experiment with allowing working TANF participants to "earn back" time against the time limit. States could be given the option of granting extensions to the five-year time limit, for example when a downturn in the economy means working former participants face layoffs and the inability to find work despite their best efforts.

5. Caution in modifying work requirements: Under current law, states must have 50% of families that receive TANF engaged in specified "work activities" for a total of 30 hours per week, with a shorter list of activities countable for the first 20 hours. (Single parents of children under six need work only a total of 20 hours per week to be counted, and higher standards apply to two-parent families.) States are eligible for a credit that reduces the 50% work participation requirement—a percentage reduction in total case loads earns an equal reduction in the participation rate requirement. case loads have fallen so significantly that most states were subject to minimal or even no work participation requirement. Nonetheless, on average states had 34% of their case loads meeting the work requirements in 2000.

Among the proposals for TANF reauthorization that have been put forward, two would increase both the work participation rates that states must meet (from 50% to 70%) and the hours of activities individuals must engage in to be counted towards the work participation rates (from 30 hours to 40 hours per week). In one proposal, the first 24 hours would be limited to employment, work experience or community service activities, with no flexibility to include job search or vocational education activities (which are now allowed to count toward the first 20 hours of the 30 hour requirement.) Both proposals would end the case load reduction credit. (In one proposal, the case load reduction credit would be replaced by a new employment credit, a promising idea we urge you to pursue.)

While we support continuing TANFs emphasis on work, we share the serious concerns that have been raised about whether current proposals that combine these three elements—increasing state participation rates, increasing hours per week, and ending the case load reduction credit—are achievable and whether they would limit the flexibility of the states to continue the programs they have developed to implement welfare reform in a way that meet the needs of their people. Given the poten-

tial impact of such changes in the work requirements, we urge Congress not to adopt an approach that combines these elements as currently proposed.

For the most part, states appear to have preferred to focus on getting recipients into employment, over establishing large work experience or community service programs. Two-thirds of the recipients who counted towards work participation rates in FY 2000 were pursuing unsubsidized employment, while 10.6% were in work experience and 6.4% were doing community service. Studies of welfare-to-work programs in the 1990s indicate that programs combining a range of strategies and services, including mandatory work, job search, life skills, and work-focused education and training, were more successful at moving recipients off of welfare and into work than more rigid programs that used only one strategy.

The combined impact of the proposed changes in the work requirements would almost certainly force states to divert more resources to developing large-scale work-experience or community service programs to ensure that the new work targets would be met. States would also have to find ways to increase spending on child care—more single parents would have to spend more hours each week engaged in activities and away from their children. Unless such changes were accompanied by significant increases in the TANF block grants and for child care programs, states would face the prospect of having to turn programs designed to get people into employment, into programs that simply keep people busy for the required number of hours, and to focus their child care spending on TANF recipients, at the expense of other low-income workers.

Press reports of a recent survey of states by the National Governors Association and the American Public Health Services Association indicate that states are concerned about the impact of such proposals. According to the reports, 39 of the 44 states participating in the survey fear these increased work requirements would be counterproductive, undermining their efforts to end welfare dependency by moving recipients into the workforce. They are also worried that meeting such requirements would limit their ability to dedicate resources to work supports such as training, child care and transportation services.

The intent of such proposals appears to be to ensure that TANF retains a strong "work-first" emphasis, by seeing to it that recipients are engaged in a full workweek of activity. The assumption is that 40 hours of activities per week constitutes a full workweek. But for many American workers, especially those in the kinds of jobs TANF recipients are likely to have, the average workweek is 35 hours or less. The U.S. Bureau of Labor Statistics (BLS) considers 35 hours per week to constitutes full-time work, and reports that in 2001 service sector workers averaged under 33 hours per week, while retail-sector workers on average worked just under 29 hours per week. BLS data also indicates that 24.1% of American workers—and one-third of unmarried women—work fewer than 35 hours per week. When gathering these data, BLS counts as hours worked paid-leave time, such as sick leave or vacation. It does not appear that holiday, sick time or other forms of necessary time-off would count towards the proposed higher 40 hour TANF requirement. This would be a particular hardship for TANF recipients, who tend to face more of the kinds of obstacles that require time away from work, such as child care crises, care giving for sick or disabled relatives, and the need to interact with the benefits system during office hours. Thus, requiring TANF recipients to engage in 40 hours of activities per week actually holds them to a higher standard than many other parents who work.

Strengthening Family Life and Marriage

1. Affirm the value of marriage, but do not abandon single parent families: For decades, our welfare policy actively discouraged the formation and maintenance of two-parent married families. One valuable aspect of the 1996 welfare reform law was the recognition that our national policies must support families, not undermine them, and help parents in meeting their responsibilities to their children. The Catholic community has consistently affirmed the vital importance of marriage for raising children. Children do better economically, emotionally, and spiritually when raised by both parents in the context of a stable, healthy marriage. Out-of-wedlock birth and divorce significantly diminish the well-being of our children. We must make appropriate efforts to encourage abstinence before marriage, to assist single parents considering marriage and to help married parents to stay together.

Yet we also recognize that many factors in our society, such as the widespread tragedy of divorce and the realities of domestic violence and destructive behavior, leave many single parents struggling to support children on their own. Single parents deserve our help, too, without feeling coerced into entering into inappropriate marriages or staying in dangerous relationships. It is essential that we both provide the resources necessary to enable all parents, married or single, to meet the needs

of their families, and develop appropriate policies to support and strengthen marriage.

2. Remove barriers and disincentives to two-parent families. We should all be able to agree that the first step in a pro-marriage policy should be to end penalties against two-parent families struggling to meet their responsibilities. Many states continue to implement pre-TANF policies that make it harder for two-parent families to qualify for and receive TANF assistance. For example, two-parent families may be forced to wait longer for benefits to begin than single-parent families, or be disqualified because of the parents' recent work history, even if the family's income is below the poverty level. Congress should require states to discontinue policies, such as these, that act as a disincentive to marriage. Congress should also end the separate, more stringent work participation rate requirements for two-parent families in TANF itself.

3. Help States Do More to Support Effective Marriage Programs: States currently have the authority to spend TANF funds on marriage support programs, and should be encouraged to assist low-income married couples who would benefit from marital counseling or marriage-skills programs. For example, our colleagues at Catholic Charities USA have developed a promising proposal to create a $100 million grant program through which states could help low-income parents who are married, or who seek to marry, gain access to services they other wise might not be able to afford, such as marriage counseling, relationship skills classes, premarital counseling and marriage preparation, marriage-skills classes.

While many groups and faith-based organizations, including our Church, sponsor a range of marriage-support programs, we have much to learn about what strategies are most effective in addressing specific problems. Investing modest amounts of funding for demonstration and pilot programs to identify "best practices" and for a clearinghouse on effective programs would help states get information they need to assess and implement effective and appropriate marriage and family formation programs. We are pleased that several of the reauthorization proposals would create funding for these purposes.

While we believe it is appropriate to take measured steps to encourage and help states to do more to support marriage, lawmakers need to evaluate every proposal to be sure it would not have the unintended effect of forcing or pressuring couples into marriage. Congress should be wary, for example, of measuring state progress in this area in a manner that relies too much on simply counting the number of marriages or the numbers of children living with married parents.

In sum, we urge you to seek out policies that encourage and assist states to support marriage and to work with unwed parents who wish to marry, but efforts to promote marriage should not come at the expense of single parents or their children, either directly or indirectly, by diverting essential resources or inadvertently pressuring people into inappropriate marriages. We support efforts to reward all parents for making wise choices, but must not punish children for the choices of their parents.

4. Involve non-custodial fathers in their children's lives. When parents are not married, we must find ways to encourage the active presence of both parents in the lives of their children. Most often, that means keeping non-custodial fathers involved with their children. As with marriage-support programs, TANF should assist states to identify and support effective fatherhood programs that help fathers develop the economic and emotional capacity to support their children. The law should be amended so that child support paid by non-custodial fathers actually goes to support their children on TANF. Under current law, a mother receiving TANF must assign her child support rights to the state, which retains and shares with the Federal Government most or all of any amounts it collects from the father. Allowing more of the fathers child support payment to reach his children will be both an economic boost for the children and an incentive for the father to remain engaged in his children's lives, and we are pleased that several reauthorization proposals would make progress on this front.

Sustaining the Needy and Vulnerable

1. End state family cap laws: Twenty-three states restrict or deny additional cash benefits when a TANF family's size increases because of the birth of a baby. The U.S. Conference of Catholic Bishops has long opposed such policies because of deep concern about their impact on the well-being of children, both born and unborn. Evidence from a study of New Jerseys experience with a family cap indicates that the policy was accompanied by more abortions in that state. A recent GAO study notes that in an average month in 2000, about 108,000 families received less in cash benefits due to family cap policies. We urge Congress to amend TANF to ban state family cap policies on pro-life and pro-family principles. States should not be allowed

to tell women they will pay for their abortions, but will not help them support new children. A policy that effectively penalizes certain families for having a new child cannot be seen as pro-family.

2. Restore benefit eligibility to legal immigrants: A major reason our Conference opposed the 1996 law was its harsh treatment of legal immigrants. In 1996, legal immigrants were categorically barred from pubic benefits programs. We have worked to achieve changes in the law, which restored eligibility for some legal immigrants who entered the United States before 1996, but did not cover the majority of legal immigrants, especially those who entered the United States after August, 1996. The Bishops' Conference has long advocated for the availability of basic necessities to all those in need, regardless of their race, creed, ethnic origin, or nationality. Furthermore, legal immigrants pay taxes and make significant contributions to our economy with their labor. As a matter of justice, when people are in need, especially children, they should have access to the public programs supported by their families' taxes.

3. Allow TANF recipients to care for young children and disabled family members: Young children, the sick and the disabled are among our society's most vulnerable members. Their well-being often depends upon the ability of parents and family members to take care of them on a full-time basis. Yet under current law those same parents and family members may be forced to work outside the home or face the loss of the cash assistance their family needs to survive. Congress should amend the law so states have the option of using federal funds to continue cash assistance to full-time care givers for children under six or seriously ill or disabled family members. This could be done by allowing such activities to count toward work participation requirements or allowing states to exempt such care givers from time limits.

4. Ameliorate harsh sanction policies: It is no easy matter to develop welfare policy that ensures assistance for the needy without enabling the dependency of those who can and should support themselves. But we cannot abandon those among us who cannot help themselves, or who, with a little more time, patience and assistance, would be able to help themselves and their families. Our goal must be to ensure that no one falls through the cracks of federal or state bureaucracies. To that end, we urge Congress to take a careful look at TANF sanction polices.

There are strong indications that many sanctioned families have multiple barriers to work—little or no education, and more incidence of substance abuse, family violence, and mental and physical health problems, and child care and transportation difficulties. States currently have great latitude in implementing sanction policies, with little accountability. Thirty-seven states use "full-family" sanctions, cutting benefits to the entire family when one member violates the TANF rules. Nineteen states will impose a full-family sanction for a first violation, and eight of those states apply a minimum penalty period, so the entire family may continue to be denied benefits even after the violation has been remedied. There is also evidence that many states do a poor job of communicating to participants what is expected of them, the consequences of failing to meet those expectations, and how to get help in coming back into compliance.

Congress should consider changes to the law to ameliorate arbitrary and counterproductive sanction policies, such as requiring states to provide clear, understandable information to all recipients on what is required of them and the sanctions they face if they violate those requirements; to identify and work with families at risk of sanctions; to end full-family sanctions for a first violation; and to restore benefits immediately when a violation has been remedied. We also must require more accountability from states, particularly because TANF incentives to decrease case loads can also be an incentive for a state to ignore high sanction rates. But high sanction rates in a state should be a warning sign, not a rewarded behavior. States, as well as families, should be held to meet their responsibilities.

Thank you for the opportunity to share the Bishops' Conferences principles and policies on TANF reauthorization. Together our nation must all strive to create a truly flexible system of incentives and accountability for both individuals and states, a system which empowers a partnership of government agencies, community groups and recipients to meet the needs of individual families and to give them the tools they need to leave poverty and government assistance. The moral measure of our society is how we treat "the least among us." (Matt. 25). The reauthorization of TANF represents a major opportunity to make overcoming poverty and restoring human dignity central national priorities. The Bishops' Conference looks forward to working with this Subcommittee and Congress on these and other important aspects of welfare policy in the coming months.

Chairman HERGER. [Presiding.] Thank you.

Ms. CURRAN. Both are necessary to improve children's lives.

Chairman HERGER. Thank you. Ms. Mitchell.

STATEMENT OF BRENDA GIRTON-MITCHELL, ASSOCIATE GENERAL SECRETARY FOR PUBLIC POLICY, NATIONAL COUNCIL OF CHURCHES OF CHRIST IN THE U.S.A.

Ms. MITCHELL. My name is Brenda Girton-Mitchell. I am the Associate General Secretary for public policy for the National Council of Churches of Christ (NCCC) and the Director of the Washington Office, and we are honored to have an opportunity to share this afternoon. We represent 36 Protestant, Orthodox, and Anglican communions (denominations) with a combined membership of 50 million Christians and nearly 140,000 congregations, and the list of our communions has been attached for the record.

Through the National Council of Churches of Christ, we join in a common witness with ministries of faith, justice, education, and public advocacy. I do not speak for every single member. I do, however, speak for the public policymaking body, our general assembly. Our 350-member board is composed of members who have been selected by their denominations proportionate to their size.

I want to make three principal points in my written statement today: One, that the primary purpose for TANF should be poverty reduction; two, that TANF should receive increased funding in order to serve all of those who need assistance; and third, that States should have more flexibility regarding time limits and work requirements.

All of our member communions acknowledge a moral obligation to provide assistance to and justice for those who live and work on the margins of our society. We are currently involved in a 10-year campaign focused on mobilizing Christians to take seriously the issue of poverty and to take specific steps to challenge it with all of the tools and energies at our disposal, including legislation. Toward that end, we have done several things over the past couple of years with our partners. We have conducted a survey, held a national TANF consultation, made recommendations to the U.S. Department of Health and Human Services, drafted an interreligious statement signed by 25 religious bodies that includes policy recommendations for TANF reorganization that has also been submitted for the record. Just last month we hosted TANF Action Days here on Capitol Hill to share our concerns about the impact of TANF as it has been experienced and evaluated by churches as they attempt to help those who live in poverty.

There was unanimous agreement that the primary goal of TANF should be the reduction of poverty, not simply the reduction of case loads. No family should be worse off as a result of moving from welfare-to-work than it was while receiving TANF assistance.

The TANF should receive increased funding in order to serve all those who need assistance. The NCCC and its partners in the religious community advocate increased funding for both TANF and child care. Specifically, we believe that funding for TANF should at least be indexed to the cost of living. Religious social service organizations tell us that they are overwhelmed by the demand for help as TANF recipients, some of whom face multiple barriers, struggle

and juggle to meet the work requirements, locate day care, and find shelter for their families. Without increased funding it will be impossible to provide the supportive services that are essential to help people move from welfare-to-work at family-sustaining wages.

Flexibility has been one of the successful elements of TANF. When we asked our survey respondents to identify the things that kept TANF from working well, over and over they said time limits are too strict and too short. They focused on the need for more flexibility in the time limits regarding education, job training, and health in order for people to be able to function in the workforce. There was strong agreement that participating in postsecondary education should count as fulfilling the work requirement.

We also believe that States should have the flexibility to exempt people from the TANF time limits who cannot or should not work—people with disabilities that may not qualify for SSI, but nonetheless disabilities that keep them from being employable, and those who have caregiving responsibilities for young children, elderly or handicapped relatives.

Mr. Chairman, as representatives of the faith community, we want to preach a message to you that this legislation affects the very people God calls us all to serve. We know you share the calling to serve others, and it is important to use your financial might to provide the resources necessary to help those living in poverty. As people of faith, we urge you to make history with this legislation rather than simply making law. We can and must do better. God and our history calls us to higher aspirations.

Two hundred years ago we viewed slavery as unfortunate but inevitable by-product of our economic system. A hundred years ago we accepted the fact that in order to spin cotton or mine coal, 10-year-olds had to work 12-hour days. Fifty years ago we accepted the fact that in much of this Nation segregation was the law of the land. Members of the faith community, working through Congress, overturned all of these conditions, and we urge you to view poverty as just such a set of historical blinders. In the words of Andrew Young, who is our immediate past president and once a member of this body, "Our goal must be to make poverty in the 21st century as morally repugnant as slavery became in the 19th century."

I pray that we will all take these measures to heart, and the Lord will raise our sights, guide our deliberations, and soon the shame and scourge of poverty in this country will be abolished. Thank you.

[The prepared statement of Ms. Girton-Mitchell follows:]

Statement of Brenda Girton-Mitchell, Associate General Secretary for Public Policy, National Council of Churches of Christ in the U.S.A.

My name is Brenda Girton-Mitchell. I am the Associate General Secretary for Public Policy and the Director of the Washington Office of the National Council of Churches of Christ in the U.S.A. (NCCC).

The National Council of the Churches of Christ in the U.S.A. is the principal ecumenical organization in the United States and includes 36 Protestant, Orthodox and Anglican member communions (denominations) with a combined membership of more than 50 million Christians in nearly 140,000 congregations nationwide. A list of our 36 communions has been submitted for the record.

Through the NCCC, members join in a common witness through ministries of faith, justice, education and public witness. While I do not claim to speak for all members of the communion's constituent to the NCCC, I do speak for our policy-

making body, the General Assembly, whose 350 members are selected by those communions in numbers proportionate to their size.

Mr. Chairman, thank you for providing the opportunity for me to testify before you regarding welfare reform reauthorization.

I wish to make three principal points in my remarks:

1. The primary purpose for Temporary Assistance to Needy Families Reauthorization (TANF) should be the reduction of poverty.
2. TANF should receive increased funding in order to serve all those who need assistance.
3. The states should be given more flexibility regarding time limits and work requirements.

All member communions of the NCCC acknowledge a moral obligation to provide assistance to and justice for those who live and work on the margins of our society. In May of 2000, the NCCC launched a ten-year campaign focused on mobilizing Christians to take seriously the issue of poverty and to take specific steps to challenge it with all the tools and energies at our disposal. Toward that end, in the fall of 2000 we conducted a survey of our member communions, their social service organizations, and our state and local partners to learn what their experience had been with TANF. A copy of our survey findings is available on the NCCC website at www.Ncccusa.org/publicwitness/tanf.html Also attached is an Interreligious statement signed by 25 religious bodies that includes policy recommendations for TANF reauthorization.

Last spring, we held a national TANF consultation, which was attended by invited representatives of our member communions, our state and local ecumenical, and interfaith partner organizations from 29 states and the District of Columbia. The input from this consultation and our survey helped to shape our recommendations to the Department of Health and Human Services last fall (attached). And just last month we hosted TANF Action Days in this very building to share our concerns about the impact of TANF as it has been experienced and evaluated by churches as they attempt to help those who live in poverty.

There was unanimous agreement that the primary goal of Temporary Assistance to Needy Families should be the reduction of poverty, not the reduction of case loads. TANF should be to provide assistance to low-income families to enable them to have decent lives. No family should be worse off as a result of moving from welfare-to-work than it was while receiving TANF assistance.

Religious social service organizations tell us that they are overwhelmed by the demand for help, as TANF recipients struggle with the requirement that they work. Many recipients cannot locate decent childcare. Often the people they relied upon in the past are not available to help because they, too, are TANF recipients who are required to work. For most, the cost is simply too great or access and supply are so limited that it is impossible to get a child to care in time for the mother to get to work.

Although the very robust economy of the last few years helped some TANF recipients get jobs, it has driven up the cost of housing so that recipients are more desperate than ever about finding shelter for their families. Our survey revealed that churches are being overwhelmed by requests for help with housing and temporary shelter.

TANF should receive increased funding in order to serve all those who need assistance. The NCCC and its partners in the religious community advocate increased funding for both TANF and child care. Specifically we believe that funding for TANF should at least be indexed to the cost of living. Without increased funding it will not be possible to provide the supportive services that are essential to help people move from welfare-to-work at family sustaining wages. Most of those who remain on TANF do so because they face multiple barriers to employment that cannot be easily resolved.

The states should be given more flexibility regarding time limits and work requirements. Flexibility has been one of the successful elements of TANF. With flexibility states have the option of choosing a combination of approaches to meet the needs of their communities without being locked in to a national formula. When we asked our survey respondents to identify things that kept TANF from working well, over and over they said that the time limits are too strict and too short. Respondents focused particularly on the need for more flexibility regarding remedial education, job training, medical, mental health and dental care in order for people to be able to function in the labor force. There was strong agreement that participating in post-secondary education should count as fulfilling the work requirement.

We also believe that there are some people on TANF who cannot or should not work—people with disabilities that may not meet the requirements to qualify for

Supplemental Security Income but nonetheless keep them from being employable, and those with care giving responsibilities for young children or elderly or handicapped relatives. We believe that states should have the flexibility to exempt such people from time limits to the full extent of the need and not just within the arbitrary limits set by the current TANF law.

Mr. Chairman and members of the committee, as a representative of the faith community, let me conclude by preaching this message to you. This legislation affects the very people God calls us to serve. We know you share the calling to serve others and implore this Committee to use its financial might to provide the resources necessary to help those living in poverty. There is a lot the Church can do, but it must be in partnership with, not as a substitute for, government. This issue is so important to the NCCC that it has been the featured topic in the last two issues of the annual Yearbook of American and Canadian Churches.

We in the faith community are ready to work with you to help this nation rise up and meet its obligation to its entire people. The measure of success will be not simply in job placement, but in real poverty reduction, This nation has the means; now we must have the will to provide the necessary funding and flexibility regarding time limits and work, so we can demonstrate that we truly care about all of God's children.

NCCC Member Communions

African Methodist Episcopal Church
African Methodist Episcopal Zion Church
Alliance of Baptists
American Baptist Churches in the USA
The Antiochian Orthodox Christian Archdiocese of North America
Diocese of the Armenian Church of America
Christian Church (Disciples of Christ)
Christian Methodist Episcopal Church
Church of the Brethren
The Coptic Orthodox Church in North America
The Episcopal Church
Evangelical Lutheran Church in America
Friends United Meeting
Greek Orthodox Archdiocese of America
Hungarian Reformed Church in America
International Council of Community Churches
Korean Presbyterian Church in America
Malankara Orthodox Syrian Church
Mar Thoma Church
Moravian Church in America Northern Province and Southern Province
National Baptist Convention of America
National Baptist Convention, U.S.A., Inc.
National Missionary Baptist Convention of America
Orthodox Church in America
Patriarchal Parishes of the Russian Orthodox Church in the USA
Philadelphia Yearly Meeting of the Religious Society of Friends
Polish National Catholic Church of America
Presbyterian Church (U.S.A.)
Progressive National Baptist Convention, Inc.
Reformed Church in America
Serbian Orthodox Church in the U.S.A. and Canada
The Swedenborgian Church
Syrian Orthodox Church of Antioch
Ukrainian Orthodox Church of America
United Church of Christ
The United Methodist Church

Chairman HERGER. Thank you, Ms. Mitchell.

Mr. ENGLISH. [Presiding.] Sister Clark.

STATEMENT OF SISTER MARY ELIZABETH CLARK, SPOKESPERSON, NETWORK, NATIONAL CATHOLIC SOCIAL JUSTICE LOBBY

Ms. CLARK. Mr. English, Chairman Herger, and distinguished Members of the Subcommittee and friends. As a Spokesperson for NETWORK, a national Catholic Social Justice Lobby, I am honored to represent thousands of NETWORK members who lobby with us on issues of economic justice.

NETWORK has been surveying, researching, and educating our membership and others about the Nation's welfare system for many years. We lobbied for improvements in the legislation prior to the 1996 change.

Since then, NETWORK has published two reports: Poverty Amid Plenty, the Unfinished Business of Welfare Reform in 1999, and Welfare Reform, How to we Define Success in 2001.

These reports include both scientific and anecdotal evidence gathered during in-depth interviews of 4,000 people in emergency facilities such as soup kitchens, food pantries, and health clinics. We are convinced that each of you believes, as NETWORK does, that we are a country called to uphold the highest moral principles. Those moral principles laid out for us in our Constitution call us to form a more perfect union, to provide for the general welfare and to secure the blessings of liberty to ourselves and our posterity.

Therefore, the existence of over 31 million people in poverty in this Nation to us is a scandal. NETWORK believes that an increase in funding, at least by inflation, is necessary to provide the needed resources for people who are leaving welfare-to-work.

Maintaining TANF at $16.5 billion a year is really a reduction in funding. Over the last 5 years, inflation has cause a decrease, and by 2007 a projected bite of 22 cents will be taken out of every dollar.

We have heard from the National Governors' Association that States spend some $2 billion more already this year. There are hard working families in NETWORK's report and in many other reports who have not been able to find family sustaining jobs. With the cost of housing, child care, transportation, food, and other necessities, families just cannot make it on minimum wage service jobs.

NETWORK believes in the dignity of the human person as a primary social justice principle. In our survey, we found there is a strong correlation between whether a person has some level of higher education and how much they earn. We know that effective job training programs provide people with tools they need to become independent. Daycare and other programs help them retain jobs while meeting the needs of their families.

We have just completed 21 workshops across the country. I would like to introduce to you, Maggie Millan from Tampa, Florida, who is one among many who can validate the call to additional funding.

[The prepared statement of Sister Clark follows:]

Statement of Sister Mary Elizabeth Clark, Spokesperson, NETWORK, National Catholic Social Justice Lobby

Good afternoon, Chairman Herger, distinguished Members of the Subcommittee and friends. As a spokesperson for NETWORK, A National Catholic Social Justice Lobby, I am honored to represent thousands of NETWORK members who lobby with us on issues of economic justice. NETWORK has been surveying, researching and educating our membership and others about the nation's welfare system for many years. We lobbied for improvements in the legislation prior to the 1996 change. Since then, NETWORK has published two reports, ***Poverty Amid Plenty: The Unfinished Business of Welfare Reform*** in 1999 and ***Welfare Reform: How Do We Define Success?*** in 2001. These reports include both scientific and anecdotal evidence gathered during in-depth interviews of 4000 people in emergency facilities such as soup kitchens, food pantries and health clinics.

We are convinced that each of you believes, as NETWORK does, that we are a country called to uphold the highest moral principles. Those moral principles, laid out for us in our Constitution, call us "to form a more perfect union, to provide for the general welfare and to secure the blessings of liberty to ourselves and our posterity." Therefore, the existence of over 31 million people in poverty in this nation is a scandal.

NETWORK believes that an increase in funding at least by inflation is necessary to provide the needed resources for people who are leaving welfare-to-work. Maintaining TANF at $16.5 billion per year is really a reduction in funding. Over the last five years, inflation has caused a decrease, and, by 2007, a projected bite of 22 cents will be taken out of every dollar. We have heard from the National Governors Association that states spent some $2 billion more than the $16.5 billion the Federal Government provided in TANF funding so far this year.

There are hard working families in NETWORK's report and in many other reports who have not been able to find a living wage job. With the costs of housing, child care, transportation, food and other necessities, families just cannot make it on minimum wage service jobs. NETWORK believes in the dignity of the human person as a primary social justice principle.

In our survey, we found there is a strong correlation between whether a person has some level of higher education and how much they earn. We know that effective job training programs provide people with tools they need to become independent, and daycare and other programs help them retain jobs while meeting the needs of their families.

We have just completed workshops on TANF Reauthorization in 21 sites across the country and have heard welfare workers, social service providers and TANF recipients themselves call for an increase in the funding so that appropriate levels of services can be provided. I would now like to introduce to you Maggie Millan from Tampa, Florida, who is one among many who can validate that call.

STATEMENT OF MAGGIE MILLAN, TAMPA, FLORIDA

Ms. MILLAN. Good evening to everyone. My name is Maggie. I am a 33-year-old single parent with four children. I live in Tampa, Florida, and I work at the Agency for the Community Treatment Services where I began my training 9 months ago at the Start Services Welfare-to-Work Program of Hillsborough County.

Three months later, I was hired full-time working in the procurement field. I take a bus to work, and it takes me an hour, an hour and a half to get there, and 2 hours to get back home. Since then I have acquired the self-confidence which I lacked while on the system, an incredible friend in my job coach which coaches you for the first 6 months of your employment, great co-workers, an understanding boss, my driver's license, which I thought I would never have, and the courage to do anything I set my mind on, including flying to Washington, DC, today all by myself to give my testimony on why more money is needed for welfare reform to help more moms stay off the system and take care of their families.

Five years ago, when the welfare reform began, I thought what would I do now. I knew nothing but life on the system. Then immediately after that, I thought that this is the best thing that could have happened. People like myself will have to get up and get a life. When you grow up on welfare, that becomes all you know. So, it becomes normal and comfortable and passed on. Inside of me I wanted to be someone and be able to take care of my children by myself. It wasn't until 1999 after moving to Tampa, Florida, that reality kicked in.

I went through the Wages Program and my caseworker at the time told me he wanted me to go to school like I always wanted

to so that I can have a career. My necessity at the time was getting a job——

Mr. ENGLISH. Maggie, you have got about 30 seconds. Then if you want, you can submit your testimony for the record.

Ms. MILLAN. Okay. I just wanted to say that instead of thinking about how many people we will get off the system now, let's think about how many we will keep off forever. Thank you for listening to my testimony. May I please be excused? I have a plane to catch.

[The prepared statement of Ms. Millan follows:]

Statement of Maggie Millan, Tampa, Florida

My name is Maggie. I am a 33 year old single parent with four children. I live in Tampa, Florida, and I work at the agency for community treatment services where I began my training nine months ago through the Star Services welfare-to-work Program of Hillsborough County, a customer-friendly program to address career skills and employment barriers not addressed by general welfare transition programs. Three months later I was hired full time working in the procurement field. I take a bus to work, and it takes me an hour each way.

Since then I have acquired the self confidence, which I lacked while on the system, an incredible friend in my job coach, which coaches you for the first six months of your employment, great co-workers, an understanding boss, my driver's license, which I thought I would never have and the courage to do anything I set my mind on, including flying to Washington all by myself to give my testimony on why more money is needed for welfare reform to help more moms stay off the system and take care of their families.

Five years ago when the **welfare reform** began, I thought, what will I do now? I knew nothing but life on the system. Then immediately after that I thought, this is the best thing that could have happened. People like myself will have to get up and get a life. When you grow up on welfare, that becomes all you know, so it becomes normal and comfortable and passed on. But inside of me I wanted to be somebody and be able to take care of my children by myself. But it wasn't until 1999, after moving to Tampa, Florida, that reality kicked in. I went through WAGES, and my caseworker at the time told me he wanted me to go to school like I always wanted to, so that I can have a career, but because my necessity at the time was getting a job to be able to pay rent and bills, they sent me to JOB CLUB. JOB CLUB was an introduction to the working world. They taught me and a few other girls how to dress for an interview, write a resume, what to say on an interview and many other work-related techniques. I attended this JOB CLUB for one month. Many things happened between then and now, including losing my job and returning to the system and attending Hillsborough Community College for one year, then dropping out to go back to work.

Had they offered me the support services I needed instead of rushing me off the system, I would have at least an Associate's degree, a car, and a darn good paying job.

I've come a long way, thanks to my optimism, my children who give me the courage to do things and God who gives me strength, but not everyone is me. There are women out there that need help and if the **welfare reform** wants to be successful they need to take the time to **educate** and treat people with **dignity**!

Instead of thinking about how many women we will get off the system now, let's think about how many we will keep off ***FOREVER***!

Mr. ENGLISH. Thank you, Maggie. Thank you so much for being here. Thank you, Sister, for your testimony. Reverend Wilson.

STATEMENT OF REVEREND NATHAN WILSON, DIRECTOR OF PUBLIC POLICY, AND MANAGER, CAMPAIGN TO OVERCOME POVERTY, CALL TO RENEWAL

Mr. WILSON. Thank you Representative English. My name is Nathan Wilson. I am Director of Public Policy and Manager of the Campaign to Overcome Poverty, for Call to Renewal, which is a national network of faith-based organizations active in Erie and other

places working together around what we believe is the Bible imperative to overcome poverty.

Call to Renewal has a broad network that includes conservative evangelical churches, Roman Catholic churches, historic black churches, historic peace churches, mainline Protestant churches, and others. It is safe to say that theologically and politically, our members and partners run the gamut from being quite conservative to quite liberal.

We acknowledge that the causes of poverty are complex. They include economic inequality, lack of opportunity, and institutional racism. They also include irresponsible personal choices and a breakdown of families and communities.

The solutions, therefore, to overcome poverty are equally complex. The 1996 Welfare Reform Act played a role in reducing the number of people on welfare by requiring employment. A significant number of welfare recipients are now working. Yet, far too many, especially children, remain in poverty.

As reauthorization approaches, we urge a conceptual shift, much as you have heard already in Congress, to view TANF and related programs through the eyes of poverty reduction rather than simply welfare reduction. So many of those who have moved to work remain below the poverty line. We all know that people who are responsibly trying to work should be able to support themselves and their families. Let's focus not only on case load reduction, but also on reducing the number of families living in poverty and increasing the number of self-sufficient families.

We strongly urge that reducing poverty be made an explicit legislative goal of TANF reauthorization. Of course there is serious debate and difference about how best to reduce poverty.

A genuine bipartisan commitment to that goal would significantly help reduce the partisanship and offer the hope of finding common grounds that puts the interest of those who are poor foremost in the legislation.

Poverty reduction as a moral commitment and a legislative goal would frame the rest of our debate. Now, among the many important legislative issues in this debate that I addressed in my written statement that has been submitted for the record, I will briefly mention three.

First, the question of what is defined as work. Obviously, work includes employment. It should also, in our view, include an individual's efforts to improve her or his employment skills through education and vocational training. Currently persons have to choose between receiving any assistance and improving their skills. That is an often cruel and an always short-sighted mistake. For people trying to escape poverty, serious work preparation should count as work.

Let's reward efforts to improve their lives. For instance, programs like the Parent to Scholars program in Maine that combines work and postsecondary education can be a model of the way to allow participants to work participation requirements.

Second, the issue of child care. When President Bush introduced his plan, he spoke movingly saying, and I quote, "Across America, no doubt about it, single mothers do heroic work. They have the toughest job in our country."

He is right. The single largest problem, though, facing those single mothers, while holding a job is the availability and the affordability of child care. Along with much more assistance to help meet the costs of child care, and keep child to staff ratios at reasonable levels, those same mothers need improved facilities. They need better training for child care workers. They need higher quality care.

Third, programs to support healthy families and reduce teenage pregnancy. Study after study bears out the fact that children with a single parent are far more likely to be poor. Some insist that promoting marriage should be at the center of reducing poverty, and others insist that funding antipoverty programs will promote marriage. It is an infamous political false choice.

Of course, healthy marriages are good for economic stability. Of course, economic stability is good for healthy marriages. Why can't we do both? Adequately fund necessary programs and support initiatives that help establish and maintain healthy families. Here the faith community can play an important role. At the very least, let's end this disincentive and harsh rules for two-parent families that exist in the current system.

Representative English, I appreciate your hard work on this legislation. I hope you will not let this opportunity pass without making a difference in the lives of millions of poor children, women, and men. Thank you.

[The prepared statement of Reverend Wilson follows:]

Statement of the Rev. Nathan Wilson, Director of Public Policy, and Manager, Campaign to Overcome Poverty, Call to Renewal

Mr. Chairman and Members of the Subcommittee.

Thank you for inviting me to testify this afternoon. I am Director of Public Policy for Call to Renewal, a national network of churches and faith-based organizations who have come together on the biblical imperative to overcome poverty. Our "Campaign to Overcome Poverty" is one of the broadest ecumenical tables in the country for churches involved in anti-poverty efforts. We work to network churches and faith-based organizations into a movement, and provide a national public policy voice.

We acknowledge that the causes of poverty are complex. They include economic inequality, lack of opportunity, and institutional racism; as well as irresponsible personal choices and the breakdown of families and communities. The solutions to overcome poverty are equally complex. They include employment at a living family income, quality education, safe neighborhoods, affordable health care and housing, strengthening families, and renewing an ethic of personal and community responsibility.

After five years, the 1996 Personal Responsibility and Work Opportunity Reconciliation Act has had an important impact in reducing the number of people on welfare through requiring employment. A significant number of former welfare recipients are now working. Yet far too many, especially children, remain in poverty. As the reauthorization of TANF approaches, there are several areas where we urge Congress to focus.

Most importantly, we urge a conceptual shift to view TANF and related programs through the eyes of poverty reduction rather than simply welfare reduction. Too many of those who have moved to work remain below the poverty line. We believe that people who are responsibly trying to work should be able to support themselves and their families. The objective for the next period should focus not only on case load reduction, but also on reducing the number of families living in poverty and increasing the number of self-sufficient families.

We strongly urge that an explicit goal of reducing poverty be made part of the legislative purposes of TANF reauthorization. While there is serious debate and difference about how best to reduce poverty, a genuine bi-partisan commitment to that goal would significantly help to reduce the partisanship and offer the hope of finding common ground that puts the interests of those who are poor foremost in the legislation. The reauthorization priorities should be framed with this in mind.

Our specific recommendations toward that objective include:

1. Fund TANF at adequate levels with increases for inflation. The 1996 Act funded annual block grants to the states at a fixed $16.5 billion per year. It should be obvious that $16.5 billion in 2002 is not what it was in 1996, and certainly not what it will be by 2007. Continuing flat funding is actually a significant cut in funding. Reauthorization should at a minimum adjust the grants for inflation, and ideally increase the amount. TANF should allow states to continue to provide assistance to those remaining on welfare along with continuing and expanding the support programs for people who have found employment.
2. Increased work supports and outreach efforts. Many of those who have moved from welfare-to-work have ended in the lowest paying jobs, often at or near the minimum wage. Their ability to remain employed and move out of poverty requires several important work supports.

a. Child care. Access to safe and affordable child care is one of the major problems facing low-income workers. To increase the work requirements and hours at work per week without increasing the availability and affordability of childcare simply will not work. An array of services and resources should be funded, ranging from improved facilities to better training for child care workers to an increased capacity for specialized needs. The ability for states to spend TANF funds directly on child care should be maintained along with adequately funding the Child Care and Development Block Grant. Minimum national standards for facilities and staff should also be established to ensure the health and safety of children. This is in the best interests of those women who are moving from welfare-to-work, but perhaps even more importantly, in the best interests of their children.

b. Food stamps. Low-income working families frequently report having to choose between buying food and meeting other expenses. Yet the food stamp program is intended to assist these families. The evidence is that families still eligible for food stamps are not receiving them—either because they are unaware they are eligible or because application forms and requirements are too onerous. An outreach program designed to find eligible families along with simplified application procedures should be developed.

c. Health insurance. While improvements have been made in the past five years, efforts to increase the number of low-income families with access to health insurance should be strengthened. Increased outreach to enroll children in the Children's Health Insurance Program is essential. Eligibility standards for Medicaid coverage should be eased, and states should be encouraged to simplify enrollment procedures.

d. Transportation. Access to adequate transportation between home, childcare, and work is often a major barrier to employment. States should be encouraged to use flexibility in developing such programs as discounted bus fares, loans for car ownership, automobile restoration programs, and providing special bus service to places of employment.

3. Time limits. While the five-year lifetime assistance limit may have aided in moving people from welfare-to-work, the reauthorization process should reexamine it and allow for greater flexibility by the states.

a. Low-income workers. People who are working in compliance with program rules while continuing to receive some amount of assistance to supplement low earnings should not be subject to the time limit.

b. Allow post-secondary education and training and caregiving. Efforts to improve an individual's employment skills through obtaining education or vocational training should be permitted to count toward meeting the work requirement. The "work first" requirement often meant that persons had to choose between receiving assistance or improving their skills and employability. Such initiative toward employment should be rewarded rather than penalized. For people trying to escape poverty, serious efforts to prepare for work or enhance training and knowledge that can lead to greater self-sufficiency should be recognized and supported rather than penalized.

c. Waivers in areas of high unemployment. With the economy still recovering from September 11 and a recession that led to large numbers of layoffs and growing unemployment, states should be required to suspend the limit when unemployment reaches a certain threshold. People who have been successfully employed and are laid off due to economic conditions should not be denied assistance because of an artificial time limit.

d. Limit sanctions. Sanctions for non-compliance with program rules should be more carefully monitored by the Department to ensure their fairness. Sanc-

tioning an entire family, for example, due to the failure of one member to meet a requirement should not occur.

4. Restore TANF and other benefits to legal immigrants. Immigrants legally in the United States following the 1996 law are ineligible for most forms of assistance. New legislation should reinstate eligibility for legal immigrants to major assistance programs, particularly TANF benefits, food stamps and Medicaid. Many legal immigrants in the country today work hard and pay taxes, and should be entitled to assistance when in need.
5. Address barriers to unemployment for those remaining on welfare. Many of those still on welfare rolls face barriers to employment, including domestic violence, substance abuse, or mental illness and disability. States should be required to develop and fund programs that assist people in overcoming these barriers.
6. Programs to strengthen marriage. Our personal experience and multiple studies indicate that children raised in single parent households are more likely to be in poverty. The evidence increasingly shows that one of the most effective ways out of poverty is a stable marriage. We therefore encourage initiatives to develop programs designed to reduce single parenthood, promote responsible fatherhood, and strengthen marriage. The pilot programs being initiated in various states should be carefully examined to assess their success and the ability to replicate them. We also support the elimination of provisions that discriminate against married parents through stricter work requirements, exclusion from some programs, or other means. It is true that healthy marriages are good for economic stability, and it is also true that economic stability is good for healthy marriages. We urge the Committee to find ways to do both.
7. Continue and strengthen the charitable choice provision. Call to Renewal has supported partnerships between faith-based organizations and government in overcoming poverty. We believe that government at all levels—local, state, and federal—has an important role in developing, promoting and implementing public policies to reduce poverty. As part of that role, government and faith-based organizations should develop partnerships that empower or fund the successful programs of both religious and secular nonprofit organizations in ways that do not violate the First Amendment. We believe the "charitable choice" provision in the 1996 law should be maintained, with several changes.

a. Religious organizations seeking government funding should be required to establish a separate tax-exempt non-profit organization. In the five years since the passage of the original charitable choice legislation, Call to Renewal has advised religious organizations considering applying for government funding that it would be prudent for them to form a separate organization. We urge this provision be added in the final version of the reauthorization legislation.

b. Protect the integrity of religious organizations and the religious freedom of individuals receiving assistance. Debate in Congress on the President's faith-based initiative led to suggested changes in the 1996 provision that should be adopted here. Individuals seeking assistance must have clear access to alternative religious or non-religious programs. Programs freely chosen by individuals using vouchers can include religious activities, while any religious activities in directly funded programs must be separately funded and voluntary. Social services and religious activities must be kept separate, so that public funding is for public purposes.

In closing, in addition to TANF, we also urge Congress to support working families by:

1. Expanding the Earned Income Tax Credit. The EITC has been one of the most effective poverty-reduction programs in history by reducing taxes for low-income workers. Expanding the EITC to provide tax relief for additional low-income families and increasing the maximum credit a family can receive would assist additional families to continue moving from poverty to self-sufficiency.
2. Strengthening unemployment insurance. The combined effects of September 11 and a recession have led to the highest unemployment rate in five years. Unemployment assistance should be strengthened to provide benefits to unemployed workers who are looking for part-time work but who meet all other current eligibility standards, and basing eligibility on the most recent work experience of the unemployed person.

Reducing poverty and promoting individual responsibility for all our people are biblically rooted and morally compelling goals. We urge the Committee to approach the issue of TANF reauthorization with that clarity of purpose. We look forward to a continuing dialogue with you, and stand ready to assist in whatever ways we can. I can be reached at 328–8745, ext. 218 or at nwilson@calltorenewal.com

Mr. ENGLISH. Thank you, Reverend Wilson. Dr. Washington, we would love to hear your testimony.

STATEMENT OF VALORA WASHINGTON, PH.D., EXECUTIVE DIRECTOR, UNITARIAN UNIVERSALIST SERVICE COMMITTEE, CAMBRIDGE, MASSACHUSETTS

Dr. WASHINGTON. Thank you, Mr. English. I think that what you are hearing from those of us on this panel is a very similar message. Every person, regardless of their economic status, regardless of their marital status or gender, is a person who has inherent value and worth.

As a caring community of people of faith working for justice, we are witnesses to many stories like the one we just heard from Maggie. At the Unitarian Universalist Service Committee, we have been looking at the issues of poverty over very many years. We have heard the stories and seen the faces of people like Maggie in our own studies.

For example, a woman with whom we have worked, Sarah, 32-year-old mother of four from the State of Washington told us when her husband went to work, their benefits were reduced. The family's utilities were shut off, and they faced eviction. We are concerned that many people in our Nation feel that the government cares more about getting them off of assistance, whether or not they survive.

This panel then is bearing witness to the fact that many families have benefited from the reforms that we have seen in recent years. That is only part of the story. To make good decisions about the future of TANF, we need to look at the whole story and not replace one set of myths and choices that may be false or incomplete with just another one.

As Executive Director of the Unitarian Universalist Service Committee, I oversee programs that address issues of human rights and children's rights, the rights of women, and the poor and the marginalized people of the world. For more than 6 years, we have collected the stories of over 3,000 families who have been beneficiaries of government assistance in one form or another.

Beyond the many statistics that you have heard today, I think we need to think very carefully about the human realities with which many of these families must deal. We have our findings in this report, America's Forgotten Families, that you have a copy of. We are really thinking seriously about how we might support your efforts to help reduce poverty.

We believe that families want to work. When we look at the voices of 3,500 families that we have studied, we find that many of them didn't get there by their own bad choices or the bad choices of their parents. Many of them were thrown into poverty by circumstances beyond their control.

Likewise, I think we should admit and face the fact that many have been supported by the good economy of the recent past that may no longer be the case. Many people in poverty have worked hard all of their lives. They do not necessarily need to be prodded to work. They don't feel that they must be beat over the head in order to work. They want to work. They worked hard all of their lives. I think that we need to continue to support them to get the education that they need to have a better quality of life.

Many of these families in our studies tell us that they are forced to make job choices and child care choices, which cause them to have a great deal of fear and concern for their families. All of these work requirements, the lack of educational opportunities available to many of those families, and the inflexibility of the time limits, are things that we are very concerned about. These are things that we hope can be addressed in this reauthorization period.

Many States have responded very vigorously and successfully to powerful incentives to reduce their case loads. We want to be sure that those same States and same agencies will give equally vigorous attention to helping those families get out of poverty. We want to give them the incentive to help families have the support that they need, the child care and flexibility to make the choices, and move toward self-sufficiency and eradicate poverty in our country.

You have heard over and over again today that welfare, as we know it, is gone. It is time to reduce poverty as we know it. Personal choices that people make alone will not reduce poverty. You have heard time and time again, it is a combination of the personal choices as well as the political and policy choices that we make. We support a performance bonus to States to help reduce poverty. We are also hoping that as we move forward in this period of reauthorizing TANF, that the House of Representatives will heed the voice and the call to be a prophetic voice for justice and not just to pass the law that is before us. Thank you.

[The prepared statement of Dr. Washington follows:]

Statement of Valora Washington, Ph.D., Executive Director, Unitarian Universalist Service Committee, Cambridge Massachusetts

"Sarah," one of over 3,500 participants in a six-state study that examined the effects of welfare reform, reported: "Since my husband started working, we are no longer eligible for additional benefits." This resulted in the family's utilities being shut off and a growing fear of being evicted. The 32-year-old mother of four from Washington state sadly concluded, "the only thing that matters [to the government] is getting us off assistance, whether we can survive or not."

As Sarah's story tells us, the approaching deadline of September 30 for the reauthorization of Temporary Assistance for Needy Families presents us all with a challenging opportunity. The program has had many success stories, but we must examine the success of TANF more closely, address the unintended consequences of reform and then build on the strengths of the legislation so we can ensure that all American families can provide their children with a stable, nurturing home in which they can thrive.

I am Dr. Valora Washington, executive director of the Unitarian Universalist Service Committee. Thank you for the opportunity to join you today as you review proposals for the reauthorization of Temporary Assistance for Needy Families (TANF). UUSC has worked to advance justice throughout the world for more than six decades. Founded by a small group of intrepid activists who risked their lives rescuing eastern European children and their families from Nazi oppression, we have applied that same passion to seeking ways to help families struggling to win against poverty in this country.

We come to this conversation with a wealth of information gathered from some people whose existence has been too seldom noted in all the talk of the success of TANF: the people we have come to call "America's forgotten families." Over a five-year period, UUSC's Welfare and Human Rights Monitoring Project (WHRMP) has engaged in more than 3,500 intensive interviews in six states with people struggling against poverty under the new TANF rules.

We review current proposals for TANF reauthorization in light of our findings and base our recommendations on that compelling empirical data.

In 1996 Congress decided to give states more flexibility and hold families more accountable. The families have done their part; now it's time to hold states accountable for reducing poverty and give families the flexibility they need to move toward an appropriate degree of self-sufficiency.

As President Bush has so appropriately said, the job of welfare reform is not yet done; we do not yet live in a poverty-free America. Our research shows that in order to move closer to that goal we need to re-shape the authorizing legislation for TANF to reflect that goal more clearly. As long as we reward states for reducing case loads but not for reducing poverty, we can expect the "success" of the program to be dogged by the poignant stories of those left behind.

I am happy, of course, for those who are experiencing "success"—finding a job, having a place to go every day where their services are valued, bringing home a paycheck, and being a model for their children. They are the "lucky leavers," and I rejoice in their courageous spirit and their newfound pride. We celebrate the ability of low-income families to survive against formidable odds.

Our research has put us in touch with thousands of people who tell us another part of the story:

- the ones still on welfare facing multiple barriers to getting and keeping a job, and whose time is running out;
- the ones who have been dropped from the rolls before they could find a job;
- the ones who work full time all year at jobs with pay and benefits inadequate to sustain a family.

These stories correlate with the downside of the mixed statistical evidence about poverty in America. True enough, the Census Bureau has reported that in the year 2000 poverty levels were the lowest since 1979, and that all racial and ethnic groups had experienced improvements in their economic well-being. At the same time, the proportion of families below half the poverty level had increased, and the poverty rate was still three times as high among African-Americans as among Caucasians. International studies showed that child poverty remained higher in the United States than in any other developed country.[1] And that was while the economy was still booming.

While states reported dramatic case load reductions in a time of prosperity, the recent downward dip in the economy has been accompanied by case load increases in many states. case load reduction actually began about two years before passage of the new law, so there is good reason to ask how much should be attributed to the law and how much to the economy. A recent study in Connecticut showed a control group still living under the AFDC rules—no time limits, no work requirements—performed just as well in the job market as those living under the TANF rules.[2]

Listening to the Voices

The welfare monitoring program, begun as a pilot project in Massachusetts in 1996, compiled more than 3,500 case studies in six states: Washington, Massachusetts, California, and New Jersey, Connecticut, and Alabama. The testimonials many of these stakeholders were analyzed and summarized in a report called *America's Forgotten Families: Voices of Welfare Reform*, released in 2001.[3] They reflect remarkably common themes and experiences. Welfare recipients representing extremely diverse backgrounds, education levels, communities and goals all report similar problems that are intensifying over time.

Most of the collected testimonials are the voices of single mothers who anticipate moving themselves and their children off of welfare and out of poverty. Other voices describe the day-to-day struggle of providing care for a child with a physical or men-

[1] UNICEF, "A League Table of Child Poverty in Rich Nations," Innocenti Report Card No. 1 (June 2000).

[2] The study by the Manpower Demonstration Research Corporation was reported in the New York Times, Feb. 20. 2002.

[3] To read or download all or part of the report in one of several versions, go to http://216.117.173.228/programs/welfarefeb28.html

tal disability. And some report struggles with their own mental or physical limitations. Those who shared their lives with UUSC's monitors have presented candid insights into a world prescribed by poverty. The generosity of those who participated in the study calls each of us—policy makers, advocates and voters—to review welfare reform policies in light of this information.

The Welfare and Human Rights Monitoring Project focused on state welfare practices through the lens of the Universal Declaration of Human Rights (UDHR), which sets international human rights standards. UUSC monitors conducted interviews with adult welfare recipients and direct service providers mindful of those articles of the declaration that address equality, discrimination, privacy, social security, standard of living, work and education. The resulting data are qualitative and do not represent a statistical analysis. Nevertheless, these voices from within the welfare community in the United States tell us more than statistics can about the human impact of recent welfare changes in several states.

- A father of three in the state of Washington, struck by a car, incurred a broken collar bone and fractured ribs. For a while he could not even tie his own shoes, much less bathe, dress, cook for three children, and go to work. Accused by the state welfare agency of not complying with work requirements, he was deprived of child care assistance just when he and his children needed it most.
- A California woman, was sanctioned for "noncompliance" with the work rules after her education plan was denied. Using her rent money for child care while fighting to get retroactive payments, she faced eviction.
- The mother of a child with special needs faced job penalties, and then sanctions, for missing work because she could find nobody else to care for her sick child. As one family support worker said, "the overall outcome is the sanctioning of the child, not just the adult."

Families need more than "incentives," and states need different ones

The Administration's proposal, "Working Toward Independence," assumes that tough work rules account for the success of TANF, and that tougher rules will work even better. But our research gives voice to a wide range of people to whom those assumptions do not apply. They know we live in a tough world and that work is essential to their ability to survive and thrive. Their troubles come not from a lack of incentive to work but from a combination of factors beyond their control, including a shortage of high quality child care and confusing and contradictory rules governing their eligibility for funding.

Because states have had much stronger incentives to reduce the TANF rolls than to reduce poverty itself, families have often been confronted by conflicting expectations and requirements, including some elements of policy and implementation that have impeded their ability to move toward self-sufficiency. Instead of moving from the notorious "trap" of "welfare dependency" to a life of "independence," too often families too often find themselves in a different kind of trap, dependent on jobs that cannot sustain their families.

Unintended consequences of TANF rules

Rules intended to enhance the stability of family connections sometimes disrupt whatever stable supports a family already has. ***"Diane,"*** a high school senior and mother of a newborn, was homeless but not without resources or incentive. Despite her troubled life, she was an honor student and had child care available through the school she had always attended in a North Shore Massachusetts community. Due to contradictory support regulations under TANF, she was told by her caseworker that she had to move to a structured teen shelter in a different community. The move would leave her without child care, and to take care of her child she would have had to drop out of school. She explained this and showed that she met all of the criteria for a waiver of this policy, but she was denied benefits for not moving on demand. Thanks to the intervention of an advocate, Diane won reconsideration of her case and the reinstatement of benefits. **What if the state had a multi-million-dollar incentive to help Diane build on her resources and continue the education she needs for her family to thrive? How would the caseworker have behaved differently?**

Rules requiring disclosure of an absent parent's identity can compound the problems of families with a history of domestic violence. ***"Kathy,"*** the mother of two young children, sought protection from her batterer for herself and her family in a Los Angeles shelter. Welfare officials insisted that she reveal the identity of her children's father or lose all benefits. When they learned that the father had gang connections, the officials contacted the police. By enabling the batterer ultimately to locate the shelter, this action put Kathy and her children in danger again, and

she felt it necessary to leave the shelter for her safety and that of the other families. **What if states were expected to screen aid applicants for evidence of domestic violence and rewarded for helping them find safety and needed services? Might not Kathy then have a better chance of finding sustainable employment?**

Work is essential to the survival of families, and stable families are vital to a healthy economy, but sometimes the rewards of work and marriage are outweighed by the penalties. ***"Sarah,"*** a 32-year-old mother of four, also from Washington, reported: "Since my husband started working, our benefits have been reduced greatly. After buying equipment for his job, we are further in debt than before he started working. Since he does work, we are no longer eligible for additional benefits." Even though her husband was working, they family still did not have enough money to keep the power on. To the government, she concluded, "the only thing that matters—is getting us off assistance, whether we can survive or not." **What if states helped families set reasonable goals for an appropriate level of self-sufficiency, while providing the work supports for moving toward those goals? Would not Sarah and her husband have a better hope of becoming a healthy and economically sustainable family?**

Even for those with the education and skills to emerge from poverty, temporary assistance comes with a message of disrespect that is more a hindrance than a help. ***"Donna,"*** a Washington state woman, who needed cash assistance after her marriage ended, was able to move from welfare to work in 1999. She had received a good education before her divorce and was able to support her family successfully after her youngest was old enough for day care. But her ability to escape poverty came in spite of TANF, not because of it; and she saw the "work first" rules depriving others of the educational opportunity that had made the difference for her. "I have learned," she said, "that motherhood and education are no longer respected, at least not for welfare mothers." **What if states were rewarded for reducing poverty? Would not caseworkers have more incentive to treat families with respect and help them plan realistically to move toward an appropriate level of self-sufficiency?**

On the basis of our the findings and recommendations in our WHRMP report, UUSC has worked with colleague organizations for several years to prepare for the debate about the key decisions you are called upon to make. As part of the Coalition on Human Needs, we helped develop and have endorsed their statement of principles for TANF reauthorization. And as part of the Inter-religious Working Group on Domestic Human Need/Justice for Women and Families, we helped formulate and have endorsed the "Call to Poverty Reduction in the Context of TANF Reauthorization." Now that the Bush Administration and several members of Congress have begun introducing their proposals, we are prepared to make some preliminary recommendations.

Recommendations

As the debate continues in the next few months, additional concerns will surface. But at this point, here is how we apply them to the emerging issues in the debate:

- **Reauthorize TANF with a renewed focus on helping families move toward an appropriate level of self-sufficiency.**
  - Include poverty reduction as one of the purposes of TANF, and reward states through a poverty reduction bonus. (See the Mink bill, H.R. 3113, which includes provisions of Rep. Stark's Child Poverty Reduction Act.)
  - Require states to use a measure of relative self-sufficiency to guide TANF recipients in choosing realistic strategies for achieving it.[4]
  - Continue to provide appropriate work supports for TANF "leavers" as they continue to work toward their goals.
- **Increase TANF block grant to offset the effects of inflation and give the states the resources they need to do the unfinished business of welfare reform.**
  - Poverty reduction cannot succeed as an "unfunded mandate."
  - Purchasing power of the $16.5 billion annual TANF block grant had declined by 14% to the end of 2001. The Cardin bill (H.R. 3625) adjusts funding to $18.7 billion by 2007.
  - When he was Governor of Wisconsin, Tommy Thompson correctly emphasized that doing welfare reform effectively would require more money, not

[4] Wider Opportunities for Women has developed self-sufficiency standards for 38 states and will soon develop the other 12. At least one state, Connecticut, has officially adopted that measure of the success of its program.

less. Now that he is Secretary of Health and Human Services, it is still true.
  - Those remaining on the rolls often face more significant barriers to getting and keeping a job than those who have already left.

- **Increase child care funding in accordance with work requirements and unmet need.**
  - Work requirements and child care are linked: **If there's not enough money for needed child care, increased work requirements are unsustainable**.
  - Studies show states provide only 25% to 35% of the child care subsidies needed to enable families to work.
  - Cardin bill increases Child Care and Development Block Grant by 11.25 billion over 5 years.

Welfare as we used to know it is gone. Now it is time to end poverty as we know it.

Some will say we cannot afford to do what needs to be done. However, the financial decisions we face about children and families are every bit as important as the ones you face on military spending.

In recommending the expenditure of an additional $15 billion on foreign aid, President Bush recently declared the restoration of hope a national priority as part of the struggle against terrorism. In a world where hopelessness and alienation lie at the root of violence and insecurity at home as abroad, ending poverty is not an option but a necessity, for the health of our economy, for our security as a nation, and for our global role in the advancement of human rights. It is part of our destiny as a nation blessed with riches that we have an obligation to be a beacon of hope to the world.

Mr. ENGLISH. Thank you. This has been a wonderful panel. Before we move on to the next panel, I just want to ask each of you a very short, almost yes or no question, which is really the central question that we are considering here. That is, starting with Dr. Washington. On balance, do you feel that the 1996 reform law that we are looking to reauthorize was a success or failure? Dr. Washington.

Dr. WASHINGTON. I think in the context of the booming economy, it has been successful for some families in some circumstances, and we can continue to build on that success to move forward.

Mr. ENGLISH. Very good. Reverend Wilson. Has it been a success or a failure?

Mr. WILSON. Of course, no social legislation can be seen in a vacuum, so it must be kept in context with the economic period through which we lived. In that context, since one of the goals, perhaps the chief goal was to reduce case loads, yes, it has been successful. Has it reduced poverty? That is a different question.

Mr. ENGLISH. In your view, what is the answer to that question? Has it reduced poverty?

Mr. WILSON. Certainly not to the same level as it has reduced case loads.

Mr. ENGLISH. Sister Clark, has it been a success or a failure?

Ms. CLARK. That, Congressman English, is our question. How do we define success? So, in our view, it is not a success yet until it really reduces poverty.

Mr. ENGLISH. Ms. Mitchell, has it been a success or a failure?

Ms. MITCHELL. Based on our survey results, 48 percent of our surveyed folks said it was not a success, and 43 said that it was. Then there was that other group that was kind of in between. So——

Mr. ENGLISH. Ms. Curran, in your view, has it been a success or a failure?

Ms. CURRAN. I think it was successful in changing some of the problems in the old program. I think that like some of my colleagues, there is a long way to go before we can say that welfare reform has been successful in bettering the lives of all the people.

Mr. ENGLISH. Ms. Schumer, in your view has it been a success or failure?

Ms. SCHUMER. I will echo my fellow panel members. Although the total number of people on the welfare case rolls has been reduced, and the over-arching goals set out in welfare reform were very admirable, TANF has not adequately alleviated the depth or the breadth of poverty in the United States. Although we have just experienced a decade-long economic boom, unprecedented in our Nation's history, the poor in our country got even poorer.

Mr. ENGLISH. Very good. I want to thank all of you for participating and taking the time tonight to be part of this. I would like to dismiss you and call forward the next panel, which will be our 8th panel. My understanding is that, yes, Panel 8 will consist of Will Lightbourne, the Director of the County Welfare Directors Association of California. Jean Ross, the Executive Director of the California Budget Project, Alex Yazza, Jr., Department Director of the Navajo Nation TANF program, and I understand also a constituent of our colleague, Mr. Hayworth, Eric Rodriguez, standing in as Vice President of the National Council of La Raza.

I want to thank all of you for your patience and for participating. If I can, I would like to invite that people's name plates be reversed in the appropriate way. You, after all, know your names. Mr. Lightbourne, we would now welcome your testimony.

STATEMENT OF WILL LIGHTBOURNE, DIRECTOR, SANTA CLARA SOCIAL SERVICES AGENCY, SANTA CLARA, CALIFORNIA, AND VICE–PRESIDENT OF PROGRAM, COUNTY WELFARE DIRECTORS ASSOCIATION OF CALIFORNIA

Mr. LIGHTBOURNE. Thank you, Mr. English. I am Will Lightbourne. I am actually the Director of the Social Services Agency of Santa Clara County in California, and Vice President of the County Welfare Directors Association of California.

Mr. ENGLISH. We stand corrected.

Mr. LIGHTBOURNE. Perhaps starting where you left off the last panel, Mr. English. We would consider California's TANF program to have largely been a success. We have transitioned nearly half of the 1995 case load off aid, and have 57 percent of adults on aid now actively engaged in work or work-related activities, most of it from subsidized employment.

The major challenge ahead of us now is how we work with the remaining families, the multiple barrier families and have them enjoy successful transitions. The Administration's proposal and Chairman Herger's proposal highlight child well-being and the strengthening of families as overall goals of TANF. Those are goals we embrace and are consistent with many of the "family friendly" programs and services provided by our counties in California.

We are also heartened that in addition to those goals, all of the various reauthorization proposals introduced to date preserve the

basic block grant, and flexibility, maintain at least the current funding level, and some would add a cost of living increase.

The four things that I would like to focus on this evening are funding and child care, flexibility, employment credit, and participation requirements. First, in the funding area. We believe that it is vital to increase the funding available for all of the TANF purposes. Especially for the child care funds.

California is now spending 96 percent of all of its allocated TANF dollars. Next year the State faces a significant budget deficit and will have great difficulty maintaining all of the services. Early estimates on the added child care costs in California of the administration proposals range from $300 million to half a billion dollars annually.

I would note that in Santa Clara County, 80 percent of those people who are eligible for child care subsidies are utilizing them from our TANF program. We believe that it is essential to maintain the commitment that was implicit in welfare reform at the beginning, that families transitioning to work be provided the support of child care.

We are very aware that in California the same county agencies that are requiring parents to work and be outside the home are the same very agencies that will also ascertain and intervene if there is determined to be child neglect.

We also support in the funding area restoring benefits to legal immigrants, funding the social services block grant at $2.8 billion, and providing separate funding for any initiatives with no set-asides from the block grant.

In terms of flexibility, we think that preserving TANF flexibility is absolutely critical. It has been the hallmark of our California programs that have let us develop the sorts of local self-sufficiency based programs that would have been unimaginable 5 years ago. Counties, working with communities and faith-based groups, schools, child care providers, workforce agencies, housing and transportation agencies, treatment providers, private employers, private foundations have designed an extraordinary range of creative programs. All of these people have a genuine sense of ownership, a genuine sense of pride, and have in many cases directly invested in these programs, precisely because they see them as theirs. They do not see them as national programs even if 85 percent of the money is nationally originated.

In terms of the employment bonus. We recommend that States receive credit for the numbers of recipients placed in full-or part-time employment, and those engaged in activities leading to work rather than only those who have left welfare because of work. In our case, we structured our programs with a generous income disregard in recognition of our very high housing costs. That means that we have a large number of people who are working the full number of hours but are still on aid. It would be important that they be recognized as meeting the employment credits.

We would also recommend a process toward meeting participation rates by creating a category of people who are working a percentage of the required number of hours but perhaps not all of them. This is a very developmental process and an iterative proc-

ess. The employment credit provision of H.R. 4057 by Representative Levin, supports a similar approach.

In terms of the work participation requirements, the administration's proposed combination of phasing up the States' participation rate to 70 percent, requiring 40 hours weekly of work and work-related activity, and limiting the activities that count toward 24 hours of work gives States far less flexibility than the current program.

We feel that this will essentially dismantle what we have accomplished. Having been in the position of operating major workfare programs, they are not as successful as the alternative. It is our hope that the Congress will afford us the sorts of flexibility that allow us to continue providing those kinds of services.

Mr. ENGLISH. Can you summarize, sir?

Mr. LIGHTBOURNE. Yes. We are now at a point where in many of our counties, half or almost half of the people receiving services are also receiving mental health, behavioral health, domestic violence related services. These are essentially extremely expensive services. To have to divert those services to operate workfare-like programs would really be a disaster in terms of successfully serving these populations.

[The prepared statement of Mr. Lightbourne follows:]

Statement of Will Lightbourne, Director, Social Services Agency, Santa Clara County, California and Vice President of Program, County Welfare Directors Association of California

Mr. Chairman and Members of the Subcommittee, thank you for inviting me here today to share the local level perspective from the nation's largest state on the welfare reform reauthorization proposals under consideration by your committee. I am Will Lightbourne, Director of the Social Services Agency in Santa Clara County, California, and Vice President of Program for the County Welfare Directors Association of California (CWDA).

By any measure, California's TANF program has been a success, and we look forward to building on that foundation in the next stage of welfare reform. At its peak in 1995, California's welfare program aided nearly one million families and by January 2001 had declined to 490,000 families. Well over half—57%—of adults on aid are actively engaged in some form of work or work-related activity. One third of all adults are meeting the work participation requirement—32 hours for single parents and 35 hours for two-parent families.

For our counties, the major challenge is to address and remedy the problems of families that are a long way from being ready to maintain stable employment and move off welfare, the "multiple barrier" families. Some of these are among the other 24% of families engaged in work or work activity, but for insufficient hours to meet the requirement. Many others are among the 43% of adults who are not currently engaged. Before exploring how the reauthorization affects the hard-to-serve families in our case load, I want to address some more general features of the proposals, especially the Administration's.

President Bush's proposal highlights child well being and strengthening of families as the over-all goal of TANF Reauthorization, a goal that we firmly endorse. Several policies adopted in California's CalWorks program exemplify those principles and serve as the framework for numerous "family friendly" programs and services provided by the counties.

We are heartened that in addition to strengthening families, all of the various reauthorization proposals introduced to date are headed in the right direction, in that they preserve the basic block grant flexibility and the emphasis on the work first approach of the 1996 law. Further, all the proposals would maintain at least the current funding level, and some would add a cost of living increase or recognize the need for more child care funds.

In addition, the Administration's proposal improves flexibility in use of TANF funds, by allowing states to:

- establish a Rainy Day fund, which can be drawn down in future years without additional maintenance of effort requirements;
- spend prior-year funds carried over for non-assistance needs, as well as cash assistance;
- provide support services to non-working families, without counting it as assistance, maintain the Contingency Funds, and
- utilize "super waivers" to integrate and coordinate agencies and programs at the local level.

FUNDING

It is vital to preserve or increase the funding available for all TANF purposes, and, specifically, to increase the amount of TANF funding available for child care. CWDA's policies for reauthorization call for additional funding, through a cost of living increase for the basic block grant, or by increasing child care funds, which will be needed if a higher work participation rate or increased work hours are enacted. California has spent 96 percent of its TANF block grant allocations to date, and faces a severe fiscal crisis in the coming year, an estimated $12.5 billion budget deficit.

Funding for incentive programs should not be carved out or set aside from the TANF block grant, but should be separately provided, as is proposed for the Administration's healthy marriage and responsible fatherhood initiatives.

CWDA also supports restoring benefits to legal immigrants and funding the Social Services Block Grant at $2.8 billion, with authority to transfer 10% of TANF to the services block grant.

FLEXIBILIITY

Preserving the great flexibility provided by the TANF law is critical. That flexibility is the hallmark of California's welfare reform program, which allows the counties to invest assistance and supportive services over a longer period in order to foster employment stability and long-term family self-sufficiency. A generous earned income disregard, reflecting the generally higher cost of living in the state and a sanction policy that removes only the non-compliant adult from cash assistance. A "child safety net" will continue a reduced, child only grant when parents reach the 60-month limit. The counties, in collaboration with community-and faith-based organizations, schools, child care providers, workforce agencies, housing and transportation agencies, and treatment providers, have designed creative programs that respond to the unique needs of their areas.

WAIVER FLEXIBILITY

The proposed "super waiver" program can be a useful tool to enhance the local design and service flexibility described above, particularly for inter-agency and inter-jurisdictional collaboration. It is important that the waivers can serve regions or counties, as proposed. CWDA recommends that the Secretary be given authority to waive cost-neutrality requirements.

EMPLOYMENT BONUS OR CREDIT

We recommend that states receive credit for the numbers of recipients placed in full or part-time employment and those engaged in activities leading to work. Rather than rewarding states for the number who leave the roles for work, as the case load Reduction credit now does, the employment credit would reward progress toward meeting participation rates. It would recognize job entry efforts of states such as California, where many families with an employed adult remain on assistance because of low wages and high cost of living. The employment credit provision of H.R. 4057 by Rep. Sander Levin and its companion, S. 2058 by Senator Blanche Lincoln supports this approach.

Although California benefits from the case load reduction factor—which effectively reduces its work participation requirement from 50% to only 8%, it has masked the high level of success the counties attained in engaging 57% of adult recipients in work.

UNIVERSAL ENGAGEMENT WITHIN 60 DAYS

The proposal put forth by the Administration would require an upfront assessment of every participant and require every participant to be engaged within 60 days of program entry in a family self-sufficiency plan that includes work. This approach, coupled with a narrower definition of work that no longer specifically includes job search, may require revision of our "work first" approach that engages participants in an upfront test of the labor market.

Clarification is needed about how this universal, early engagement affects the work first approach and whether work first without other engagement in other activities can be done only in the proposed 90 day intensive services period.

The current "work first" approach allows a significant percentage of participants to secure unsubsidized employment within the first few months. This initial period of intensive job search instructs recipients on the preparation of resumes and job applications and requires them to apply or interview for certain numbers of jobs each week. By the end of this period (which varies by county), those who are employable typically have found a job, and those who haven't found work are assessed further to determine what is holding them back. At that point, we work to find a mix of activities that will move these participants into the workforce, and toward unsubsidized employment, as quickly as possible. Each person will need a different set of activities to succeed.

WORK PARTICIPATION REQUIREMENTS

We support efforts to increase participation in work and work activities; however, these efforts must maintain maximum flexibility for states and counties, recognizing the unique needs of families receiving TANF and the need to tailor services to meet those needs.

The administration's proposed combination of phasing up the state participation rate to 70%, requiring 40 hours weekly of work and work-related activity, and limiting the activities that count toward the 24 hours of work gives states far less flexibility than the current program. We are concerned that increasing either the hours or the participation rate will disrupt successful programs, especially our efforts to serve families with multiple barriers.

The proposed mix of 24 hours work and 16 hours of other activity seems arbitrary and difficult to administer, despite the greater flexibility for states to define and expand the range of activities that may count in the 16-hour portion.

CWDA strongly recommends that states be allowed to retain their current minimum of work hours and the discretion to determine the mix of direct work and other activities that individuals need to perform. Job search and vocational education should remain a part of the definition of work.

Further, we recommend that the current state participation rate be retained. We believe that maintaining the 50 percent work participation rate, coupled with modification or replacement of the case load reduction credit, will increase states' actual work requirements significantly while enabling states and counties to achieve continued success during the second phase of welfare reform. To encourage rates higher than 50%, incentive payments could be provided for states that are meeting the 50% rate and can progress incrementally.

Eliminating separate work requirements for one and two-parent families supports the goal of stabilizing families and improving child well being, and it will simplify the tracking, case management, and reporting of the work participation requirements. Consistent with our recommendations above, we recommend that the current single-parent hours and work participation rate be used for both.

We are concerned that in order to step up to more than 50% participation, and to meet he proposed 24/16 hour minimums, we would have to back down some of the support services that we now provide to working TANF families and to the less job ready families. Without additional funding to meet additional costs for staff, tracking and reporting systems, and child care, resources would be drawn from current programs.

States and counties have achieved unprecedented success with a work participation rate of 50 percent and under current TANF work week limits. California's 32-hour per week requirement for one-parent families engages recipients in the workforce with a mix of work, education, training, or treatment that is determined by the county in consultation with each participant. Although some work less than the federal weekly hours requirement, fifty seven percent of our case load are working or participating in work-related activities. California's program allows working recipients to continue receiving a reduced grant for an indefinite period, and to continue receiving supportive services during and after their time on aid. Research on the Minnesota Family Investment Program, after which California's program is patterned, shows that a longer period of assistance, coupled with an emphasis on work and the provision of services to the family, leads to better outcomes for children and families.[1]

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[1] Virginia Knox, Cynthia Miller, Lisa A. Gennetian (September 2000). *Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program*. Manpower Demonstration Research Corporation and Minnesota Department of Human Services. Available online at http://www.mdrc.org

In addition, many of the working parents who remain on our case load due to low wages and the earned income disregard structure, would have to take on multiple jobs to meet the work requirements. A further concern is that counties would have to develop stop-gap public service jobs in order to total 24 hours for all recipients working less hours. High-unemployment areas could be particularly affected, where unsubsidized jobs are lacking and public employment may not be able to supply the extra hours.

A case example illustrates the need for the counties to have flexibility and discretion about the mix of work and activities:

> A single mother with major depression, a history of violent relationships, no high-school diploma and no work experience. The expectation for her to be able to work 24 hours per week and participate in other activities for another 16 hours is not realistic. For this mother, participation in drug treatment, counseling, and adult basic education classes may be the best approach; not just for three months and not just for 16 hours a week, but until she is able to enter the workforce and sustain employment.

COUNTABLE ACTIVITIES

All current work activities, including job search and time-limited vocational education, should continue to count as work participation. For example, we have found that an upfront test of the labor market through a period of assisted job search is the best way to determine who is employable and who needs more in-depth services and training in order to find a job. Further, participation in activities contained in a participant's welfare-to-work plan, such as mental health and substance abuse treatment, counseling, and basic education, should also count toward the work requirement.

CHILD CARE

Any change to work requirements would create significantly higher demand for supportive services, especially child care. Early estimates on the added cost in California of child care of the Administration's proposal range from $300 million to half a billion dollars annually. The state already commits $3.2 billion each year, about half state and half federal funds, to child care subsidies for current and former welfare recipients and the working poor.

If child care demand increases significantly, we will be unable to meet that demand and also provide the kind of case management and supportive services that will be needed to get recipients engaged in work and work activities. Something will have to give. We are very concerned that some of the creative county-run programs that have made welfare reform a success would have to significantly scale back or even end as resources shift to more child care and monitoring of expanded work participation.

SUPPORTIVE SERVICES

TANF work requirements need to recognize the significant challenges states and counties face in helping seriously impaired recipients to participate in any activities. We need the flexibility to count participation in activities such as treatment and domestic abuse services toward individuals' work participation, without arbitrary time limits or artificially distinguishing between work and treatment activities.

As the case load size declined, the way in which California spends its money has shifted dramatically, as well. Average monthly expenditures on cash grants have dropped sharply and now almost half of the TANF funds are spent on supportive services such as child care, transportation, mental health and substance abuse treatment, and domestic abuse services. Support services are needed by most of the working TANF families and almost all of the families with severe or multiple barriers to employment.

In Sonoma County, roughly half of the current case load is participating in mental health services, drug abuse treatment, and/or domestic abuse services to help deal with multiple employment barriers. Sonoma County has found that vocational training is also an important intervention strategy to enable individuals with no skills to learn a skill, and to help working individuals with some skills improve their ability and find higher-paying jobs. Despite the prevalence of these major employment barriers among our case load, none of the treatment and services we provide to these participants are countable toward the federal work participation requirements, with the exception that under current law, up to 12 months of vocational training is allowed at state discretion.

MULTIPLE BARRIERS

Since several of CWDA's recommendations for TANF reauthorization are in the context of families that are hard to serve in a system that demands work and self-sufficiency, we want to describe some of the challenges. Many of those who remain on aid have multiple barriers to employment that must be addressed before we can help them even find a job, including little or no experience in the workforce. These adults do not know how to deal with the trials of daily life, let alone the requirements of TANF. They may have limited education or training, learning disabilities, poor English skills, mental illness, substance abuse problems, criminal records or current legal issues. Typically there is no reliable way to get from their homes to training programs, child care, or a job. A full range of basic supportive services is needed, which unless combined with work may not count toward required participation.

Counties have started creative programs, such as multidisciplinary clinical evaluation and treatment teams stationed at their welfare offices, specialized training for case workers in spotting potential barriers to employment and talking with the recipients about these issues, and intensive training in life skills that many of us would consider very basic, but that our recipients never learned. It will take time to learn from the results of these attempts, to refine our approach, and to help our staff learn to use the tools they have been given to work with these extremely challenging recipients.

During 2000 and 2001, CWDA commissioned focus groups of county staff in each region of the state.[2] The findings show much pride in counties' ability to get participants to work, in their ability to collaborate with local agencies and the business community, and in their shift from a system focused on giving people monthly welfare checks to a system focused on employment and family well-being. One focus group participant noted:

> People have chaotic lives. We do a little survey when they come back [on aid]. One person wrote in for, "Why did you go off aid?": *My husband got a job*. And for, "Why are you back today?": *My husband got arrested and put in jail*. It seems like a lot of life crises and turmoil going on, so employment [alone] is not necessarily the answer for the working poor. We still have to make a case that the services have to continue—the case management services, mental health services, [and] job retention services so they can stabilize and get into career development.

Another focus group participant commented on the fact that not every family with problems wants to admit that they are in trouble.

> I think it is important that people understand that there is a lot of denial in these families. *They* don't have an alcohol problem, and *they* don't have a mental health problem. So when our workers are first going out or talking to them in the office, the workers are being told that *they* don't need these services. It isn't until we start trying to get them in job club or orientation or whatever that we start seeing behaviors we knew of all along.

Research is also confirming the extent of multiple barrier families in TANF programs. A General Accounting Office study found last year that 44 percent of TANF recipients had at least one physical or mental impairment[3] The California Institute for Mental Health has found a similar prevalence in its study of 643 recipients in Kern and Stanislaus counties. In two rounds of intensive interviews, the Institute found that nearly one-fifth had a need for services in more than one of three areas. Taken individually, between 30 and 33 percent of respondents needed mental health services, and 12 to 18 percent needed substance abuse services. Depending on the county, 22 to 26 percent (Kern) and 32 to 37 percent (Stanislaus) reported a need for domestic violence services. These two counties were chosen because the approach they take to substance abuse, mental health, and domestic violence identification and treatment are seen as a model for other counties to follow.[4]

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[2] Jann Donnenwirth (January 2001). *Results of Focus Group Research on CalWORKs Programs in 27 California Counties.* Center for Human Services, University of California-Davis, Davis, California.

[3] U.S. General Accounting Office (October 31, 2001). *Welfare Reform: More Coordinated Federal Effort Could Help States and Localities Move TANF Recipients With Impairments Toward Employment.* GAO–02–37, Washington, DC. Available online: http://www.gao.gov

[4] Daniel Chandler and Joan Meisner (February 2002). *CalWORKs Project Research: Alcohol and Other Drugs, Mental Health, and Domestic Violence Issues: Need, Incidence, and Services.* California Institute for Mental Health, Sacramento, California. Available online: http://www.cimh.org

CONCLUSION

The bottom line is: *Let states decide the best way to put people to work*, based on the research in the field and the success they have already achieved. Replace the case load reduction credit with a credit that better reflects how states and counties put people to work, but maintain the 50 percent work participation rate and the current work week. Recognize the significant barriers that these families face, and let us work with them, on an individualized basis, to help them progress. Preserve at least the current funding level and provide new funds for any extra demands that the reauthorized program imposes, such as child care.

Thank you for the opportunity to present our views. My colleagues and I are pleased to be part of the revolution that was welfare reform, stage 1 and we are confident about moving California's program into the second stage with new TANF legislation.

Mr. ENGLISH. Very good, Mr. Lightbourne. Thank you so much for your testimony. Ms. Ross, we look forward to your statement.

STATEMENT OF JEAN ROSS, EXECUTIVE DIRECTOR, CALIFORNIA BUDGET PROJECT, SACRAMENTO, CALIFORNIA

Ms. ROSS. Good evening, Mr. Chairman. I would like to thank you for your perseverance this evening. The California Budget Project is a nonprofit policy research group dedicated to improving social and economic policies for low and middle income Californians.

What has happened with welfare reform since 1996 in California? First, California has spent, as Mr. Lightbourne said, nearly all of our available funds, 97 percent of funds received to this date and will exhaust the remaining funds next year. In fact, California Work Opportunity and Responsibility to Kids (CalWORKS), California's TANF program, is anticipating a substantial deficit in our Governor's proposed budget for the next fiscal year.

We have made substantial spending reductions in cash grants, employment services, and child care to bridge a deficit, anticipated to be in excess of $500 million.

To answer your question to the final panel, case loads have declined. Some would judge that a success. They have declined much faster than poverty rates, even in light of California's extremely good economy during the late 1990s.

More people are working. Again, that is a success. A large part of that is attributable to unprecedented employment growth during the late 1990s. Again, I don't think we can anticipate economic growth of that level in the foreseeable future. However, due to low wages, many families continue to combine work and cash assistance. Approximately 60 percent of those people who have left the CalWORKS case loads are working, though many do not earn enough to support a family.

Because of California's high cost of living and the structure of our cash assistance program, 42.8 percent of the adults receiving cash assistance were employed, substantially higher than the national average of 28 percent. Again, most parents who do find work do not earn enough to support a family.

County level studies suggest that the median hourly wages for welfare "leavers" in the San Francisco Bay Area are approximately $9 to $10 an hour. That is in an area where the rent for a two-bedroom apartment is oftentimes as much as $2,000 a month. The total household income for many "leavers" often falls at or below

the federal poverty level, and is far below what it costs to live in California.

Moreover, many families do not receive the supportive services that can help them facilitate the transition from welfare-to-work. A recent study found that approximately half of welfare laborers received Medi-Cal, California's Medicaid program 1 year after leaving welfare. Only one in five report receiving food stamps, even though an additional 30 percent or more are eligible.

Many of the families who remain on welfare have serious barriers to employment. A study of two California counties found that up to one-third have recent and serious mental health and domestic violence problems. Many welfare recipients lack the education and language skills that are necessary for employment at higher earnings. More than half of California's CalWORKS adults lack a high school degree, and more than a third of CaLWORK's heads of household reported a primary language other than English.

How can you help us resolve these problems and move to marking welfare reform a success? First, Congress should, at a minimum, adjust the TANF block grant for inflation; increase funding for the Child Care and Development Block Grant, and update the TANF contingency fund. As I mentioned before, California is currently overspending the funds that are available to us. Over the next 5 years, the purchasing power of our TANF block grant will be eroded by approximately 22 percent.

The deficit has two causes. First, program costs continue to rise with inflation despite stagnant funding levels. Second, the current model that California uses prepares recipients for and supports them in work. That is more costly than the prior cash assistance model upon which the State's block grant was predicated.

Second, Congress should retain and expand flexibility for States and counties. One of the primary virtues for TANF is that it provided States with flexibility. We believe that to undermine or limit this flexibility would limit one of the guiding principles of welfare reform, that States rather than the Federal Government are best situated to identify the needs of local communities.

We recommend families who combine welfare and work, should not lose the possibility of future assistance and would encourage you to "stop the clock" for families that are working. Fourth, Congress should make poverty reduction an explicit goal of TANF to take welfare reform to the next step. We would encourage you to remove restrictions on education and training as work activities and allow States the option to use TANF funds to serve legal immigrants. Thank you.

[The prepared statement of Ms. Ross follows:]

Statement of Jean Ross, Executive Director, California Budget Project, Sacramento, California

Mr. Chairman and Members of the Subcommittee:

Good afternoon. My name is Jean Ross, and I am the Executive Director of the California Budget Project (CBP). The CBP is a nonprofit policy research group based in Sacramento, California. Over the past seven years, we have analyzed the impact of state and federal welfare policies and have worked with public and nonprofit organizations throughout the state to develop policies and programs aimed at moving families not only off welfare, but also toward self-sufficiency. My testimony will address the impact of welfare reform in California and the issues that you are consid-

ering as part of the reauthorization debate that are important as California strives to move families from welfare-to-work.

What Has Happened Since 1996?

California is spending available funds. California has used 97 percent of all TANF funds it has received.[1]

The CalWORKs program is running a deficit. Combined annual TANF and MOE funds of $6.4 billion are not sufficient to fully fund CalWORKs, California's TANF program. The Governor's proposed 2002–03 Budget makes spending reductions in cash grants, employment services, and child care to bridge a deficit in excess of $500 million.

case loads have declined, but much faster than poverty rates. Between March 1995 and November 2001, the number of families receiving cash assistance through AFDC/CalWORKs declined by 46 percent. Poverty rates have dropped as well, but not nearly as much as the case load.

More people are working. California witnessed unprecedented employment growth during the late 1990s and unemployment rates reached historic lows. The strength of the state's labor markets enabled many families to obtain work. However, due to low wages, many continued to combine work and cash assistance. Approximately 60 percent of people who leave CalWORKs are working, though many do not earn enough to support a family.[2] In 1999, 42.8 percent of adults receiving cash assistance through CalWORKs were employed, much higher than the national average of 27.6 percent.[3]

Most parents who find work do not earn enough to support a family. County studies suggest that median hourly wages for leavers in the Bay Area are approximately $9 or $10. However, total household income for leavers often falls at or below the federal poverty level and far below what it costs to live in California.[4]

Many families do not receive supportive services that facilitate the transition from welfare-to-work. A recent study based on state administrative data found that half (49 percent) of leavers receive Medi-Cal one year after leaving CalWORKs.[5] Surveys of Bay Area leavers indicate that approximately one-quarter lack any type of health coverage one year after leaving cash assistance.[6] Only one in five CalWORKs leavers (19 percent) report receiving food stamps and another 30 percent or more are eligible but do not receive food stamps.[7]

Many families that rely on cash assistance have serious barriers to employment. A study of two California counties found high incidences of mental health issues, domestic violence, and drug dependency among CalWORKs recipi-

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[1] This includes actual reported expenditures, as well as transfers from the TANF block grant to the Social Services Block Grant and the Child Care and Development Fund.

[2] See, for example, California Department of Social Services, *CalWORKs Leaver Survey: A Statewide Telephone Survey of Former CalWORKs Recipients* (January 2000).

[3] US Department of Health and Human Services, *Temporary Assistance for Needy Families (TANF) Program, Third Annual Report to Congress,* Table 10:20 (August 2000), downloaded from www.acf.dhhs.gov/programs/opre/annual3.doc. 1999 is the most recent year for which data are available.

[4] R. Mark Gritz et al., *Assessing the Family Circumstances of TANF Applicants and Leavers in Contra Costa and Alameda Counties: Final Report* (Sphere Institute: October 26, 2001); Anne Moses et al., *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data: 12–Month Report* (Sphere Institute: December 22, 2000); David Mancuso and Vanessa Lindler, *Examining the Circumstances of Welfare Leavers and Sanctioned Families in Sonoma County* (Sphere Institute: June 29, 2001); and California Budget Project, *Making Ends Meet: How Much Does it Cost to Raise a Family in California?* (September 2001).

[5] Amy Cox and Jacob Klerman (RAND) and Ingrid Aguirre Happoldt (Medi-Cal Policy Institute), *Medi-Cal After Welfare Reform: Enrollment Among Former Welfare Recipients* (Medi-Cal Policy Institute: December 2001).

[6] R. Mark Gritz et al., *Assessing the Family Circumstances of TANF Applicants and Leavers in Contra Costa and Alameda Counties: Final Report* (Sphere Institute: October 26, 2001); Anne Moses et al., *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data: 12–Month Report* (Sphere Institute: December 22, 2000); David Mancuso and Vanessa Lindler, *Examining the Circumstances of Welfare Leavers and Sanctioned Families in Sonoma County* (Sphere Institute: June 29, 2001).

[7] California Department of Social Services, *CalWORKs Leaver Survey: A Statewide Telephone Survey of Former CalWORKs Recipients* (January 2000); R. Mark Gritz et al., *Assessing the Family Circumstances of TANF Applicants and Leavers in Contra Costa and Alameda Counties: Final Report* (Sphere Institute: October 26, 2001); Anne Moses et al., *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data: 12–Month Report* (Sphere Institute: December 22, 2000); David Mancuso and Vanessa Lindler, *Examining the Circumstances of Welfare Leavers and Sanctioned Families in Sonoma County* (Sphere Institute: June 29, 2001).

ents.[8] Up to one-third have recent mental health or domestic violence problems. Many CalWORKs recipients lack the education and language skills that are linked to employability and earnings. More than half of CalWORKs adults lack a high school degree.[9] Over one-third of CalWORKs heads of household report a primary language other than English.[10]

Recommendations

Congress should, at a minimum, adjust the TANF block grant for inflation, increase funding for the Child Care Development fund CCDF), and update the TANF contingency fund.

While California's CalWORKs case loads have declined by nearly half, program costs exceed available funds from the annual TANF block grant and the minimum MOE spending requirement. This deficit has two causes: (1) program costs rise with inflation, despite stagnant funding levels and (2) the CalWORKs model, which prepares recipients for and supports them in work, is more expensive than the AFDC cash assistance model on which the state's block grant was predicated.

In addition, funding for the Child Care and Development Fund (CCDF) must be increased in order to ensure that families are not forced back on to welfare because they cannot afford the child care they need to remain in the workforce. We estimate that over a quarter of a million California children qualify for child care assistance based on income but do not receive it.[11]

Congress should also update the TANF contingency fund, which is designed to provide states with additional funds during economic downturns. The original program rules do not reflect the fiscal realities of states and the maintenance of effort requirement makes the fund essentially useless to states when they are most in need.

Congress should retain and expand flexibility for states and counties.

TANF provided states with the ability to craft programs to match diverse local needs. This is particularly important in a state like California that encompasses urban areas with strong, technology based labor markets, as well as rural areas with high levels of poverty and high rates of structural unemployment. Our Legislature took advantage of this flexibility when creating the CalWORKs program by designing a benefit structure that rewards work, allowing recipients with an opportunity to pursue education, and encouraging counties to address barriers to work, such as mental health and substance abuse problems. To limit this flexibility would undermine one of the guiding principles of welfare reform: that states, rather than the Federal Government, are best situated to identify the needs of local communities.

Families that combine welfare and work should not lose the possibility of future assistance.

California uses earnings disregards to encourage work and raise family income. However, since these families continue to receive grant checks, no matter how small, they "use up" time-limited assistance that might be needed more in the future. Families are thus rewarded by the earnings disregard and punished by the time limit for combining welfare and work. The typical earnings of welfare "leavers" are far below the levels necessary to afford basic necessities, particularly in light of California's high housing costs. In the San Francisco Bay Area, where studies find that leavers typically earn $9–$10 per hour, a family needs to earn $10.08 an hour in full-time employment to pay the Fair Market Rent on a one bedroom unit, not including the cost of food, transportation, child care and other necessities. We estimate that a single mother with two children needs to earn $25.99 per hour in full-time work to afford the full complement of basic necessities.[12]

Congress can resolve this conflict by giving states the option to "stop the clock" for recipients who are working and still receiving cash assistance. Alternatively, Congress could designate earnings supplements as "non-assistance," so that they would not apply toward the five-year time limit.

Congress should make poverty reduction an explicit goal of TANF.

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[8] Sandra Naylor Goodwin et al., *The Prevalence of Mental Health, Alcohol and Other Drug, and Domestic Violence Issues among CalWORKs Participants In Kern and Stanislaus Counties* (California Institute for Mental Health: September 2000).

[9] California Department of Social Services, *CalWORKs: A Characteristics Survey on Social and Economic Characteristics of Families Receiving Aid* (Federal Fiscal Year 1999).

[10] California Department of Social Services, *CalWORKs: A Characteristics Survey on Social and Economic Characteristics of Families Receiving Aid* (Federal Fiscal Year 1999).

[11] California Budget Project, *Lasting Returns: Strengthening California's Child Care and Development System* (May 2001).

[12] California Budget Project, *Making Ends Meet: How Much Does it Cost to Raise a Family in California?* (September 2001).

TANF reauthorization provides an opportunity to communicate to the public, recipients, and states what the goals and priorities of welfare reform will be over the next several years. Currently, the main message received by states is that reducing the number of families that receive cash assistance is the primary measure of success. However, given that many welfare leavers are not working in stable jobs or do not earn wages sufficient to support families, reducing the number of families receiving cash aid should not be the only or primary measure of success. The Federal Government should place more emphasis on improving family economic well-being, not just moving families off the case load.

Congress should remove restrictions on education and training as work activities.

Currently, recipients can satisfy federal work requirements by enrolling in vocational education for no longer than 12 months. However, research in the context of welfare reform suggests that higher skill levels and education beyond high school are linked to higher future wages.[13] A comprehensive evaluation of 11 welfare-to-work programs found that a Portland program that used a "mixed" strategy, assigning some participants to education and training and others to job search, was most successful at increasing employment and family income. Programs that encouraged all recipients to pursue education or training or to get a job as quickly as possible were not as effective as the Portland program.[14] Together, these findings indicate that a 12-month restriction on vocational education may not make sense for recipients. For certain recipients, such as those who are finishing a degree, education alone may be the best way to increase future earnings.

Congress should allow states the option of using TANF funds to serve legal immigrants.

California uses state funds to provide CalWORKs cash assistance and services and food stamps to immigrants who are not federally eligible. Even though essentially all immigrants remained eligible for food stamps and cash assistance through the state's replacement programs, immigrant participation in these programs fell dramatically in the 1990s.[15] Allowing states to use TANF block grant funds for recent immigrant families would give California flexibility over how to use TANF and MOE funds and would help reduce confusion about eligibility by making all legal immigrants eligible for federal TANF benefits, regardless of date of entry into the US.

Congress should not require states to use block grant funds to implement marriage promotion or other family structure programs.

While evidence exists that growing up in families with married parents has positive economic benefits and effects on child well-being, research by the CBP indicates that working poor families in California are just as likely to be married as all working families.[16] Moreover, in light of the CalWORKs deficit, it is not reasonable to create more demands on the state's TANF block grant and MOE funds. Policies that may help strengthen families include:

- Encouraging states to remove any barriers in their TANF programs that discriminate against two-parent families.
- Providing income support to working families. A study of a Minnesota TANF program with an earnings disregard very similar to California's found increases in marriage rates for both single-parent and two-parent families.[17]
- Improving child support enforcement and distribution.
- Supporting low-income fathers, with employment training and educational opportunities.

Thank you for the opportunity to testify this afternoon. I would be happy to answer any questions you might have.

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[13] Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce* (Manpower Demonstration Research Corporation: June 2000).

[14] Gayle Hamilton, et al., *National Evaluation of Welfare-to-Work Strategies: How Effective Are Different Welfare-to-Work Approaches?* (Manpower Development Research Corporation: December 2001).

[15] California Department of Social Services. Sponsorship or "deeming" rules, which count the resources and income of an immigrant's sponsor when determining program eligibility, make many recent immigrants ineligible for these programs.

[16] California Budget Project calculations from the Current Population Survey.

[17] Virginia Knox, Cynthia Miller, and Lisa A. Gennetian, *Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program* (Manpower Demonstration Research Corporation: September 2000).

Mr. ENGLISH. Thank you, Ms. Ross. Mr. Yazza, we look forward to your testimony.

STATEMENT OF ALEX YAZZA, JR., DEPARTMENT DIRECTOR, NAVAJO NATION TEMPORARY ASSISTANCE TO NEEDY FAMILIES PROGRAM, DIVISION OF SOCIAL SERVICES, WINDOW ROCK, ARIZONA

Mr. YAZZA. Good evening, Chairman Herger, Mr. English. I am representing the Navajo Nation, which has a population of about 200,000 members, which is a reservation that extends into States of New Mexico, Arizona, and Utah, covering approximately 27,000 square miles. The Navajo Nation began its tribal TANF operations on October 1, 2000.

Pursuant to section 412 of the law and pursuant to 45 CFR Part 286 of the Tribal TANF Rules and Regulations, the Navajo Nation is providing services to 9,000 Navajo families serving 27,000 recipients within the three State areas. Our annual budget is approximately $31.2 million, providing services to our Navajo customers.

The issue that I am going to present to the Committee is in regards to any bills that are being introduced by Congress this year and the lack of funding resources for services for Indian tribes. We are presented with a disadvantage for tribal agreements to immediately determine if they should apply for tribal TANF programming. In this lack of funding, we see that issues that we have in terms of funding streams that States are receiving are not provided to the tribes, including the maintenance of effort dollars, performance bonuses, access to the contingency funds, planning, and any startup dollars to provide to the Navajo Nation as well as Indian tribes.

Second, some funding streams that tribes cannot access and are not adequate are the disproportionate amount of State funding to administer TANF. This is again, the TANF block grant is not providing enough funds for tribal operations. In light of that, the Navajo Nation has experienced the lack of funds to, one, construct new one-stop shop service delivery centers, to renovate existing facilities, or buildings to house now tribal TANF programming, to develop or enhance a computer management information system to effectively and efficiently serve our Navajo families.

To anticipate tribal customer case load increases, and to adjust administrative cost of living costs associated with an annual 2.5- to 5-percent inflationary adjustment and also to develop a culturally enriched training and development program for our customers, staff, and partners.

I am bringing these issues up because the States are advocating for the same level of funding at $16.5 billion. In the budgeted message to Congress, President Bush also proposes to maintain the same level of funding for States but with a greater emphasis on getting TANF customers to work and encouraging formation of two-parent families. In neither of those two proposals Indian tribes again are not mentioned in the reauthorization process.

In the bill that is being provided by Representative Herger, H.R. 4090, he talks about the basic development of the President's message and keeping in line with that, and we support some of the issues, but one thing that we notice is in terms of strengthening

child support, that we also would like to continue to provide child support payments to mothers and children.

In order for us to do so, we need to be able to establish what is called a Financial Medical Assistance Program (FMAP) rate, in order for us to pass those same dollars on to our tribal family members. In regards to Representatives Mink, H.R. 3113, she mentions the reauthorization of tribal TANF programming through the year 2008.

Representative Cardin's bill, H.R. 3625, does not specifically identify reauthorization for tribal TANF programming. I mention this to you, Mr. English, because again, tribes feel that they are left out in this whole discussion. That as States are presenting their information and advocating for the maintenance of the same level of funding, tribes are not being consulted and are not being able to provide the type of input that is needed.

Speaking of lack of funds, another issue I want to discuss regards the Title IV–E program. Since Indian children and families need other support services besides TANF to successfully make their transition toward self-sufficiency, there needs to be additional funding available for Indian tribes for those purposes.

Many children making this transition will be in foster care and adoptive settings, and therefore stable funding, such as the funding available through Title IV–E, foster care, and adoption assistance programs could provide these opportunities for Indian children and families. We are encouraged by the supportive efforts to give tribal governments the opportunities for direct funding such as H.R. 2335, which is a legislation sponsored in the House by Congressman Dave Camp. We think this legislation will be a good fit for tribal welfare reauthorization.

In closing, Mr. English, we do support the fact that we would like to have Congress consider federalizing the MOE, which would be basically providing 100 percent MOE dollars for the tribes. We ask at this time also that tribes are requesting for economic development initiatives in addition to our tribal welfare reform programming. So, that is something that we are also asking for.

So, in our tribal programs, we know that welfare reform means economic reform on our reservations. Thank you very much.

[The prepared statement of Mr. Yazza follows:]

Statement of Alex Yazza, Jr., Department Director, Navajo Nation Temporary Assistance for Needy Families Program, Division of Social Services, Window Rock, Arizona

Chairman Herger and Members of the Committee:

My name is Alex Yazza, Jr. I am the Department Director of the Navajo Nation Temporary Assistance for Needy Families (TANF) Program, Division of Social Services, in Window Rock, Arizona. On behalf of the Navajo Nation, it is a great privilege to be here today to address the viewpoints on tribal TANF for the reauthorization of welfare reform.

The Navajo Nation has a population of 250,000 members and is the largest federally recognized Indian tribe in the United States. Navajoland extends into the States of New Mexico, Arizona and Utah, covering over 27,000 square miles and is compared to the size of the State of West Virginia. Since 1997, the Navajo Nation engaged itself in planning, organizing, developing and implementing it's own tribal TANF program pursuant to Public Law 104–193, Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Section 412, and pursuant to 45 CFR Part 286, the Tribal TANF Rules and Regulations. The Navajo Nation negotiated with the States of New Mexico, Arizona, and Utah for the proportionate of the federal "Tribal Family Assistance Grant" (TFAG) block grant funds to begin op-

erations of the tribal program. Pursuant to Fiscal Year 1994 case load data, the three states served 9,000 Navajo families (27,000 recipients) comprising of an annual budget of $31.2 million. The Department of Health and Human Services (DHHS) Secretary approved the Navajo Nation TANF Plan to begin administering the tribal program on October 1, 2000. Thus far, the Navajo Nation is the largest tribal TANF program in the United States.

The reauthorization of welfare reform lends the opportunity for Indian Tribes to provide input regarding issues which were not adequately addressed before. Therefore, it is an appropriate time to carefully examine the issues and recommendations to consider before Congress during this legislative session.

Lack of Funding Resources

From the beginning, the lack of adequate funding for Indian Tribes presented a disadvantage for tribal governments to immediately determine if they should apply for the tribal TANF program. Pursuant to P.L. 104–193, Section 412, tribes applying for the administration of the program were provided a funding formula that simply used the state case load data of Indian families served and state expenditures serving Indian families in Fiscal Year 1994. What Congress and state human service providers did not consider was the socio-economic factors of tribal reservations. For example, the Navajo Nation's unemployment rate is 53.88% (1999 BIA Labor Force Statistics) and the cost of living is much higher than urban metropolitan communities. Therefore, the lack of funding resources continues to present unique problems for tribal governments to adequately meet the needs of administering the program. In addition, to providing the cash assistance payments to the Navajo customers, high administration costs and indirect costs creates an inequitable service delivery operations.

The challenges for the Navajo Nation to effectively implement a large tribal TANF program is the lack of funds to:

- Construct new "one stop shop" service delivery centers
- Renovate existing facilities or buildings to house the new tribal TANF program
- To develop or enhance a computer management information system (MIS) to effectively and efficiently serve our Navajo families
- To anticipate tribal customer case load increases
- To adjust administration cost of living costs associated with annual 2.5 to 5.0% COLA
- To develop a culturally enriched training and development program for our customers, staff and partners

Currently, the Navajo Nation receives $31.2 million per year in "Tribal Family Assistance Grant" (TFAG) and has cost allocated this amount for customer benefits payment and administration costs. This amount is still not enough to fully implement a successful tribal TANF program. Congress needs to understand that tribes are stepping into the roles of state TANF administration, liken to become a state provider. In the case of the Navajo Nation, we are now responsible for a tri-state program the size of the State of West Virginia! Therefore our costs escalates even greater in the pre-administration of tribal TANF.

The Navajo Nation requests of the committee to consider providing additional funds for the above mentioned issues to successfully implement the tribal TANF program.

Currently, states are advocating for retaining of the same level of funding at $16.5 billion. In the budget message to Congress, President Bush also proposes to maintain the same level of funding for states, but with greater emphasis on getting TANF customers to work and encouraging the formation of two-parent families. In either of these two proposals, Indian Tribes are, again, not mentioned in the reauthorization process. Thus, it is incumbent to come before you today to strongly advocate on behalf of Indian Tribes.

In meeting the President's welfare reform agenda ". . . to strengthen families and welfare recipients work toward independence and self-reliance", the Navajo Nation needs more funding above and beyond the state formula allocation system pursuant to P.L. 104–193.

The Navajo Nation reaffirms the government-to-government relationship with the Federal Government and supports the direct funding of federal TANF grants to tribes. The Navajo Nation also supports a funding formula that provides no less than the current resource level, observing a "no net loss" principle. The Navajo Nation also supports the President's proposal that allows for flexibility to be creative to build a network of assistance for low income families. This will allow tribes to further design their own programs, define program eligibility, and establish what

benefits and services will be available and developing their own strategies for achieving program goals and including how tribal TANF customers move into the workforce.

In speaking on the lack of funds, another issue I want to discuss regards the Title IV–E program. Because Indian children and families need other support services besides TANF to successfully make their transition toward self-sufficiency, there needs to be additional funding available to Indian tribes for these purposes. Many children making this transition will be in foster care and adoptive settings, and therefore, stable funding, much like the funding available through the Title IV–E Foster Care and Adoption Assistance Program could provide these opportunities for Indian children and families. We are encouraged by and supportive of efforts to give tribal governments opportunities for direct funding, such as H.R. 2335, legislation sponsored in the House by Congressman Dave Camp. We think this legislation would be a good fit with welfare reform reauthorization.

State Maintenance of Effort (MOE)

Currently, it is unclear whether the states will continue to provide state maintenance of effort (MOE) funds to Indian Tribes administering their own tribal TANF program. The Navajo Nation receives MOE funds from the States of Arizona and Utah. The State of New Mexico has not provided MOE funds to the Nation. The states have the discretion to provide state MOE funds to the tribes. The uncertainty that states will provide MOE funds beginning in FY 2003 depends on the economic conditions of the states. In the most recent state legislative sessions, the States of New Mexico, Arizona and Utah have reduced state spending and have cut human service budgets which affects the general funds of the states. There is no guarantee that states will continue to provide MOE to Indian tribes.

The Navajo Nation certainly supports the idea that states should continue to provide MOE, however, also recommends that the Congress consider that it "federalize" the MOE and provide the tribes a 100% MOE federal funds for tribal TANF.

Otherwise, the Congress must consider providing states with better incentives to contribute MOE to tribal programs. These incentives could include:

- Increase the credit toward MOE requirements for funds that states contribute to tribal programs—quintuple (or double) state credit toward MOE contributions to tribal programs. For example, for every dollar that a state contributes to a tribal TANF program, they receive a credit of five dollars (or two) dollars toward their MOE.
- Reimburse states for a share of their MOE contribution to tribal programs. For example, reimburse states thirty cents for every dollar that they contribute to a tribal program.
- Provide both the states that are contributing MOE to tribal programs and the respective tribal programs access to funds from a new pot of money—an economic stimulus package.

In considering these options, the states would continue to provide additional funds to tribal TANF programs and would receive credit towards their MOE requirements. More importantly, the Navajo Nation is obligated to continue to work with the respective states in a collaborative partnership in providing Food Stamps, Medicaid and Child Support Enforcement services to the Navajo families.

Economic Development

In speaking on economic development issues, it is imperative that Congress understand the tribal economic conditions. There are certainly strengths and weaknesses in Indian Country concerning economic development. Often times, there is a misconception that all tribes operate casinos and generate revenues from these casinos for economic development purposes. The Navajo Nation is not a gaming tribe. Much of our revenues generated are from natural resources (coal and oil). Resources are limited to develop the economic infrastructure needed to attract large industries for jobs creation and employment opportunities for our Navajo TANF customers. According to 1998 figures from the Navajo Division of Economic Development, approximately fifty-six percent of Navajo people lived below the poverty level and the per capita income was at $5,759 per year. As mentioned before, the Navajo Nation's high unemployment rate (53.88%) presents an even greater challenge to providing job services and employment opportunities to the 9,000 Navajo TANF families.

The Navajo Nation government is working hard to attract new investment, businesses, and jobs to the reservation. For example, the Navajo Nation began a tax incentive based on the 1993 "Indian Investment and Employment Tax Incentives Act" to create an investment mechanism to enhance tax-exempt bond authority to provide tribal leaders a critical tool for attracting the necessary capital to facilitate in-

vestments in Indian Country. This is important for the efforts of job creation and capital development for new businesses on the Navajo Nation.

The mission of the Navajo Nation TANF Program is to promote personal responsibility and to provide opportunities to empower the people to make a positive change in their lives. The program will assist families and individuals with time limited cash assistance and social skills to enhance their quality of life and reach their maximum potential of self-sufficiency. Therefore, it is imperative for the Navajo Nation to find ways to attract various types of businesses to locate on the Navajo Nation to create jobs and spur the economy.

In meeting the goals and objectives of our tribal TANF program, we need funding for economic development activities and initiatives for our customers. The Navajo Nation requests for economic development funds in the form of planning grants to meet the requirements of work participation. For example, the Navajo Nation's mandatory work requirement rate (MWRR) is at 10% the first year; 15% the second; and 20% the third year and beyond. This means that for the first year of tribal TANF operations, the Navajo Nation must engage (900) tribal TANF customers to work activities mandated by law. Thus, the planning grants provided will definitely add to the Navajo Nation's movement in creating partnership opportunities with business organizations as well as connecting with new entities and organizations.

The bottom line: "Welfare Reform means Economic Reform" on the Navajo Nation! The help of Congress with economic development dollars will be appreciated.

Southwest Tribal TANF Coalition (SWTTC)

The Navajo Nation is a member of the Southwest Tribal TANF Coalition (SWTTC) formed in the Spring of 2001 to address the welfare reform reauthorization. Members of this coalition are five Arizona tribes administering their own tribal TANF programs. They are: Pascua Yaqui Tribe, Salt River Pima-Maricopa Indian Community, White Mountain Apache, Hopi Tribe and the Navajo Nation. The coalition is also represented by the Inter-Tribal Council of Arizona (ITCA), Arizona Commission on Indian Affairs (ACIA), Arizona Department of Economic Security (ADES), Arizona State University (ASU), and a Nineteen Tribal Nations Workforce Investment Board. The SWTTC was successful in meeting with the state TANF administrators, state legislators, federal officials, and being a member of the National Congress of American Indians (NCAI) Tribal TANF Administrators Workgroup. The coalition has developed a position briefing paper on welfare reform (Attachment "A"). The issues addressed are common and provides insights to specific tribal TANF issues in the State of Arizona.

Conclusion

I want to re-emphasize the importance of culture, language and traditions. The life values we incorporated into our program comes from the teachings of our elders. The four tenets of Navajo philosophy of "Pathway to Self-Sufficiency" is evident in our tribal TANF program: **Nitsahakees**—Thinking; **Nahat'a**—Planning; **Aadiiliil**—Doing; and **Beeniiseeldo**—Growing. This pathway affirms the concept of: "Taa hoo ajiiteego yaateego jiinaa do"—"It is up to you to live a good life". Therefore, the Navajo Nation and other tribal TANF programs presents some very unique issues to the discussion of tribal welfare reform. It is the hope of tribal TANF programs that Congress begins to hear and listen to the needs of tribal issues. Evidently, "One size DOES not fit all". In this case, Congress needs to recognize the tribal sovereignty and self-determination issues tribes bring to the table. As new bills are introduced and the debate on reauthorization continues, please keep in mind the Native American population and the efforts we are making to strive for a better way of life. In the name of Nation Building, the Navajo Nation seeks the support of Congress to make a positive change in the lives of our people. Thank you very much.

Mr. ENGLISH. Thank you very much, Mr. Yazza. Mr. Rodriguez, thank you for your patience. We look forward to your testimony.

STATEMENT OF CECILIA MUÑOZ, VICE PRESIDENT, NATIONAL COUNCIL OF LA RAZA, PRESENTED BY ERIC RODRIGUEZ

Mr. RODRIGUEZ. Thank you, Congressman. On behalf of the National Council of La Raza (NCLR), I want to thank you for allowing us the opportunity to present remarks today.

As you may know, NCLR is the Nation's largest Latino civil rights organization. We take a keen interest in the reauthorization of TANF and welfare reform. As you know, Hispanic-Americans were among the most affected by the enactment of the 1996 law. The community, both immigrants and native-born have followed the issue very closely since then.

While the most visible focus for Latinos has been the immigrant provisions of the original reforms, there are additional major concerns that we urge the Committee to focus on. I would like to underscore that what makes this issue resonate for Hispanic-Americans is not the fact that we are talking about welfare. For us, the issues which matter in this debate are about fairness, respect, and equity. We believe that this debate can and must be about reducing poverty for all working families regardless of who they are or where they are from.

As you may be aware, the Nation is undergoing sweeping demographic changes. The Latino population has increased by almost 60 percent between 1990 and 2000, and much of this increase has taken place in States where the presence of Latinos is fairly new. For example, States like Arkansas, Georgia, and North Carolina have experienced over a 300-percent growth in its Latino populations. Many of these States are not fully equipped to deal with the needs of the growing immigrant populations.

At the same time, NCLR is particularly concerned that while the welfare rolls have decreased dramatically nationwide, the proportion of TANF recipients that are Latino has increased over the last 5 years. These data combined with the experiences of NCLR's community-based affiliates and the communities that they serve, strongly suggest that Latino families could be more effectively served by Welfare-to-Work programs. In an economic downturn, for which the recovery may not mean the creation of new jobs, there are ominous developments that NCLR believes must be addressed in the reauthorization process.

Among the greatest obstacles which prevent Latinos who have access to TANF from being well served by the program are language barriers. This issue affects both native born and immigrant Latinos who have a strong desire to get into the workforce, but who have not been able to access appropriate Welfare-to-Work services because they are still learning English. Typical of the kinds of cases we see are individuals who approach the States for services, who the States decide they do want to serve, but who never receive an employment assessment because caseworkers don't know how to provide one or choose not to bother. Similarly, limits on what can count toward the work requirements in TANF have limited access to English language instruction, which is critical to long term success in the workforce. As a result, many Latinos in need of services cannot meaningfully participate in the programs designed to get them successfully into the workforce. This represents a serious failure in the system which undermines the overall success of welfare reform.

In addition to these major provisions, NCLR is concerned about funding disparities in Puerto Rico and other territories. While the President took an important first step in addressing these disparities with respect to one element of his proposal, unfortunately the

rest of the proposal does not include grants to Puerto Rico where the TANF program is severely under-funded.

Finally, I must address the question of legal immigrants. It is no secret that Hispanic-Americans were deeply offended by the provision in the original 1996 welfare bill which eliminated the safety net for legal immigrants, despite the fact that their tax dollars support it. While Congress has moved to restore many of the safety net programs that were eliminated for immigrants since then, these restorations only affect immigrants who were in the country before 1996, and even these are incomplete.

You have heard from the State legislatures and the Governors that excluding legal immigrants from federal safety net programs creates a cost shift to States. They agree with NCLR and our allies in the religious, civil rights, and other communities that eligibility for federal safety net services should be restored for those legally in the United States regardless of when they arrived.

Immigrants who are admitted legally to this country are vigorously screened for their ability to support themselves and live successful lives in the United States. The 1996 law made these screening procedures even more strict, and at the time made immigrants completely ineligible for the main federal programs. Immigrants work hard and contribute enormously to this country and pay more in taxes than they use in services. Recent studies demonstrate that the States that have seen the biggest increases in immigrant populations are those with the weakest safety net for immigrants. So much for the myth of the welfare magnet.

Americans understand that what drives migration is work. Immigrants, for all that they contribute, are not super human. It is unfair to leave it to the States to fund services in times of need. The bottom line is that we don't ask if someone is an immigrant nor what year they arrived when it comes time to pay taxes. We don't ask them when it is time to serve and even die for this country. The inequity for asking these questions when its comes to providing a safety net is glaring. It is unworthy of this Nation of immigrants. We urge this Committee in the strongest possible terms to do the right thing, restore equity to the system and treat immigrants the same way that we treat other taxpayers who are in need of a safety net. Thank you.

[The prepared statement of Ms. Muñoz follows:]

Statement of Cecilia Muñoz, Vice President, National Council of La Raza

I. INTRODUCTION

Chairman Herger and Members of the Subcommittee, I am appearing this afternoon on behalf of the National Council of La Raza (NCLR), the largest national Latino[1] civil rights organization. I thank you for holding this hearing and inviting me to testify. NCLR works to improve life opportunities for this nation's more than 35.3 million Hispanics through our network of more than 270 local affiliate community-based organizations and 30,000 individual associate members.

NCLR has closely followed the impact of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) on low-income Latino families and has served as a voice in public policy debates related to the Temporary Assistance for Needy Families (TANF) block grant. Therefore, I appreciate this opportunity to testify in support of fair-minded public policy to strengthen the TANF program and

[1] The terms "Latino" and "Hispanic" are used interchangeably to refer collectively to Mexicans, Puerto Ricans, Cubans, Central and South Americans, and others of Spanish and Latin American descent. Hispanics can be of any race.

improve the opportunities for Hispanic families to move out of poverty and into good-paying jobs.

I will begin this testimony by describing the new policy environment with respect to Latinos and the impact of the welfare reforms of 1996 that make TANF reauthorization an issue of particular importance to the Hispanic community. Second, I intend to highlight the existing proposals in the context of Latino priorities for TANF reauthorization. Finally, my testimony will conclude with recommendations to address more fully the concerns of this nation's Latinos, a community of increasing political and economic importance.

II. BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act fundamentally altered the nation's primary cash assistance program for families. PRWORA's cuts in services and assistance to legal immigrants had a profound and adverse impact on immigrant and Latino families. By cutting legal immigrants off from the four major safety-net programs, PRWORA both deeply offended hard working immigrants and put the states in the position of spending their own funds to address the needs of these communities. While some programs have been restored, the fundamental inequity has not; leaving states in the front lines of providing a safety net to immigrants during an economic downturn.

The 1996 law alone does not fully explain the new challenges facing states across the nation. Since then, there have been several other notable developments that make a strong case for change via the TANF reauthorization process this year.

First, while in 2000 there were roughly half as many families on the welfare rolls nationwide as compared to 1996, the share of all families receiving TANF assistance who are Latino increased from 20.8% to 24.5% between 1995–1996 and 1998–1999. By 1999, more than one in four children on TANF nationwide was Hispanic.[2] These data may signal that Latino families are having a more difficult experience navigating through the welfare-to-work process than other recipients.

Second, the economy is in recession and the fiscal condition of states seems dire. A slow growth economy coupled with the potential for a "jobless" recovery is expected to impact Latinos.[3] Many Latino workers are concentrated in the low-wage labor market and are particularly vulnerable to job and income loss in the current economic climate. In many cases, those workers who happen to be legal immigrants are not eligible for basic safety-net services due to welfare reform's changes in eligibility for health and nutrition services and Unemployment Insurance (UI) rules that make them unqualified for help. Taken together, these factors indicate that more Hispanic families are likely to find themselves in need of safety-net services in the coming months. But many will find that the very programs that are designed to protect families and support their efforts to return to the workforce are beyond their reach.

Finally, since 1990, the nation has undergone sweeping demographic changes. For instance, the nation's Latino population increased by 57.9% between 1990 and 2000. Over the decade of the 1990s Hispanic communities prominently emerged in states such as Arkansas, Georgia, and North Carolina—states that experienced greater than 300% growth in their Latino populations. Undoubtedly, large numbers of immigrant Latino workers joining the labor force can explain the bulk of this population growth in these particular states. However, the firms and industries that have employed many immigrant and Latino workers have tended to pay low wages. Therefore, while almost all Latino and immigrant families in the U.S. have at least one working parent, many Hispanic workers fail to earn enough to lift their families above poverty. As a result of these factors, by 2000, one-quarter of all poor families in the U.S. were Hispanic, and a large share of these families had foreign-born parents who were working yet still poor. This means that entire segments of communities in states may be seeking aid but find themselves with no safety net or access to important work supports for which other Americans are eligible. In many cases, states want to serve these families but find federal rules too constricting.

Given these factors, in 2002, states are facing new socioeconomic policy challenges. The TANF reauthorization debate will not result in good public policy so long as it fails to address the challenges facing poor Latino families.

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[2] For a more detailed assessment of TANF case loads see: Rodriguez, Eric, and Kaydee Kirk, *Welfare Reform, TANF case load Changes, and Latinos: A Preliminary Assessment.* Washington, DC: National Council of La Raza, September 2000.

[3] Suro, Roberto, and B. Lindsay Lowell, *New Lows from New Highs: Latino Economic Losses in the Current Recession*. Washington, DC: Pew Hispanic Center, January 2002.

III. LATINO PRIORITIES

Recently, the Bush Administration released a plan to reauthorize the Temporary Assistance for Needy Families (TANF) block grant, the nation's primary cash assistance program for families. Not surprisingly, this proposal, along with existing proposals from Representatives Patsy Mink (D–HI) and Benjamin Cardin (D–MD), have generated a good deal of debate, which is helping to shape the political and policy parameters of the welfare reauthorization discussion.

Thus far, proposals for TANF reauthorization have concentrated on several core issues such as funding for TANF, work requirements, and strengthening families. Although these issues have real implications for all families in the TANF system, no areas of the TANF reauthorization debate are likely to be more pivotal to the nation's Latino families than improving access to TANF, strengthening the welfare-to-work services available to TANF clients with limited English proficiency (LEP), and enhancing the ability of the Commonwealth of Puerto Rico to implement welfare reform.

- **Access to Assistance for Legal Immigrants.** Under current law, legal immigrants who arrived after 1996 are barred for at least five years from receiving TANF and other federal safety-net services. Although the law permits states to provide TANF and related services to legal immigrants who arrived after 1996 using state funds, most states have not been able to serve legal immigrants.[4] Consequently, across the states, entire segments of communities are unable to access basic safety-net services should community members suffer unexpected job losses. In response, the National Governors Association, the National League of Cities, and the National Conference of State Legislators have appealed to Congress to allow states to be given the flexibility to serve legal immigrants in their states with federal TANF funds.

  Notwithstanding the practical needs of states, President Bush's proposal posits that TANF reauthorization must safeguard against "welfare dependency among noncitizens"; a premise at odds with available evidence.[5] Though the White House did support a provision that would allow greater access for legal immigrants to Food Stamps, the TANF measure specifically ensures that working families would remain unable to access these services if needed.

  On the other hand, proposals from Representatives Cardin and Mink would, to varying degrees, ensure that states can use federal TANF dollars to provide basic services to legal immigrants. Specifically, Representative Cardin's bill improves access by eliminating the 1996 welfare reform law's ban on states providing TANF assistance to legal immigrants and reducing to three years the period during which a sponsor's income would be deemed available to the immigrant. Representative Mink's bill goes further by making legal immigrants eligible for TANF on the same basis as citizens, removing all barriers, waiting periods, and "deeming" requirements that restrict eligibility.

- **Improving Welfare-to-Work Services for LEP Families.** Language barriers have constituted a major challenge to the efforts of states to communicate effectively with and provide TANF services to many Hispanic families. This issue has impacted both native-born[6] and immigrant Latinos who have a strong desire to get into the workforce but have not been able to access appropriate welfare-to-work services given their language barriers. Moreover, in many cases LEP Latino and immigrant welfare "leavers" exit the TANF system unaware of the important transitional medical and other work supports available to them.[7]

  Although existing proposals take some steps to bridge language barriers, none comprehensively address the concerns regarding the challenges that states face in adequately serving LEP families. Provisions to strengthen state plans, revise

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[4] Currently, 23 states provide services to legal immigrants using state funds.

[5] Research by the Urban Institute found that, during the last half of the 1990s, more immigrant families moved out of states that opted to provide TANF services to legal immigrants than those that moved into states with TANF access. See: Passell, Jeffrey S., and Wendy Zimmerman, *Are Immigrants Leaving California? Settlement Patterns of Immigrants in the Late 1990s*. Washington, DC: Urban Institute, April 2001

[6] Persons from the Commonwealth of Puerto Rico are native-born U.S. citizens, and many are limited-English-proficient.

[7] Previous research by NCLR has shown that Latinos constitute an increasing share of the TANF case load. Numerous studies have documented language barriers between LEP clients and human and social service offices; e.g., Applied Research Center, Equal Rights Advocates, National Campaign for Jobs and Income Support, and HHS Office for Civil Rights. Analysis of the Food Stamp Program (FSP) by the Food Research & Action Center has shown that over half of eligible Hispanic individuals fail to receive FSP benefits. Also, analysis of both Medicaid and the Food Stamp Program by the Urban Institute has documented an exodus from both work support programs by families leaving TANF.

data collection requirements, and perform assessments have the potential to impact families with language challenges positively. However, the existing proposals do not comprehensively address the challenges states face in adequately serving LEP families. Although both President Bush and Rep. Cardin focus generally on strengthening state plans, their proposals do not specifically mention LEP families, allowing the needs of such families to be overlooked. Furthermore, despite the Mink bill's efforts to strengthen data collection, the required demographic information does not include primary language or English proficiency. Also, the provisions focusing on data collection in the President's proposal move away from recording information on families receiving TANF by focusing instead on information related to management and performance, such as TANF-funded services and expenditures. Finally, although the proposal from Rep. Mink would provide individuals with the option to do a skills assessment, TANF recipients facing language barriers may not understand the option or elect to be assessed; whereas, fortunately, Rep. Cardin's proposal would require that every TANF recipient's employability be assessed and states that the assessments would consider limited proficiency in English.

An important tool for improving the employment outcomes of LEP Hispanics is English language instruction. However, the work-first philosophy and limits on what can count toward the work requirements of TANF have dissuaded many states from placing people in English language programs. Also, there is significant concern as to whether the White House proposal would increase flexibility or significantly limit the opportunities for LEP TANF recipients to participate in training activities, such as English language instruction.

The administration's proposal would impose a 40-hour work week on recipients (up from 30 hours under current law) and require that at least 24 of the 40 hours be in "direct" work activities. Furthermore, the White House proposal would only allow participation in job training, possibly including English language instruction, for up to three consecutive months within a two-year period. Under current law, a state may count full-time vocational training for up to 12 months. Aside from the provision for three months of job training, TANF recipients would only be able to devote 16 hours per week to training activities such as English language instruction. The increased number of hours of participation will force parents of school age children to participate in "direct" work activities during the entirety of their child's school day (although such schedules are difficult to obtain in the low-wage/low-skill labor market). Should a parent intend to improve their English proficiency, they would have to pursue this training after school ends, forcing them to seek child care (although the Administration has only proposed continuing child care funding at FY 02 levels).

The existing bills in the House provide much more flexibility for TANF recipients to gain the necessary language skills to obtain and keep good-paying jobs. For instance, the Mink bill allows all education and English instruction activities to count toward the work participation rate and eliminates the one-year limit on participation in vocational education. Representative Cardin's bill makes similar changes by counting English language instruction for ten of the 30 hours required for work participation rates and extending the limit on vocational education to two years.

• **Reducing Funding Disparities in Puerto Rico.** President Bush made an important first step in addressing the funding inequities that face the Commonwealth of Puerto Rico and other territories by explicitly including territories in the marriage grant program. Unfortunately, the President's other proposals did not extend other grants to Puerto Rico, whose TANF program is severely under funded due to a cap on welfare funding and its exclusion from many funding streams. Since Puerto Rico and other territories comply with the same obligations and requirements as the States, they should be fully included in the funding of TANF programs to ensure that Puerto Ricans and other U.S. citizens are not disadvantaged by the block grant formula.

IV. RECOMMENDATIONS

The priorities that the National Council of La Raza has outlined for TANF reauthorization correspond directly with the intent of the law, and respond to the practical challenges facing the states. To ignore wholly these issues in comprehensive TANF reauthorization plans, or to take steps that exacerbate these problems, is both bad policy and bad politics. In order to address these issues in TANF reauthorization, NCLR urges the members of the Subcommittee in Human Resources to:

• **Support provisions that improve access to services for legal immigrant families.** NCLR commends Representatives Cardin and Mink for including provisions that will provide a safety net to families and citizen children of

immigrant parents and believes that such provisions must be included in any bill to reauthorize TANF.

• **Resist proposals that place undue restrictions on state efforts to serve legal immigrant families.** Amendments requiring that states verify that individuals have never been undocumented or that TANF applicants are in the process of becoming citizens invalidate any provisions that improve access for legal immigrants. Such onerous provisions would be incredibly difficult for states to implement and would discourage families from applying for assistance for which they are eligible.

• **Ensure that states can effectively serve limited-English-proficient families.** NCLR believes that four provisions can bridge language barriers between service providers and LEP clients. First, a no-cost provision that would assist states in their efforts to serve LEP families adequately would be to request that states include as elements of state plans a goal and strategy for serving such families. Second, reliable data on all who seek services from TANF offices would identify districts with specific language needs. Third, assessments are key to providing effective services to LEP clients. Finally, a measure to channel resources to states for assisting them in building capacity to serve LEP families more effectively must be considered. Given the number of states that are experiencing language challenges, Congress and the White House ought to consider proposing a comprehensive formula grant program to states which adequately meets this need.

• **Focus on improving the English proficiency of TANF recipients.** In order to prepare LEP parents for employment opportunities that will provide for their families, TANF reauthorization should focus on education and skill barriers. While assessments would help professionals place LEP parents in programs that are appropriate to their skill levels, TANF's work requirements must provide states with flexibility and incentives to place recipients in education and training programs for a sufficient amount of time to ensure that the programs are effective.

• **Address the challenges faced by Puerto Rico in implementing its TANF program.** In order for Puerto Rico to meet the same mandates as other TANF grantees, it is essential that similar resources be provided to the Commonwealth as the States. One of the most significant funding limitations on Puerto Rico's TANF program would be addressed by taking IV–E Foster Care out of the Section 1108 cap.[8] Furthermore, Puerto Rico's Medicaid program is statutorily capped, the Commonwealth may only access two of the four components of the Child Care Development Block Grant, and it is excluded from receiving the Supplemental Grants, although the Island otherwise meets the requirements. Therefore, Puerto Rico should have access to the same funding streams as the States, and such funds should be excluded from the Section 1108 cap.

NCLR urges the Subcommittee to address in a meaningful way the concerns and recommendations that I have presented today because the treatment of immigrants, families with limited English proficiency, and the residents of Puerto Rico will not go unnoticed by the broader Latino community. I appreciate this opportunity to testify and encourage you to call on NCLR as you consider policy proposals related to these issues.

Chairman HERGER. [Presiding.] Thank you very much, Mr. Rodriguez. I thank each of our panelists for your testimony. All of your written testimony will be submitted as well as your comments. With that, we will call panel number 9. Vanessa Brown, Member, Mother on the Move Committee, on behalf of the National Campaign for Jobs and Income Support. Pat Albright, former welfare recipient and mother, Every Mother is a Working Mother Network. Kate Kahan, Executive Director, Working for Equality and Economic Liberation on behalf of Welfare Made a Difference National Campaign. Ms. Brown.

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[8] The Section 1108 cap restricts total welfare funding because several unrelated programs currently fall under this cap: TANF, IV–E Foster Care, and Assistance for the Aged, Blind and Disabled (this is Puerto Rico's substitute for Supplemental Security Income, from which the Commonwealth is excluded).

STATEMENT OF VANESSA BROWN, LEADER, MOTHERS ON THE MOVE COMMITTEE, PHILADELPHIA UNEMPLOYMENT PROJECT, PHILADELPHIA, PENNSYLVANIA, AND MEMBER, NATIONAL CAMPAIGN FOR JOBS AND INCOME SUPPORT

Ms. BROWN. Good evening. My name is Vanessa Brown of the Philadelphia Unemployment Project. I am a leader of Mothers on the Move Committee, and a Member of the National Campaign for Jobs and Income Support, which represents grassroots organizations of low income people in over 42 States.

Today, I would like to share with you my personal story about the TANF program. I ran a restaurant in Philadelphia for about 7 years. The business fell on hard times, and I was forced to close the restaurant. I then turned to the Welfare Department for assistance. They placed me in a TANF training program.

Upon graduation from the program, I was placed in a job at a call center. I held that position for a little over a year until the tragedy of September 11 happened. The call center closed because it served the travel industry. After September 11 there was no more business and no more calls to take.

Today, I am one of few workers out of 200 Welfare-to-Work moms at my old job who was able to collect unemployment. They did not work in enough quarters after leaving TANF to be able to receive benefits. They had no safety net.

Now, I am a student at the Community College of Philadelphia. I chose to pursue a higher learning following my layoff because I realized that my TANF training only prepared my for unstable low-wage jobs. I am here to testify that all welfare recipients don't fit into one category. One size doesn't fit all for us. I know that from my experience with the TANF program, and the experiences that many others have told me about, that TANF is not working. I am here to represent thousands of women and men who are affected by the decisions that you, our elected officials, will make.

There are three things that I would like to discuss today. They include the 40-hour work week proposed by the Bush administration, lifting the cap on education and training, and the creation of public jobs and transitional work programs.

First, I would like to say that the 40-hour week would be counterproductive for most poverty stricken families. With the challenges that face many of these families, it is difficult to meet the current requirement which are only 30 hours a week in most States. Even when I left TANF for employment, I had to be at work every day at 8:30, which was the same time that my son was expected to be at school. I had to ask my boss to reduce my hours down to 25 hours a week so that I could be able to care for my son before and after school.

It did not make sense to work the extra hours at my job so that I could be able to afford to pay after school care. Even if I wanted to work full-time at that call center, I couldn't, as my employer did not allow us to work more than 37.5 hours a week. The Administration's proposal would increase the work requirement to 40 hours a week. This would place a burden on families as well as the States that would be responsible for implementing this new requirement.

There is already a scarcity of jobs in Philadelphia. How is the State going to create some thing from nothing in my community? The only thing that the States will be able to do is create huge workfair programs. Workfair requires welfare recipients to work full-time in exchange for their welfare benefits. When I was on TANF, all I got was $316 a month.

The general public seems to think that welfare is life sustaining. At $316, I could hardly pay my utilities and keep a roof over my head. That is why the administration's proposal is not grounded in the realties that face the poor people in this country. The bottom line is more work is not the answer. Taking parents away from their children in order to work more hours just to keep their welfare check will create more problems than it will address.

What we do need is more access to education and training. After my layoff, I found a community college was offering a free semester to people who had been laid off. I took advantage of that opportunity and enrolled in school full-time. I decided that continuing education was important because I knew that I had to have a degree in order to get a job that would allow me to support myself and my son.

It is important to me to show my son the importance of education so that he will be sure to go to college and not have to face or go through the same challenges that I have faced today. That is why we need to lift the federal cap on education and training.

Under TANF, States are allowed to have only 30 percent of the case load engaged in education and training for a maximum of 12 months. There needs to be more access to continuing education and technology based training. This will allow people to develop the skills to compete in today's fast-paced job market.

This would allow welfare recipients to get out of poverty and leave the welfare roles forever. I feel that the TANF training I have received left me dependent on the system. I long for the day when I can completely walk away from the welfare system. I need time to complete a certificate or an associates degree program that will make me a viable candidate for jobs that would truly support my family above the poverty line.

The last point that I would like to touch on today is about the creation of public jobs. The National Campaign for Jobs and Income Support is proposing a $500 million fund separate from the TANF block grant for national public job programs. Public jobs would create opportunity for people to combine work experience with training. These jobs would be transitional and would place welfare recipients in hospitals, schools and other community service positions. Giving welfare recipients a wage for their work would make me and many others like me feel that they would have a chance to build a real track record of successful employment that would lead to something permanent.

As you finalize your decision today, keep in mind the constituents that you serve. Remember the hardships that they face and your responsibility to aid the entire community to have what is necessary for us to be self-sufficient. Your goal today should not be reducing welfare careloads, but to encourage States to reduce poverty.

Ending poverty will start when you give people access to education and training that they need to help place them in real jobs. Many of you think that TANF is not designed to be a poverty reducer. In terms of dollars and cents, would you rather spend money on programs that would only prepare people for low wage jobs, which would mean they would have to cycle on and off the rolls just to keep their head above water, or would you allocate those same dollars to educate and create real jobs that would allow people to move their families out of poverty? Thank you.

[The prepared statement of Ms. Brown follows:]

Statement of Vanessa Brown, Leader, Mothers on the Move Committee, Philadelphia Unemployment Project, Philadelphia, Pennsylvania and Member, National Campaign for Jobs and Income Support

Hello, my name is Vanessa Brown of the Philadelphia Unemployment Project. I am a leader of the Mothers on the Move Committee at PUP and a member of the National Campaign for Jobs and Income Support.

Today I would like to share with you my personal story about the TANF program.

I ran a restaurant in Philadelphia for seven years. The business fell on hard times and I was forced to close the restaurant. I then turned to the welfare department for assistance and they placed me in a TANF Training program.

I went into the program with high hopes, because I had heard that there was a great opportunity to get field training and a good job. Upon graduation from the program, I was placed in a job at a call center. I held that position for little over a year until the tragedy of 9/11 happened. The call center closed because it served the travel industry and after 9/11 there was no more business and no more calls to take.

Today, I am one of the lucky workers out of 200 welfare-to-work moms at my old job. I collect unemployment. Many of my former co-workers do not. They did not work in enough quarters after leaving TANF to be able to receive benefits. They had no safety net.

Currently, I am a student at the Community College of Philadelphia. I chose to pursue higher learning following my lay-off because I realized that my TANF training only prepared me for an unstable, low-wage job.

I am here to testify that all welfare recipients don't fit into one-category. One size doesn't fit all for us. I know that from my experience with the TANF program and the experiences that many others have told me about that TANF is not working. I am currently a leader at Mothers on the Move to assess the needs of welfare recipients and to help them tell their stories like I am today.

I am here to represent the thousands of women and men who are affected by the decisions that you, our elected officials, will make today. There are three things I would like to discuss today. They include the 40-hour work week proposed by the Bush Administration; lifting the cap on education and training and the creation of public jobs and transitional work programs.

First, I would like say that the 40-hour work week would be counter-productive for most poverty-stricken families. With the challenges that face many of these families, it is difficult to meet the current requirements which are only 30 hours a week in most states.

Even when I left TANF for employment, I had to be at work every day at 8:30 which was the same time that my son was expected to be at school. I had to ask my boss to reduce my hours so that I could get my son to school on time and be able to pick him up from aftercare by 5 PM. In the end, I only worked 25 hours a week so that I would be able to care for my son before and after school. It did not make sense to work extra hours at my job just to be able to afford before and after school care. Even if I wanted to work full-time at the call center, I couldn't, as my employer did not allow us to work more than 37.5 hours.

The Administration's proposal would increase the work requirement to 40 hours a week. This would place a burden on families as well as states that would be responsible for implementing this new requirement.

There is already of scarcity of jobs in Philadelphia. How is the state going to create something from nothing in my community? The only thing that states will be able to do is create huge workfare programs. Workfare requires welfare recipients to work full time in exchange for their benefits. When I was on TANF, all I got was $316 a month. The general public seems to think that welfare is life sustaining. At $316, I could hardly pay my utilities and keep a roof over my head. That's why,

the Administration's proposal is not grounded in the reality that faces poor people in this country.

The truth is that there are many obstacles and hurdles that keep us away from moving our families out of poverty. The bottom line is more work is not the answer. Taking parents away from their children in order to work more hours just to keep their welfare check will create more problems than it will address.

What we DO need, however, is more access to education and training. After my lay-off, I found that Community College was offering a free semester to people who had been laid off. I took advantage of that opportunity and enrolled in school full time. I decided that continuing education was important because I knew that I have to have a degree in order to get a job that will allow me to support myself and my son. It is important to me to show my son how important education is so that he will be sure to go to college and not have to go through some of the challenges that I have faced.

That's why we need to lift federal caps on education and training. States are allowed to have only 30 percent of the case load engaged in ed & training now and individuals can only be in education or training programs for up to 12 months. There needs to be more access to continuing education and technology-based training. This will allow people to develop the skills to compete in today's fast-paced job market. This would allow welfare recipients to get out of poverty and leave the welfare rolls forever.

I feel that the TANF training I received left me dependent on the system. I long for the day when I can completely walk away from it. I feel as though I need time to complete a certificate or Associate's degree program that will validate me to be a viable candidate for jobs that will allow me to truly support my family above the poverty line.

The last point I would like to touch on today is about the creation of public jobs. The National Campaign for Jobs and Income Support is proposing a $500 million fund, separate from the TANF block grant, for a national public jobs program. Public jobs would create opportunities for people to combine work experience with training. These jobs would be transitional and would place welfare recipients in hospitals, schools and other community service positions. The benefit of allowing welfare recipients to earn a wage for their work would make me, and many others like me, feel more confident about our ability to maintain a long-term working position on my own. A transitional job would help to build a real track record of successful employment for welfare recipients.

As you finalize your decisions today, keep in mind the constituents that you serve. Remember the hardships that face them and your responsibility to aid the entire community to have what is necessary for everyone to be self-sufficient. Your goal today should not be reducing welfare case loads, but to encourage states to reduce poverty. Ending poverty will start when you give people access to the education and training they need and help place them in real jobs. Many of you may think that TANF was not designed to be a poverty reducer. In terms of dollars and cents, would you rather spend money on programs that only prepare people for low-wage jobs which means they have to cycle on and off the rolls just to keep their head above water, or allocate those same dollars to educate and create real jobs that will allow people to move their families out of poverty?

Thank you.

Chairman HERGER. Thank you, Ms. Brown. Ms. Albright.

STATEMENT OF PAT ALBRIGHT, FORMER WELFARE RECIPIENT AND SINGLE MOTHER, EVERY MOTHER IS A WORKING MOTHER NETWORK, PHILADELPHIA, PENNSYLVANIA

Ms. ALBRIGHT. I speak today for the Every Mother is a Working Mother Network. I am a single mother and former welfare recipient living in inner city Philadelphia. We want to express our dismay and outrage that the work of mothers and care givers and the needs of those we care for have been dismissed in welfare reform and are being ignored or sidelined in the debate around its reauthorization.

The voices of care givers who are most impacted must be front and central and thus far have not been. Welfare reform and the de-

bate on its reauthorization reverses the clock on progress in establishing the value of the work of care givers.

Welfare began on the basis that widows and later other single mothers caring for children deserve economic support. Welfare reform reverses that. Welfare expert, former Senator Daniel Patrick Moynihan, was forced to admit in his book, the Politics of a Guaranteed Income. He said, "If American society recognized homemaking and child rearing as productive work, the receipt of welfare might not imply dependency."

Denying the value of the work of mothers and other care givers lies at the very heart of welfare reform. Linda Brewer, an overworked grandmother from the Every Mother is a Working Mother Network has testified: What job is harder than caring for children? I am caring for my four grandchildren. An 11-year-old girl, two mentally challenged boys, ages 7 and 5, and a 3-year-old boy. I work 24/7. If you don't call what I do work, what do you call it? Who among us has not heard the rhetoric of mom and apple pie. Yet mothers on welfare are vilified, dismissed, undermined, and not valued, and denied the choice to raise their own children.

Every Mother is a Working Mother Network is for a choice, not a mandate to work outside the home and for decent wages, benefits, and the working conditions when we do.

The TANF has greatly neglected the profound importance of the bonding and nurturing between mothers and our children. It has eliminated the choice to breast-feed, what all experts agree gives the best start in life. Mothers on welfare with young children report having less than a half hour of non-sleep or non-travel time with their children per day.

The TANF has ignored the research that establishes that not only in the early years of life, but also as teenagers, children need their mothers. That reduction in mother-child time has negatively impacted our children.

It has bypassed the obvious, that as mothers, we are in the best position to determine if and when our children are ready to be cared for by others. It has treated the relationship between mothers and children as standing in the way of the glory of what is really important, a job outside the home, as though the job of caring for one's own children is a nuisance.

What kind of society is it that ignores these very basic human rights of a child to a mother's care, and of a mother to care for her own child or to determine under what circumstances others should care for them? Welfare reform clearly establishes that only those who can afford to should be able to care for their own children, and since two-thirds of those receiving benefits are women and children of color, the racist implications are obvious.

This must be the context of the debate on this reauthorization. Welfare reform puts our lives and the lives of our children in jeopardy. We are pushed to the limits finally, physically and emotionally. Some of us criminalized. We hold the government accountable for this.

Edna Lopez, a single mother of two in Los Angeles tells the story of her friend, Yvette, also a single mother, who was killed on the Los Angeles Freeway because she was too exhausted, too overworked to make a sensible decision. Who among you will take a

stand with and for mothers? We see millions of dollars being handed out in Washington, DC, to bail out big business, meanwhile the clock is running out for mothers and children on benefits.

For we are told there is no money for us. Yet, we see billions of our dollars literally go up in smoke with bombing campaigns and other outrageous military spending. We have not raised our children for them to become collateral damage. We stand in the tradition of the late Eula Saunders, former President of the National Welfare Rights Organization for who during the Vietnam War, she stood in the U.S. Senate and said, we are not sending our children to fight your war.

In 1995, at the Fourth United Nations (UN) World Conference on Women, held in Beijing, China, our grassroots movement won the now historic UN decision to measure and value unwaged work in all economic statistics.

The UN signed onto that agreement, yet welfare reform ignores it. The UN has estimated that the value of women's unwaged work internationally is $11 trillion. Care givers are the heart of the economy, yet come last in the list of priorities.

Insurance companies have done studies establishing the value of mothers who have died to determine the cost to replace work. Our work is valuable when we are dead, but not alive. In welfare reform and the debate thus for around this reauthorization older, younger, lesbian, or straight, our work is worth nothing at all. Examples abound of countries and some States——

Chairman HERGER. Begin to sum up, please. Your time has expired.

Ms. ALBRIGHT. I just wanted to say that we are not paid lobbyists here. We are not the advocate center or poverty lobby. We don't have a staff-client relationship. We say that the job is on the agenda, but put forward but the ear of Capitol Hill does not represent us. We are the voices from the bottom. Every day we live the impact of welfare reform, and we are part of the growing and angry grassroots movement of care givers who are tired, who are fed up that our work, although counted on for everything is not deemed worthy of economic support.

The Every Mother is a Working Mother Network is coordinated by the Wages Campaign which since 1972 has worked to put the valuation of caring——

Chairman HERGER. I would ask the witness to sum up please. Your full statement will be issued for the record. I want to remind our witnesses, we do have a 5-minute rule. As we get to the yellow light, if we could begin to sum up, please.

Ms. ALBRIGHT. Right. I just want to say that we are demanding that the value of caring work be reflected in welfare benefits. We are not beggars at anyone's gate. We have earned our right to economic support. We are determined. Mothering is real work. What we lack are real resources.

[The prepared statement of Ms. Albright follows:]

Statement of Pat Albright, Former Welfare Recipient and Single Mother, Every Mother is a Working Mother Network, Philadelphia, Pennsylvania

Background and Overview

The Every Mother Is A Working Mother Network (EMWM) is submitting our recommendations below in response to your solicitation of comments on the Reauthor-

ization of the TANF Program Authority. EMWM is a multi-racial, grassroots community-based network of mothers and other caregivers campaigning to establish that raising children and caring work is *work*, and that the time mothers spend raising their children, and the economic value of their work should be included in the right to welfare and other resources.

Our testimony is not attempting to be "professional"; we are speaking from our experience and our hearts. Everyday we live the impact of welfare "reform". We in EMWM are not part of the advocacy sector or poverty lobby; we do not have a staff/client relationship with anyone. We are not paid professional organizers; we are volunteers. We are unfunded, and independent; we are not aligned with any political party. Some of us are or have been on welfare and/or other benefits; some of us have disabilities; some are single mothers; some are grandmothers; all of us are carers and so we all have a personal stake in the valuation of the caring work of mothers in welfare benefits. We care deeply about those we care for and suffer greatly as a result of the tremendous devaluation of caring for children and others that we see rampant in policy, the media and other areas of society.

EMWM held a series of Community Dialogues on welfare reform on the East and West Coasts in July 2001 where a new grassroots movement announced itself, demanding the right of mothers to raise our own children. We are now holding "teach-ins" in several cities on both coasts bringing together moms and other carers on welfare with other members of the community under the banner "Invest in Caring Not Killing".

In our experience, TANF has greatly neglected the profound importance of the bonding and nurturing between mothers and our children. It has neglected the importance of the choice to breastfeed. It has ignored the research that establishes that not only in the early years of life, but also as teenagers, children need their mothers, and that reduction in mother/child time has negatively impacted the development, emotionally and otherwise, of our children. It has by-passed the obvious: that as mothers we are in the best position to determine if and when our children are ready to be cared for outside the home or by a non-custodial parent. It has treated the relationship between mothers and children as standing in the way of the glory of what is really important: a job outside the home, as though the job of caring for one's own children is a nuisance. What kind of society is it that ignores these very basic human rights, of a child to a mother's care and of a mother to care for her own child or to determine under what circumstances others should care for them? Within this context, we cannot take seriously any talk of "family values" from those at the helm of HHS. There is a double standard at play here and one that is grounded both in racism and in discrimination against caregivers. Welfare "reform" clearly establishes that only those who can afford to should be able to care for their own children and since 2/3 of those receiving benefits are women and children of color, the racist implications should be obvious.

For those of us who have been forced out to waged work, the conditions that we have to leave our children under are undermining to both our children and those who care for them. In California, for example, the infant/adult ratio in infant care centers ranges from 3–1 or 4–1. We consider this promoting child abuse. Since when is one adult able to nurture, hold, cuddle, sing to, and comfort three or four babies at the same time? No wonder pediatricians can tell which babies have been in infant care from the so-called "flat-head" syndrome resulting from long hours of lying in a crib. Even walkers are often not allowed and babies are stuck lying around all day without the kind of one-on-one love and care that only a mother or main caregiver can provide. And the pay of childcare providers is an insult; for a relative care provider, it is often below the minimum wage. This is not to say that mothers should not have the choice to work outside the home and access to quality childcare, but it must be a mother's choice and not a mandate and the conditions of care and the pay of the workers must be greatly improved.

In addition, there has been no consideration whatsoever of the care of sick children. How can policy that impacts children be made without considering that children get sick? And why should a mother have to choose between welfare "reform" mandates, the time clock and being there to care for her sick child? This is abusive to both child and mother. Anyone who has had to be away from a sick child must know the kind of worry and concern that distracts one from any other task at hand. Every life is of value, including the lives of mothers on welfare and our children. Our children are not cars to be parked in a garage. They are fragile, curious, vibrant beings full of need and potential and they have every right to our care. And the 30 minutes or less of waking time that mothers with infants who are in mandated-work activities tells the story of the failure of the Department of Health and Human Services to either provide health or be humane.

Mothers on welfare also have every right to choose to work outside the home and when we do, we must have pay equity, quality childcare of our choice, protection from discrimination and education and training of our choice.

EMWM is determined in our resolve. We are well aware that the aim of welfare "reform" was to instill in us that we have no entitlement to resources to care for our own children. We hope that you are aware that there is a growing grassroots movement in this country and around the world for the valuation of caring work. The valuation of caring work is a unifying issue and brings support from those not on welfare to those who are. We are fed up with caregivers being ignored by government and professional advocates. As mothers and grandmothers, we are insisting that we, who produce all the workers in this country and the world, be no longer ignored and by-passed. Those of us who are trained to kill in the army receive economic support, but those of us who give and sustain life are not. And those carers who are most vulnerable, single mothers on welfare, must have the economic support needed to care for themselves and their children on the basis of the caring work they do. Our experience has been that the poorer we are the harder we are forced to work, and for too long mothers on welfare have had the impossible task of trying to make a dollar out of fifteen cents.

EMWM is coordinated by the Wages for Housework Campaign (WFH) which after close to three decades has put the valuation of caring work on national and international agendas. WFH founded and coordinated the International Women Count Network of more than 1,200 non-governmental organizations world-wide which succeeded in winning UN resolutions calling for governments to measure and value unwaged work (including care giving work) in satellite accounts of the GDP. WFH also worked with the Congressional Black Caucus which in 1993 introduced the "Unremunerated Work Act" which received bi-partisan support and called for unwaged work to be measured and valued. The US Dept of Labor, specifically the BLS has held at least one international conference on the valuation of caring and other unwaged work in addition to other efforts to implement the UN decision. Another document we suggest HHS reviews is the Platform for Action passed at the first US Women's Conference held in Houston Texas in 1977, specifically the "Women, Welfare and Poverty" resolution which was written by grassroots activists including at least two past presidents of the National Welfare Rights Organization along with WFH. We urge HHS to review the above-mentioned documents in preparing your recommendations to fix welfare "reform".

Summary of Recommendations

1. The work done by mothers or other caregivers raising children is a valuable contribution to the economy and society and should be reflected in welfare benefits. Mothers, grandmothers and other caregivers must not be required to work outside the home as a condition of receiving benefits. Mothering is real work; what we lack are real resources.
2. Mothers who choose to work outside the home should be entitled to pay equity, affordable quality childcare of choice, paid breastfeeding breaks (in accordance with the International Labor Organization), and protections from sexual harassment, and other job supports.
3. Welfare benefits must be increased and indexed to the cost of living.
4. Time limits on receiving welfare benefits must be eliminated.
5. Mothers must not be required to identify the father or sue for child support as a condition of receiving benefits.
6. Women must not be pushed into marriage.
7. Mothers receiving benefits should have the right to education and training of choice, including the right to attend a four-year college. Participation in education and training should be counted as work activity.
8. No discrimination in access to benefits, including based on immigration status, race, disability, criminal record, or sexual preference.
9. Federal legislation on welfare should include national standards, protections and guidelines that states must abide by.

Rationale and Discussion

1. The work done by mothers or other caregivers raising children is a valuable contribution to the economy and society and should be reflected in welfare benefits. Mothers should not be required to work outside the home as a condition of receiving benefits.

Caregivers are the heart of the economy, yet are ignored and discriminated against in welfare and other policy. Caring is vital to the survival and welfare of every community and every society. Mothers and other carers are entitled to welfare on the basis of how much the caring work we do is worth to society. Mothers, includ-

ing mothers on welfare, are the first carers and women remain the main carers. We give birth to, feed and care for all in society. Yet beyond lip service this 24-hour-a-day job is devalued or not valued at all by government and industry. As a result, not only mothers but caring itself and the people we have raised are devalued and our needs ignored.

Many mothers are forced out to a second or third job, even though our children need us. Children as young as six weeks old are deprived of the love, care and attention they need and are entitled to. And mothers—exhausted by the double or triple day of waged work on top of unwaged work—are deprived of the time and energy we would like to put into our children. Increasingly we are forced to give up breastfeeding, denying children the best and most natural food in favor of formula, or to keep our children quiet with Ritalin, Prozac or other highly addictive drugs—we are asked to be more available to the job market than to our children. It is unbearable that the richest and most powerful country in the world invests in the military and everything else it seems while it has no money for caring for children and others who need care.

According to the State of the World's Children 2001 a key UN goal is for states to "develop national and child and family policies that allow parents increased time to meet their child-rearing responsibilities and that encourage family-given childcare." A survey released Oct 22, 2001 by the After School Alliance in the US has found that nearly 40% of US teens have no adult supervision after school. 75% of teens report that they are more afraid after school hours of being a victim of violence or crime. The National Center for Laity has noted in its October 2001 issue that in the US there is no economic incentive for a parent to be home to care for his or her own children. They observe that the government subsidizes childcare outside the home or gives a tax deduction if someone else cares for your child in your home, but gives no allotment if you provide the care yourself.

According to the NGO Families International, more family members have to work more hours outside the home which has eroded the well being of families. Parents have experienced much higher levels of stress and tension. The report further states: "When parents cannot be "present" . . . to their children, it results in diminished support . . . diminished attention to their accomplishments, hopes, fears, problems and questions."

There is growing national and international support for the work of raising children and other caring work to be recognized *as work,* in response to women ourselves demanding that our work be counted. Many economists, statisticians and other academics have done studies documenting the amount of time women spend raising children and doing other unwaged work and the importance of the contribution of this work to the functioning of society, too numerous to list here. In 1995, after an international mobilization spearheaded by EMWM's coordinating group, at the United Nations Fourth World Conference on Women in Beijing, the US and other governments agreed to measure and value women's unwaged work and to include its value in national statistical data and satellite accounts of the Gross Domestic Product. The 1995 UN resolution strengthened one previously won by WFH in 1985 at the UN Mid-Decade Conference held in Nairobi, Kenya during the Reagan administration. The 1995 agreement is considered by many to be the most important macroeconomic decision to emerge from the UN Conferences on women, but the US has yet to take steps to implement it. On the contrary, current welfare policy under TANF is in violation of, and in opposition to, this agreement in that it *dis*-counts the work of mothers raising children, and mandates that mothers' work outside the home for 30 hours or more per week as a condition of receiving benefits.

Caring work is highly skilled. Mothers have to do simultaneous tasks to get the job done, a skill usually associated in industry with management. In May 1999, the Wall Street Journal reported a study that found that the "multi-tasking" work done by a mother is valued at $500,000 a year. Economists have developed various models of calculating the value of a mother's work, based on the many different jobs, the number of hours and the prevailing market wage for those jobs if done by another person. On a global level, the United Nations estimates that the value of women's unwaged work is $11 trillion (1995 figures). By contrast, welfare benefits force women and children to live far below the poverty line, and are in part responsible for the fact that women are the majority of the poor in this country.

Economically rewarding those who do caring work already has some precedents. In Montana and Minnesota, mothers are paid for caring for their infants full-time, out of funds that the states have allotted for childcare. In California, family members can be paid by the county as homecare workers to care for low-income elderly or disabled relatives. The Clinton administration's proposal that parents have the option of drawing unemployment benefits while staying home to care for small children was picked up by six states. And in most industrialized countries, including

Canada, *all mothers* are eligible to receive a family allowance or child benefit that is not means-tested, in recognition of the reality that mothers need and have a right to economic support. In addition, low-income mothers receive welfare. Nearly all countries, including some of the poorest in the world, have a policy of paid maternity leave: the United States is one of only six countries surveyed by the UN that has no such policy. And most give a subsidy for breastfeeding.

2. Mothers who choose to work outside the home should be entitled to pay equity, affordable quality childcare of choice, paid breastfeeding breaks (as recommended by the International Labor Organization), protections from sexual harassment and other job supports.

Welfare reform has contributed to the widening pay gap between women and men, according to some economists. Women in full-time year-round employment earn 72% of what men earn; for African-American women the figure is 62%, and for Latina women 52%. Most women, because we are responsible also for raising children, work in part-time temporary jobs where the wages are even lower, and the benefits nonexistent. Welfare reform denies our right to choose whether or not to breastfeed and to otherwise nurture our babies and older children. Mothers of young children report having less than 30 minutes a day of waking time with our babies. This will get worse when the time on the 60-month time clock for receiving benefits runs out and we will be left destitute with no safety net.

Even a recent HHS report found that only 1.5 million of the 9.9 million children who are eligible for childcare subsidies receive it. Studies have also shown that childcare is the third greatest expense for families with children between 3 and 5 years old, after housing and food; and that a family of three earning $15,000 spends between 24 and 45% of their income on childcare. Most families use informal care, often by a grandmother, and welfare "reform" expects grandmothers after a lifetime of raising their own children to be available to care for grandchildren for free or for below the minimum wage. Low-income grandmothers are already living below the poverty level on the pittance provided by SSI.

3. Welfare benefits should be increased and indexed to the cost of living.

Welfare benefits have nowhere near kept up with the rate of inflation and increases in the cost of living. Cuts in welfare means more women and children living in poverty, and more of us homeless, dead, or turning to prostitution or otherwise "criminalized" trying to feed our kids. Welfare reform has put our lives and the lives of our children in jeopardy: we are pushed to the limit financially, physically and emotionally. We hold HHS accountable for the thousands of mothers and children who are now destitute as a result of welfare reform. Thousands more are among the welfare "disappeared"—no one knows what has happened to them, but they are often counted as part of the welfare "success story" simply because they are no longer on the welfare rolls.

4. Time limits on receiving welfare benefits must be eliminated.

Time limits are punitive and prevent caregivers from carrying out their responsibilities to children. It is up to mothers, not the government, to say when a child is no longer in need of a mother's full-time care. The clock runs in times of economic crisis when waged work is scarce. The clock runs when a child is sick and needs a mother's care. No woman can control when she will be in need of benefits. Most of us are just a man away from welfare. The time clock is an intimidation keeping many of us in abusive relationships and vulnerable to emotional and physical violence for fear of complete destitution. The clock does not recognize the value of a mother's time caring for her family. Time limits are running out for many women just when the economy is in a steep downturn and layoffs are massively increasing. Without a safety net, what are women to do? By 2002 1.3 million people, most of whom are single mothers will be destitute.

Communities of color are at even greater risk of crisis as unemployment in Black communities, for example, is double that of white communities. In addition, a higher percentage of people of color are ineligible for unemployment benefits: their jobs are more likely to be part-time, temporary or seasonal. Welfare provided the only unemployment benefit available to many in those situations, but now that is gone. In rural areas including on Native reservations, waged work just isn't there. And particularly in those communities wages don't follow from work. People need to be paid for work they are doing that is now unwaged. Without such efforts, there is bound to be increased destitution, homelessness, and ill health, not only physical but emotional; with communities of color hardest hit, reinforcing a racist hierarchy.

5. Mothers must not be required to identify the father or sue for child support as a condition of receiving benefits.

Under current regulations, a woman is mandated to name the father of her child and sue him for child support whether she wants to or not, with all or most of the money going to the welfare department, not to her or the child. Many mothers, in-

cluding lesbian mothers, do not want the father to have any part in their lives or their children's, often because he is abusive or uncaring; others have worked out their own arrangements. Women in domestic violence shelters say that women often turn to welfare as their only way to leave violent men. To force such women to have contact with these men is to set up women and children for further rape and abuse.

6. Women must not be pushed into marriage.

We are aware of the so-called "family formation" agenda being promoted by some in the Bush administration, most notably Wade Horn, as the "solution" to women's poverty. Multi-million dollar programs are proposed to promote marriage and the involvement of fathers. We are all for loving relationships and everyone's right to marry (including lesbian women and gay men), but *not* for women to be forced into marriage, under the threat that their benefits will be cut or reduced. We want to marry for love, not for money, and men want to know that we are with them because we love them, not because of the money they earn. Women have fought for several decades for our right to be financially independent of men, and have established the importance of having money of our own as the first line of defense against complete dependence and starvation, and as a protection against violence against ourselves and our children. We have also fought for the right to not have to marry. We do not intend to have the clock turned back to the dark ages where women had to submit to sex for a bit of housekeeping money. This official proposal is only a step away from sexual trafficking in women, which we do not believe most people in the US would endorse.

7. Mothers receiving benefits should have the right to education and training of choice, including the right to attend a four-year college. Participation in education and training should be counted as work activity.

Welfare "reform" takes us back more than two decades on access to education and training which could make a real difference to women's ability to obtain jobs with income levels above the poverty line. In addition, mothers on welfare must have the same right as anyone else to pursue higher education. In the 1970s, students on welfare in the SEEK program at the City University of New York pressed for and won the right to receive both welfare and student stipends to attend a four-year college without one reducing the level of the other. Under welfare reform, mothers are not allowed at all to pursue a four-year college education. This is a violation of our human rights. Women are exhausted raising children, working at low-waged jobs, and trying to pursue a degree. One woman was so exhausted and so pressed to meet her next deadline that her judgment was impaired as she stepped out on the highway after her car broke down and was killed. Being a student is in itself a full-time job on top of the work of being a mother and should be acknowledged as such.

8. No discrimination in access to benefits, including based on immigration status, race, disability, or sexual preference.

We oppose any denial of benefits based on immigration status. The United States is, after all, a country of, and built by, immigrant people. Nearly one-fourth of all children of immigrants live in poverty. They account for 23% of all poor children in the US. Two-thirds of welfare recipients are now women and children of color. Our experience has been that women of color are receiving the worst treatment in relation to work assignments, access to information and services like childcare. This is on top of the institutional racism in the waged labor market, resulting in Black and Latina women receiving the lowest wages, and in every other area of life. Some of the most punitive components of welfare reform—for example "family cap" policies—are in states that have the highest proportion of women of color receiving benefits. Women with disabilities who are supposed to be exempt, in many cases are being forced into work assignments, and there is at least one documented case in New York City where a woman died as a result. We have also learned from our network in Wisconsin that women with disabilities have received the worst job placements—the jobs that were left to women unable to be hired in the private sector—and are working under conditions like the poorhouse of the past. Welfare "reform" also denies the work of disability where caring for oneself is a full-time job. Being forced to name their child's father, who may in fact be a sperm donor, and facing the possibility of losing custody of children to the state by a social worker who declares them "unfit" is discriminatory against lesbian mothers. In other cases, the father may seek custody on the basis that if he is going to pay, he is entitled to raise the child. Many lesbian and gay young people, thrown out by parents, are facing homelessness and turn to prostitution to survive because welfare reform requires those under 18 to live at home to receive benefits.

9. Federal legislation on welfare should include national standards, protections and guidelines that states cannot waive out of.

The legal right of states to enslave and segregate was fought over and defeated in the Civil War and the civil rights movement, but welfare "reform" gives power

back to individual states. Are women, many Black and Latina women, in sections of the country with the highest rates of rural and inner city poverty, to be at the mercy of a local white male racist establishment? Are we to tolerate policies such as TANF which promote disparities in standards of living in different parts of the country? We say no to these, and no to any other policies which attempt to eliminate federal standards, protections and guidelines and turn back the clock to 1863.

Finally, we are alarmed at the reauthorization process thus far. The HHS "Listening Sessions" have been government behind closed doors: a few are handpicked to testify and in some instances half of the slots are given to the likes of the Heritage Foundation. In other so-called open "listening sessions" held only after protests on both coasts, the testimony is token, bypassed by top HHS officials and not even taped. This is not acceptable. HHS gives the impression that they are listening when in fact the voices of mothers on welfare are being shut out and shut up. We also want to know what is to happen to written testimony, particularly from grassroots networks like ours who do not have the money to hire experts to spend months writing testimony, and who don't have paid lobbyists on the hill. We are the experts, we and our children are living examples of the discriminatory effect of welfare "reform," and we are demanding that our testimony is considered with seriousness and respect, and that our concerns be reflected in the recommendations for reauthorization by HHS.

Attached: Testimony by EMWM members

Statement of Lynda Brewer, Every Mother is a Working Mother Network, Los Angeles, California

I want to tell you a bit about myself because welfare "reform" is heating up in Congress and lots of decisions are being made on behalf of women like myself, but our voices are not being heard. I am really worried that welfare recipients like myself are being sold down the river by various deals going on in Washington, D.C., and that advocates, and the so-called poverty lobby, instead of taking their lead from women like myself who are impacted, are instead taking their lead from what politicians are saying.

We want to speak for ourselves. It is not up to others to decide what we should have. We know what we need, and what we need is for advocates and the poverty lobby to support our demands. Their job should not be to tell us what to do; we are sick and tired of that, and we are calling them on it.

As you know, welfare "reform" says that I am not entitled to anything, that I don't work, and the poverty lobby agrees with them, since they are running around saying we need work. Let me tell you what I do, because I am overworked.

I am caring for four grandchildren: an eleven year old, two mentally challenged boys, and a three-year-old. I wake up at 2:30 in the morning to wash and iron clothes for an hour or two. Then I go back to sleep and wake again at 5:30. After I cook breakfast, I dress the two youngest, drop the two oldest children at the bus stop, and then rush back home to put another child on a bus that services special education. Sometimes the school calls me to pick up one of the children due to behavioral problems. I have to drop whatever household chores—cleaning, vacuuming, preparing dinner, and more—to rush to two different schools or just to perform my routine tasks of picking op the children.

On a typical afternoon, I help the kids with their homework, and pick the youngest up from childcare. After the evening meal, I wash the dishes, bathe two of the kids, and after their teeth are brushed we play games and read bedtime stories. The youngest child has insomnia and sometimes doesn't fall to sleep until midnight. Occasionally I spend hours in the Emergency Room with a sick child. I might have to go to an all-night pharmacy and remain up all night with a sick child to make sure everything is all right. On the weekends, I don't get a break; the routine is just different. On top of all this, I take a class at local Community College twice a week.

Every few months I get this letter in the mail. The first line goes like this "Congratulations, you have been chosen to participate in GAIN." It doesn't matter that I already have a full-time job taking care of my grandchildren; that doesn't count in welfare "reform". Then you get another letter saying you better keep the GAIN appointment and don't bring any children!

If you don't call what I am doing work, what do you call it? I had to quit my outside job in the first place to meet all of my obligations with the children. Welfare "reform" would rather pay someone else to care for my grandchildren, instead of giving me the money and the choice to care for them myself. I, who love them and understand the challenges they face.

I am part of the Every-Mother-is-a-Working-Mother Network. We want the right, the economic support, to be able to choose to raise our own kids. We also want the right to choose, not be mandated to work outside the home, and we should have quality childcare, pay equity, and protection from discrimination. They tell us there is no money for mothers and other caregivers, but money can be found to bomb Afghanistan and to "bail out" big corporations in corporate "welfare". It is outrageous! Our money is spent to kill other people while we are left destitute or criminalized. And welfare "reform" is racist. Most of us impacted are Black and Latina. There is no safety net left even for those losing their waged jobs in the current economic crisis.

We aren't begging anyone for anything. We are not here to say: "Just give us a chance to get a job!" We already have a job, it is called care giving and we are on duty twenty four/seven. If they counted caregivers work in the gross national project it would be the largest contribution. Even the UN has said that all governments should value caring work. But welfare "reform" ignores that. The value of our work as mothers and grandmothers must be reflected in welfare benefits. Welfare is our right, our entitlement. Caregivers are the heart of the economy, but we come last, we are tokenized, neglected, abused, and discriminated against. What job is more important than caring for children?

We are calling for the value of caring work to be reflected in welfare benefits: an end to time limits, other punitive measures and discrimination; an end to forced work; education and training of our choice; and the right to benefits must not depend on immigration status. We say invest in caring not in killing.

Lynda Brewer is on welfare and raises her four grandchildren.

Chairman HERGER. Again, thank you for your statement, each of you. Just to remind you, your entire statement will be submitted for the record. It has been a long day and a long hearing. If we could, as we see the yellow light begin to sum up so everyone has the same 5 minutes. Thank you very much. Ms. Kahan to testify, please.

STATEMENT OF KATE KAHAN, EXECUTIVE DIRECTOR, WORKING FOR EQUALITY AND ECONOMIC LIBERATION, MISSOULA, MONTANA

Ms. KAHAN. Thank you, Mr. Herger. My name is Kate Kahan. I am the Executive Director for Working for Equality and Economic Liberation (WEEL), a Montana-based organization focused on poverty issues.

The WEEL works with people in poverty across Montana, in the western region, and nationally. I am here today with the Welfare Made a Difference Campaign. The WEEL has been a strong presence in the national arena surrounding welfare reauthorization, specifically utilizing the State experience with welfare reform to contribute information, lessons learned, and model policy to the national debate. Given that focus, I am pleased to have the opportunity to respond to the Administration and to your proposals here for welfare reauthorization from the State perspective, a poor rural State at that.

First, I would like to share my personal story. I am a former welfare recipient. When I first applied for welfare at 6 months pregnant with little to no job experience, I was denied assistance due to fact that I had $7 too much in my bank account. Having no family or financial resources to turn to, I married the father of my child. Less than 2 years later, I found myself fleeing a violent home. I began receiving welfare and going to college.

While in college I had a work study job in a field I knew I wanted to pursue employment in after I completed my degree. The edu-

cation and experience I gained ultimately helped me move out of poverty. Marriage was not the solution to my poverty or my son's poverty. If I had not left that violent home, I can assure you that I would not be here today, I would have died.

This story is reflective of many other women on welfare today. In the past 12 months, over 50 percent of WEEL's advocacy calls, which are specifically focused on welfare have been domestic-violence related.

Welfare offices are focused on case load reduction and keeping people off of welfare, and that puts women attempting to leave violent homes in a position no one should ever have to face. Women facing violence should never have to make the choice between the security of food on the table for their children and continued violence. Far too many women in poverty are facing this devastating situation. Marriage promotion will not help these women in crisis leave. It will only serve as yet another barrier to leaving, and that will not under any circumstances solve the poverty they face.

On top of the rise in domestic violence, Montana's child poverty rate is 21 percent. That is twice the national average. Our uninsured rate is 18, our wages are 48th in the Nation, and we have the highest number of people working more than one job to make ends meet in the country. These factors point out that there is no cookie-cutter approach to poverty alleviation or to welfare reform.

The Administration proposals to increase work requirements without any acknowledgment of the fact that it is indeed the quality of work, not the quantity that makes a difference is obviously not a solution for people in poverty. In Montana, people are working two and three jobs, and they are still poor.

Marriage is not the solution of poverty in Montana. Women are facing domestic violence at alarming rates, and wages are so low in Montana that two-parent households are just as poor as single-parent households. Women make 56 cents to every dollar men make in Montana as well. Both increased work and marriage promotion ignore such issues.

Montana's experience is not unique. We are one of many very poor States and 1 out of 50 States that have people facing deeper poverty than we have seen in decades. Notice I am talking about the depth of poverty, not the level of poverty.

It is time to move beyond oversimplified Band-Aid approaches to welfare reform and start focusing on family well-being by ensuring protection from domestic violence, including access to quality education and training programs and work supports like food stamps, transitional Medicaid, and child care to aid families moving out of poverty. Poverty is complex. Welfare reform must include policies that address that fact and begin to support families.

Montana's welfare rolls have increased dramatically in the past few months. Our Department of Health and Human Services points out a significant factor in the increase has to do with the fact that people have been pushed into low-wage employment, and they aren't making it. People in poverty are facing a striking lack of options and support for the work they are engaged in and a lack of employment opportunities that allow them to become economically independent. Families who are working should not be poor.

The Administration proposal certainly does not address poverty alleviation with any policy that will work on the State level. The TANF reauthorization is the perfect opportunity to create policy that addresses poverty reduction by ensuring that families have access to quality education and training programs, support while engaged in such programs, options to secure care for their young children.

Montana has a program called the At Home Infant Care program, which enables parents with kids under age 2 to care for their children while being reimbursed the daily infant care rate. This program makes economic sense because it offsets the expense and difficulty of accessing infant care. In addition, it allows parents, many of whom reside in rural areas of the State with little or no access to resources and opportunity, to provide infant care for their children. This is an essential component of stable communities. I am almost done.

It is innovative programs such as At Home Infant Care that will bring relief to poverty. States need support to address the needs of their poor citizens, not a boost in bureaucracy and oversimplified approaches like those in the administration proposal. The TANF reauthorization policies should address the poverty people face, support families working to move out of poverty in a variety of ways including training and education, work and caring for their children. Policies must ensure families have options and protections while leaving violent homes and approach child well-being through actual poverty reduction measures rather than involving government in our private lives through economically coerced marriage.

Finally, I appreciate the opportunity to testify here today. I think it is essential to hear from the people who have been directly impacted by poverty. Our experience as a group that creates poverty alleviation policy in Montana certainly speaks of the fact that policies that are created with the input of the people that will be most impacted by them are the most successful. Thank you.

[The prepared statement of Ms. Kahan follows:]

Statement of Kate Kahan, Executive Director, Working for Equality and Economic Liberation, Missoula, Montana

My name is Kate Kahan, I am the executive director for WEEL, Working for Equality and Economic Liberation, a Montana based organization focused on poverty issues. WEEL works with people in poverty across Montana, in the western region and nationally. WEEL has been a strong presence in the national arena surrounding welfare reauthorization, specifically utilizing the state experience with welfare reform to contribute information, lessons learned and model policy to the national debate. Given that focus, I am pleased to have the opportunity to respond to the Bush Proposal for welfare reauthorization from the state perspective.

First, I would like to share my personal story. I am a former welfare recipient. When I first applied for welfare at 6 months pregnant, with little to no job experience, I was denied assistance due to the fact that I had $7 too much in my bank account. Having no family or financial resources to turn to, I married the father of my child. Less than two years later, I found myself fleeing a violent home. I began receiving welfare and going to college. While in college I had a work-study job in a field that I knew I wanted to pursue employment in after completing my degree. The education and experience I gained ultimately helped me move out of poverty. Marriage was not the solution to my poverty or my son's poverty. If I had not left that violent home, I can assure you I would not be here today, I would have died.

This story is reflective of many other women on welfare today. In the past 12 months, Over 50% of WEEL's advocacy calls, which are specifically focused on wel-

fare, have been domestic violence related. Welfare offices are focused on case load reduction and keeping people off of welfare and that puts women attempting to leave violent homes in a position no-one should ever have to face. Women facing violence should never have to make the choice between the security of food on the table for their children and continued violence. Far too many women in poverty are facing this devastating situation. Marriage promotion will not help these women in crisis leave, it will only serve as yet another barrier to leaving and that will not, under any circumstances, solve the poverty they face.

On top of the rise in domestic violence, Montana's child poverty rate is 21%, our uninsured rate is 18%, our wages are 48th in the nation and we have the highest number of people working more than one job to make ends meet in the country. These factors point out that there is no cookie cutter approach to poverty alleviation or to welfare reform. Bush's proposal to increase work requirements, without any acknowledgement of the fact that it is indeed the QUALITY of work, not the QUANTITY that makes a difference, is obviously not a solution for people in poverty. In Montana, people are working 2 and 3 jobs and they are still poor. Marriage is not the solution to poverty in Montana, women are facing domestic violence at alarming rates and wages are so low in Montana that two parent households are just as poor as single parent households. Montana's experience is not unique; we are one of many very poor states and one out of 50 states that have people facing deeper poverty than we have seen in decades. It is time to move beyond oversimplified, band aid approaches to welfare reform and start focusing on family well-being by ensuring protection from domestic violence, including access to quality education and training programs and work supports like food stamps, Medicaid and child care to aid families working to move out of poverty. Poverty is complex, welfare reform must include policies that address that fact and begins to support families.

Montana's welfare rolls have increased dramatically the past few months. Montana's Department of Health and Human Services points out, a significant factor in that increase has to do with the fact that people have been pushed into low-wage employment and they aren't making it. People in poverty are facing a lack of support for the work they are engaged in and employment opportunities that allow them to become economically independent. Families who are working should not be poor. The Bush proposal certainly does not address poverty alleviation with any policy that will work on the state level.

TANF Reauthorization is the perfect opportunity to create policy that addresses poverty reduction by ensuring that families have access to quality education and training programs, options to secure care for their young children: Montana has a program called the At Home Infant Care Program which enables parents with children under age 2 to care for their children while being reimbursed the daily infant care rate. This program makes economic sense because it offsets the expense and difficulty of accessing infant care. In addition, it allows parents, many of whom reside in rural areas of the state with little or no access to resources an opportunity to provide infant care for their children. This is an essential component of stable communities.

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I appreciate the opportunity to testify here today. I think it is essential to hear from the people who have been directly impacted by poverty. Our experience as a group that creates poverty alleviation policy in Montana certainly speaks to the fact that policies that are created with the input of the people that will be most impacted by them are the most successful.

Thank you.

Chairman HERGER. Thank you very much, Ms. Kahan, and I would just like to comment that it is certainly not my intent or anyone I know on this Committee who in any way have legislation that would somehow perpetrate or encourage—that is probably not the right term, but allow abusive behavior within a married couple

or within any couple. Certainly we are very sensitive to this, and anything we are doing, the goal is to try to attempt, in situations where it is possible and where it can be encouraged, to be able to allow our children to be born into two-parent, married homes, but we are certainly aware that that is not possible in every situation.

I want to thank you again very much for each of your testimonies this evening. I thank you for your patience, and with that we will call up panel 10. Yasmina Vinci, Executive Director, National Association of Child Care Resources and Referral Agencies; Paul Marchand, Co-chair of TANF Task Force, Consortium for Citizens With Disabilities; Sean Cahill, Director of Policy Institute, National Gay and Lesbian Task Force; Sharon McDonald, Policy Analyst, National Alliance to End Homelessness; David Beckmann, President, Bread for the World; and Bich Ha Pham, Executive Director, Hunger Action Network of New York State. Ms. Vinci.

STATEMENT OF YASMINA S. VINCI, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF CHILD CARE RESOURCES AND REFERRAL AGENCIES

Ms. VINCI. Mr. Chairman, thank you for the opportunity to testify and for your stamina in willing to listen to this many voices of everybody who wants to weigh in on your proposals.

As Executive Director of the National Association of Child Care Resources and Referral Agencies, I represent the wisdom and expertise of a national network of nearly 750 local resource and referral programs across the United States. In 1 year those programs help 1,650,000 families looking for child care, and of those, 750,000 are low-income, and half a million are TANF-receiving families. So, this hands-on work along with the very careful documentation of the supply and demand of child care gives the members of our network a very deep insight into the child care needs of families and communities.

I recall vividly the moment in the previous welfare reform debate when Congressman, then Chairman, Shaw stated that we simply could not have welfare reform without child care, and, of course, he was right. At the time we only had an inkling of the unintended consequences on child care in the communities, and here are some of the learnings since then.

One, we knew then that the pressure on supply of care would increase significantly, and that much of that pressure would be care for infants and toddlers, for babies. We did not know that because of constant turnover of inadequately trained and poorly compensated providers, the need for continuous supply building would be so intense. Just last year, the members of our network created 500,000 slots, and 70 percent of the calls looking for child care are from parents looking for care for babies, so that means that the need continues.

We also knew that most jobs for people leaving TANF would not be the 9-to-5 jobs. We did not know then that in many case places, like in Shasta County, in your district, as many as one-quarter of all requests to early childhood services, which is the local resource and referral program, would be for child care during evenings, nights, and weekends. All over the country calls for providers who

can accommodate rotating shifts, seasonal care are flooding the resource and referral programs.

We also knew then that States would be making multiple policy tradeoffs in order to stretch the resources to make them go all the way, but we did not anticipate the extent to which families would be faced with impossible tradeoffs between paying for child care and other most basic needs. For instance, a parent in Shasta County earning a minimum wage needs half, 50 percent, of her annual income to pay for licensed care for a baby, and at the same time she needs 53 percent of her income for her housing. That adds up to 103 percent. As one of your constituents has said, this is a direct quote, "For the price that some centers will charge to care for my two school-age children plus the baby, I would need to bring toothbrushes and move in because I could not afford child care and rent, too."

Mr. Chairman, I am sure that these were not the kinds of choices and options for parents that were envisioned in the 1996 legislation.

One more thing. Since 1996, with the scientific evidence that 90 percent of the brain is formed by the age of 5, we have even more understanding of the importance of quality of the child's early experience for the ability to learn in school, and we are very glad that the administration has been focusing national spotlight on this important fact. What we face, though, is that children under 5 are in a variety of places. They are in centers, family child care homes, nursery schools, public preschools, Head Start, with relatives, friends, and neighbors, and the conundrum could be how to achieve quality across all those settings.

Fortunately, we think the vehicle to employ a variety of strategies to support and to improve the quality in different community settings does exist already. It is called child care resource and referral, and the fact sheet that we have enclosed with our activity shows in hard figures that investments that many States have already made in child care resource and referral systems with CCDBG, TANF, and State funds have been effective.

So, our recommendations for Congress based on frontline wisdom and experience are: One is to increase investments in child care subsidies sufficiently so that families transitioning into work as well as low-income working families can have choice of child care that is reliable and also helps children to become learners.

Two, we think it is equally important to make substantial investment in the strategies that support the availability and quality of care. If quality sufficient to get all children ready for school is to be achieved in all the settings where the children are, Congress should increase the set-aside for quality to 12 percent and strengthen the capacity of proven quality-buildings systems.

Finally, information technology and local presence of resource and referral have created an opportunity for regular, sustained collection of reporting of local reality-based data on the supply, demand, and price of child care so that State and federal level decisions on child care can be informed by up-to-date, solid data that represent the same marketplace that the families are experiencing. In fact, an investment in activating and sustaining this capacity would supply a degree of increased accountability for the Nation's

largest single funder of child care, the Federal Government. Thank you, Mr. Chairman.

[The prepared statement of Ms. Vinci follows:]

Statement of Yasmina S. Vinci, Executive Director, National Association of Child Care Resources and Referral Agencies

Mr. Chairman and Members of the House Ways and Means Human Resources Subcommittee,

Thank you for inviting me to testify about the Welfare Reform Reauthorization Proposals. This is an important occasion, allowing us to look at the results and accomplishments of Personal Responsibility and Work Opportunity Reconciliation Act and at the lessons learned in its implementation, and an invitation to us all to do even better in the years to come.

As Executive Director of NACCRRA, the National Association of Child Care Resource and Referral Agencies, I represent a national network of nearly 750 local resource and referral (R&R) programs across the United States, such as Early Childhood Services in Shasta County and the Baltimore City Resource Center in Maryland. Collectively, in one year community-based R&R programs help 1,650,000 families to find child care needed in order to work or get training. Of those families, one million are low income families and half a million are families who are receiving TANF. R&R programs have had a very up front and close experience with the families who are starting to work and stay working, and child care has been an important piece of that effort. R&R programs throughout the country also maintain detailed data on the supply and demand of child care and early education programs. And so, my knowledge, deriving from the local R&R expertise, is in this arena, and that will be the focus of my testimony.

I recall vividly the moment in the early welfare reform debates when Congressman Shaw stated that we simply could not have welfare reform without child care. He was right, and we all knew that he was right, but at that time we only had an inkling of the unintended impacts on child care in the communities. Here is what we have learned:

1. We anticipated that with many more mothers required to work we would have significant pressure on the existing supply of child care. What we did not know is that even with R&Rs feverishly building the supply (last year, 500,000 new slots were created by R&Rs) the supply would keep vanishing as a result of the turnover of underpaid, undervalued providers.
2. We knew that, by and large, the available jobs for the new entrants in the workforce would not be the 9:00 a.m.—5:00 p.m. jobs. However, we underestimated the high percentage of those jobs that would be during non-traditional hours. In Shasta County, for example, almost one-quarter of all requests are for care during non-traditional hours—evenings, nights, and weekends. We knew little then about rotating staffing schedules for many employees, and yet the calls for providers who can accommodate rotating schedules have been the fastest growing type of requests for R&Rs in many areas. The issues of how to build and maintain the supply of seasonal child care, whether for people working in Colorado resorts or packing eggs in Iowa, were not fully clear to us.
3. Another thing that was unclear then was the balancing between: a.) the need of states to stretch the money available for child care subsidies to as many families as possible; b.) the necessity to make those subsidies sufficient for parents to be able to afford the care; and c.) the assurance that the available care would be safe and good for the children. States have been addressing this dilemma in several ways. First, the eligibility for subsidy may be set too low. Few states allow families to qualify for subsidy at the level allowed under federal law (85% of state median income). Next, they may set the rates well below the market rates, and thus preclude parents from accessing the market of licensed care. Alternatively, the co-payment fees may be too high. Thirty-five states required families earning $7,075 a year for a family of three to pay a fee even though this is income at half of the poverty level. Finally, to make up for low fees and gain access to care, parents often have to reach into already meager resources to supplement their co-pay rates and the state subsidy rate with yet another fee.

   As a result of such multiple policy tradeoffs, all too often we find that parents do not have the choice or the options that the original legislation envisioned as priorities. The R&R counselors hear daily of instances where families are either struggling to remain employed with the unreliable informal

care that they are able to afford, or are unable to take even a slight salary raise because it would mean getting over the income eligibility threshold and losing the child care subsidy altogether.

4. Finding affordable child care is even harder for working parents who are not on TANF and do not receive subsidies. For a Shasta County working poor parent, earning a minimum wage, paying for full-time licensed care in a center for an infant, would take up 50% of the annual income. For a single mom, this would be a true Sophie's choice since her rent would be 53% of her annual income. As a mother of three said, "For the price that some centers would charge to care for my two school-age children plus the baby, I would need to bring toothbrushes and move in because I could not afford child care and rent, too."
5. Another unanticipated barrier to families transitioning to work has been the dire shortage of care for infants and toddlers. With 6.8 million children under the age of 3 living with employed parents, the demand for this, most expensive type of care, remains unmet in ways that are inimical to the well-being of children and families. We know the demand on parents for infant and toddler care—last year, 70% of all calls to R&Rs were requests for children under 3 years of age.
6. One thing that we overlooked in 1996 while concentrating on child care as a support to working families was the enormous importance of the early experiences for the growth, development and readiness to learn of the children whose parents were going off to work. Since then, new insights into brain development have confirmed the imperative for good quality early experiences, regardless of the setting in which the child is spending time. We know now that 90% of an individual's brain develops by the age of 5. We commend the attention that the Bush Administration has focused on education and on the key role that early learning plays in education reform. In fact, the express overarching goal of the new Administration for TANF reauthorization, 'to promote the well-being of children,' represents a very important commitment for the nation. President Bush has made a further commitment, "we must make sure that every child enter school ready to learn—every child—not just one, not just a few, but every single child."

There are two essential components that must be in place in order to ensure that children enter school ready to learn: one is the acknowledgement that we must invest in a well qualified, well-trained, and well-compensated early care and education workforce. It is difficult, however, to attract individuals into the responsible, demanding profession of caring and educating children (let alone to retain them) when the average salary is $16,350 with few benefits.

The second component addresses the reality of the daily experiences that children have while their parents work. Across the country, children are being cared for in a variety of settings, including centers, family child care homes, state and private pre-school and after-school programs, Head Start programs, and in the homes of relatives, friends, and neighbors. If we wish to make sure that children are nurtured and educated wherever they are spending their time, there must be an intentional investment in a system of community-based, locally-driven supports for caregivers and teachers in the various settings as well as for the families. Luckily, that system, thoroughly tested for nimbleness and an ability to deliver help needed for states to implement welfare reform, already exists. It is called child care resource and referral (R&R). The 750+ resource and referral programs (located in family service agencies, public school systems, local government offices, faith-based agencies, community colleges, community action programs, or as free-standing non-profits), have self-organized from the need of employers, communities and states to make child care work for both the families and communities. As is evident from the attached fact sheet, they have been a critical support for successful welfare reform in most states.

In states where resource and referral is adequately funded and well-coordinated, the access of families to good information and consultation is demonstrably better, the providers are supported with information and expertise, and the communities are equipped with the capacity to bring together various interested parties to work on planning to meet the needs of local families, and to promote decision-making based on solid, real-time, locally-collected R&R data.

In conclusion, at this time we know appreciably more than in 1996 about what works and what needs to happen for everyone to work. Implementation has confirmed the concept that quality child care is essential if people are to leave TANF and stay employed. It has also given us valuable insights into what makes child care work for families, employers, and communities. We know for sure from the experience of the last five years that child care as a support to working families and

as a place where children will develop to be happy, healthy, and ready to learn can be done, and can be costly. The front line wisdom and evidence from the communities tell us that in order to take welfare reform to the next stage and maximize its benefits to the children, it is important for Congress and the Administration to:

- Make sufficient investments in child care subsidies so that families transitioning into work as well as low-income working families can find and afford care that is reliable and helps the children to become learners. Even before recent tough budget cuts in states, and even using transfers from TANF and considerable state investments, states have not had sufficient resources to provide child care subsidy for all families who need it in order to work. The proposal to increase the work and participation requirements, whether it means more training, community service or drug rehabilitation, is likely to result in an increased demand for child care during those additional hours. Recognizing that fact and making sure that the funding is there for parents to be able to cope with this additional requirement, seems to be a first step in ensuring that the plan has a chance of working. Keeping in mind that care for infants and toddlers and children with special needs is the hardest to find, afford, and trust, is the next level of anticipating and addressing unforeseen barriers.
- It is equally important to make sufficient investments in the strategies that support the availability and quality of care. A variety of these activities, including supply building, professional development and compensation, licensing, and information to parents have been funded by the 4% set aside for quality authorized in the Child Care Development Block Grant. If quality sufficient to get all children ready for school is to be achieved in all settings, we must have serious and systematic work done and serious investments are necessary, including an increase of the set aside for quality to 12%.
- Finally, information technology and local presence of resource and referral have created the promise for regular, sustained collection and reporting of local, reality-based data on the supply, demand, and price of early care and education options, so that state-and federal-level decisions on child care can be informed by up-to-date, solid data that represents the same marketplace that the families are experiencing. An investment in activating and sustaining this network would supply increasing accountability for the nation's largest single funder of child care—the Federal Government.

Thank you for the time and opportunity to share the wisdom and experience of the nation's network of resource and referral agencies.

A GREATER GOOD

FACTS AND FIGURES ON THE IMPACT OF R&R

In **one** year, 733 local resource and referral (R&R) programs in the USA——

Work with families

R&Rs help parents take the guesswork out of choosing care, equipping them with referrals and information about elements of quality care and state licensing requirements, as well as availability of child care subsidy.

- √ Help 1,650,000 families to find child care; 750,000 are referrals for low income families; 500,000 for TANF-receiving families
- √ Support another 4,440,000 parents in raising happy, healthy children, with parent education (62%), support for stay-at-home parents (45%), and linkages with health (66%)

Build the supply of child care

In most communities, the demand for child care far outweighs the supply and staff turnover is high, creating a constant need for new providers. R&Rs create an entry point for providers, helping them get licensed and helping them meet the urgent need for infant and toddler, bilingual, special needs and non-standard hours care.

- √ Develop 500,000 new child care slots

Improve the quality of early care and education

Across the country, R&Rs provide ongoing professional development opportunities, including training and career advising, and supporting accreditation and credentialing programs.

√ Train or connect to training 1,200,000 child care workers
√ Provide 1,240,000 technical assistance consultations
√ Support accreditation and/or credentialing of programs and providers (97%)
√ Provide or facilitate training on caring for infants and toddlers (83%)
√ Employ innovative strategies to improve quality of license-exempt care (89%) and care by relatives (84%)

Bridge child care and education

R&Rs help to create the kinds of child care settings that help children grow and learn, and are dedicated to informing communities about the important links between early learning and later success in school.

√ Conduct public awareness campaigns on early learning (81%)
√ Undertake initiatives that promote early literacy (31%)
√ Provide kindergarten transition activities (35%)

Document child care needs and trends

What makes R&R unique throughout the nation is their ability to gather information through contact with parents and providers and turn this information into reports on the supply, demand and gaps in child care for state and community planning. Through collection and interpretation of data, R&Rs are able to alert policy makers to the changing needs of constituents.

√ Develop and disseminate regular supply and demand reports (70%)

Engage new partners

By reaching out to a wide range of stakeholders, from business leaders to law enforcement to public school teachers, R&Rs help articulate why child care is an issue entire communities need to care about. In addition, they collaborate with a wide range of other family support services to promote a holistic vision of child care that includes health, literacy, mental health, and special needs.

√ Convene local coalitions (75%)
√ Participate in community coalitions (95%)

Tell the child care story:

By documenting community child care needs and creating new ways to meet those needs, R&Rs bring voices to children, families, and child care providers to the public through their publications and through interviews with the media. In addition, when policy-makers need up to date information about the state of child care, they turn to R&Rs.

√ Regularly field questions from the media (67%)

Source: Preliminary results—2002 NACCRRA COUNTS

Chairman HERGER. Thank you, Ms. Vinci. Mr. Marchand to testify.

STATEMENT OF PAUL MARCHAND, ASSISTANT EXECUTIVE DIRECTOR, POLICY AND ADVOCACY, ARC, AND CO–CHAIR, TANF TASK FORCE, CONSORTIUM FOR CITIZENS WITH DISABILITIES

Mr. MARCHAND. Good evening, Mr. Chairman, and thank you for this opportunity. I am Paul Marchand, and I am the Director of Governmental Affairs for The Arc, which is the Nation's organization that deals with mental retardation policy. I am accompanied this evening by Laurel Stine from the Bazelon Center for Mental Health Law, and together we cochair the Consortium for Citizens With Disabilities (CCD) Task Force on TANF.

Our consortium is made up of 100 national organizations that deal with disabilities from the perspective of parents, consumers, service providers, and professionals. We work in a variety of contexts in addition to TANF, such as employment and training, Social Security policy, housing, long-term services and supports, and dis-

ability rights. We have major policy goals of self-determination, independence, empowerment, community integration, and inclusion as vital outcomes for our constituents. For the first time in our 26-year history, CCD is paying attention to TANF, and I will explain why in a second.

Our full testimony raises a number of serious concerns about the current TANF implementation, analyzes some of the proposals to extend TANF, and makes recommendations for program improvement. However, there is one absolutely critical message we hope you will hear tonight and throughout the reauthorization process, and that is that a very significant proportion of adults and children remaining on the TANF rolls have disabilities, and their meeting the employment goals in TANF is an ongoing challenge to the States, to the local providers, to the local governments, and individuals and families themselves.

Much to our surprise the recent data from the U.S. General Accounting Office and other sources indicates that about 44 to 45 percent of TANF recipients have disabilities in their families. That may be a surprise to you also. Mr. Chairman, you count votes. Today I counted the number of witnesses. I am the 42nd out of 45 witnesses. Only three of those experts in this field mentioned disability as an issue today and tonight. Assuming the success of further reducing the TANF rolls continues, that percentage of people with disabilities will likely rise since they have significant barriers to employment, and most need longer and more expensive job training and other supports to be successful.

We believe that all people with disabilities must have the opportunity to maximize their potential, including the ability to find and keep a good job, and that all levels of government have the legal obligation that these individuals have equal and meaningful access to programs that help them get those jobs. Previous Congresses have enacted the Americans with Disabilities Act and section 504. Both of those disability rights laws are incorporated in TANF. However, the worthy goal of jobs for people with disabilities in our Nation has not been realized by many Americans. Federal Government and other statistics indicate that over two-thirds of working-age people with disabilities who want to work today cannot find jobs. This is bad for those individuals. This is bad for our Nation.

Working together we must figure out how this TANF reauthorization can be part of the solution to this national dilemma. We have crafted a set of principles to guide TANF reauthorization from a disability perspective and a number of policy recommendations, and they are incorporated in our testimony. We hope to work with you and Congress so that the concerns, needs, and aspirations of our constituents are met.

It is important to note that there are parents with disabilities, and there are parents caring for children with disabilities who are involved here. All of these families have multiple barriers to work and to comply with TANF rules. A few examples: A parent is ready and able to work, but they cannot find child care or a child care provider who will deal with their child with a disability; a parent with a disability, able to work, but the community does not have accessible and affordable transportation for them to get back and forth to a job; a parent with a disability who has tried to work, but

has been unsuccessful because of the lack of on-the-job supports needed for them to keep that job; a parent with a disability who cannot get needed job training because they are deemed not disabled enough for vocational rehabilitation, but they are deemed too disabled for the one-stop job training centers.

There are countless other scenarios that pose other types of serious impediments for TANF recipients with disabilities to find employment. It is vital that States and localities find solutions to these problems and that the TANF reauthorization address them as well.

We are very concerned that the administration's proposal, if adopted, will pose even greater barriers for people with disabilities to leave the TANF rolls through the increased work requirements and the elimination of assessments. We have a number of recommendations in our statement, and we hope that we can work with you on those.

We thank you very much for your patience this evening. We look forward to working with you and this Committee to enact a TANF reauthorization that helps our constituents who can and want to work do so so that all of us are enriched. Thank you very much.

[The prepared statement of Mr. Marchand follows:]

Statement of Paul Marchand, Assistant Executive Director, Policy and Advocacy, Arc, and Co-Chair, TANF Task Force, Consortium for Citizens with Disabilities

Mr. Chairman, Members of the Subcommittee, I am Paul Marchand, the Assistant Executive Director for Policy and Advocacy at The Arc, and co-chair of the Consortium for Citizens with Disabilities' TANF Task Force. I am accompanied today by Laurel Stine, the Director of Federal Relations at the Judge David L. Bazelon Center for Mental Health Law, and co-chair of the CCD TANF Task Force.

The Consortium for Citizens with Disabilities (CCD) is a coalition of approximately 100 national consumer, advocacy, provider and professional organizations headquartered in Washington, DC. We work together to advocate for national public policy that ensures the self determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society. The CCD advocates on behalf of people of all ages with physical and mental disabilities and their families through organized Task Forces on such issues as housing, health care, education, and welfare reform. The CCD TANF Task Force seeks to ensure that families that include persons with disabilities are afforded equal opportunities and appropriate accommodations under the Temporary Assistance for Needy Families block grant.

Included in my written statement is the governing document for our task force. *Principles Guiding the Reauthorization of TANF* spells out the key principles that we believe should underlie improvements in TANF reauthorization from a disability perspective. The recommendations included in my statement also appear in a second governing document for the task force; these recommendations describe the steps we believe are needed to implement those principles in ways that will help parents with disabilities and parents caring for children with disabilities to be able to maximize their potential through the TANF program.

We start from the premise that all people with disabilities must have the opportunity to maximize their potential—including to be able to work—and that it is the legal obligation of the government—federal, state and local—to ensure that people with disabilities have equal and meaningful access to all programs receiving federal funds. This is the promise of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, both of which Congress specifically incorporated into the TANF statute in 1996 at Section 408(c), 42 U.S.C. § 608(c).

It is still common for policymakers not to realize that many people with disabilities are in the families being served by TANF programs. Early in the process of welfare reform, the thinking among many state level policymakers was, if the person was really disabled then she would be receiving Supplemental Security Income. And, for some parents and children on TANF, it is true that they should be receiving SSI and may need their state's help in securing these benefits. But, the SSI eli-

gibility criteria require a severe disability and we are finding that there are many who do not meet the SSI test but who clearly are disabled for TANF purposes. The studies now show that many parents on TANF have disabilities and other health conditions that inhibit their ability to work, but who with appropriate supports and services, could be working. Last fall, the General Accounting Office found that 44 percent of parents receiving TANF had at least one physical or mental health impairment, three times higher than the rate of such impairments among adults not receiving TANF benefits.[1] This confirmed earlier findings from the Urban Institute and others.[2]

The studies show that parents on TANF have mental impairments such as severe depression, general anxiety disorder, post-traumatic stress disorder, learning disabilities, mental retardation, and physical impairments. These impairments can make it difficult for a parent to work or to understand and comply with state rules. Many families have multiple barriers to work, one or more of which is a disability or health condition.[3] In many instances, parents would like to work but will need intensive supports and services if they are to succeed. Some examples of these supports include training designed to take into account the person's disability, counseling, substance abuse treatment, on-the-job supports, child care and transportation. For some, full-time work may be the long-term goal, but there will need to be numerous smaller steps taken over time before such a goal can be reached. For others, part-time work in a supportive setting may be the ultimate goal.

There also are children with disabilities in TANF families. Some of these children receive SSI—the Urban Institute has reported that about four percent of children in TANF families receive SSI children's disability benefits[4]—while far more have health conditions that do not rise to the SSI level of severity but who nevertheless require constant parental care and attention. For example, the Manpower Demonstration Research Corporation, studying TANF recipient families in four urban counties—Los Angeles, CA, Philadelphia, PA, Miami-Dade, FL, and Cuyahoga County, OH (Cleveland)—found that one-fourth of non-employed mothers receiving TANF had a child with an illness or disability that limited the mothers' ability to workor attend school.[5]

Our sense it that the picture over the past five years as it applies to people with disabilities is mixed. Some parents with disabilities are now working but many others have been inappropriately sanctioned and lost TANF or have not received the services and supports they will need—often on a long-term basis—in order to take the steps that will ultimately allow them to work or achieve a greater degree of independence. Even among those who are working, we are concerned that some may be struggling to hang on to jobs and need additional supports and services to succeed. We were very pleased last year when the Office for Civil Rights at HHS issued guidance to states and counties explaining how the ADA and Section 504 apply in the TANF program.[6] This important step has helped to alert states and counties to their obligations to assist people with disabilities and to focus their attention on the

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[1] U.S. General Accounting Office, *Welfare Reform: More Coordinated Federal Effort Could Help States and Localities Move TANF Recipients with Impairments Toward Employment*, October 2001, available at http://www.gao.gov.

[2] Sheila R. Zedlewski, *Work Activity and Obstacles to Work Among TANF Recipients*, Urban Institute, Series B, No. B–2, September 1999, http://www.urban.org/UploadedPDF/anf—b2.pdf. For a discussion of numerous studies that have reported on the status of parents with disabilities in state TANF programs, see Eileen P. Sweeney, *Recent Studies Indicate that Many Parents Who are Current or Former Welfare Recipients Have Disabilities or Other Medical Conditions*, Center on Budget and Policy Priorities, February 2000, http://www.cbpp.org/2–29–00.htm. See also, Heidi Goldberg, *Improving TANF Program Outcomes for Families with Barriers to Employment*, Center on Budget and Policy Priorities, January 2002, http://www.cbpp.org/1–22–02tanf3.htm.

[3] Sandra Danziger, Mary Corcoran, Sheldon Danziger, et al., *Barriers to Employment of Welfare Recipients*, University of Michigan Poverty Research and Training Center, February 2000, http://www.ssw.umich.edu/poverty/pubs.html.

[4] Zedlewski, 1999.

[5] Denise Polit, Andrew London, and John Martinez, *The Health of Poor Urban Women: Findings from the Project on Devolution and Urban Change*, Manpower Demonstration Research Corporation, May 2001, http://www.mdrc.org/Reports2001/UC–HealthrReport-FullRpt2001.pdf. See also, Barbara W. LeRoy, Donna M. Johnson, Sharonlyn Harrison, Open Road or Blind Alley? Welfare Reform, Mothers and Children with Disabilities, Skillman Center for Children, Wayne State University, Occasional Paper Series 2000, No. 4, November 2000, http://www.skillmancenter.culma.wayne.edu/OP%202000–4.pdf.

[6] Office for Civil Rights, U.S. Department of Health and Human Services, *Prohibition Against Discrimination on the Basis of Disability in the Administration of TANF (Temporary Assistance for Needy Families)*, 2001, http://www.hhs.gov/ocr/prohibition.html.

types of policy changes that will be needed to ensure that people with disabilities are fully protected and served in their programs.

There is some evidence that some states are taking steps to assist people with disabilities in their TANF programs—and some of this evidence pre-dates the OCR guidance. But, the research reflects that these efforts are still very much in their infancy and that parents with disabilities and parents caring for children with disabilities continue to be at a disadvantage in most state TANF programs. We know, for example, that significant numbers of parents with disabilities are among those who have been sanctioned off of state TANF programs—often because their disability prevented them from complying. MDRC found that, "[w]elfare recipients with multiple health problems and with certain health problems (notably, physical abuse, risk of depression, having a chronically ill or disabled child) were more likely than other recipients to have been sanctioned in the prior year." And, among those who had left welfare, "[w]elfare leavers with multiple health problems were more likely than other women who had left welfare to say that they had been terminated by the welfare agency rather than that they left on their own accord."[7]

We also know of numerous disturbing examples of families with a member with disabilities where the system has failed them—as well as some for whom the system has worked. Consider, for example, these two parents' stories, included by the Colorado Governor's Task Force on Welfare Reform in their report, *Moving Forward with Welfare Reform:*[8]

Client A:

"A client was tested and had an IQ of 67. She was sent to Vocational Rehab and then instructed to seek work. She received child care for two occasions and then was sanctioned in Colorado Works. Her family became homeless in November 1998 and the children were placed in foster care in December 1998."

Client B:

"A client has an IQ of 67 and is a victim of domestic violence. There is suspicion of brain damage as a result of abuse. She cannot communicate well, she is conscientious but has few skills. She has an anxiety disorder which cannot be treated because of her heart problem. She sees a physician weekly to manage blood thinning medications. She had surgery for a valve replacement one year ago. She was assigned to a community college program which reported that she would be doing fine but then the next day she couldn't remember what she had learned. It takes the parent approximately one month to learn a bus route. The county required that she find a job in six months. Later that expectation was lowered to ten hours of time within her supported living program."

The description of the steps the state took to help Client—provides a sense of the types of steps that states will need to take in order to help some parents with disabilities to maximize their potential. Unfortunately, no steps—not even ongoing child care for her children—were taken to assist Client A, with the tragic consequence that she was sanctioned, lost her home, and then lost custody of her children. It should not be acceptable to the Congress that even one parent with disabilities or one parent caring for a child with disabilities faces these types of consequences in TANF. Unfortunately, the research suggests that problems like this are all to frequently occurring across the country, at great personal expense to parents and children.

The CCD TANF Task Force recommends that Congress take the following steps to ensure that parents with disabilities and parents caring for children with disabilities are able not only to fully benefit from the TANF program but also not harmed by policies that do not take into account the impact of their disabilities on their ability to comply with program rules:

Screening and Assessment

- Ensure that TANF beneficiaries have access to screening carried out by trained personnel who use appropriate tools to identify barriers to employment, including cognitive and learning disabilities, physical impairments, mental health and substance abuse disorders.
- Ensure TANF beneficiaries that are identified as having such barriers to employment have access to comprehensive assessments by qualified professionals.

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[7] Polit, London, and Martinez, May 2001.

[8] Governor's Task Force on Welfare Reform Report, Colorado, September 2000.

- Ensure all screening and assessments are voluntary on the part of TANF beneficiaries; TANF beneficiaries should not be subject to a sanction or closure for failing to participate in a screening or assessment.
- Ensure that case workers inform TANF beneficiaries of the purpose of screening and assessment including the possibility that modification of requirements may be made to accommodate identified disabilities.
- Ensure results of screening and assessments are maintained in accordance with professional standards of confidentiality.

States should consider other documentation of the existence of a disability in a family.

Services

- Ensure qualified professionals are responsible for the development of tailored Individual Responsibility Plans for families that have been identified as including a person with a disability. Such plans should include a list of services the state must provide to ensure people with disabilities have the access to services, supports and treatment that will allow them to address their barriers to work and be successful in the workplace, consistent with their abilities and capabilities.
- Encourage agencies administering TANF to facilitate inter-agency collaboration and explore co-location of services to facilitate access to the services, support and treatment that TANF beneficiaries require to address their barriers to work.
- Repeal the provision in current law that prohibits those convicted of a drug felony from receiving TANF assistance.
- Require states to ensure that an adequate network of service providers with specialized experience and expertise are available and accessible to meet the needs of TANF beneficiaries with disabilities.

Work Requirements/Work Participation

- Provide flexibility to states and qualified professionals to ensure reasonable accommodation for individuals with disabilities by allowing activities that address employment barriers to count towards meeting work participation requirements.
- Activities should include substance abuse treatment, mental health counseling, education, vocational training, provision of child-care, and other activities considered appropriate by the state.
- Modify work participation requirements to address and accommodate the impact that variations in types and severity of disabilities have on work and support needs, including the reality that some persons with disabilities currently may not be capable of meeting the generally applicable work requirements and for some persons with disabilities the ability to work varies over time because of the episodic nature of disability. Flexibility must be provided to take into account that some individuals with disabilities are currently not capable of working. Others are capable of working only on a part time or limited basis that may not meet the generally applicable work requirements. Still other are capable of meeting the generally applicable work requirements but not within the timeframes, or given the nature of the services, supports, and treatments available. Others may not be capable of meeting generally applicable work requirements because the individual is a parent of a child with a disability and the individual is unable to obtain appropriate child care services.
- Ensure that states receive appropriate credit for providing reasonable accommodations to people with disabilities and ensure that states are not penalized for failing to meet work participation rates due to (1) the state making reasonable modification for persons with disabilities, (2) the state making reasonable modification for a parent with a child with a disability, and (3) the reality that certain individuals currently are not capable of meeting the generally applicable work participation requirements.

Time limits

- Ensure that a state makes reasonable accommodations for individuals with disabilities regarding TANF time limits. More specifically, the provision in the statute concerning time limits should be modified to require a state to disregard months of assistance received by an individual identified as having a significant barrier to employment during any period in which the state did not provide necessary services and supports to the individual. Significant barriers include physical or mental impairments (including substance abuse dis-

orders) that substantially impair an individual's ability to engage in generally required levels of work and a parent of a child with a disability if the child's need for parental care results in the parent being unable to engage in the generally required level of work.
- In addition, the state should be required to disregard months of assistance during which an individual is unable to engage in the generally required levels of work.

Sanctions and Closures

- Remedy the disproportionate sanctioning of people with disabilities and prohibit states from sanctioning individuals with identified disabilities who have not been accommodated. In other words, states should be prohibited from sanctioning an individual if the state fails to offer appropriate screenings and assessment or fails to provide an individual with necessary services and supports that the state knew or should have known were needed to work or comply with other requirements in the individual's plan.
- Require states to adopt procedures to ensure outreach and assistance are provided before and after the implementation of a sanction or a closure to help a family become compliant and prevent people with disabilities from losing access to the services, support and treatment they may require to successfully transition to work.
- Require states to restore benefits immediately to a family who has been sanctioned as soon as they become compliant with agency requirements.

Ensuring Continued Success For People in Transition to Work

- Require states to ensure people with disabilities have access to transitional benefits, work supports, and other on-the-job support services and training to enhance the likelihood they will remain stably employed. Medicaid coverage should continue for a minimum of 12 months for TANF leavers and states should have the flexibility to extend this further.
- Require states to plan for the successful work placement and responsible termination of TANF benefits for families that include a person with a disability by ensuring families have access to on-the-job support services and training and/or other community-based services to help them succeed.

Civil Rights

- The statute should be amended to require that a state describe the "methods of administration" it plans to adopt to ensure compliance with the civil rights statutes, including the ADA, so as to ensure consistency among job training programs in the state. The Department of Labor regulations implementing section 188 of the Workforce Investment Act already require the adoptions of methods of administration.

Client Assistance/Ombudsman

- Require agencies administering TANF programs to have a designated, independent entity that can serve as a client assistance advocate or "ombudsman" to serve those families that include an adult or child with a disability.

Participation in Program Design

- Require states to have client representatives (including adults with disabilities and parents of children with disabilities) participate in developing the state TANF plan.
- Require states to establish Advisory Panels, whose membership includes former and current TANF beneficiaries with disabilities, which are responsible for monitoring how the state can improve how it serves people with barriers to work, including people with disabilities.

Qualified Service Providers & Technical Assistance

- Require states to define 'qualified service providers' within the TANF block grant program and set minimum education, training, and/or certification or licensure standards.
- Require that state and local agencies develop a plan to provide on-going training to service providers to improve the delivery of services to people with disabilities.
- Direct the Department of Health and Human Services (DHHS) to provide ongoing training and technical assistance to state and local agencies to improve the delivery of services to TANF beneficiaries with disabilities, including grants to states and counties interested in supporting initiatives to achieve

systemic improvements in addressing the needs of persons with diagnosed and undiagnosed disabilities.

Research

- Provide resources to DHHS for research that will examine families' services and support needs and whether they are receiving those services to ensure people with disabilities are being appropriately served under the TANF block grant program. This should provide states and counties with examples of effective best practices in services, assessment tools, and programs designed to address the needs of parents with barriers; including disabilities, and parents caring for a child with a disability.
- Provide additional resources to DHHS for competitively awarded demonstration projects to test the effectiveness of strategies to help TANF beneficiaries with disabilities.

Funding

- It is essential that the basic TANF block grant be maintained and adjusted for inflation. Failure to do this will mean erosion in the value of the block grant and reduction in what states can do with the funds. The services and supports that parents with disabilities need to successfully move to work are often long-term and intensive. Without an increase in the block grant, it will be difficult for states to meet the needs of these parents and families.

Finally, in closing, we are very concerned that proposals to increase the number of work activity hours per week required of parents and to increase states' work participation rates will increase the negative outcomes for people with disabilities in TANF-funded programs. By reducing state flexibility and forcing states to redirect dollars away from services into work experience positions, states will find it harder to assist parents with barriers, including parents with disabilities. For far too many parents with disabilities—and parents caring for a child with disabilities—a requirement of 24 hours per week of work supplemented by 16 hours of more flexible activities will present an insurmountable obstacle to moving ahead.and, we fear, will lead to even more sanctioning of some of the most needy and vulnerable families.

Thank you again for this opportunity to testify. We will be happy to be helpful to you and your staff as you mark up the TANF reauthorization bill.

PRINCIPLES GUIDING

THE REAUTHORIZATION OF TANF

I. Foundation Statement

1. TANF must be consistent with the principles and goals of national disability policy as articulated in the Americans with Disabilities Act (ADA)——

- Equality of opportunity (i.e., individualization, genuine, effective, and meaningful opportunity, and administration of the program in the most integrated setting appropriate);
- Full participation in decision making (self determination and empowerment by individuals with disabilities and their representatives at the individual and policy level);
- Independent living (legitimate outcome, skills development, and ongoing services, supports, treatment and cash assistance); and
- Economic stability (legitimate outcome, employment-related services, real pay of real work, cash assistance and work incentives).

The ADA and Section 504 of the Rehabilitation Act are specifically incorporated by reference in TANF.

2. Modifications to TANF must reflect research. According to research and studies, families that include an adult or child with a disability comprise a substantial proportion of the families remaining on TANF cash assistance. While some families have exited TANF and entered the workforce, others remain on the case load without access to the assistance they require to be successful. Alarmingly, studies confirm that adults with disabilities are disproportionately represented among the former TANF recipients who have lost assistance due to a sanction.

II. Assessments, Services and Supports

1. Appropriate screening and comprehensive assessments must be provided by state and local agencies in order to make accurate and thorough decisions about the needs for services, supports and program modifications. Assessments may be par-

ticularly helpful to identify those TANF recipients who have never been diagnosed as having a disability and TANF recipients who might be eligible for Supplemental Security Income and Social Security Disability Insurance.

2. Services, supports and treatment under TANF funded programs shall be provided in accordance with the abilities and capabilities of the individual and the needs of the family, including a parent who has a child with a disability. States must modify program requirements to accommodate persons with disabilities and must commit resources, effort, and time necessary to enable individuals with disabilities to meet those requirements.

3. Services, supports and treatment must address the multiplicity of barriers facing persons with disabilities, including the lack of appropriate and affordable health care and substance abuse treatment, child care, education, assistive technology, accessible transportation, accessible housing and ongoing employment supports.

4. The need for services, supports and treatment must be based on facts and objective evidence. In addition, individualized plans must be developed that reflect identified needs as determined by the individual, their representatives and qualified personnel.

5. States should be required to offer screening and assessment to individuals and to explain fully the advantages of participation (e.g. availability of reasonable modifications in policies and requirements) and the disadvantages of not participating (e.g. work requirements, time limits and other requirements will be imposed without modifications and, if the individual cannot comply, may lead to sanction or case closure), but an individual must be free to decline to participate.

III. Work Requirements, Time Limits and Sanctions

1. TANF policies, practices, and procedures must address and accommodate the impacts and variations in types and severity of disabilities have on work and support needs, including the reality that for some persons with disabilities, the ability to work varies over time because of the episodic nature of disability. In addition, it must be recognized that some individuals with disabilities, with appropriate services, supports and treatment:

- Can meet the work participation requirements;
- Are capable of meeting the work participation requirements but not within the state and federal timeframes or not given the nature of the services, supports and treatment the state is willing to provide;
- Are capable for working but only on a part time or limited basis that may not meet the work participation requirements;
- Are incapable of meeting the work participation requirements.

2. Work participation should reflect the following policies:

- If a person is doing the best he or she can, whatever tasks the individual is doing should be counted;
- If a person and a state agree to what is appropriate for the individual, it should be counted;
- Persons should have the opportunity to participate at levels consistent with their abilities, capabilities and family needs.

3. An individual should not be subject to sanctions or case closure if the person's alleged non compliance or behavior is a manifestation of his or her disability, is related to the state's failure to offer screening and comprehensive assessments, or to provide necessary individualized services, supports and treatments.

4. In calculating time limits, States should be required to disregard months of assistance received by an individual with significant barriers to employment during any period in which the state did not provide necessary services, supports and treatments or reasonable modifications to the individual or the individual is unable to meet the full work requirements because of the nature or severity of his or her disability or the failure of the system to provide reasonable modifications.

IV. State and Federal Systemic Changes

1. State and local agencies must use relevant, qualified personnel to conduct screening, assessments and eligibility determinations. Further, service providers with whom public agencies contract to provide services and supports must use qualified personnel who can ensure that the services and supports meet the unique needs of persons with disabilities.

2. Services and supports may be provided directly by the state or local welfare agency or through contract or arrangement with other public and private agencies. Whether or not TANF agencies contract out services, they remain responsible for

ensuring that persons with disabilities receive services, supports, treatment and modifications they need.

3. To ensure consistency among job-training programs in a state, employment-related services and supports provided under TANF should be subject to the same plans (methods of administration) for complying with civil rights requirements as other job training programs such as programs under the Workforce Investment Act.

4. TANF must ensure meaningful input for persons with disabilities and their representatives and other stakeholders with respect to the design, implementation, and evaluation of TANF programs.

5. Persons with disabilities applying for or receiving services under TANF should have assistance available (e.g., client assistance programs) to ensure that they understand and can exercise their rights and fulfill their responsibilities.

6. Systems for collecting data should enable agencies and other stakeholders to ascertain the extent to which public agencies are meeting the needs of persons with disabilities.

7. The Federal Government should support state initiatives to achieve systemic improvements in the capacity of programs to address the unique needs of persons with disabilities (e.g., collaboration among agencies, identification of available funding sources, model screening and assessment instruments and procedures, and personnel preparation).

8. The Federal Government should maintain a strong and effective program to monitor and enforce civil rights laws, including the ADA and Section 504, in state TANF programs.

9. The Federal Government must provide sufficient funds to support state efforts under TANF, including cost of living increases.

Chairman HERGER. Thank you, Mr. Marchand, for your testimony. Dr. Cahill to testify.

STATEMENT OF SEAN CAHILL, PH.D., DIRECTOR, POLICY INSTITUTE, NATIONAL GAY AND LESBIAN TASK FORCE, NEW YORK, NEW YORK

Dr. CAHILL. Good evening, Mr. Chairman. I am the Director of the Policy Institute of the National Gay and Lesbian Task Force, which is the oldest national gay, lesbian, bisexual, and transgender political organization. I am here to express my community's concern with some aspects of welfare reform legislation.

Contrary to a widely held myth, gay people are no wealthier on average than heterosexual people. Many gay people are poor, and some need temporary assistance from welfare. Although some would construct gay and family as mutually exclusive categories, one in five lesbian households on a 1990 census had children under 18. We have children, and sometimes we need temporary assistance to make ends meet.

There are many ways in which welfare reform threatens and stigmatizes lesbian mothers on welfare and all gay people. We are very concerned about the antigay effects of the abstinence-only until-marriage education and the faith-based initiative. These are outlined in a report that I am going to make available to all the Committee Members. Today I would like to focus primarily on the marriage and fatherhood initiatives.

We were recently asked why the administration's $300-million-a-year marriage initiative is so controversial, and I would like to answer that question. There are essentially two reasons: First, what we have seen already happening at the State level, and second, what has been proposed by Horn and other Bush appointees formerly involved in the National Fatherhood Initiative and the Mar-

riage Movement, as well as colleagues and influential conservative think tanks, many of whom who have testified here today.

Several States have earmarked millions of TANF dollars to fund marriage and fatherhood initiatives. West Virginia is offering cash bonuses to those who marry. Florida mandates marriage skills classes, and some public school districts in New Jersey and Tennessee have urged role-playing complete with gowns, tuxes, and church ceremonies. Three States now offer covenant marriages, which are harder to enter into and harder to leave. Louisiana's Commission on Marriage and Family reviews all State laws to ensure that all marriage is not, quote/unquote, undermined.

Would a domestic partner law which grants benefits to same-sex partners be seen as undermining heterosexual marriage? Unfortunately, we have seen this argument used in efforts to repeal or prevent domestic partner laws around the country. While specifics of the administration's marriage and fatherhood promotion efforts are not yet available, the recent writings of Wade Horn and Andrew Bush, both now at the U.S. Department of Health and Human Services, and Don Eberly, who is Deputy Director of the Faith-Based Initiative, provide a roadmap. Also worth reviewing are the manifestos of the National Fatherhood Initiative and the Marriage Movement.

Horn, Bush, and Eberly have advocated the prioritization of children of married heterosexual-parent families over other low-income families and the distribution of limited supply benefits such as Head Start slots and student financial aid, offering two-parent welfare benefits only to married heterosexual couples, ending no-fault divorce, requiring mutual consent of both spouses before divorce is granted, and effectively banning same-sex couples from adopting children in State custody.

Others close to the administration have called for 10 percent of TANF funds to be spent for marriage promotion and have urged Congress to pass a federal law like Louisiana's banning any domestic legislation that, quote, weakens the institution of marriage, unquote. This could be interpreted to mean banning any legal recognition of same-sex relationships. David Blankenhorn of the Marriage Movement has even called for banning access to fertility services to unmarried women, including lesbian couples.

There is no credible social science research that shows that failure to marry causes poverty. In fact, many of our European allies have higher non-marital birth rates, but much lower poverty rates. Research also shows that children who grow up with gay and lesbian parents or even single parents can have as fulfilling and nurturing a childhood as children raised in married heterosexual-parent homes, and I have prepared two appendices that document this research that I would like to enter into the record.

[The appendices follow:]

By Sean Cahill, Ph.D. Director, Policy Institute of the National Gay and Lesbian Task Force

Appendix A—Research on Family Structure and Child Well-Being

Scholars have disagreed with the premise of the National Fatherhood Initiative and the Marriage Movement that it is always in the best interest of a child to be raised by two heterosexual, married parents. As sociologist Judith Stacey notes, "the current status of social scientific knowledge of the success of diverse family struc-

tures is far more complex, and the views of family scholars far more heterogeneous, than revisionists pretend."[1] For example, Silverstein and Auerbach contend the following:

Our research with divorced, never-married, and remarried fathers has taught us that a wide variety of family structures can support positive child outcomes. We have concluded that children need at least one responsible, caretaking adult who has a positive emotional connection to them and with whom they have a consistent relationship . . . We share the concern that many men in US society do not have a feeling of emotional connection or a sense of responsibility toward their children. However, we do not believe that the data supports the conclusion that fathers are essential to child well-being and that heterosexual marriage is the social context in which responsible fathering is most likely to occur.[2]

In a comparison of five different family structures . . . families with adoptive children, two-parent families with biological children, single-mother headed families with biological children, families with a stepfather present, and families with a stepmother present researchers concluded that there were no major differences in children raised by single mothers compared to the children raised in other household types. Specifically, children from single mother households did not report any differences in well being or parental relationships as compared to other children.[3]

Judith Stacey and Timothy Biblarz recently published a piece in the *American Sociological Review* debunking the claim that heterosexual parents are more successful in raising children than lesbian or gay couples. A study by psychologists John Gottman and Robert Levenson found that same-sex couples were better at managing disagreements than heterosexual married couples. Because of this, there was less stress on the children of same-sex parents than on the children of opposite-sex parents.[4]

In their literature review on lesbian and gay families with children, Patterson and Redding[5] concluded that the fears some have that children from families without fathers . . . such as lesbian families . . . will suffer "deficits" in personal development are without empirical support. In a study of psychosocial development among preschool and school aged children, Patterson reports:

Children of lesbian mothers' scores for social competence, internalizing behavior problems, and externalizing behavior problems differed significantly from the scores for a clinical sample but did not differ from the scores for a large normative sample of American children. Likewise, children of lesbian mothers reported gender-role preferences within the expected normal range for children of this age.[6]

Demo and Cox[7] contend in their review of current research that the pattern is clear: family structure does not provide enough explanation to a child's well-being. When there is a difference, that difference tends to be weak.

When a woman becomes a single parent by virtue of divorce, poverty is often explained by discrepancies in gender-based incomes. According to Struening, "on average women make 75% of what men make."[8] For low-income women, child support payments[9] and even child care subsidies[10] usually are not enough to move these women out of poverty. Struening suggests:

If we want single-mother families to raise good citizens, we should focus on providing them with the resources and social supports they need. There are no simple solutions to the increase in the families without fathers or to low-income two-parent families whose children often also are at risk. Individuals growing up in poor fami-

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[1] Judith Stacey, *In the Name of the Family: Rethinking Family Values in the Postmodern Age*, p. 59, cited in Scott Coltrane, *Contemporary Sociology*, 26(1), January 1997, pp. 7 ff.

[2] L.B. Silverstein and C.F. Auerbach, "Deconstructing the Essential Father," *American Psychologist*, 54, 6, 407, 1999, pp. 397–398.

[3] J.E. Lansford, R. Ceballo, A. Abbey and A.J. Stewart, "Does Family Structure Matter? A Comparison of Adoptive, Two-Parent Biological, Single-Mother, Stepfather, And Stepmother Households," *Journal of Marriage and Family*, 63, 2001, pp. 840–851.

[4] Stacey and Biblarz, "(How) Does the Sexual Orientation of the Parents Matter?" *American Sociological Review*, April 2001; Stacey, The Nation, July 9, 2001, p. 28.

[5] C.J. Patterson and R.E. Redding, "Lesbian and Gay Families with Children: Implications of Social Science Research for Policy," *Journal of Social Issues*, 52(3), 1996.

[6] C.J. Patterson, "Family Relationships of Lesbians and Gay Men," *Journal of Marriage and Family*, 62, 2000, p. 1062.

[7] Demo, D.H. and M.J. Cox. 2000. "Families and Young Children: A Review of Research in the 1990s." *Journal of Marriage and the Family*. 62(4). 876–896.

[8] K. Struening, "Familial Purposes: An Argument Against the Promotion of Family Uniformity," *Policy Studies Journal*, 27(3), 1999, p. 481.

[9] Ibid.

[10] K. Meyers, W. Han, J. Waldfogel and I. Garfinkel, "Child Care in the Wake of Welfare Reform: The Impact of Government Subsidies On the Economic Well-Being Of Single-Mother Families," *Social Service Review,* 75(1), 2001. Findings were based on women in New York.

lies and poor neighborhoods face multiple challenges ranging from physical illness and drug addiction to lack of education and job opportunities. A marriage certificate does not begin to address these problems.[11]

By Sean Cahill, Ph.D. Director, Policy Institute of the National Gay and Lesbian Task Force

Appendix B—The Connection Between Nonmarital Births and Child Poverty

Does the relative rise in nonmarital births in the late 20th century cause poverty in the US? Not necessarily. Studies indicate that public policy toward single-parent families is the more likely culprit. Rates of out-of-wedlock births are higher in several northern European countries, but poverty is much lower. For example, Sweden, Norway, and Denmark have nonmarital birthrates of 47 to 54 percent. Britain's rate of 34 percent and France's rate of 37 percent are also higher than the US rate of 32 percent. But poverty rates in these countries are much lower.[1]

A late eighties study of poverty differences between single-parent and married couple families with children found that, in several countries with generous social safety nets, the differences were not significant. In Sweden, 5.5 percent of single-parent families were poor, versus 5 percent of married couple families. In the Netherlands the difference was 7.2 percent versus 7.5 percent; in France 10 percent versus 15.8 percent, and in Britain 16.6 percent versus 18 percent. In the US, however, the differences were dramatic: 17.9 percent of married couple families with children were poor, versus 53.3 percent of single-parent families with children. This indicates that the poverty gap is not an inevitable state of affairs, but the result of particular public policy choices which vary from country to country.[2]

Dr. CAHILL. [Continuing.] Children of cohabiting gay parents are not at a higher risk of child abuse, nor are children raised by lesbian parents more likely to experience educational, health, and psychological problems as some would say of fatherless children. Marriage and fatherhood initiatives which make such claims, like H.R. 4090, implicitly question the value and functionality of gay families with children.

Promoting heterosexual marriage assumes every woman wants to marry a man, which is not true of many straight women, and certainly not true of lesbians. Given the widespread prevalence of domestic violence among women on welfare, promoting marriage is the last thing our government should be doing. The gay community urges you to reject marriage and fatherhood narratives and to focus instead on providing people on welfare the work-related skills required to succeed in today's economy. Thank you.

[The prepared statement of Dr. Cahill follows:]

Statement of Sean Cahill, Ph.D., Director, Policy Institute of the National Gay and Lesbian Task Force, New York, New York

I am the director of the Policy Institute of the National Gay and Lesbian Task Force, the nation's oldest national gay, lesbian, bisexual, and transgender (GLBT) political organization. I am here to express my community's concern about certain elements of welfare reform. I recently coauthored a study examining the current and potential impact of welfare reform on gay, lesbian, bisexual and transgender people.

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[11] K. Struening, "Familial Purposes: An Argument Against the Promotion of Family Uniformity," *Policy Studies Journal*, 27(3), 1999, p. 481.

[1] European data for 1995–96 from Eurostat Yearbook 1997; US data for 1998 from Statistical Abstracts of the United States, cited in Wolfgang P. Hirczy de Mino, "From Bastardy to Equality: The Rights of Nonmarital Children and Their Fathers in Comparative Perspective," *Journal of Comparative Family Studies*, 31(2), 2000, pp. 232–233.

[2] Poverty is defined as 50 percent or less of the median income for all households with heads 20 to 55 years old. From Katherine McFate, *Poverty, Inequality, and the Crisis of Social Policy: Summary of Findings*, Washington, DC: Joint Center for Political and Economic Studies, 1991, p. 32, cited in Hirczy de Mino, 2000, p. 233.

I will make copies of this study available to all members of the committee. It's also available at our website, www.ngltf.org.

Contrary to a widely-held myth, GLBT people are no wealthier, on average, than heterosexual people. Some gay people are poor, and some, especially lesbian and bisexual mothers, depend on TANF cash assistance, food stamps, and other elements of the safety net. Although some would construct "gay" and "family" as mutually exclusive categories, one in five lesbian households on the 1990 Census had a child under age 18. A recent study of Black GLBT Pride celebrations found that 40 percent of the women, and 18 percent of the men, were parents. So we have children, and sometimes we need temporary assistance to make ends meet.

There are many ways in which welfare reform threatens and stigmatizes lesbian mothers on welfare and all gay, lesbian, bisexual, and transgender people. These include the paternity requirement, which conditions aid upon identification of the child's biological father, and abstinence-only-until-marriage education, which promotes dangerous stereotypes and misinformation about homosexuality, gay people-including gay youth who are already subject to widespread harassment and violence in the schools-and people with AIDS. Harassment of gay youth and transgender people at workfare sites is widespread, and in states where there are no sexual orientation nondiscrimination laws, lesbians pushed off welfare may not be able to work due to anti-gay discrimination.

Wade Horn recently asked why the Bush Administration's $300 million-a-year marriage initiative is so controversial. Well, there are essentially two reasons: (1) what we have already seen happening at the state level; and (2) what Horn and other Bush appointees formerly involved in the National Fatherhood Initiative and the Marriage Movement, and their colleagues at influential conservative think tanks, have proposed.

(1) State Marriage Initiatives

Arizona, Michigan, Oklahoma, Utah and other states have earmarked millions of TANF dollars to fund marriage and fatherhood initiatives. West Virginia is offering cash bonuses to those who marry. Florida mandates marriage skills classes, and some public school districts have encouraged role-playing complete with gowns, tuxes, and church ceremonies. Three states now offer covenant marriages, which are harder to enter into and harder to leave. Louisiana's Commission on Marriage and Family reviews all state laws to ensure that marriage is not "undermined." Would a domestic partner law which grants rights and benefits to same-sex couples be seen as "undermining" heterosexual marriage? Unfortunately, conservatives have indicated they think it would.

(2) Proposals Advocated by Current Policymakers

While the specifics of the Administration's marriage and fatherhood promotion efforts are not yet available, the recent writings of Wade Horn and Andrew Bush, both now at HHS, and Don Eberly at the Faith Based Initiative, provide a roadmap. Also worth reviewing are the National Fatherhood Initiative's "Call to Fatherhood," the Marriage Movement's "Statement of Principles," and the "Call to Civil Society."[1] Horn, Bush and Eberly have advocated:

- The prioritization of children of married heterosexual parents over other low-income children in the distribution of limited-supply benefits like Head Start slots and financial aid. This would devastate many Black and Latino families with children in particular.
- Offering two-parent welfare benefits only to married heterosexual couples.
- Ending no-fault divorce and requiring mutual consent of both spouses before divorce is granted.
- Effectively banning gay and lesbian couples from adopting children in state custody.

Others close to the administration . . . like Robert Rector of the Heritage Foundation and David Blankenhorn at the Institute for American Values . . . have called for 10 percent of TANF funds to be spent for marriage promotion, and have urged Congress to pass a law like Louisiana's banning any domestic legislation that "weaken[s] the institution of marriage." This could be interpreted to mean banning any law recognizing same-sex relationships. Blankenhorn has even called for banning access to fertility services to unmarried women, including lesbian couples. We

[1] Horn, W., Blankenhorn, D., and Pearlstein, M., eds. (1999). *The Fatherhood Movement: A Call to Action*. New York: Lexington Books; *The Marriage Movement: A Statement of Principles*, at www.marriagemovement.org/html.report.html; Eberly, D. (1998). *Civil Society and the Renewal of American Culture*. New York: Rowman and Littlefield.

are very concerned about the potential harm such policies pose to our entire community, not only low-income gay people.

There is no credible social science research that shows that failure to marry causes poverty. In fact, many of our European allies have higher non-marital birth rates but much lower child poverty rates. Research also shows that children who grow up with gay or lesbian parents, and even single parents, can have as fulfilling and nurturing a childhood as children raised in married, heterosexual parent homes.

Some GLBT people are poor, some of us have children, and some of us need temporary assistance. We cannot legally marry. Promoting heterosexual marriage assumes every woman wants to marry a man, which is not true of many straight women and certainly not true of lesbians. Given the widespread prevalence of domestic violence among women on welfare, promoting marriage is the last thing our government should be doing. The gay community urges you to reject this misguided agenda and to focus instead on providing people on welfare the work-related skills required to succeed in today's economy.

Chairman HERGER. Thank you, Dr. Cahill. Now we will turn to Ms. McDonald for testimony.

STATEMENT OF SHARON MCDONALD, POLICY ANALYST, NATIONAL ALLIANCE TO END HOMELESSNESS

Ms. MCDONALD. Good evening. My name is Sharon McDonald, and I am with the National Alliance to End Homelessness. The Alliance is a nonpartisan, nonprofit organization solely committed to eradicating homelessness in the United States. I would like to thank the Chairman and the Members of the Subcommittee for allowing me to be here today.

Mr. Chairman, we are all committed to using the TANF block grant programs to promote the self-sufficiency of families, and we are all committed to avoiding poor outcomes. None of us want families with special needs to lose cash assistance or be denied the services they need, and none of us want TANF-eligible families to rely on emergency shelters for housing. We are grateful, therefore, to have an opportunity to share our recommendations with you today.

Helping TANF-eligible families exit homeless shelters as quickly as possible is a critical and often overlooked step in promoting the self-sufficiency of those who have been left behind. Access to stable housing is linked to better performance in the workforce, and clearly families who are moving from shelter to shelter lack the stability to perform well. The TANF resources, including financial and case management services, can and should be used to help TANF-eligible families exit homelessness as quickly as possible.

Our first recommendation to the Subcommittee is to encourage the dedication of TANF resources at the State level to address family homelessness. To achieve this goal and foster innovation, the Subcommittee can ask States to focus on how they will serve homeless families in their State TANF plan. By promoting collaboration between TANF-funded programs and homeless service providers, the Subcommittee can facilitate improved service delivery to homeless families, increase the likelihood a family will be successfully rehoused and avoid duplication of efforts. By asking States to collect data on the housing status of the families they serve, including whether they are living in emergency shelters, we will be better able to understand the extent of housing needs among TANF recipients and promote better planning and evaluation.

States should receive incentives to improve their performance and ensure that families do not become or remain homeless. We advocate the use of a high-performance bonus to do this. The most cost-effective and humane intervention is one that prevents vulnerable families from becoming homeless. The Subcommittee should ensure these families with special needs are not exiting TANF programs only to encounter greater difficulties, such as housing instability, homelessness and sharp declines in income due to the withdrawal of cash assistance.

Our second recommendation to the Subcommittee is to improve State capacity to serve families with special needs and disabilities. We must recognize that allowing families to exit TANF programs through sanctions, time limits, or case closures without the opportunity to become self-sufficient does not reduce dependency, it merely shifts it to other programs such as emergency shelters or overstressed emergency food pantries. The Subcommittee can improve States' capacities to serve these families by providing greater flexibility with time limits and requiring procedures that prevent inappropriate sanctions. With the ability to modify program requirements to meet the diverse needs of the remaining case loads rather than imposing a one-size-fits-all approach, States will be more likely to retain and serve well those that face the greatest impediments to success.

To date there has been considerable attention given to the support families require to successfully transition from welfare-to-work. Assuring stable housing has often been overlooked despite its implication for families' success. One emerging innovation is coupling housing and welfare assistance to help families transition to greater economic independence. The Alliance recommends furthering experimentation and knowledge development.

Our third recommendation to the Subcommittee is to respond to the intersection of housing and welfare. The Subcommittee can help further progress by removing the requirement that housing subsidies be treated the same as cash assistance, promoting collaboration between public housing agencies and State and local welfare agencies, and by undertaking a housing with services demonstration project.

I would like to convey my appreciation to the Chairman and the Members of the Subcommittee for allowing me to testify today. We believe the reauthorization of TANF provides a critical opportunity to address homelessness among families, enhance the capacity of States to help families with special needs, and attend to housing needs of TANF recipients. The National Alliance to End Homelessness welcomes the opportunity to be of assistance to the Subcommittee as it moves forward. Thank you.

[The prepared statement of Ms. McDonald follows:]

Statement of Sharon McDonald, Policy Analyst, National Alliance to End Homelessness

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me to testify today. My name is Sharon McDonald and I am a policy analyst for the National Alliance to End Homelessness. The Alliance is a nonpartisan, nonprofit organization solely committed to eradicating homelessness in the United States.

We applaud the Administration and those Members of Congress who have embraced a goal of ending chronic homelessness. We believe this is an important step forward in solving homelessness in our nation.

It is estimated that 900,000 to 1.3 million children in the United States experience homelessness each year.[i] TANF reauthorization can play a critical role in solving this problem. I am delighted to be here today to share with you our proposals on how TANF reauthorization can ensure progress is made to end homelessness.

First, to make a difference in ending homelessness in our nation we must stop the flow of people into homelessness.

To "close the front door" into homelessness, the Alliance advocates that programs that serve vulnerable people, including extremely poor families, take active steps to ensure their clients do not become homeless. This strategy requires changing the incentive structure of these programs. Under current policy, programs at the state and local level are in effect rewarded for allowing people to fall out of their systems and into the homeless assistance system. This is especially the case for those who are most difficult to serve.

For TANF reauthorization, this means ensuring states are serving families that are the hardest to serve, including those with disabilities—and that vulnerable families are not allowed to fall through the cracks of sanctions, time limits and case closures.

Second, by focusing on rehousing families as rapidly as possible, we can substantially reduce the amount of time children spend in homelessness.

To "open the back door" out of homelessness, the Alliance supports an outcome-focused emphasis on services that move people back into housing as rapidly as possible. Most people who become homeless remain so for only a brief period of time, and they typically do not become homeless again. They are very poor people who are experiencing a housing crisis. The Alliance recommends the use of a "Housing First" strategy to address the homelessness of those individuals and families. This is a cost-effective approach that helps families exit homelessness as rapidly as possible by providing housing search assistance and follow-up case management to ensure families stabilize in their homes and are linked with needed community-based services and supports.

Some states have mobilized TANF resources to prevent and end the homelessness of families, we are encouraged by this and believe the Subcommittee can do more to encourage further innovation and planning.

Recommendation 1: Encourage the Use of TANF Resources to Address Family Homelessness

Nationally, it is estimated that 38% of the 2.3 million to 3.5 million people who are homeless over the course of a year are children.[ii] While there have been increases in the numbers of homeless people who are working full-time, it is reasonable to conclude that the vast majority of homeless families with children remain eligible for TANF cash assistance and services.

Research indicates that in contrast to children who are housed, homeless children are more likely to be in poor health and experience developmental delays. Not surprisingly, homeless children are more likely to experience mental health problems such as anxiety and depression and to exhibit behavioral problems than other children.[iii] Children who are homeless have lower academic achievement, exacerbated by frequent moves and psychological distress.

Homelessness puts enormous strains on families. Some emergency shelters require the break-up of families—accommodating older male youth in a separate facility, requiring married couples to separate. Parents seeking stability for their children may house them temporarily with relatives. However, rather than achieving stability, many children will end up being merely shifted from home to home.

Sustaining families in homelessness is a costly endeavor that absorbs an increasing amount of federal and state dollars—typically well beyond what would be incurred by preventing homelessness or providing financial assistance to help rehouse a family. Homelessness can be devastating to children, disruptive to all family members and is simply more expensive than stabilizing families in housing.

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[i] Martha Burt, *What will it take to end homelessness?* (Washington, DC: Urban Institute, September, 2001), available online: http://www.urban.org/UploadedPDF/end_homelessness.pdf.

[ii] Martha Burt, *America's homeless II: Populations and Services.* (Washington, DC: Urban Institute, February, 2001), available online: http://www.urban.org/housing/homeless/numbers/index.htm.

[iii] J. C. Buckner, E. L. Bassuk, L. F. Weinreb, and M. G. Brooks, "Homelessness and its relationship to the mental health and behavior of low income school age children," *Developmental Psychology Vol. 35(1)* (Washington, DC: American Psychological Association, 1999) 246–257.

Currently, state TANF resources can be utilized to prevent and end homelessness. To facilitate greater innovation and ensure progress in meeting this important goal, the Alliance believes homelessness should be a specific focus within the TANF block grant program. States should receive incentives and guidance from the U.S. Department of Health and Human Services to address family homelessness. Our specific recommendations to the Subcommittee are as follows:

To properly identify families that require safety-net services, states should identify TANF-eligible families that are homeless.

In order to minimize homelessness, state TANF plans should indicate how the state will coordinate with homeless assistance providers (including housing providers).

In order to end homelessness for eligible families with children, state TANF plans should indicate how services other than cash benefits (including housing re-location services, short-term rent assistance, emergency assistance, and case management) will be used to end and prevent homelessness.

To reduce homelessness and promote housing stability, HHS should award high performance bonuses to states that improve housing outcomes, as measured by:

reduced proportion of TANF eligible families entering the homeless system,

reduced length of time families spend in homelessness, or

reduced number of families with worst case housing needs.

To help states achieve this goal, the Department of Health and Human Services should provide technical assistance and guidance to the states to improve state and local TANF agency capacity to end homelessness among very vulnerable families.

To ensure success of welfare-to-work initiatives, states should collect data on housing status and housing needs of TANF recipients and leavers.

Recommendation 2: Improve State Capacity to Serve Families with Special Needs

A recent GAO study found that 44% of TANF beneficiaries report having a disability that impedes their work participation.[iv] Families that include people with disabilities are likely to differ in their capacity to participate in work activities even with the provision of appropriate services and supports.

To adequately meet the needs of a more disadvantaged population that remains on welfare case loads, states must have flexibility to count activities that serve and support those families as meeting work participation requirements. With the ability to modify program requirements to meet the diverse needs of the remaining case loads rather than imposing a one-size-fits all approach, the states will have a greater likelihood of retaining and serving well those families that face the greatest impediments to success. By allowing states to receive credit for those who are participating in work activities to the extent of their abilities, they will have an incentive to move those who cannot fully participate into self-sufficiency activities.

The Alliance is concerned that families with special needs are exiting state TANF programs through sanctions. Studies have demonstrated that families that include a person with a disability are disproportionately represented among those who have been sanctioned off of cash assistance and have not moved into employment.[v] Activities to prevent the loss of some of these families include improving local agencies capacity to identify people with disabilities and developing procedures that reduce and remedy erroneous sanctions.

Finally, we must reevaluate the appropriateness of the 20% exemption to the federal five-year time limit. Due to the decline in case loads, the 20% exemption will cover far fewer families than had ever been anticipated. Allowing states to index the exemption rate to an earlier year will allow those states that have substantially reduced their case load by moving families from welfare-to-work to retain and serve those with greater challenges.

To adequately meet the needs of a more disadvantaged population, the Alliance advocates that states be provided increased flexibility to develop a programmatic re-

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[iv] U.S. General Accounting Office, *Welfare Reform: More Coordinated Federal Effort Could Help States and Localities Move TANF Recipients With Impairments Toward Employment. GAO 02–37.* (Washington, DC: Government Printing Office, October 31, 2001), available online: www.gao.gov.

[v] Heidi Goldberg, *Improving TANF Program Outcomes for Families With Barriers to Employment* (Washington, DC: The Center on Budget and Policy Priorities, January 22, 2002), available online: http://www.centeronbudget.org/1–22–02tanf3.htm.

sponse coupled with greater accountability for outcomes. Specifically, we recommend the Subcommittee:

Ensure that all families with disabilities are properly identified so that states can utilize their most flexible resources to assist them by providing access to professional assessments.

Allow states to identify and assist those families that have special needs and should be exempted from time limits by **indexing the 20% exemption to the 1997 case load.**

Encourage work among families with disabilities by expanding the definition of work for those who have a disability.

Ensure that families with disabilities are not inadvertently dropped from the case load by establishing procedures that reduce erroneous sanctions and increase outreach and assistance both before and after sanctions are imposed.

Recommendation 3: Respond to the Intersection of Houseing & Welfare

The flexibility that was conveyed to the states under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) stimulated many state-level innovations that resulted in families transitioning off of welfare and into the workforce. One of the emerging areas of innovation in service delivery is in coupling housing and welfare assistance to help families transition to greater economic independence.

To date, there has been considerable attention to the supports families require to successfully transition from welfare-to-work. Assuring stable housing has often been overlooked, though it is one of the most critical concerns families face. There is evidence that suggests those with access to affordable housing are more likely to be successful in transitioning to economic independence.[vi] For example, one study found that families with a housing subsidy were twice as likely to be employed and had higher earnings than those without a subsidy. Conversely, there is evidence that a housing affordability crisis can threaten ties to work. Leaver studies indicate that families who have exited TANF assistance through the employment of a family head are among those who become homeless.[vii] Attending to housing stability must simply be part of a plan to promote self-sufficiency.

A fundamental cause of homelessness among families is a shortage of housing affordable to families with extremely low incomes. HUD has reported that 3.6 million children live in families with "worst-case housing needs."[viii] Their parents, with incomes below 50% of the local area median income, pay more than 50% of their income for housing or live in seriously substandard housing. Extremely low-income families—those most likely to be eligible for or using TANF funded services—are particularly vulnerable to having worst case housing needs. Sixty-eight percent of those families without access to a housing subsidy pay more than half their income in rent or live in seriously substandard housing.[ix]

To allow states to effectively address the intersection of housing and welfare, the Alliance recommends providing enhanced flexibility to further innovation and maximize the use of available resources. Specifically, we recommend that the Subcommittee:

Allow states to utilize housing assistance more strategically and effectively by removing the requirement that housing subsidies be treated the same as cash assistance.

Ensure states have the maximum resources at their disposal for families with special needs by building collaborations between Public Housing Agencies and state and local welfare agencies.

Assess how to best assist families with special needs by undertaking and evaluating a housing with services demonstration.

[vi] Barbara Sard and Jeff Lubell, *The increasing use of TANF and state matching funds to provide housing assistance to families moving from welfare-to-work.* (Washington, DC: The Center on Budget and Policy Priorities, February 17, 2000), available online at: http://www.cbpp.org/2–17–00hous.pdf.

[vii] For example, A. Rangaran & R. J. Wood, *Work First New Jersey Evaluation. Current and Former Work First New Jersey Clients: How are they faring 30 months later, MPR: 8575–322.* (Washington, DC: Mathematica Policy Research, Inc., November 16, 2000), available online: http://www.mathematica.org/PDFs/wfnj.pdf.

[viii] Office of Policy Development and Research, U.S. Department of Housing and Urban Development, *A Report on Worst Case Housing Needs in 1999: New Opportunity Amid Continuing Challenges. Executive Summary*. (Washington, DC: U.S. Department of Housing and Urban Development, January, 2001), available online: http://www.huduser.org/publications/affhsg/wc99.html.

[ix] Ibid.

Conclusion

I would like to convey my appreciation to the Chairman and the Members of the Subcommittee for allowing me to testify today. We believe the reauthorization of TANF provides a critical opportunity to make progress in addressing homelessness among families by promoting innovation in ending and preventing homelessness, enhancing the capacity of states to respond to families with special needs and attending to the housing needs of TANF recipients. The National Alliance to End Homelessness welcomes the opportunity to be of assistance to the Subcommittee as it moves forward in the reauthorization of the TANF block grant program.

Chairman HERGER. Thank you, Ms. McDonald. Mr. Beckmann to testify. Mr. Beckmann. Is that on?

Chairman BECKMAN. Yes. Thank you.

STATEMENT OF REVEREND DAVID BECKMANN, PRESIDENT, BREAD FOR THE WORLD

Mr. BECKMANN. Thank you, Mr. Chairman. Thank you for your patience in listening to so many points of view, and I also want to compliment your staff for saving some of the best for last. My name is David Beckmann. I am the President of Bread for the World. We are a national Christian citizens movement against hunger.

Today, as you know, Mrs. Roukema and Mr. Tierney introduced the Working from Poverty to Promise bill. Over the coming months Bread for the World's members and thousands of churches across the country will mobilize something like 150,000 letters to Congress on behalf of the Roukema bill. Based on our successes on some other issues like debt relief for poor countries, we think that religious people talking to their members back home will be able to build a strong bipartisan list of cosponsors for the Working from Poverty to Promise bill so that by the time Congress takes final action on this important issue, some of the provisions from this bill will become part of that legislation.

We would really like you to consider them now because we clearly think that the Roukema-Tierney bill includes some modest but significant improvements over the bill you have introduced. Your bill is much more comprehensive, but we think that Roukema-Tierney bill suggests some improvements in five areas.

First, it seems to us that the Committee ought to make poverty reduction one purpose of TANF. This is a program that reaches lots of the poorest people in the country, and I think everybody wants TANF to be structured in ways that will encourage these people to get out of poverty. So, making poverty reduction the purpose of TANF just should not be a point of contention. We also think that it makes sense then to make poverty reduction one other criteria by which the Federal Government decides which States get performance bonuses.

Second, we think TANF should do much more to encourage education and training. A lot of the people who left welfare even to get jobs are still ending up in church basements getting part of the groceries that they need to feed their kids, and the best path to get into a job that is going to pay enough to feed your family is education and training. That is clear. It is also clear that the people who get some training are the people most likely to stay off public assistance.

Third, we think that if a person is working, but earning so little that they still qualify for TANF, then that TANF assistance should not count against the 5-year time limit. If people are working, they should be able to eat.

Fourth, both federal and State funding for TANF should be indexed to inflation. Otherwise, especially in the current situation, States won't be able to continue some of the creative things that they have been doing that, in fact, have reduced poverty.

Fifth, we favor the continuation of State waivers, because we think some really creative things have happened at the State level and that shouldn't be stopped.

This is a complex and contentious issue, but it is also morally important, and we pray for your leadership and for this Committee's important work.

[The prepared statement of Mr. Beckmann follows:]

Statement of Reverend David Beckmann, President, Bread for the World

My name is Rev. David Beckmann, and I am president of Bread for the World. I appreciate this opportunity to present testimony to the subcommittee about Temporary Assistance for Needy Families.

Bread for the World is a grassroots, Christian citizens movement. Our membership is rooted in churches all across the United States, and seeks justice for hungry and poor people in the U.S. and in the poorest parts of the world.

This year our 46,000 members—people of deep Christian faith—are actively organizing a nation-wide letter writing campaign. We expect Bread for the World members to generate over 150,000 letters urging their members of Congress to improve TANF, because we believe that welfare is a hunger issue. As an anti-hunger organization, the TANF law and the states' TANF programs are of great importance to us. Census data show that low-income households are more likely to experience hunger than other households, and thus it is clear that reducing poverty in this country will reduce hunger. And, let us not forget: nearly three quarters of all the people receiving TANF benefits are children.

Much of this year's debate about TANF will revolve around the question of whether or not the 1996 TANF law was a success or a failure. We believe that is the wrong question. Instead the debate should revolve around the question of how we can improve TANF so as to enable many more families to leave hunger and poverty behind and attain long-term self-sufficiency.

Bread for the World is not seeking to overturn the TANF law or turn back the clock to pre-1996 times. Rather we are seeking to amend the TANF law in ways that will provide the tools necessary for families to make the difficult transition from poverty to self-sufficiency. We have looked carefully at the TANF law and experience, and we have identified four areas where we believe it can be improved. These improvements are morally and practically the right thing to do:

1. **Make poverty reduction an explicit goal of TANF.** The current law is flawed in its inordinate attention to case load reduction, when the real issue that should claim our attention is poverty reduction. Poverty continues to be a persistent reality in our nation, despite the economic boom of the 1990s. Even though TANF case loads have declined, 31 million people still live in poverty, including 11.6 million children, and all across the country churches and soup kitchens are seeing dramatic increases in requests for assistance. Reducing the TANF rolls and putting people to work has not cut deeply into the poverty rate, for two basic reasons: (a) 40% of those leaving TANF have neither jobs nor TANF benefits, and (b) many of the TANF leavers who do have jobs are working for very low wages. Work is good, and the vast majority of those on welfare are eager to work, but leaving poverty behind and becoming self-sufficient is even better.

   To implement this step, we urge you to require the states to develop a plan for reducing the extent and severity of poverty among families participating in TANF, and to include it in their annual TANF plans. This would add consideration of progress toward poverty reduction as one of the factors in determining which states receive bonuses for high-performance success.

2. **Enhance the long-term employability and self-sufficiency of TANF participants through increased education and training opportuni-**

ties. Study after study shows that TANF leavers who are most successful in sustaining employment are those who have a technical or two-year degree. According to the census, the more years of education a woman completes, the less likely she is to live in poverty.

To implement this step, we urge you to add participation in post-secondary education and training as an acceptable work activity, and combine education with work for those who need longer to complete their training. Extend the time limit for exclusive participation in education and training to 24 months. Eliminate the 30% cap on participation in education and training, thus giving states the flexibility they need to design programs that effectively move people into sustainable jobs. Require states to work with each TANF client to develop a self-sufficiency plan. Require states to consider regional labor markets and seek workforce-training opportunities to meet the needs of employers while also improving the wage outcomes of TANF leavers. Reward states for success in training, placing and retaining TANF leavers in higher-wage jobs.

3. **Create flexibility for states to help families who are finding the path to independence difficult to manage.** TANF participants are being pushed into low-wage jobs that do not provide sufficient income to support a family, and thus they continue to need some types of assistance to make ends meet. The average wage of an employed TANF leaver is $6.75 per hour, far too low to support several dependents.

   To implement this step, we urge you to exclude benefits to working families from the lifetime sixty-month time-limit restrictions. Those who are working at jobs should not lose their months of TANF eligibility while working. We also urge you to add disability and mental illness to the list of specific hardships that some clients face in achieving self-sufficiency.

4. **Ensure adequate funding for TANF nationwide.** Continuing the federal block grant at the same level for several more years is just not adequate for this time of rising unemployment. To implement this step, we urge you to index both the annual block grant and the state funding requirements to inflation.

All of these improvements to the TANF program are contained in the Working from Poverty to Promise Act of 2002, which will be introduced in the House this week with bipartisan sponsorship. Please look carefully at that bill. We believe that the incorporation of that bill into the final TANF reauthorization package will prove very effective in enabling millions of people to leave poverty behind and achieve the promise of self-sufficiency.

Finally, let me mention some of our concerns about President Bush's proposal. The president's plan fails to recognize the enormous importance of education and training in lifting people out of poverty, and actually makes it more difficult for TANF participants to obtain education and training. It provides no new resources for childcare, even though it mandates increased work requirements, which means more demand for childcare. It keeps the TANF block grant at the 1996 level, despite the fact that inflation has eroded its value and states are spending billions more than the block grant provides them. It strips flexibility from the states in numerous ways. In short, the president's plan does not live up to the rhetoric that surrounded its release. It fails to provide either the resources or the programs that are necessary to help struggling families succeed and thrive.

Thank you very much for considering these views. Bread for the World would be pleased to provide additional information to you on any of these points.

Chairman HERGER. Thank you very much, Mr. Beckmann. We appreciate your testimony. We appreciate your prayers as well. Ms. Ha Pham to testify.

STATEMENT OF BICH HA PHAM, EXECUTIVE DIRECTOR, HUNGER ACTION NETWORK OF NEW YORK STATE, NEW YORK, NEW YORK

Ms. PHAM. Mr. Chairman, good evening. My name is Bich Ha Pham, and I am the Executive Director of the Hunger Action Network of New York State. We appreciate this opportunity to share our thoughts and recommendations on TANF reauthorization with

the Subcommittee. We are a New York statewide anti-hunger advocacy and community food organization working to end hunger in New York State and its root causes, including poverty.

As someone whose family received public assistance when we came to this country as refugees, I particularly feel fortunate to be here today. My parents, my brother, and I came to the United States with nothing other than the clothes on our back and the airline food we had saved during our trip. Only my father spoke a little English, and we had no family here, no job waiting for my parents, and the public assistance program put a roof over our heads, put food on the table, and helped to clothe us and helped to send my parents to school to learn English. My parents took their English classes full-time and studied very hard, all the while looking for the future when they would be ready to go out and get a job.

The welfare years certainly were a difficult time for us. With our first welfare check and food stamp payment, my mom went out to get a chicken, which she made into four different recipes that our family of four lived on for the rest of the week. However, we really needed the welfare assistance, and today my family would either have not been eligible for assistance due to the new welfare rules, or, if they had been eligible, would not have been allowed to go to school and required to sweep the parks for no wages at all. My family's story is echoed by thousands of other families in our country today.

As the government looks to reauthorize the federal welfare law, we urge Congress to do all it can to truly provide the assistance to poor families who need to become economically secure. Hunger Action Network supports Congressmember Mink's bill, and also supports aspects of Congress Member Cardin and Senator Rockefeller's bill.

We urge that the next step in the Nation's welfare policy must be to focus on poverty reduction as a goal, to expand access to education and training, to maintain improved programs that help families transition to a job, to move away from welfare policies that focus on punishment and toward policies that focus on getting people jobs, and last to provide benefits for all the families in need including legal immigrant families like mine who came to this land of promise and needed a helping hand. The Bush administration proposal should be fashioned to improve job placement rates at family sustaining wages and to meet the needs of those not able to work.

Hunger Action Network is hearing that many of the commissioners in our State of New York are deeply concerned about the proposal to expand work programs, and the State's current welfare programs would either need to be scrapped completely or fundamentally altered should the proposal be enacted. Moreover, being from New York City, we have seen that the workfare programs have an abysmal estimated job placement rate of 6 percent, and, as you know, New York City has one of the largest workfare programs in the Nation.

Hunger Action is serving hundreds of welfare and workfare participants and have found similarly low job placement rates, and when we ask these participants, what would you recommend to the

Federal Government and to the State government to improve your workfare program, overwhelmingly they said, well, help us get a job.

The TANF reauthorization is taking place at a very crucial time in New York State. In New York City, the City University and community colleges have lost over 23,000 of 30,000 students in their community college system since 1995, this despite the fact that research shows that the only group of welfare participants who routinely earned enough money to escape poverty are those with a college education.

The September 11 disaster brought with it an estimated loss of over 100,000 New York City jobs in the first months after the attack. Nearly half of the emergency food programs we surveyed experienced an immediate increase in demand for food following the months of the attack, and they had had, in fact, been seeing a steady increase in demand for emergency food over the past 5 years. Today our food programs in New York State serve over 900,000 guests weekly.

Hunger Action urges Congress to ensure that an adequate welfare safety net exists for those remaining on welfare who are either not able to work or have multiple barriers to employment; to support those who have left welfare to hold onto their jobs and to assist them with increasing their income; and to not expand welfare programs, but instead to expand training, education, and other programs that lead to jobs at family sustaining wages. Thank you.

[The prepared statement of Ms. Pham follows:]

Statement of Bich Ha Pham, Executive Director, Hunger Action Network of New York State, New York, New York

The Hunger Action Network of New York State appreciates this opportunity to share our thoughts on TANF Reauthorization legislation with the Subcommittee. We are a statewide anti-hunger advocacy and community food organization working to end hunger and its root causes. Our membership includes faith-based organizations, emergency food providers, community groups, low-income individuals and citizen advocates. Monitoring of welfare reform and advocacy for promising welfare-to-work practices is one of our primary goals. We have conducted regional forums, speak outs and conferences on welfare reform and TANF reauthorization throughout the state of New York, including the Bronx, Staten Island, Ithaca, Rochester, Buffalo, Elmira, Albany and Westchester. We have also conducted surveys of over a thousand welfare recipients to assess job placement levels, income levels, access to benefits and sanctioning. Hunger Action Network is also an active supporter of the *Welfare Made A Difference* National campaign.

TANF reauthorization is taking place at a crucial time in New York State. The September 11th disaster brought with it an estimated loss of over 100,000 NY City jobs in the first month after the attack and nearly half of the emergency food programs (EFPs) we surveyed experienced an immediate increase in demand the months following the attack. Amidst the increased needs of unemployed and low-income individuals, we saw a $2 million cut in EFP funding and a current Executive budget proposal that zeroes out most of the welfare-to-work transitional employment programs and services such as wage subsidy programs, transportation assistance and transitional benefits.

These are frightening times to be poor and unemployed in New York. However, we have seen New Yorkers respond with an increased sensitivity to the needs of others. When we reported that the EFPs saw a large dip in donations due to the assistance going to the 9/11 relief funds, the public quickly responded with donations that brought the food back to the pantries and soup kitchens. From what we have seen from statements from the House and Senate, many Congressional members appear to also be looking at how best to meet the needs of low-income families and looking into how best to support the efforts of those who have left welfare to hold onto their jobs and to assist with increasing their income; to address the needs of those remaining on welfare who have multiple barriers to employment; and to

make improvements in the current program. Hunger Action applauds these efforts and particular support many aspects of TANF legislation introduced by Congressmember Mink, and also support some aspects of Congressmember Cardin and Senator Rockefeller's bill.

Many of the impacts of welfare reform to New Yorkers are similar to those experienced by other states. A "work first" policy has led to the vast majority of welfare participants not being able to seek education or training and instead much of the welfare-to-work funds go to pay businesses such as temp agencies that provide job search and job placement services for a short period of time. Since 1995, the City University of New York, the community college system in NY City, has lost over 23,000 of a total of 30,000 students who were on public assistance. Less than 2% of those engaged in countable work activities in NY City were in an education or training program. This despite the fact that a national survey by the Children's Defense Fund found that the only group of welfare participants who routinely earned enough to escape poverty once they left welfare were those with a college education.

Very little is known about what happened to these individuals and about the other 123,000 families who have left welfare since January 1995. A State leavers survey in 1997 showed that only 40% of these families had an adult employed at least one day in each quarter in the year after they left welfare. Median annual earnings for these families were $12,611 outside of NY City and $16,530 in NY City. Hunger Action also conducted two rounds of participant surveying in 1997 and 2000 that showed that the workfare or welfare-to-work program led to jobs for only 11% (less than 8% in 1997) of those surveyed. The average wage of leavers was $7 an hour ($12,740 per year). The emergency food programs (EFPs) have seen a tremendous increase in need, with 900,000 people going to EFPs a week in NY State, which we believe is a result of a combination of factors including the recession, the impacts of the September 11th disaster, the sanctioning and diversion policies applied against welfare recipients, and the low-wages of the leavers.

With these factors in mind, Hunger Action Network urges this Subcommittee to adopt the following policies for TANF reauthorization, many provisions of which are included in Congress member Mink's bill (HR 3113) which we strongly support:

Revise the goal of TANF to include poverty reduction as a primary goal, rather than just case load reduction. Congress should eliminate "process" measures—such as work participation rates—and embrace "outcome" measures instead, such as reduction in childhood poverty rates, increased wage levels and higher family incomes. It is relatively easy to deny benefits to households; it is far more difficult to ensure that such households are raised out of poverty.

TANF must provide benefits to all families in need. TANF reauthorization should be a vehicle to provide opportunity and support to all low-income families, including families now receiving welfare, low-wage working families who may or may not have received welfare in the past, two-parent families and immigrant families who are by statute or in practice denied assistance. TANF should be broadly available to low-income families to supplement low wages, provide assistance for parents seeking education and training, and allow parents raising young children to balance the competing demands of work and family life.

Eligibility for benefits should be restored to legal immigrants. Legal immigrants are subject to the same obligations as citizens, such as paying taxes, and should be eligible for the same public benefits. Under the TANF rules, immigrants are usually ineligible for benefits for five years.

All families, including low-wage workers and two-parent families, should have the right to apply for TANF, and people must be adequately informed of all services for which they are eligible.

States should be required to develop an index reflecting the real cost of living for low-income families. A number of states have increased benefit levels for poor families since 1996. Most states, however, have failed to increase benefit levels. Changes in welfare policy since 1996 mean that many families are doing everything they can and are "playing by the rules," but are still poor. There is no excuse for states not to set benefit levels based on real needs and costs, and federal law should encourage states to do so.

Children's early year's experiences are critical to their physical, cognitive, and emotional development. There continues to be a severe shortage of quality out-of-home childcare for pre-school age children, particularly for children in low-income families. Until quality out-of-home care can be guaranteed, parents should be allowed to care for their own children, and to have that care count as satisfying work requirements.

TANF should be modified to curtail state's supplantation of TANF funds. A number of states have not used TANF funds to assist eligible low-income families, but instead have merely supplanted county and state expenditures on welfare and low-

income programs. The end result has been that families in need have not been receiving the benefit of all the TANF funds which could go to many needs such as increasing transitional benefits, training and education, child care and transportation assistance.

To successfully promote "work" as a path out of poverty, TANF must be redesigned around the realities of the low-wage labor market. Low-wages, few benefits, lack of "family-friendly" policies, high turnover, few opportunities for advancement, and areas of high poverty and high unemployment hinder the path out of poverty. Existing federal policies like Unemployment Insurance and the Family and Medicaid Leave Act do not generally benefit low-wage workers, and other benefit programs are inadequate to provide the level of support that families need.

All low-wage workers, including those who participate in TANF-funded employment programs, should receive a combination of decent wages and work supports, such as food stamps and child care assistance, to lift them out of poverty.

Because education and training lead to higher wages, TANF must encourage and support education and training as viable ways for low-income families to move out of poverty. Participation in education and training programs (including literacy, ESL, high school/GED, two-and four-year college, vocational training, work-study and internships) should count as work. Participation in these activities should be supported with payment of training related expenses, such as carfare and childcare costs. The 30% cap on the number of families who may be engaged in education and training and count towards a state's work participation requirements should be lifted. The one-year limit on vocational training for parents should be eliminated to allow parents adequate time to complete education and training. TANF families should be given the right to pursue these education and training options.

In an economic downturn, some job seekers will be unable to find employment. When parents who have exhausted TANF benefits are willing and able to work, but no job is available, the appropriate governing body should either provide them with temporary employment or continue to provide assistance. A new program should be created that provides publicly financed wage paying jobs to parents with limited skills and work experience. Such programs in Pennsylvania, Washington and elsewhere have proven to be an effective model for enhancing employability and skills and provide a needed buffer in areas of high unemployment. Such a program will be especially valuable in rural and urban areas and on Native American reservations.

Raise the federal minimum wage. The way to help people not only move off of welfare, but stay off of welfare, is to promote family-sustaining wages. One step in the right direction is to increase the federal minimum wage so that work results in enough to provide a family with a decent standard of living. Also, create a children's allowance and a caregiver's allowance (refundable tax credits for those caring for children or others, including elderly parents).

Punitive measures that harm families must be replaced with measures that help families move out of poverty. The federal time limit clock should stop, or exemptions be granted, for families who "play by the rules," are in compliance with work requirements, or who are caring for young, sick, or disabled children or disabled household members. In general, Congress should consider extending or eliminating the five-year time limit on benefits since it fails to reflect the characteristics of the individual participants or the local labor market.

Exemptions should be increased for families with significant barriers such as domestic violence, physical disability or mental health disability, illness and/or substance abuse. The provisions of the Americans with Disabilities Act should be enforced. Establish a new system that rewards states that do the best job of training caseworkers to screen, refer and serve clients with significant barriers.

Many states now deny aid to some needy children as a penalty for their parent's engaging in conduct of which the state does not approve. It is wrong to deny children benefits for their basic needs based on their parent's conduct. We also oppose denying benefits to children born while their parents are receiving welfare.

The funding level of the TANF block grant should be maintained at present levels with an automatic cost of living adjustment. Though welfare rolls have fallen, income support and related childcare funding needs still far surpass the funding that is available from the federal block grant. States are also exploring a variety of innovative approaches to better assist individuals in moving from welfare-to-work, and funding for such efforts should not be curtailed at such an early stage. In addition, the recent attacks of Sept. 11th increase the likelihood of an economic downturn in the near future, with a resultant increase in the number of individuals and families needing assistance. TANF should require a minimum grant level that all states must adopt to lessen the economic struggles of poverty-stricken families.

Value and support all families regardless of marital status. The government should not be in the business of legislating morals and trying to influence personal relationships conducted within the realm of privacy of ones life. We oppose government preference to married couples and government policies that penalize non-married individuals in the distribution of benefits. We also oppose any policy that results in the creation of a two-tiered system for married and for unmarried individuals and disparate policies for the groups. Instead, TANF goals must be to promote economically stable households, whether there are one or multiple adults in the household, regardless of marital status. Domestic violence prevention should be funded, rather than marriage promotion. A recent public opinion poll by the Pew Research Center showed that by a margin of 79 percent to 18 percent, Americans favored the government's staying out of marriage promotion. This was true even amongst "highly committed" white evangelicals, by a margin of 60 percent to 35 percent against such programs.

The Bush Administration proposal should be fashioned to improve job placement rates at family-sustaining wages and to meet the needs of those not able to work. In a recent discussion with the Commissioner of the Department of Social Services in one of the larger counties in NY State, serious concerns were expressed that the proposal to increase work activity hours and case load percentage rates, along with the taking away of the case load reduction credit, would wipe out most of the current programs that they have worked hard to establish over the past five years and make them start from scratch. Many of the other county agency heads had expressed similar concerns. One example is the 40 hour work requirement. Most agencies have a 35 hour work week. Under the proposal, agencies throughout the country will be scrambling to place participants in additional sites for the additional five hours, as well as to pay for the additional program costs.

Moreover, in Hunger Action Network's survey of hundreds of workfare participants, we asked what the workers would suggest to improve the program. Overwhelmingly the response was to help them get a job. The Department of Health and Human Services' current proposal will not provide that help. It was difficult enough to sweep the parks for 35 hours a week and still fit in caring for your children, looking and interviewing for jobs and perhaps getting an education or training. Under the proposal, participants will lose crucial hours while at the same time not see the additional child care funding needed to fulfill work requirements or to support them in employment-related activities.

As this Subcommittee has likely been apprised of, a recent National Governor's Association survey reported the views of governors and welfare officials in 38 states. The consensus was that the HHS proposal would require states to create community service jobs and expand workfare programs, instead of focusing on improving current job placement and job training programs. The HHS proposal would also further limit participants' access to programs and even to substance-abuse treatment for welfare recipients who need to be rehabilitated before moving into employment.

Hunger Action Network is also concerned that the "super waiver" discussions underway may lead to a decrease of federal protections to the families receiving assistance. In NY City, we have already witnessed what can happen when local agencies choose to ignore federal provisions. The city's welfare agency decided that it would tell people coming to them in need of food or assistance to prevent evictions or medical help that "welfare no longer existed." Instead needy families were "diverted" elsewhere. Many people were given "vouchers" to area food pantries, however, the pantries knew nothing of these vouchers and many did not have enough food to meet this unexpected referral. Eventually, a lawsuit was filed in federal court to protect participants from such treatment and to allow them access to the benefits they were entitled to. A "super waiver" that would give localities that green light to begin and further these experiments would lead to increased hardships for the hungry, the homeless and the unemployed in our midst.

One last point, DHHS Commissioner Tommy Thompson had talked about promoting post-employment training for welfare leavers to help them move up the salary scale and move into jobs paying family-sustaining wages. States would be asked to prepare a plan for implementing this goal and to track leavers. In NY State, we have begun research to assess the current level of post-employment training and services. Though we are only at the mid-point of our study, we have found few counties that have developed programs. We strongly support the Commissioner's proposal and see a strong need for the Federal Government's leadership on this issue so that families who have left welfare can permanently stay off of welfare by earning the wages needed to be economically secure.

Hunger Action Network again thanks the Subcommittee for this opportunity to present our oral and written testify for consideration as Congress continues its work on TANF reauthorization.

Chairman HERGER. Thank you very much, Ms. Ha Pham. I want to again thank each of you for your very important testimony. I can assure you we will be considering all of it. I also want you to know I appreciate your patience for a very long hearing which started in the afternoon and will be concluding here in the evening. Also, I would like to urge you to continue to communicate with our Subcommittee, and also, if requested, if you could respond to future questions that could be submitted for the record.

With that, I again thank each of you, and the Subcommittee on Human Resources of the Committee on Ways and Means stands adjourned. Thank you.

[Whereupon, at 8:50 p.m., the hearing was adjourned.]

[Submissions for the record follow:]

Statement of Robert D. Evans, Director, American Bar Association

Dear Mr. Chairman and Members of the Subcommittee:

I am Robert D. Evans, Director of the American Bar Association's Washington Office. I submit this statement at the request of the President of the American Bar Association, Robert E. Hirshon of Portland, Maine, to voice the Association's views with respect to reauthorization of the federal Temporary Assistance for Needy Families (TANF) program and related programs.

The American Bar Association, the world's largest, voluntary professional organization with more than 400,000 members, is the national representative of the legal profession, serving the public and the profession by promoting justice, professional excellence and respect for the law.

The reauthorization of the TANF program and related programs this year presents the first opportunity for Congress to comprehensively review progress on the profound changes in those federal assistance programs enacted as part of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. We commend the Bush Administration and Representatives Benjamin Cardin and Patsy Mink for their leadership in sponsoring proposals to build upon several years of experience under PRWORA, to set new goals, to fine-tune some provisions, to revisit certain issues and to make needed changes in others. The ABA strongly believes that a number of changes in TANF and related programs should be supported by the Subcommittee and incorporated in reauthorizing legislation to strengthen TANF's commitment to basic fairness and better assure the equal application of its provisions to all. These recommendations are set out below.

Assure Due Process of Law in the Application of TANF Sanctions: Prior to 1996, before a sanction could be imposed for failure to meet work-related requirements, the state was required to offer a "conciliation process," which typically involved informing the parent of what she had failed to do, offering a chance to correct the problem, and offering assistance if needed to come into compliance.

In enacting TANF, Congress removed the basic protections of prior law. Under current law, a state may terminate all TANF assistance for failure to comply with work-related (or other) requirements; there is no requirement that there be any conciliation process prior to doing so; and (with one limited exception) there is no requirement that the state provide for good cause exceptions. Specifically, the statute states that if an individual "refuses to engage in work," the state must reduce or terminate the family's assistance, "subject to such good cause and other exceptions as the State may establish." 42 U.S.C. § 609(7)(e)(1). There is a limited exception: a state may not reduce or terminate assistance to a single parent with a child under age six if the parent is unable to meet work requirements because of the unavailability of child care. 42 U.S.C. § 607(e)(2).

When imposing sanctions, there is no requirement that a state provide an opportunity to resolve the problem, offer assistance in addressing the difficulty, or offer an opportunity for the individual to have assistance reinstated by coming into compliance. There is also no requirement that a state provide an opportunity for a hearing when a sanction is imposed, although all states have elected to maintain an administrative hearing process. Current law only states that a State's TANF plan shall include "an explanation of how the State will provide opportunities for recipients who have been adversely affected to be heard in a State." This requirement is insufficient to provide basic fairness.

Some states have made extensive use of sanctions in their TANF implementation efforts.

Since the comprehensive overhaul of welfare in PRWORA, opportunities for termination or reduction of benefits are more numerous, as work requirements and eligibility conditions have increased. In particular, financial sanctions for noncompliance with program rules have increased dramatically. Studies show that the families who get sanctioned often face serious employment barriers. The heads of these sanctioned families are also more likely to have limited education and work experience and/or serious health or mental health problems; they are also more likely to have been victims of domestic violence. In addition, advocates and lawyers who represent persons subject to sanctions find that state bureaucrats often do not have up-to-date information, and frequently have incomplete or missing data about individual participation in a variety of required program activities.

Given the present absence of due process protections for sanctioned TANF recipients, the ABA urges the implementation of the following protections that are currently lacking:

- the provision of clear, understandable notices;
- the establishment of the principle that a sanction should not be imposed when there is good cause for noncompliance;
- the assurance that sanctions do not continue (or do not continue for an unreasonable period) after a sanctioned individual comes into compliance;
- the requirement for all states to include a conciliation process, and to offer assistance to overcome employment barriers and medical difficulties; and
- provision for follow-up efforts, after states impose sanctions, to attempt to contact the family and offer assistance to help the family enter into compliance.

These changes to strengthen the provisions governing administration of TANF sanctions should be supported by the Subcommittee as part of reauthorizing legislation to assure due process and equal application and enforcement of the law.

Legal Immigrants: In reauthorizing TANF, we support the provisions put forth by Rep. Cardin (H.R. 3625) and Rep. Mink (H.R. 3113) to restore or extend TANF protections to legal immigrants and remove the present 5-year ban on access that would be continued in the Bush proposal. Fully one in five indigent children in the United States comes from a family headed by an immigrant parent. The ABA House of Delegates approved a policy recommendation in August 1997 urging Congress and the President to restore to legal immigrants the same rights to TANF, Supplemental Security Income, food stamps and other federal and state funded services, benefits and assistance which were available to them prior to enactment of Title IV of PRWORA. Stated affirmatively, immigrant children should have equal access to basic assistance, food stamps, health care, foster care and social services, public education and public housing, regardless of the immigration status of the child or the child's parents. Legal immigrants pay taxes, are eligible to serve in the military, and often have children who are citizens.

The Association opposes any provision that would require benefits providers to verify the citizenship or immigration status of individuals who seek their assistance. Verification may deter eligible applicants from applying and may result in eligibility determinations based on invidious factors such as an individual's name, accent, speech pattern or physical appearance. When it is required by law, federal, state and local agencies administering benefits programs subject to PRWORA should follow Department of Justice and Immigration and Naturalization Services guidelines limiting verification only to the status of the actual recipient of the benefits. Parents who are applying on behalf of "qualified" children should not be required to respond to questions concerning their own immigration status.

Marital Status and "After-born" Children: The ABA believes as a general matter that TANF programs should be funded at a level sufficient to meet the need for the basic essentials of life for those eligible for such assistance regardless. The ABA opposes linking public assistance for needy persons to such requirements as marital status or "after-born" children, which infringe on the right to privacy and the right to travel.

The ABA opposes revisiting proposals considered by the 104th Congress, but not adopted in final legislation creating TANF, that would have denied the provision of cash assistance on the basis of characteristics of parents, the family's receipt of such assistance at the time of a child's conception or birth or the mother's age or marital status at the time of a child's birth. We support the provision in the Mink bill, H.R. 3113, to prohibit states from denying eligibility to so-called "after-born" children by the use of "family caps." We believe this role for states—to deny eligibility based on family size or marital status—is punitive and without proven effectiveness.

Such "child exclusions" from eligibility for assistance also raise serious constitutional concerns. Such provisions may be regarded under our Constitution as irrationally penalizing poor children for their parent's behavior, violating the most basic principles of fairness.

We are also concerned that such an approach would result in increased out-of-home placement of poor children, a result that we believe no one would desire, and that such placements would put serious additional strains on the child abuse and neglect system, including the courts.

The ABA further supports the consensus that is apparent among the principal sponsors of TANF reauthorization proposals to end the existing "illegitimacy bonus" to the states and to replace it with support for programs to strengthen family formation.

Child Support Enforcement: The ABA supports the consensus among the Bush, Cardin and Mink proposals to increase the pass-through of child support from payments made to states to families receiving assistance. In addition, we support amending current law to extend the availability of enforcement remedies currently only available to IV–D agencies (handled by state and territory child support agencies) to cases brought by private attorneys on behalf of custodial parents and pro se parties. We believe this step would strongly supplement the work of IV–D agencies and permit individual parents more opportunity for needed assistance in pursuing enforcement of child support obligations without the potential problems inherent in other proposals for corporate or private agency representation.

Child Care: The ABA supports expanding availability of child care and bipartisan efforts to increase funding under Child Care and Development Block Grant (CCDBG) when it is reauthorized this year. The CCDBG should be funded at substantially higher levels in order to enable parents of young children to work. Child care assistance should be excluded from the five-year time limit for TANF assistance and states should be permitted to carry over unspent TANF funds from previous years for child care and for supporting attainment of minimum health and safety standards for CCDBG-funded child care.

Equitable Access for Native American Children to Federal Foster Care and Adoption Assistance Programs: The ABA supports amendment of Title IV–E of the Social Security Act to provide equitable access for foster care and adoption services for Indian children under tribal court jurisdiction. The current TANF reauthorization process provides an opportunity to correct this problem directly related to TANF programs by allowing direct tribunal administration of the Foster Care and Adoption Assistance Entitlement Program. The ABA believes tribal governments should be able to directly administer the program, and tribal governments should retain the option to enter into tribal-state agreements, in order to correct the preferential treatment of one class of children. Representative Dave Camp is the sponsor of this much-needed reform, as H.R. 2335, the Indian and Alaska Native Foster Care and Adoption Services Amendments of 2001.

The purpose of the Title IV–E Foster Care and Adoption Assistance Act is to ensure that children receive adequate care when placed in foster care and adoption programs. The act reimburses states for services provided to income-eligible children who are placed in foster care or adoptive homes through state agencies. Services provided by tribes for income-eligible children place by tribal agencies are not eligible for reimbursement unless there is a tribal-state agreement. As a result, thousands of Native American children who meet income eligibility criteria who are placed in foster care by tribal courts do not receive foster care and adoptive services to which all other income-eligible children are entitled, and have little federal support in achieving the permanency they need and deserve. This amendment to current law would require that federal programs provide equitable access to foster care and adoption services for Indian children under tribal court jurisdiction.

The ABA appreciates the opportunity to offer its views on this fundamentally important subject. We look forward to working with the Subcommittee to achieve a strengthened TANF as the reauthorization proceeds in coming weeks.

Statement of the Evangelical Lutheran Church in America

Mr. Chairman and Members of the Subcommittee:

The Lutheran Office for Governmental Affairs, Evangelical Lutheran Church in America speaks on behalf of the Evangelical Lutheran Church in America on public policy issues before Congress and the Administration. We also have public policy offices in twenty states, addressing state legislative policy. The Evangelical Lutheran Church in America (ELCA) is a denomination of over five million members and approximately eleven thousand congregations. Lutheran Services in America, an alli-

ance of agencies affiliated with the ELCA and the Lutheran Church, Missouri Synod, is the largest nonprofit human service network in the United States and Caribbean.

Divine outrage over the plight of people living in poverty is a theme throughout the Bible. At the heart of Jesus' ministry and central to the message of the Old Testament prophets was God's partiality toward the poor and powerless. The poor are those who live precariously between subsistence and utter deprivation. The lack of access to the basic necessities of life is a harsh blow to their human dignity. Poverty is a problem of the whole human community, not only of those who are poor and vulnerable. Martin Luther's insights into the meaning of the commandment against killing is sobering. According to Luther, we violate "you shall not kill" when we do not help and support others to meet their basic needs. It is in this light that we believe that a basic goal of TANF should be to move families out of poverty. This goal should be included in the purpose. Poverty reduction is an essential component of child well-being. More than half of the respondents to our survey mentioned that encouraging payment of child support, providing for child support "pass-through" payments directly to parents, and expanding child care would increase child well-being. State incentives are also an important tool in stimulating poverty reduction and should be added to the federal law.

In preparation for the reauthorization of the Temporary Assistance for Needy Families block grant, the Lutheran Office for Governmental Affairs interviewed state advocacy directors, Lutheran service agency directors, pastors, and congregational leaders located in the District of Columbia and thirty-five states. Based on this gathering of information and our work with poor and vulnerable populations, we offer the following insights.

Those interviewed were asked to identify the "most immediate" or "most pressing" needs among current or recent welfare recipients. Eighty nine percent responded with good quality, affordable child care. Today only one in seven of those who qualify for child care assistance receive it. In many places there are long waiting lists for child care. Families have a difficult time finding infant care, as well as child care during the evening or on weekends. A responder from Madison, Wisconsin spoke of many parents being sanctioned for missing work because of problems with child care. She told of an incident early in the program where a mother left an infant in the car because she had to go to work and her child care provider would not take the baby for the day. She checked on the baby during breaks, but later in the day the baby was found dead from heat and suffocation. Other immediate and pressing needs identified through our interviews included accessible, flexible transportation, education and job-skills training, affordable and transitional housing, and transitional health care and networks of support.

Many TANF recipients are hampered in their search for employment by having no viable private transportation or accessible public transportation. In many cases this results in limited job searches and undermines their ability to be consistently present and punctual at a job. Transportation concerns are especially evident in rural areas where there are often greater distances to travel between affordable housing and job sites. Even in urban areas, however, the challenges are mounting as inner-city residents, trying to maintain a welfare-to-work job, need to travel increasingly to "outer-belt" jobs located at customer services centers and technology plants. In rural areas the Lutheran service agency survey found that many local community groups are introducing low-income car loans and subsidized repair costs. They are also soliciting donations of used cars, car parts, and mechanics' time to make sure the cars are serviceable before giving them to TANF families. For example, a particularly effective program was created in Burlington, Vermont. This program know as the "Good News Garage" solicits donations of used cars, rehabilitates them, and gives them to people for the cost of repairs. The Lutheran pastor working with this program said, "We have not yet met a person at the garage who wants to be on welfare. But they need a real solution like the "Good News Garage." In urban areas our survey found that neighborhood groups are creating charter services, car-pooling efforts, and advocating for public transportation vouchers. There are also long term efforts to change bus scheduling and routing to accommodate workers' needs. States should have increased flexibility to promote the many localized solutions to transportation issues. The practice of disregarding a percentage of a vehicle's value when considering a recipient's assets in determining TANF eligibility should be continued and the cap on this percentage removed.

The lack of affordable housing available to very low-income families is becoming critical, and we believe is the driving force behind continued hunger in our country today. Stable housing is key to a welfare recipient's employment success and their ability to attain economic stability. According to the National Survey of American Families, a typical "welfare leaver" family must pay 57 percent of its total income

for decent, housing. Only 30 percent of welfare recipients receive housing subsidies. Access to decent, stable, affordable housing is critical to ensuring child well-being. States should be allowed to use TANF and MOE funds for housing in the same manner as other work supports. States should not be required to define support for housing as "assistance" which presently starts the time clock after four months, even for families not receiving TANF cash benefits.

Respondents were also asked to identify the top five policy changes that should be made to the Personal Responsibility Work Opportunity Reconciliation Act when it comes up for reauthorization in order for the TANF program to work more effectively. Support for education and job training programs received the most frequent response (74%). Lutheran social service agencies noted the significant need for training in workplace and relational skills before a recipient is placed in a job. Many activities are allowed by the states in principle and provided for, and also encouraged by flexibility in the federal regulations. However, the states must also meet an increasing work participation percentage. This often limits activities within the TANF program. The emphasis on getting recipients to work as soon as possible ignores the importance of education and training in ensuring stable employment with adequate income. Education and training is key to building the foundations needed for self-sufficiency. In addition to providing workplace and relational skills to individuals who need them prior to employment, states should be allowed to expand the definition of education and training as work participation. Education and training should be seen as investments to strengthen the employment base rather than optional or secondary services. The time limit on education and training is particularly troubling. A pastor in Connecticut told us of a mother he knew who was pursuing a four-year degree while child care was provided by the state. The state said they would not pay for the care unless she transferred to a two-year school, and completed a "replacement" degree within the twenty-four month time-limit. She had to drop out of her program, and is now supporting her family by being an "exotic dancer."

The second most frequent response was the creation of a responsive network of post-hiring benefits. Responders suggested establishing a national "leavers" survey to assess needs, allowing for the gradual removal of healthcare and food stamp benefits, and maintaining separate eligibility and funding for TANF, food stamps, and Medicaid.

Equal in importance was the need to address the significant barriers to employment. Thorough assessment measures for families should be instituted, followed by the necessary services to assist these families in returning to work. Adequate funding needs to be in place so that states can provide flexible and focused counseling services, and hire and train responsive, effective, case management staff. Our survey indicates that caseworkers are not informing recipients of their actual obligations in order to be in compliance with the law, thus making recipients more susceptible to sanctions. Tennessee has created a very positive approach to prevent and/or cure inappropriate sanctions.

Our respondents registered anxiety about time limits. Roughly 90% conceded that time limits are a reality of the TANF law, but thought they should be re-shaped. Only 10% stated that they should be eliminated completely. Suggestions included expanding the 20% "hardship" exception for the five year lifetime limit on benefits, developing more exceptions to the continuous 24 month limit on benefits, and defining standardized exceptions to full-family sanction policies. Excluding assistance provided when parents are working from counting against the time limit would be a very positive change to the law.

Family formation and marriage have recently engendered a great deal of discussion. The church is particularly suited to speak to these issues. We believe that most people are supportive of healthy marriages and would like to see families have the skills to maintain a strong family life. The issue isn't so much the value of marriage and family, but what is appropriate and effective in strengthening families. As people of faith we believe that the institution, promise and commitment of marriage exists not only as a contract between individuals, but as a covenant between God and humanity. Marriage is a foundational relationship within the social fabric in which individuals can experience affirmation, acceptance, identity, and positive formation. In our nation and culture, individuals choose to enter into a marriage relationship and are not compelled to do so by tradition or law. We uphold the dignity of all persons, both married and single.

Eligibility requirements or statutory incentive programs tied to marriage diminish the sanctity of marriage and the dignity of an individual's decision to marry. Marriage is a social institution, but it is not a social prescription. It is not a panacea for systemic social problems. The substitution of marriage for responsible and meaningful social programs obscures the political and economic issues involved, and puts

a price on the unique nature of a marriage covenant. Such an approach degrades marriage, obscures the real causes of poverty, and is potentially dangerous in abusive or coerced relationships. A more effective approach to reducing poverty and strengthening families would be to adopt policies which remove disincentives to marriage and promote families by helping poor mothers and fathers overcome the barriers that keep them apart.

Both Daniel Lichter, a sociologist at Ohio State University, and Belle Sawhill of the Brookings Institution believe that preventing out-of-wedlock births and teen pregnancy would provide the most effective route to family formation. Children born to teenage parents are at a greater risk of growing up without the benefits of living with two parents.

Research by Sara McLanahan and Julien Teitler, Princeton University, provides evidence that suggests that children growing up with both biological parents are better off, independent of income. Although most children of single mothers do well, there are strong indications that, all else being equal, the absence of a biological father increases that risk of negative outcomes for children, such as lower educational attainment, increased likelihood of teenage pregnancy and diminished early labor force attachment. However, the research indicates that it is not marriage in itself that has an independent positive effect on child well-being. Children in stepparent families do no better on various measures of child well-being than children in single parent families.

Social programs can have a positive impact on family formation. The Minnesota Family Investment Program yielded impressive results. The program provided generous financial incentives and grant increases for both single and two-parent families, regardless of their marital status. The program gave working families Medicaid, child care assistance, and cash benefits to supplement their earnings and bring them to 140 percent of the federal poverty level. The program also eliminated restrictive rules that limited participation by two parent families. A study of this program found that the generous financial incentives reduced poverty and increased marriage rates for both two-parent and single-parent families. If people were married, they tended to stay married.

Increasing family income is key to healthy families and child well-being. One of the things we know is that financial strain can produce tremendous stress on families. Pastors have told us that problems over finances are the number one cause of relational strife. Studies have found that increasing family income has resulted in an increase in positive behaviors in children, a decrease in problem behaviors, and has had a positive effect on children's school achievement.

The debate on marriage and family formation can become volatile. Last fall I attended a workshop at a TANF conference about family formation and marriage. Legal Aid attorneys were adamant about the issues of coercion and its implication on domestic violence. Thirty to forty percent of TANF recipients are either experiencing domestic violence or have recently experienced domestic violence. Sixty percent had experienced domestic violence at some time in their lives. Social workers, on the other hand, found that the single parents that they worked with wanted nothing more than to have a happy healthy marriage, but the men that they knew didn't have jobs, were in prison, or had prison records. They felt that these men would be a financial drain on an already struggling family. Both raise important issues that must be addressed.

In addition to directly increasing family income, there are several approaches that would be helpful in strengthening families and supporting healthy marriages. Most of them relate to removing barriers and disincentives to marriage and child support.

- Provide equitable support to poor two-parent families by prohibiting discrimination against two-parent families in establishing eligibility for benefits and services under TANF.
- Eliminate the separate work participation rate for two-parent families which, at 90 percent, may create a disincentive for states to serve these families.
- Require states to forgive child support debt owed to the state if a low-income separated couple marries, or remarries, or reunites.
- Allow states to extend Medicaid and SCHIP coverage to the uninsured parents of children eligible for these programs and provide additional funds to the states for this purpose.
- Give families who leave TANF and are owed past due child support first claim on all child support payments. It does not help children if the Federal Government and the states retain support payments for unreimbursed assistance costs.
- Allow child support paid by non-resident parents of children receiving TANF to go directly to the child rather than being retained by the state.

- Encourage states to disregard at least a portion of the child support payment when calculating the family's TANF grant. If states implement a disregard, they should not have to remit any share of the support to the Federal Government as currently required.
- Develop child support policies that prevent the build-up of unmanageable child support debt and allow for forgiveness of child support owed to the government when appropriate.
- Provide additional funding for fatherhood initiatives that help disadvantaged low-income fathers increase their education and work skills, and address their barriers to employment.
- Prohibit the recovery of birthing costs from low-income fathers already paid by

Medicaid

- Provide states with funding to replicate effective programs that reduce teen pregnancy and childbearing, such as the Children's Aid Society-Carrera Teen Pregnancy Prevention Program. Research funds are needed to identify effective programs and to encourage the replication of these programs. The few studies of abstinence-only programs that have been completed do not show any reduction in sexual behavior or contraceptive use.

Far too many young men are in prison and are not available to form families. Remove the inequity of sentencing between powder and crack cocaine convictions, and rethink the lengthy prison sentences for small time drug sellers. Nearly ten percent of black males ages 25–29 were in prison in 2000, as were 2.9 percent of Hispanic males and about 1 in 100 white males in the same age group. Black males have a 29 percent chance of serving time in prison at some point in their lives; Hispanic males have a 16 percent chance; white males have a 4 percent chance. *(Bureau of Justice Statistics and The Sentencing Project)*

We are pleased that the President's proposal allows child care and other work support services to not be defined as assistance, includes child well-being as one of the purposes for TANF, increases state flexibility regarding carry-over funds, restores full transfer authority to the Social Services Block Grant, eliminates the separate two-parent family participation rate, and makes a good beginning toward needed changes in child support policy.

However, we are very concerned about the implications of the 70 percent work participation rate at 40 hours per week on child well-being. Our own survey, other extensive research, as well as the National Governors Association and American Public Human Services Association all call for more flexibility, particularly in the areas of job training and education. This proposal will make expanded education and training more difficult. The Bureau of Labor Statistics says the workweek for many in the private sector consistently averaged 34 to 35 hours over the last decade. We will be asking welfare recipients to be in some form of work or work related activity longer than what is normal for certain sections of the private sector. Without huge infusions of money to pay for child care for more than 40 hours (extra time must be allotted to go to and from work and other activities) as well as for publicly created work slots, this proposal can't work. States will be forced to pull money away from work supports and other assistance for low-income working families which very well could result in more families returning to TANF. The effort and time involved in creating "make work" experiences will take away from the process of getting welfare recipients into self-sustaining jobs that can lead to real economic self sufficiency. Although we support short term work experience for people who have had little work experience, the Evangelical Lutheran Church in America opposes "workfare." Wage based publicly funded jobs can be an option. Again, the cost would demand even greater increases in funding. Whatever type of work the states would create, it must pay at least the minimum wage, avoid displacing current workers, and comply with workplace protections under the Fair Labor Standards Act.

Additional Policy Options:

TANF Funding

- Adjust the TANF block grant to keep pace with inflation.
- Reinstate the Supplemental Grants to states that have low levels of funding per poor person or high rates of growth in order to make progress in reducing the disparity in TANF block grant allocations among states relative to the number of people who are poor.
- Reauthorize and improve the Contingency Fund so that it is workable in order to ensure that the Federal Government shares in the increased costs associated with economic downturns.

- Allow states to use carry-over funds for cash grants as well as any service or activity funded under TANF.
- Institute a performance bonus that rewards states for progress in level of families moving from TANF into self sufficiency.

Barriers to Employment

- Congress should provide programs and services to help TANF recipients overcome these barriers: physical and mental health, drug and alcohol abuse, care for the chronically-ill, domestic violence, low English proficiency, and learning disabilities, to name a few.
- Congress should include such services as a part of this legislation.
- Congress should institute thorough assessment measures for families and provide the necessary services to assist these families in returning to work.
- Reauthorization should provide greater flexibility for states to serve the diverse needs of TANF recipients with the greatest employment challenges.
- Reauthorization should include language that will allow substance abuse treatment to last at least one year, with the possibility of an extension upon evaluation.

Immigrants and TANF

- Benefits should be restored to immigrants legally in the U.S. Legal immigrants pay taxes, and, as taxpayers, they should not be denied access to programs that will enable them to attain skills to move ahead in the labor market and that provide some level of economic support when temporary hardships interrupt their employment. For TANF to be effective in reducing poverty, it must be available to all people in need. Legal immigrants should have access to the same benefits that are available to U.S. citizens. At the very least, states should be given the flexibility to serve legal immigrants with TANF dollars.

TANF Sanctions

- Focus more research on the implementation of sanctions, their effect on recipients' behavior, and the circumstances of sanctioned families.
- Require states to describe, in their TANF state plan, what safeguards they will implement to assure that individuals who are subject to sanctions have information on potential exemptions and on what they must do to have sanctions lifted.
- Require states to monitor families after they leave TANF.

For further information please contact Kay Bengston, phone: (202) 626–7942

Statement of Audrey Olson Faulkner, Fair Welfare Reform Coalition of Larimer County, Colorado

My name is Audrey Olsen Faulkner, and I am the Co-Convener of the Fair Welfare Reform Coalition of Larimer County, Colorado. The Coalition came into existence at the time the original welfare reform legislation was pending, and we have carefully monitored the outcomes and effects of that legislation on residents of Colorado. We are a grass roots group, with no institutional funding, interested in assisting women with financial needs to become self sufficient, financially and otherwise.

We are submitting this testimony to address three specific areas of the proposed legislation—need for expanded educational opportunities for welfare participants, the need for maintaining or reducing the the present work participation rate, and the continued need for additional stable funding for child care for working welfare parents.

In Colorado, The Colorado Works Program outcomes have been tracked and reported by Berkeley Policy Associates.

Berkeley Associates identified the lack of education and job skills as one of the primary factors preventing Works Program participants from finding and retaining stable employment, the key to economic self sufficiency. Only 20 percent of Colorado Works leavers had earnings that exceeded the poverty level; poverty level wages do not lead to economic self sufficiency. A third of the welfre participants indicated that a lack of job skills hindered their ability to secure or maintain employment. Colorado has one of the highest educational rates of any state in the U.S., making it even harder for those without degrees to find and keep employment, and low educational attainment is associated with lower employment rates. We believe the new

legislation should permit women to count pursuit of AA and BA–BS degrees as permissible work participation activities.

Local experience shows that it is extremely difficult for the Works Program to find work activities that provide meaningful training for those participants who experience serious barriers to employment. Sufficient non-profit slots are not available to place additional people, which would be required under the proposed legislation. Local experience demonstrates that women who successfully exit welfare—especially those with significant employment barriers, need to be placed in settings that specifically address their barrier issues. We believe the new reauthorization legislation should make that possible.

Among job barriers, safe and affordable child care stands out as of primary importance. TANF funds are currently needed for child care expenditures; every dollar taken from TANF limits the Larimer County Works program from tailoring their individualized approach to prepare each participant for job success.

The Works Program has been successful in placing participants in jobs with a future because they have had a specifically targeted program for each individual.

We believe child care funds should be expanded to meet the need. Such available funds would make it possible for women to be placed in and remain in jobs with a future.

Thank you,

Audrey Olsen Faulkner
Co-Convener

Statement of Elaine Sorensen, Principal Research Associate, Urban Institute; Dwaine R. Simms, Board President, National Practitioners Network for Fathers and Families; Ronald B. Mincy, Professor, Columbia University; Joseph Jones, President and Chief Executive Officer, Center for Fathers, Families, and Workforce Development; Jeffrey Johnson, President and Chief Executive Officer, National Center for Strategic Nonprofit Planning and Community Leadership; Preston J. Garrison, Executive Director, National Practitioners Network for Fathers and Families; and, Irwin Garfinkel, Professor, Columbia University

This testimony is based on the collective knowledge of its signers who are individual service providers and researchers who have worked independently for decades on issues relevant to low-income fathers and their families. More recently, we have worked together as members of the Strengthening Fragile Families Initiative (SFFI), a multi-year initiative of the Ford Foundation. Our testimony today reflects our own opinions. It does not in any way represent those of our respective organizations or the Initiative.

SFFI was launched during the early 1990s, when welfare reform discussions were just beginning to take place. At that time, welfare reforms were focused on getting custodial parents to work and non-custodial parents to pay child support. The purpose of SFFI was to encourage research and development of policies and practices that moved beyond this framework, with particular attention on unwed parents who are working together to raise their children, whom we refer to as fragile families. These families are at risk of being poor and in need of work supports, but our current income security system is not set up to serve these families.

After many years of work in this area, we make the following recommendations to Congress regarding TANF reauthorization.

1. Revise the Fourth Goal of TANF to Include Responsible Fatherhood. The Administration has recommended that Congress add "responsible fatherhood" to the fourth goal of TANF, which promotes the formation and maintenance of two-parent families. We agree wholeheartedly with this idea. States are already using TANF funds to encourage nonresident fathers to pay child support and become more actively involved in their children's lives by offering them employment services and relationship-building services. Adding responsible fatherhood to this goal would simply affirm what states are already doing and possibly encourage more to act.

2. Establish a $100 million Block Grant for Responsible Fatherhood Programs. We recommend that Congress establish a $100 million block grant program to states for the purpose of enhancing the abilities and commitment of low-income fathers to provide financial and emotional support to their children. As we discuss below, 2.5 million fathers could benefit from this program. We recommend establishing a block grant to states because many states have already begun to create innovative approaches to serving this population and a block grant would stimulate this creativity.

3. Establish a $100 millionper year Research and Development fund to Better Understand How to Meet the Fourth Gaol of TANF. We recommend creating a $100 million per year research and development fund to better understand how to achieve the fourth goal of TANF. The Administration has recommended such a research and development fund, but suggests that these funds shall be expended primarily on promoting marriage through non-economic activities, such as pre-marital education and relationship skills training for married couples. We think that these funds should be used to evaluate several different program models that help low-income families get married, stay married, and achieve responsible fatherhood. Some of these models could offer only non-economic services, but other approaches should also be tried. We especially recommend evaluating efforts to provide comprehensive services to new unwed parents who are working together to raise their child. As we discuss below, these parents have high hopes for the future but are at risk of poverty and are likely to break up. Offering economic services, such as job training, as well as non-economic services, such as marriage counseling, could yield powerful gains to these families and society at large.

4. Eliminate Separate Work Participation Rates for Two-Parent Families. Given that higher work participation rates for two-parent families may be discouraging states from serving these families, Congress should consider eliminating this distinction. Indeed, it should revisit any distinction between one-and two-parent families in TANF.

5. Give States Credit for Serving non-custodial Parents with TANF funds. We recommend that Congress encourage states to use their TANF funds to serve low-income non-custodial parents. One approach is to give states credit toward their TANF work participation requirement for each father served by these programs. Giving states credit for serving these fathers may result in more fathers being served.

6. Prohibit the Use of the Minimum Basic Standard of Adequate Care when Determining Default Orders. We recommend that Congress not allow states to use the minimum basic standard of adequate care when determining default orders. These standards are designed to reflect a custodial family's basic needs, not the non-custodial parent's ability to pay. Yet, federal law states that child support orders should reflect the non-custodial parents' ability pay. We fully understand the need for default orders, but when states use the minimum basic standard of adequate care in the determination of a default order, they establish orders that outstrip most non-custodial parents' ability to pay.

7. Prohibit the Recovery of Birth-related Costs from Fathers in Medicaid Cases. Consistent with the findings of the Congressionally established Medical Child Support Working Group, we recommend that Congress prohibit states from collecting pregnancy and birth-related costs from non-custodial fathers in Medicaid cases. Fathers of these children are likely to have low incomes and thus states are unlikely to collect the assessed amounts anyway, contributing to inflated arrears.

8. Mandate a National Study to Investigate why non-custodial Parents in the IV-D Program do not Appear Before Court and Recommend Alternative Methods of Determining a Default Order. We urge Congress to ask the Federal Office of Child Support Enforcement (OCSE) to conduct a national study into the reasons why non-custodial parents do not show up in court and why states do not have earnings information from their automated child support systems to help set appropriate orders. Default orders are far too common in the child support program and child support offices do not appear to be using earnings information from their automated child support systems in these situations. These practices are contributing to child support orders that exceed non-custodial parents' ability to pay child support. We also recommend that Congress ask OCSE to develop alternative methods that states could use when a default order is needed and there is no earnings information available. States use the minimum basic standard of adequate care to set default orders, in part, because they do not have good alternatives.

In the following sections we summarize our research findings and that of others in three areas—Fathers Matter to their Children, Birth Represents a Magical Moment, and Deadbroke, Not Deadbeat. We end by describing efforts to serve fathers and their families since 1996 and the role of the SFFI in these endeavors.

FATHERS MATTER TO THEIR CHILDREN, IRRESPECTIVE OF THEIR MARITAL STATUS OR WHERE THEY LIVE

SFFI partners have been at the forefront of collecting and summarizing the literature on father involvement and its impact on children.[1] This research clearly shows that fathers matter to their children. Although studies find that children fare

[1] National Center on Fathers and Families (1997).

better, on average, if they live with both of their biological, married parents, it also shows that other forms of father involvement benefit children and can obviate the negative consequences of living in a single-parent family.

Studies that focus on nonresident fathers and unwed fathers have tended to find that their involvement is associated with greater academic success, improved child well-being, and reduced behavioral problems.[2] Studies have not only documented a positive relationship between the provision of child support and the well being of children, but they have also linked father-child contact with improved child well-being. An important example of research is by the U.S. Department of Education, which reported that nonresident fathers' involvement increased children's academic success.[3] Other recent studies focusing on low-income, unwed fathers find young children benefit from father involvement.[4]

Moreover, most unwed and nonresident fathers want to be involved in their children's lives, and most children want their fathers to be involved. Nonresident fathers report high levels of father-child contact. In 1999, 79% of nonresident fathers said that they had seen their child(ren) living elsewhere in the last 12 months.[5] Even custodial mothers, who generally report less father-child contact than the fathers self-report, indicated that 71% of their children with a nonresident father had seen their father in the last 12 months. Children of divorce report that the most negative outcome of their parents' divorce is reduced contact with their fathers.[6] School-age children on welfare rank their fathers just after their mothers as the person in their life that they turn to for support, ranking fathers higher than other relatives, siblings, and friends.[7]

BIRTH REPRESENTS A MAGICAL MOMENT

It is well known that nonmarital childbearing has risen dramatically during the past forty years and that one third of all births and 69% of African American births now occur outside of marriage. Until recently, it was generally assumed that the fathers of children born outside of marriage were not involved. The new Fragile Families and Child Wellbeing Survey, which is being conducted by a SFFI partner, has challenged this assumption.[8] This survey is following a birth cohort of approximately 3,600 nonmarital births in 20 large cities throughout the U.S.[9] Mothers are interviewed in person at the hospital within 48 hours of having given birth, and fathers are interviewed in person either in the hospital or shortly thereafter. Follow-up interviews have already taken place when the children were 12 months old and two additional follow-up interviews are planned.

Contrary to popular belief, this survey finds that unmarried fathers are closely connected to the mothers of their child at the time of the birth. Over 80% of the mothers report being romantically involved with the baby's father at the child's birth—48% of the couples are cohabiting; 34% are in romantic relationships but live separately. About 55% of the mothers think their chances of marrying the father are "pretty good" to "almost certain."[10] Nearly all of the fathers say they want to help raise their child, and the overwhelming majority of mothers say they want the fathers to be involved.

Although most new unmarried parents have high hopes for their relationship at the time of the child's birth, the Fragile Families data show that many of these new parents are ill equipped to support themselves and their children. Almost 30% percent of the fathers were out of work the week before their baby was born.[11] About 35% of the mothers and fathers have not completed high school. Moreover, 74% of the births were covered by Medicaid and 44% of the mothers had received welfare last year.[12]

Recent findings from the one-year follow-up survey show that less than 10% of these unwed couples have married each other. Furthermore, romantic involvement has declined from 80% to 50% of the unwed couples. Thus, the magic moment wanes with time.

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[2] Amato and Gilbreth (1999).
[3] U.S. Department of Education (2001).
[4] 4. Black, et al (1999).
[5] Sorensen and Pomper (2002).
[6] Kelly (1993).
[7] Perloff and Buckner (1996).
[8] http://crcw.princeton.edu/fragilefamilies
[9] Reichman et al (2001).
[10] Carlson and McLanahan (2001), which is based on data from the first 7 cities.
[11] McLanahan, Garfinkel, and Mincy (2001).
[12] Carlson and McLanahan (2001).

Other research by SFFI partners reinforces this conclusion that, unfortunately, the magic moment wanes.[13] Most poor children eventually experience their families breaking up. Although fragile families are more likely to break up than marital families, the latter also have high break-up rates. Therefore, program efforts need to focus not only on encouraging marriage, but on keeping families together, and short of that, on keeping fathers involved.

DEADBROKE, NOT DEADBEAT

The public perceives non-custodial fathers who do not pay child support as "deadbeat dads" who can afford to pay child support but choose not to, depriving their former families of desperately needed income. This image fits some non-custodial fathers, but ignores the diverse nature of this population. Research by SFFI partners shows that one third of non-custodial fathers, representing 3.5 million fathers, live in families that are poor or have a personal income below the poverty threshold for a single person.[14] These severe limits on their income make it difficult for them to support themselves and their children. The Initiative refers to poor nonresident fathers as "deadbroke dads."

Nearly all deadbroke fathers lack full-time, year-round work. One in six of these fathers are institutionalized, making it practically impossible to work. Among those not institutionalized, only 8% had full-time, year-round work in 1998. Two fifths did not work at all that year. Median earnings for those that worked were $5,000 per year.

Deadbroke dads encounter many of the same employment barriers as poor custodial mothers. Low levels of education are a common barrier encountered by both groups of parents; 40% of deadbroke dads and 38% of poor mothers lack a high school degree. Lack of recent work experience is another large obstacle to work, and again these mothers and fathers are similarly affected. In 1999, 41% of deadbroke dads and 35% of poor custodial mothers had not held a job in the past 12 months. Furthermore, one quarter of deadbroke dads and one fifth of poor mothers have a health condition that limits their ability to work.

Although deadbroke dads could benefit from employment and training services, very few receive them. In 1999, only 6% of these fathers received job training or job placement services, compared to 20% of poor custodial mothers.

Despite facing severe income constraints, 30% of deadbroke dads paid child support in 1999. Moreover, one in four of those who paid child support spent more than 50% of their gross income on child support. This contrasts sharply with nonresident fathers who are not poor—only 2% of them spent over half of their gross income on child support. Several SFFI partners have documented policies and practices that tend to contribute to child support orders that outstrip low-income fathers' ability to pay.[15] Below, we discuss some of these policies.

According to federal law, child support orders must be set according to state child support guidelines, which must reflect the earnings capacity of non-custodial parents. However, if a father does not show up in court to establish his earnings capacity, many states allow courts to set a child support order, called a default order, at the minimum basic standard of adequate care in their state. In California, for example, if a non-custodial parents' income is unknown courts are instructed to presume an income in an amount that results in a support order that equals the minimum basic standard of adequate care, which was $423 a month for a single child in 2001.[16] These orders far exceed deadbroke dads' ability to pay. If the father had shown up in court and had a net disposable income of $1,000 per month, the California guidelines indicate that he should pay, at most, $250 a month for a single child.[17] Unfortunately, default orders are all too common in the child support program. It is estimated that in California, for example, nearly 70% of child support orders are set by default.[18]

In addition, many states set child support orders for unmarried parents back to the date of the birth of the child, even if no action was taken to establish paternity until much later.[19] If states choose to backdate child support orders, federal law requires them to set orders according to the states' child support guidelines. But if the father does not show up at his court hearing when the order is set, courts will

[13] Sorensen, Mincy and Halpern (2000).
[14] Sorensen and Oliver (2002). This citation is for all of the numbers in this section unless another citation is given.
[15] Sorensen (1999), Cleveland and Ash (2001).
[16] California Family Code, Section 17400 (d) (2).
[17] Judicial Council of California (2001).
[18] Ibid.
[19] U.S. Department of Health and Human Services, Office of Inspector General (2000).

impute an income for him back to the date of the child's birth and set the child support order accordingly.

States may also charge nonresident fathers the costs associated with the birth of their child if Medicaid paid for these expenses, yet these costs do not depend on the fathers' ability to pay. Moreover, Congress does not allow states to charge the mother for these costs. In 1998, Congress established an independent body, the Medical Child Support Working Group, to develop recommendations for effective enforcement of medical child support orders. They concluded that Congress should ban states from charging fathers for the birthing costs of their child if the child is covered by Medicaid.[20]

In sum, these practices are contributing to large arrears that deadbroke fathers cannot pay. Child support arrears now total over $84 billion, averaging $8,487 per case.[21]

MANY EFFORTS HAVE EMERGED TO SERVE LOW-INCOME FATHERS SINCE 1996

Fatherhood programs that serve low-income fathers have been in existence for at least twenty years.[22] Community-based organizations (CBOs) have largely dominated the low-income father involvement arena. These programs serve diverse populations of low-income fathers, but share many components. Most work to foster a father's lifetime commitment to his children. This generally begins by recognizing and healing the pain that many feel because their own fathers were absent when they were growing up. Through this strengthened commitment to their children, programs try to encourage fathers to leave their "street life" behind and join mainstream society through regular employment, paying child support, and working with the mothers of their children. These programs tend to offer peer counseling, intensive case management, mentoring, employment, training, academic education, and parenting and relationship skills.

Since the passage of PRWORA, many new fatherhood initiatives have emerged. The Welfare-to-Work Grants Program, established in 1997, has been an important source of funding for many of these initiatives. In addition, a national demonstration is currently underway, called the Partners for Fragile Families Demonstration, which is being funded by the Federal Office of Child Support Enforcement and managed by the National Center for Strategic Nonprofit Planning and Community Leadership (NPCL), an SFFI partner.

The expansion of this field has led to the development of a national membership organization of fatherhood programs, called the National Practitioners Network for Fathers and Families (NPNFF), an SFFI partner. It was formed in 1995 and now has nearly 1000 members. Its mission is to strengthen families and communities by promoting the creation of opportunities for children to grow up free of poverty in strong and supportive families. The role of NPNFF is to ensure that the perspectives of community-based responsible fatherhood program practitioners, those individuals who are working on a day-to-day basis with low-income non-custodial fathers, are included in the consideration of federal and state policy.

Welfare-to-Work Grants Program

Under the Balanced Budget Act of 1997, Congress authorized the U.S. Department of Labor to provide $3 billion in Welfare-to-Work (WtW) grants to states and communities to move long-term welfare recipients and non-custodial parents who meet certain eligibility criteria into lasting, unsubsidized employment. WtW grants represent a new and valuable source of funding for work-focused programs that serve non-custodial parents.

The Welfare-to-Work grants program has (re)taught us many lessons regarding how to recruit non-custodial parents. Many grantees had expected that child support enforcement programs would be a large source of referrals of non-custodial parents, but that has not been the case.[23] Local child support offices were often concerned about confidentiality issues and were unwilling to supply names of potential clients to WtW grantees. Thus, grantees have had to change their recruitment strategies. Many now emphasize their own outreach and customers' self-referrals as recruitment strategies. Because recruitment has been so difficult, only about 10% of the individuals served by the WtW grants program have been non-custodial parents; 20% had been the target.

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[20] Medical Child Support Working Group (2000).

[21] U.S. Department of Health and Human Services, Office of Child Support Enforcement (2002).

[22] Levine and Pitt (1995).

[23] Perez-Johnson, Hershey, and Bellotti (2000).

The Partners for Fragile Families Demonstration

The Partners for Fragile Families Demonstration Project (PFF) is a three-year, ten-city demonstration project designed to:

1. Increase paternity establishment and child support payments among young unwed fathers by providing them employment training and placement services, case management, and parenting and relationship skills;
2. Test the viability of collaborations between community-based organizations (which provide the aforementioned services) and state/local child support enforcement agencies, which provides matching funds for the projects, via federal waivers;
3. Affect systemic and constructive change in the way in which child support programs work with young disadvantaged unwed fathers.

This demonstration is breaking new ground, primarily in its efforts to build private-public partnerships between community-based organizations (CBOs) and child support enforcement programs. In the past, most fatherhood programs and child support programs did not work together. Figuring out how to work together is not a simple matter as many WtW grantees and their respective child support programs can attest. But if this demonstration is successful, the payoff is potentially very substantial, both for the families involved as well as for the state and Federal Governments. Interventions that lead some of these parents to marry and others to remain closely engaged could reduce poverty, increase self-sufficiency, and enhance the quality of parenting while at the same time lessening the demand for government services. Most important, these gains in family income and parental quality are likely to improve the long-term prospects of the children involved.

The fatherhood field has expanded and matured greatly in the past five years. Considerable research on fathers and their families has been completed, especially on unwed and nonresident fathers, filling a major gap in our understanding of fathers. The number of programs devoted to serving low-income fathers and their families has increased dramatically during this period, in all parts of the country. The primary issue that remains is whether Congress will help these efforts by funding fatherhood programs and additional research on how to strengthen low-income families.

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*** The views in this testimony are those of the authors and do not necessarily reflect the views of their organizations, boards of trustees, or sponsors.**

Goodwill Industries of Southwestern Michigan
Kalamazoo, Michigan 49004
April 9, 2002

To: The Subcommittee on Human Resources of the Committee on Ways and Means

I'm sure you know that the TANF renewal legislation is extremely important to those of us who work with individuals with disabilities and other disadvantaging conditions. Parts of the current program work, however, we believe there is room for improvement.

We believe TANF should encourage people to pursue self-sufficiency. For many of the remaining families receiving TANF, pursuing self-sufficiency will require education and training. Most of our current TANF recipients have significant barriers. These barriers are unlikely to be eliminated with entry-level employment alone. Federal legislation should encourage learning as well as employment to break the poverty cycle. Further, much greater flexibility needs to be built into the legislation to allow TANF recipients to juggle parenting, learning and working and still succeed at the desired levels. In the past legislation, 20% exclusion was established to recognize the difficulty that a portion of the population would have meeting desired standards. That same group remains only sporadically employed, still in poverty and now represents a much higher percentage of TANF recipients.

TANF Suggestions in Reauthorization

1. Current federal requirements establish that 90% of two-parent households be participating in work. The requirement is only 50% for one-parent households. This has the effect of discouraging two parent households and is a significant disincentive to marriage. We believe the requirement should be 50% of parent-run households, regardless of whether it is one or two parents.
2. The current TANF legislation in place gives the states considerable flexibility to do what is right in their state. We believe that flexibility should remain in place.
3. The economic decline puts significant numbers of families at risk because of the 5-year maximum mandate. It is too early to tell what effect this will have as the deadlines are just occurring. Since 20% of recipients can be excluded, this

would protect the "hard to employ" group that is extremely tough to employ in a solid economy. In today's economy, the results could be financially devastating to families and politically devastating to legislators who vote for the legislation. We would suggest a "tiered mandate" based on the unemployment rate within a state. We suggest the state level because the national economy is just that, national, and that means you can have one area of the country booming, while another is in recession.

4. Here are some suggested levels:

0%–2.99% unemployment 20% exclusion
3%–3.99% unemployment 30% exclusion
4%–4.99% unemployment 40% exclusion
5%–5.99% unemployment 50% exclusion
6%–6.99% unemployment 60% exclusion
7%–7.99% unemployment 70% exclusion
8%–8.99% unemployment 80% exclusion
9%–9.99% unemployment 90% exclusion
10% or above 100% exclusion

5. One of the key reasons for "hard to employ" unemployment is substance abuse and/or mental illness. We believe treatment time should be included as a federally approved work activity.

6. We hope that you will continue to allow states to exempt parents with children under age 1 from calculation in the work participation rate.

7. We hope that you will continue to prohibit states from penalizing parents with children under age 6 for not working if childcare is not available.

8. Many, if not the majority of, businesses now consider "full-time" to be less than 40 (32 or more) hours per week. It is our suggestion that the programs should reflect the realities of business, and that less than 40 hours per week reflects the business reality. Furthermore, we suggest that each hour spent in education towards a degree or certification be considered 3 work hours. It is common knowledge that an hour of classroom requires 2 hours outside the classroom in most learning experiences. We also propose that women in their third trimester of pregnancy be exempt from work requirements. Businesses will not hire obviously pregnant women. Further, we have almost delivered babies at our agency on two occasions because women were required to be here for employment activities.

9. We support child support enforcement efforts and strongly encourage incentives to push for greater collection rates. We support a federal commitment for Non-Custodial Parent employment and training programming. Many non-custodial parents have employment and training needs equal to those of custodial parents. "If you can't earn money, you can't support your children".

We appreciate the opportunity to provide you with input on such important legislation prior to its dissemination in the House. Should you have any questions or thoughts, please feel free to reach me at 616–382–0490 x231 or

Sincerely,

John E. Dillworth
President and Chief Executive Officer

Statement of Richard M. Green, M.D., Los Angeles, California

Mr. Chairman and Members of the Subcommittee:

While policymakers promote marriage for the poor, federal child support policy continues to tear apart middle-income families. States have managed to turn child support enforcement into a profit center by inflating guideline awards, boosting voluntary payments ("collections") in middle-income cases, thereby maximizing federal incentive payments. According to the House Committee on Ways and Means 2000 Green Book, in 1998 the Federal Government lost 1.4 billion dollars from child support enforcement activities, while the states earned 340 million dollars.

Current state child support guidelines were actually designed for welfare cases, and do not take into account the costs of raising children at higher income levels. As a result they yield inappropriately high awards in non-welfare cases, far exceeding the costs of raising children in the custodial household.

Excessive child support awards harm children and fathers because they discourage shared parenting. A divorcing mother is counseled by her attorney to minimize the father's parenting time in order to maximize her share of his future income. The

father is then left with insufficient access to the children, and insufficient remaining income to maintain an adequate second home for them. State lawmakers routinely kill shared parenting legislation because child support collections would be reduced.

In violation of welfare law, state child support guidelines are not being effectively reviewed to ensure that they result in economically appropriate awards. State and OCSE-sponsored child support guideline reviews are being performed by private child support collection companies, including Policy Studies, Inc., and Child Support Recoveries, Inc., which directly profit from high child support awards. Current welfare law fails to ban these glaring conflicts of interest, ensuring that state guidelines are never effectively reviewed and revised.

Excessive child support awards encourage divorce, subsidize single mother-headed households, and marginalize fathers from the lives of their children. These effects are directly counter to the goal of marriage promotion.

To protect fathers, children, and federal taxpayers from these continuing abuses, I respectfully request that you make the following (underlined) changes in welfare law (Title 42, Chapter 7, Subchapter IV, Part D, Section 667(a)):

Sec. 667.—State guidelines for child support awards

(a) Establishment of guidelines; method

Each State, as a condition for having its State plan approved under this part, must establish guidelines for child support award amounts within the State. The guidelines must be established by law, and shall be reviewed at least once every 4 years by a guideline review panel to ensure that their application results in the determination of appropriate child support award amounts. The majority of members of the State guideline review panel must consist of neutral economic and financial professionals with no political or financial interest in child support guidelines, enforcement, or collection; a minority must consist of an equal number of representatives of payers and recipients of child support. An appropriate child support award amount is defined as one which allocates the basic, reasonable, marginal expenses of children in the custodial and non-custodial households equitably between the custodial and non-custodial parents.

April 16, 2002

Congressman Wally Herger
Chairman, Subcommittee on Human Resources
House Committee on Ways and Means

RE: TANF Reauthorization and Self Employment

To Chairman Herger,

Thank you for all your hard work in representing our community and its residents in Siskiyou County in particular.

As a member of the local workforce development collaboration and as director of a microenterprise development organization in Siskiyou County, I am writing to request your support of policy changes within the TANF Reauthorization that will help TANF recipients use self-employment to successfully transition off TANF and toward economic self-sufficiency. The State and federal welfare reforms have been largely successfully in reducing child poverty, reducing the number of welfare case loads, and increasing the number of people leaving welfare and going to work. Part of the success is due to the flexibility and innovation opportunities afforded states and counties in determining the appropriate mix of services. Please continue to retain this flexibility and consider the following policy recommendations:

- Enhancing the ability of states to clearly count self-employment preparation as work activity
- Creating a provision in the TANF statute specifying that time spent in exploration of self employment be counted as "job search"
- Creating a provision to allow states to "stop the clock" for individuals who are meeting work requirements through self or wage employment
- Amend TANF statute to include language that signals the importance of income and asset rules that support self-employment.

These recommendations do not have revenue implications at the federal level. The recommendations are not asking for special status for microenterprise or self-employment, but rather to make it easier for states to support self-employment, and there is a lot of work going on in California to support self-employment as an option for TANF recipients and these recommendations would support those efforts. I have attached a more detailed description of these recommendations for your edification.

Jefferson Economic Development Institute (JEDI) has been serving Siskiyou County residents of low income working to achieve economic self-sufficiency through self-employment for the past 6 years. JEDI's mission is to empower people and communities to create prosperity and provides small business development training, technical assistance, financing referrals and asset development opportunities to low-income people wanting to start or expand a business. In a distressed economy with fewer jobs available than the number of people needing a job, self-employment is an important option for people to create their own jobs, reduce their welfare receipt, and contribute to the local economy.

JEDI participants offer a powerful example of how people with low incomes can become economically independent through self-employment and asset development opportunities. Between January 1997 and June 2001, JEDI had served 551 people, help start 148 businesses and expanded 63 businesses, helped create 255 jobs. Eighteen percent of the participants were of low income at the time of intake and 22 of them had reduced or ended their use of public assistance over that time. Half of the business owners rely on income from the business to support at least half of their family household needs and 55 of them increased the amount of income they contribute to the household form a combination of business and wage earnings.

In working with low income people struggling to survive in a distressed economy in transition, we know the importance of providing services that allow them to increase their incomes and build assets. The combination can help people leverage their way out of poverty. JEDI has just completed a successful Individual Development Account program that assisted 26 low-income people to save a cumulative amount of $26,000 over a two year period. Twenty participants have made 40 investments with their IDA funds. Of the 40 investments, 36 have been for investment in their business and 4 have been to purchase first homes.

I urge you to support policy changes within the TANF Reauthorization that will help TANF recipients use self-employment to successfully transition off TANF and toward economic self-sufficiency.

Sincerely,

Nancy T. Swift
Executive Director

PRESS RELEASE

Former AFDC Single Mom Purchases First Home to Expand Her Business

(Mt. Shasta, CA) "You get into a rut, and don't want to do much—you're thinking there's nothing out there for you," remembers Jennifer Weed. As a single mom with two children, Jennifer started out on AFDC years ago. Eventually she was transferred into the welfare-to-work Program, and worked with STEP (Siskiyou Training and Employment Program). It was during her time with STEP that she started her own childcare business from the small living room of her public housing assisted apartment. Her business grew, but she could only handle 4 to 6 children in the tiny living room.

Though she desperately needed to expand, "The thought of saving for a house seemed way beyond my reach," Jennifer noted. She was now the proud owner of Jennifer's Helping Hands in-home child care of Mount Shasta, but still faced stifling limitations at every turn. When she heard about the Building Assets Program offered by Jefferson Economic Development Institute (JEDI), Jennifer jumped at the chance. She believes that God showed her this opportunity to overcome her impossible situation. "The idea of having every dollar I saved matched with two dollars from a grant really inspired me to think bigger. I decided to take the Making Your Money Work For You class and join the Building Assets Program. I still had doubts and fears, but Nancy Swift, the course instructor, assured me that I could do it if I put my mind to it," Jennifer recalled. "So I set my goals, learned to budget and started saving."

"I knew that I also needed to improve my credit, and the class showed me how to write to my creditors and straighten things out. I also learned how to spend wisely, and how to save, even when I thought I couldn't," Jennifer offered. "As I was putting money in my Building Assets account at Scott Valley Bank, I opened other accounts and started putting savings into them, too." Although the Building Assets Program added a match to her first savings account, she didn't stop there; she wanted to do all she could to get a home. Jennifer admitted it wasn't easy, but she was determined, "I put the money in and tried to forget about it. I had set my goal and was sticking to it."

"I got a lot of support from my parents, friends and JEDI to put the final deal together. Nancy did some research on different loans and put me in touch with Arlene Golden from North American Mortgage Co. She offered me a loan that was two percentage points better than what I had found. I used my Building Assets savings and match money for both the down payment and closing costs."

Now that she is in her new home, clients are amazed at the difference in the improved facilities she has for the children. "My new living room has over 400 square feet for the kids to play. They also seem much happier, since they can get outside and safely run around, without being near a street. I now have a huge back yard and a swing set for them to play on." Jennifer's own daughter, Rebecca, is also much happier. Her mother believes that the increased personal space Rebecca now enjoys has contributed to a new sense of serenity, which has also improved her health. After years of treatment for ADHD with the drug Dexostat, Jennifer was able to cut her dose by more than half after their move to the new home. Now Rebecca only needs Dexostat once in a while at school, for the most part.

Purchasing this house has allowed her to more than double the size of her childcare business. "I have gone from accommodating six children to getting licensed by the state for 14. With the recent expansion, I'll be hiring another assistant. I am now better able to address the needs for childcare for infants and toddlers. Thanks to this new house, I have been able to grow my business."

JEDI is grateful to its funding partners who made this pilot program successful. They include Scott Valley Bank, California Statewide Certified Development Corporation, USDA Rural Development and the County of Siskiyou.

Statement of Jennie Torres-Lewis Co-Chair, Latino Coalition for Families, and Vice-President, Public Policy Department, National Puerto Rican Coalition, and Marisa Demeo, Co-Chair, Latino Coalition for Families, and Regional Council, Mexican American Legal Defense & Educational Fund

Thank you Chairman Herger and Members of the Subcommittee for holding this hearing and for accepting this testimony that I am presenting on behalf of the Latino Coalition for Families, an ad-hoc coalition of national organizations advocating for the advancement of Latino families. Coalition members include the American Federation of Labor and Congress of Industrial Organizations (AFL–CIO), the Labor Council for Latin American Advancement (LCLAA), MANA: A National Latina Organization (MANA), the Mexican American Legal Defense & Educational Fund (MALDEF), the National Campaign for Jobs & Income Support, the National Conference of Puerto Rican Women (NACOPRW), the National Council of La Raza (NCLR), the National Latina/o Lesbian, Gay, Bisexual, and Transgender Organization (LLEGO), the National Puerto Rican Coalition (NPRC), the National Puerto Rican Forum (NPRF), the Poverty and Race Research Action Council (PRRAC), and the Puerto Rican Legal Defense & Education Fund (PRLDEF), of which MALDEF and NPRC serve as Co-Chairs of the Latino Coalition for Families.

The LCF was formed to provide recommendations for the 2002 federal reauthorization of Temporary Assistance to Needy Families (TANF). The coalition's top priorities for TANF include providing access for immigrants, overcoming language barriers for clients with limited English proficiency, and addressing disparities in Puerto Rico. In addition the agenda includes suggestions to improve child care and Medicaid eligibility, as well as expanding services for comprehensive sexual education and increasing the allotted hardship exemptions.

All hard working families should have access to the tools that allow people to move from welfare-to-work and achieve independence. Latinos still lag behind other groups when examining poverty level, median income and unemployment rates. Latino families have not benefited from welfare reform to the same degree as other Americans for a variety of reason which include: immigration status, language and educational barriers, and residence in Puerto Rico. Many hard-working Latino families are not able to access welfare-to-work services despite the fact that they are supported by their tax dollars simply because one or more family members are immigrants. Even those that are eligible for services are uninformed due to a lack of material and multi-lingual services. Also, many services are not available for U.S. citizens living in Puerto Rico due to strict federal funding limitations. When these families fall on hard times because of illness or injury, they cannot access the assistance that would allow them to return to work. They are denied essential support services like childcare, health coverage, job-training, and education. English language training, in particular, is crucial for finding long term employment but many Latinos are denied this learning opportunity.

Language

Title VI of the Civil Rights Act requires welfare agencies to provide linguistically accessible services if a sufficient number of their welfare recipients speak a language other than English. Executive Order 13166 and corresponding guidelines issued by the Department of Justice made compliance with Title VI clearer. Yet, over the past three years, the Office of Civil Rights (OCR) of the U.S. Department of Health and Human Services (DHHS) documented major violations of these provisions in various states.

The Latino Coalition for Families recommends that TANF resources be spent assisting states and cities to reduce the language access barriers facing Latinos and others. Besides recruiting, hiring, and training bilingual/bicultural staff and translating materials, measures should be included in TANF legislation to integrate English language programs with employment preparation. Currently, most states fail to ensure that job training and adult education programs are accessible to LEPs, and thus LEPs are limited in employment opportunities.

Immigrants

Historically we are an immigrant nation and still today our economy relies on the labor of the millions of immigrants who live and work in the United States. Despite their economic contributions and high workforce participation rate, Welfare Reform categorically denied immigrant families access to our national safety net. While some improvements were made over the years, such as the restoration of SSI and Food Stamp benefits for immigrants present in the United States before the passage of Welfare Reform, many lawfully present immigrants remain ineligible for basic safety net services supported by their own tax dollars. This denial of support based on immigrant status also hurts many American citizens because policies that restrict benefits to immigrants substantially affect their citizen children and spouses.

The Latino Coalition for Families recommends that Congress restore nutritional and medical safety net benefits for lawfully present immigrants regardless of their date of entry including: Supplemental Security Income (SSI), Food Stamps, Medicaid, State Child Health Insurance Program (SCHIP) and Temporary Assistance for Needy Families (TANF). LCF also recommends that Congress extend benefits to vulnerable undocumented immigrants such as, pregnant women, abused or neglected children, victims of domestic violence, the elderly, and the disabled.

Puerto Rico

Puerto Rico's obligations and regulatory requirements under TANF are the same as the states. However, resources available to the Island differ significantly from those available to other TANF grantees. Puerto Rico's TANF funding is limited by law because it falls under a single statutory cap that constricts total overall funding for three separate programs: TANF, IV–E, Foster Care, and Aged, Blind and Disabled Assistance (ABD). Similarly, Puerto Rico's Medicaid program is statutorily capped such that the federal contribution to the program covers only 15 percent of actual program costs, resulting in Puerto Rico being able to serve only individuals whose income is 50 percent of the poverty level (approximately $7,000/year for a family of three) or less. In addition, Puerto Rico has access to just two of the four Child Care Development Fund grants, being excluded from the Mandatory Grant and the Matching Grant portions. Likewise, Puerto Rico is statutorily excluded from the TANF supplementary Grant although it otherwise meets the requirement of receiving less than 35 percent of the national average of TANF funds per poor person. Because of these funding limitations, Puerto Rico's TANF grant is disproportionately low relative to its poor population and to other TANF grantees. In FY 2000 the states received TANF grants that averaged $533.97 per person in poverty, while Puerto Rico's TANF grant is $34.78 per person in poverty per year.

The Latino Welfare Coalition recommends that Congress remove barriers that exclude Puerto Rico from the TANF Supplementary Grant program and once barriers are removed exclude Supplementary Grants from the current TANF cap, as well as taking IV–E Foster Care out of the TANF cap. LCF also recommends that Congress remove barriers that exclude Puerto Rico from the Child Care and Development Fund and reimburse Puerto Rico for providing transitional medical assistance to TANF leavers outside of the current Medicaid Cap.

Conclusion

In summary, LCF asks Congress: to fully restore benefits to Latino families who experience hard times; to provide language assistance for non-English speakers who are in the welfare process; to count English as a Second Language training as work under TANF for limited English proficient individuals to help them attain the skills that will allow them to move permanently from welfare-to-work; and to remedy the

disparities in funding for Puerto Rico that limit access to funds for child care, transitional medical assistance, supplemental grants and contingency funds.

Members of Congress, thank you for your time and attention.

Legal Action Center
Washington, DC 20002
April 23, 2002

The Honorable Wally Herger, Chairman
The Honorable Benjamin Cardin, Ranking Member
Human Resources Subcommittee
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Herger and Ranking Member Cardin:

Thank you for the opportunity to submit testimony about the reauthorization of the Temporary Assistance for Needy Families (TANF) program. Legal Action Center is a nonprofit law and policy organization specializing in alcohol, drug, HIV/AIDS and criminal justice issues and represents the views of drug and alcohol treatment providers and consumers of those services nationwide.

TANF recipients with alcohol and drug problems and criminal justice histories need treatment and other supportive services to make the expected transition to self-sufficiency. Numerous studies have demonstrated that treatment helps low-income mothers achieve recovery, decrease their use of welfare, and increase their earnings. We urge the House Ways and Means Committee to facilitate access to drug and alcohol treatment services by including the following provisions in its TANF reauthorization legislation:

For funding of TANF benefits and services:

- **Increase funding for the TANF program to provide both supportive services and cash benefits.**
- **Add alcohol and drug treatment to the list of defined work activities that count toward an individual's work requirement and toward a State's participation rate.**
- **Repeal Medicaid's ban on reimbursement for residential alcohol and drug treatment services.**
- **Exempt alcohol and drug treatment from the definition of "medical services" to allow States to improve their use of TANF funds for treatment.**
- **Create a "promote treatment" initiative that provides financial incentives for States to expand assessment, referral to treatment, and treatment services for TANF recipients and custodial and non-custodial parents of TANF-eligible children.**
- **Create a "promote prevention" initiative to provide alcohol and drug prevention services for parents, particularly teen parents, and children in TANF families who are at risk.**

For TANF eligibility:

- **End the ban on TANF assistance and food stamps for individuals with drug felony convictions, or narrow the ban so it does not apply to those in treatment or recovery.**
- **Add exceptions to the TANF and Medicaid sanction provisions for recipients who are in treatment or willing to enter treatment.**
- **Exempt individuals in alcohol and drug treatment—or on a waiting list to receive treatment—from the federal time limit.**
- **Codify current Medicaid procedures for ensuring enrollment for eligible individuals who are leaving prison and jail.**

Addiction Among Welfare Families

Most national studies have indicated that 10 to 20 percent of adult welfare recipients have alcohol and drug problems. (As a comparison, 4.5 percent of American women reported past month drug use and 2.1 percent reported heavy alcohol use in 1995.)[1] These studies were conducted before the implementation of TANF, however, and it is not clear whether they are generalizable to the current case load.

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[1] Substance Abuse and Mental Health Services Administration. Substance Use Among Women in the United States. Rockville, Maryland: SAMHSA, 1997, p. 2–18.

More recent studies have also found an elevated prevalence of addiction in TANF case loads. In February 2001, Multnomah County, Oregon, found that 13 percent of TANF applicants screened positive for having an alcohol or drug problem.[2] An Alameda County, California, study estimated that 10 to 22 percent of TANF recipients in 1998 had an alcohol or drug problem.[3]

Cost-Effectiveness of Alcohol and Drug Treatment for Welfare Families

Studies have shown that alcohol and drug treatment programs provide effective and cost-effective services, despite limitations in funding. Specifically, current treatment capacity can meet only about half of the demand—even less for low-income women.

Programs serving women with children, including women on welfare, have demonstrated many positive outcomes, including increased employment and earnings and decreased use of public assistance. Key findings include:

- The benefits of treating welfare recipients in California exceeded costs by more than two and one-half times.[4] The authors of the study considered this ratio an underestimate because post-treatment employment and earnings data were deflated by a recession in the State at the time of the study.
- An Oregon study found that treatment completers received 65 percent higher wages than those who didn't complete treatment, with the difference due to improved earning power and an increase in the number of weeks worked. Increases were recorded in all treatment modalities, but highest in methadone maintenance.[5]
- A Washington State study found that indigent clients who completed treatment worked more and earned more than those who did not. Treatment completers earned an average of $403 per month, compared to non-completers, who earned an average of $265.
- A Minnesota study reported that among clients treated with public funds, 41.2 percent were employed full time after treatment, compared to 23.1 percent before.[6]

Criminal Records Among TANF Recipients

Many women involved in the criminal justice system have alcohol and drug problems and will need treatment and other services to make the transition to employment. However, few studies have examined whether individuals involved in the criminal justice system are receiving welfare assistance (either before their incarceration or while on parole or probation) or whether those receiving welfare assistance are or have been involved in the criminal justice system.

A 1997 study found that many mothers in State and federal prisons received welfare benefits before being incarcerated. A total of 41 percent of mothers in State prison and 33 percent of mothers in federal prison reported receiving welfare before being incarcerated.[7]

A study in Alameda County, California, found that 20 percent of adult TANF recipients had been convicted of a crime, about 10 percent had been convicted of two or more crimes, and 10 percent had been convicted of a felony since the age of 18.[8] The study did not report on the nature of the convictions.

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[2] "Six-Month Report of A&D Activity Within AFS, Multnomah County," unpublished data, February 2001.

[3] R.S. Green, L. Fujiwara, J. Norris, S. Kappagoda, A. Driscoll, and R. Speiglman, "Alameda County CalWORKs Needs Assessment: Barriers to Working and Summaries of Baseline Status." Berkeley, California: Public Health Institute, February 2000, p. 8.

[4] D.R. Gerstein, R.A. Johnson, and C.L. Larson, "Alcohol and Other Drug Treatment for Parents and Welfare Recipients: Outcomes, Costs, and Benefits." Washington, DC: Department of Health and Human Services, 1997, p. 39.

[5] M. Finigan. "Societal Outcomes & Cost Savings of Drug & Alcohol Treatment in the State of Oregon." Salem: Office of Alcohol and Drug Abuse Programs, Oregon Department of Human Resources, 1996, p. 16.

[6] C. Turnure, "Implications of the State of Minnesota's Consolidated Chemical Dependency Treatment Fund for Substance Abuse Coverage under Health Care Reform." Testimony to the Senate Labor & Human Resources Committee, March 8, 1994, p. 5.

[7] Christopher J. Mumola, "Incarcerated Parents and Their Children." Washington, DC: Bureau of Justice Statistics, August 2000, p. 10.

[8] R.S. Green, et. al., op. cit., p. 37.

Effectiveness of Employment Programs for Ex-Offenders

Findings from evaluations over the last 20 years indicate that employment programs for ex-offenders have increased their employment and earnings and reduced their recidivism. Key findings include:

- A study of New York City's Wildcat program, "Supported Work," which provided jobs and job training to chronically unemployed former heroin addicts and criminal offenders, demonstrated increased employment and pay for recovered addicts and lower arrest rates among those employed in both the experimental and control groups.[9]
- A 1988 study of the effectiveness of Illinois prison programs found that those who obtained vocational training and education had higher employment and fewer arrests.[10]
- An evaluation of the Texas Project Re-Integration of Offenders (RIO) program, which helps parolees find jobs, reported that 69 percent of participants found employment, compared with 36 percent of a matched control group. During the year after release, 23 percent of RIO participants returned to prison, compared to 38 percent in the control group, which saved the State $15 million in 1990.[11]

Recommendations for TANF Reauthorization

TANF recipients with alcohol and drug problems and/or criminal justice histories need supportive services, including treatment and vocational training, to make the expected transition to work. If they do not receive these services, they may not be able to meet their TANF work requirements and may be more likely to have their benefits reduced or cut off or reach their time limit without being able to work and take care of their family. Faced with a loss of benefits and a lack of employment, these families could experience greater poverty and deprivation—even dissolution.

Without continued success in moving TANF recipients to work, States could face penalties for not meeting their work participation requirements or for having too many families on assistance for more than 60 months. States could also face supporting these individuals and their families in State-only welfare programs[12] or in other, more expensive systems supported by State dollars, such as criminal justice and foster care.

Together, these negative effects—on TANF recipients and State and local governments—could erode the success of welfare reform, as well as other federal and State poverty reduction initiatives.

Recommendations on Benefits and Services

- ***Increase funding for the TANF program to provide both cash benefits (assistance) and supportive services (non-assistance), especially in light of the effects of the September 11th terrorist attacks.***

Increasing the TANF program's funding will allow States to continue to provide assistance to those who need it during the current economic downturn. It will also give States a secure source of funding to begin and expand initiatives to provide services ("non-assistance") to help TANF recipients address barriers to self-sufficiency.

Several States, for example, are using TANF funds to identify low-income adults with alcohol and drug problems and refer them to treatment, including Illinois, Kansas, Kentucky, Maryland, Minnesota, New York, New Jersey, North Carolina, Oregon, Tennessee, and Utah. At least one other State, New York, has begun to allocate TANF funds to programs to help divert appropriate individuals from prison into treatment and welfare-to-work services.

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[9] L.N. Friedman, The Wildcat Evaluation: An Early Test of Supported Work in Drug Use Rehabilitation. Rockville, Md.: National Institute on Drug Abuse, 1978. The project had financial support from the US Department of Labor, National Institute on Drug Abuse, Ford Foundation, Law Enforcement Assistance Administration, and New York City Department of Employment.

[10] D.B. Anderson, et. al., "Correctional Education A Way to Stay Out: Recommendations for Illinois and a Report of the Anderson Study." Illinois Council on Vocational Education, 1988.

[11] P. Finn, "Job Placement for Ex-Offenders: A Promising Approach to Reducing Recidivism and Correctional Costs," NIJ Journal, July 1999.

[12] A study in one California county found that addiction was a stronger predictor of repeat use of general assistance than of federal welfare assistance. L. Schmidt, C. Weisner, and J. Wiley, "Substance Abuse and the Course of Welfare Dependency," American Journal of Public Health, Vol. 88 (1998), pp. 1616–1622.

- ***Adding alcohol and drug treatment to the list of defined work activities that count toward an individual's work requirement and toward a State's participation rate.***

Presently, the federal law lists 12 activities that can satisfy an individual's work requirement and count toward the State's minimum work participation rate.[13] Alcohol and drug treatment is not on the list.

Including treatment in the definition of work that can count toward a State's participation rate will help States both to engage TANF recipients in a broader range of work preparation activities and move addicted recipients to sobriety and work while and still meeting their federal participation rates. The change will also help TANF recipients better coordinate their treatment and work requirements—since they will be able to perform them in the same program.

Presently, H.R. 4090 and H.R. 3625 would count drug and alcohol treatment as work for up to three and six consecutive months, respectively. Thank you for including these provisions in your legislation. However, we recommend that drug and alcohol treatment be permitted to count as work for as long as necessary and appropriate in order for individuals to achieve recovery and the ability to go to work, education, or training.

- ***Repeal Medicaid's ban on reimbursement for residential alcohol and drug treatment.***

A key barrier to alcohol and drug treatment for TANF recipients is the Medicaid program's "Institutions for Mental Diseases" (IMD) exclusion. IMDs are inpatient treatment facilities (including non-hospital residential programs) with more than 16 treatment beds for individuals with "mental diseases," with addiction being included in the definition of "mental disease."

The exclusion prohibits reimbursement for any service provided in an IMD or for any service provided to an IMD patient in a non-IMD setting for individuals between the ages of 22 and 64. For example, Medicaid will not cover prenatal care—either inside or outside the facility—for woman in a residential alcohol or drug treatment program with 16 or more treatment beds.[14] For facilities under 16 beds, treatment can be covered by Medicaid, but not room and board.

Excluding addiction from the definition of "mental disease" would significantly increase access to residential treatment for women with children, who are the majority of TANF recipients, increasing their likelihood of achieving recovery and moving from welfare-to-work.

- ***Exempt alcohol and drug treatment from the definition of "medical services" to allow States to improve their use of TANF funds for core treatment services.***

States are not currently allowed to use TANF funds for "medical services,"[15] with the TANF final rule leaving it up to States to define the term.[16] While this gives States flexibility, the lack of a clear definition has left some State welfare directors reluctant to invest TANF in core alcohol and drug treatment services, such as counseling (covered in some State Medicaid plans) for fear of being penalized for misuse of funds.[17] This is problematic for States that are doing active outreach and screening because they will find more people needing treatment but will not be able to increase core treatment slots.

Left as is, the ban acts as an unnecessary barrier to TANF investment in alcohol and drug treatment. Change would enhance State flexibility, as well as help close the treatment gap for women with children.

- ***Create a "promote treatment" initiative that gives States a financial incentive to expand assessment, referral to treatment, and treatment services for TANF recipients and non-custodial parents of TANF-eligible children.***

The law currently gives States financial incentives to reduce non-marital births, meet work participation requirements (through a reduction in the "maintenance of effort" requirement), achieve high levels of performance on TANF goals, and other outcomes deemed nationally desirable. Financial incentives should also be used to

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[13] § 407(d).

[14] Beds for children in women's residential treatment programs do not count toward the 16-bed limit. Memo from Acting Medicaid Bureau Director Rozann Abato to HCFA regional administrators, June 23, 1993.

[15] § 408(a)(6).

[16] Preamble language, 64 Federal Register 17840 (April 12, 1999).

[17] Personal communication from welfare officials in several States and localities.

encourage States to implement initiatives that focus programmatic energy on improving work-related outcomes for TANF recipients with alcohol and drug problems and/or criminal justice histories. States would not be required to participate (so this would not be an unfunded mandate) but could be eligible for supplemental funding or matching funding if they did.

- ***Create a "promote prevention" initiative to provide alcohol and drug prevention for parents, particularly teen parents, and children in TANF families who are at risk.***

For adolescents, alcohol and drug use is associated with a range of negative health and social outcomes, including risky sexual behaviors that can lead to unplanned pregnancy, HIV/AIDS, and long-term welfare participation for the entire family. Risks can be even higher for adolescents whose parents have alcohol and drug problems, because they are statistically more likely to develop alcohol and drug problems themselves.

Both children and young parents in TANF families should have access to prevention and early intervention services designed specifically for them. These services can help young parents reduce their alcohol and drug use so they can finish school, work, and take care of their children. These services can also help children avoid alcohol and drugs and the related health and social problems that can lead to reliance on welfare. In turn, this will decrease welfare and child welfare case loads and costs, as well as build healthier individuals, families, and communities.

The law currently funds abstinence education, which is required to include a component that teaches adolescents how "alcohol and drugs can increase their vulnerability to sexual advances."[18] But more is needed, including family-based services, which are identified as key for child and adolescent prevention programming.[19]

Funding should be directed to the Center for Substance Abuse Prevention (CSAP) (part of the Substance Abuse and Mental Health Services Administration, or SAMHSA), the lead federal agency on prevention, for this purpose. The program should require evaluation (including identification of model practices) and be coordinated with other prevention activities for these families administered by ACF, other agencies in the Department of Health and Human Services, the Office of Juvenile Justice and Delinquency Prevention (OJJDP), and the Department of Education.

Recommendations on Eligibility

- ***End the ban on eligibility for TANF assistance and food stamps for individuals with drug felony convictions, or narrow the ban so that it does not apply to those in drug and alcohol treatment or recovery.***

Under the law, individuals with drug felony convictions are not eligible for TANF assistance and food stamps, unless the State they live in enacts legislation to opt out of or narrow the ban.[20] The ban applies to convictions where the conduct and the conviction occurred after August 22, 1996, and lasts for the person's lifetime.

If a State does not "opt out," no one is exempt from the ban, not even pregnant women or individuals participating in treatment. The ban is permanent and continues regardless of an individual's successful job history, participation in drug treatment, or abstinence from drug use.

Federal action to end the ban or narrow it would replicate action taken by a majority of States. A total of eight States (and the District of Columbia) have opted out completely—Connecticut, Michigan, New Hampshire, New York, Ohio, Oklahoma, Oregon, and Vermont. Another 19 States—including Florida, Illinois, Iowa, Maryland, Washington, and Wisconsin[21]—have narrowed the ban's scope, most commonly by exempting individuals in treatment (or who are on a waiting list for treatment or have finished treatment or achieved recovery).

Left unmodified at the federal level, the ban reduces access to alcohol and drug treatment in 24 States. In fact, a study (of eight women's residential programs in California) found that providers reported that their loss in monthly revenue ranged

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[18] § 912(b)(2)(G).

[19] National Institute on Drug Abuse. Preventing Drug Use Among Adolescents: A Research-Based Guide. Rockville, Maryland: NIDA, 1997.

[20] § 115, as amended by § 5516 of the Balanced Budget Act of 1997 (P.L. 105–33).

[21] Legal Action Center, Getting to Work: How TANF Can Support Ex-Offender Parents in the Transition to Self-Sufficiency. Washington, DC: LAC, 2001. Kentucky has since enacted legislation to narrow the ban.

from none to 25 to 30 percent.[22] (Treatment programs, particularly residential programs, have traditionally relied on a family's welfare and food stamps to help fund room and board.)

Unmodified, the ban also acts as an impediment to recovery for individual women because it denies them support as they are leaving treatment and re-entering the community. Repealing it gives them the means, as well as the incentive, to stay in treatment.

- ***Add exceptions to the TANF and Medicaid sanctions for recipients who are in treatment or willing to enter treatment.***

Some TANF recipients with alcohol and drug problems who are trying to become self-sufficient through treatment may have difficulty complying with their work requirements, either because their addiction interferes with their ability to work or because their treatment schedule conflicts with their work or training schedule. Ending their eligibility for TANF and Medicaid virtually ensures that they will not be able to make the transition to recovery and self-sufficiency.

Those who are in treatment—or on a waiting list to receive treatment—should be able to retain their TANF and Medicaid so they can continue to afford treatment. Without it, they may not be able to learn the recovery and vocational skills they need to achieve self-sufficiency.

- ***Exempt individuals in alcohol and drug treatment—or on a waiting list to receive treatment—from the federal time limit.***

Without treatment, few welfare recipients with alcohol and drug problems will be ready to work when they reach their time limit on federal assistance. Unfortunately, in many communities, individuals needing treatment and willing to enter it cannot—because it is not available.

Providing incentives for welfare recipients with alcohol and drug problems to enter and stay in treatment will help them become ready to work. Exempting TANF recipients in alcohol and drug treatment from the federal time limit gives them incentive to enter treatment and to stay in treatment. It also gives States more flexibility to engage TANF recipients in treatment as a work-promoting activity for as long as necessary, regardless of whether the State has reached its 20 percent hardship exemption maximum.

- ***Codify current Medicaid procedures for ensuring enrollment for eligible individuals who are leaving prison and jail.***

Current HHS policy[23] states that incarcerated individuals must be returned to Medicaid enrollment immediately upon their release unless the State determines they are no longer eligible. Few States, however, seem aware of this requirement. A 2001 study found 46 States and two territories have policies that require termination of Medicaid supports for people in jail, meaning that these individuals must complete the Medicaid application process again when released and wait for a decision and benefits.[24]

Many women leaving prison and jail reunite with children (whom they left with relatives) and would likely continue to be eligible for Medicaid. Many also having pressing medical conditions—such as mental illness, HIV, and alcohol and drug problems—that if left untreated would decrease their chances of working and achieving self-sufficiency.

Sincerely,

Jennifer Collier
Director of National Policy and State Strategy

Statement of Pamela Loprest, Senior Research Associate, and Sheila Zedlewski, Director, Income and Benefits Policy Center, Urban Institute

TANF's emphasis on work has improved the economic well-being of millions of families. But many welfare recipients are not yet employed and need greater assistance finding work. Reauthorization provides Congress the opportunity to build on

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[22] A. Noble and E. Zahnd, "The Gramm Amendment to Welfare Reform: Problems for Women's Residential Treatment Providers and Their Clients." Davis: University of California, January 2000.

[23] Letter from Secretary of Health and Human Services Tommy G. Thompson to Representative Charles L. Rangel, October 1, 2001.

[24] C. Brown, "Jailing the Mentally Ill," State Government News, April 2001, p. 28.

initiatives that help make TANF work for these harder-to-serve groups. Several reauthorization measures would encourage states to build on recent initiatives focused on the hardest to serve part of their case loads:

- State performance bonuses. Awarding performance bonuses to states that implement innovative services for the disabled would likely spur new programs.
- Broader definition of work. Allowing states to make participation in rehabilitation and remedial education programs legitimate work activities would ease unrealistic time limits for persistent cases.
- Increase case load exemptions. An increasing number of hard-to-serve individuals will hit their benefit time limits in the years ahead. Allowing states that demonstrate need and take steps toward reducing work barriers to exempt a larger share of case loads from time limits would support state efforts to assist hard-to-serve TANF recipients.
- Improvements to non-TANF programs that help the disabled. Improving and simplifying the SSI application process would help states get aid to the most disabled more quickly. In addition, reimbursing states for TANF benefits paid to individuals who ultimately qualify for SSI would boost states' resources and their commitment to the application process
- Welfare reform's toughest challenges still lie ahead. Following the 1996 reforms, states moved welfare recipients into jobs—any jobs—as quickly as possible, a strategy facilitated by the strong economy. More recently, states have paid greater attention to two harder-to-serve groups: welfare recipients facing expiring time limits on benefits and former recipients who are not working.

According to the Urban Institute's 1999 National Survey of America's Families (NSAF), long-term welfare recipients and former recipients who are not working face significant job barriers. About half the 2 million adults on welfare had been receiving benefits continuously for at least two years. Almost 40 percent of these individuals reported being in very poor health, more than a third had not worked in recent years, and half did not finish high school (see the figure). Other common job barriers for long-term welfare recipients (not shown in the figure) include caregiving responsibilities, language barriers, and domestic violence.

Additional NSAF findings show that one in seven adults that left welfare between 1997 and 1999 were jobless leavers—that is, they had no connection to the labor market either through recent work or a working spouse and did not receive disability benefits (Loprest 2002). Jobless leavers had barriers similar to those of long-term welfare recipients. For example, almost half the jobless welfare leavers had not worked in three or more years, and half were in very poor health. These findings raise questions about why a sizable portion of former recipients left welfare in the first place. Among those who left welfare without a job, about 40 percent said they left because of administrative reasons, more than double the number of working former recipients giving the same explanation. This finding suggests that the barriers that keep some individuals jobless may also hamper their ability to navigate TANF's eligibility rules and requirements.

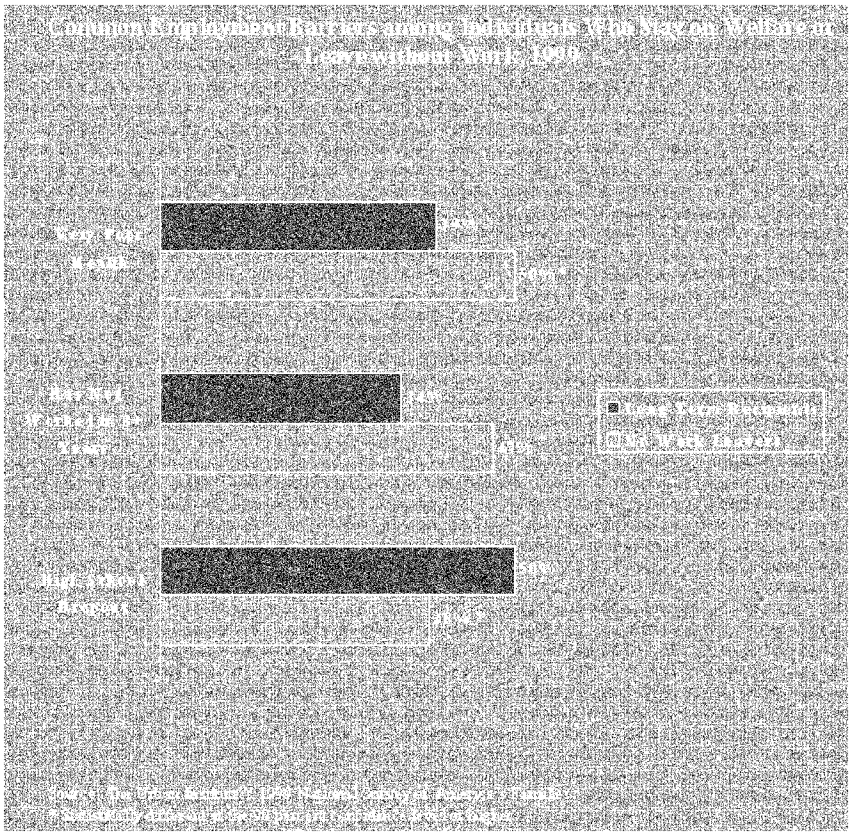
States do not rely only on welfare to serve groups with significant work barriers. The Federal Government offers cash assistance to states' most disabled clients through Supplemental Security Income (SSI). The incentive to tap SSI instead of welfare has increased under TANF because each marginal welfare dollar comes directly out of state budgets. But several features of SSI limit the program's usefulness in serving disabled welfare recipients. First, it is available only to individuals who cannot do any type of work. Second, a 1994 revision to SSI ending eligibility for substance abusers narrowed the program's scope. Third, even among those who do qualify, the process often takes more than a year and requires up to three applications before benefits are awarded (Social Security Advisory Board 2001). Many states report that they do not have the time or the staff to keep the process moving efficiently.

Most TANF clients with substantial barriers to work are not eligible for SSI, and states' welfare programs have always served the hard to employ. The old entitlement framework, however, did little to reduce long-term dependence on cash assistance. TANF—in part because it allows states to exempt only 20 percent of their case load from time limits—gives states greater incentive to help the hard to serve move to work.

To serve individuals with work barriers who do not qualify for SSI, some pioneering states now use TANF funds to directly address employment challenges. These states identify disabled clients' needs before the clock runs out and place them in programs that address health issues and learning disabilities. Some TANF programs are establishing partnerships with local vocational rehabilitation, mental health, and substance abuse programs. To reach individuals who have slipped

through the system's cracks, some states try to locate individuals who have left welfare and offer them the new services.

Unfortunately, these new TANF strategies were just gaining a foothold in 2001, right before many states' case loads began rising. Recent increases in the demand for cash assistance threaten states' capacity to help the hard to serve, especially since adult mental, physical, and learning disabilities typically require costly, long-term therapies. Congress must consider the needs of the hard to serve and states' ability to provide effective services that address barriers to work when they consider TANF reauthorization.



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As noted above, this statement reflects the views of the authors and does not necessarily represent the views of the Urban Institute, its sponsors, or its Board of Trustees.

Statement of Michael J. McManus, President, Marriage Savers, Potomac, Maryland

President George Bush made the most important statement about marriage of any president ever when he unveiled his plans to make marriage the next reform of welfare reform. He acknowledged that "Single mothers do heroic work," but added, "Their lives and their children's lives would be better if their fathers had lived up to their responsibilities." Applause erupted from largely black crowd at a Catholic Church in Southeast Washington.

The President said, "Statistics tell us that children from two parent families are less likely to end up in poverty, drop out of school, become addicted to drugs, have a child out of wedlock, suffer abuse or become a violent criminal and end up in prison. So my Administration will give unprecedented support to strengthening marriages," a remarkable statement that sparked hearty applause.

Bush noted that there are "many good programs help couples who want to get married and stay married. Premarital programs can increase happiness in marriage and reduce divorce by teaching couples how to resolve conflict, how to improve communication and, most importantly, how to treat each other with respect."

The President is right. My wife and I created such a program in our church and have taken it to hundreds of churches in scores of cities. Since 1992 in our Bethesda, MD church, we trained 59 couples to mentor those preparing for marriage. We administer FOCCUS, a premarital inventory that surfaces up to 192 issues for discussion. The man and woman meet separately and write down whether they agree or disagree with statements like these:

> "I am concerned that sometimes my future spouse spends money foolishly.
> "I am uncomfortable with the amount my future spouse drinks.
> "At times I am concerned about the silent treatment I get from my future spouse."

A computer report compares what the man and woman said, noting agreements and conflicts. It can predict with about 80% accuracy who is likely to divorce or have a solid marriage. And a tenth of the couples who take a premarital inventory, break their engagement. Those who do have the *same scores as those who marry and later divorce.* Thus, couples who break up before a wedding are ***avoiding a bad marriage before it begins.***

In our church we have added the element of trained mentor couples who have been married more than 30 years on average. They devote five evenings to talk through every issue as well as assign a dozen exercises to "teach them how to resolve conflict, how to improve communication," as the President put it.

With what result? Of 302 couples who signed up through 2000, 21 dropped out (mostly to break up) and 34 additional couples completed the course, but broke up before there was a wedding. However, of those who married, there have been only seven divorces in a decade. ***That's a 2.5 percent failure rate!***

The President praised another form of couple mentoring: "There are also programs for couples with serious problems . . . alcoholism, infidelity or gambling. Trained mentor couples who have experienced severe marital problems themselves now teach other couples how to repair their own marriages. Using this approach, one national program reports being able to save up to 70 percent of very troubled marriages." That describes Retrouvaille (800 470–2230), a weekend retreat attended by 65,000 couples. On average it saves four out of five marriages. Bush was also describing a similar parish based couple mentoring program called "Marriage Ministry," that uses trained "back-from-the-brink couples," which actually ***saves 90 percent of shaky marriages!***

Finally, Bush proposed $300 million "to support innovation and fund programs which are most effective." Why? "Strong marriages and stable families are incredibly good for children."

Of course, critics have surfaced. I would like to quote them, and provide my answers:

1. Money:

"It is unconscionable to reallocate already inadequate Temporary Assistance to Needy Families (TANF) fund to policies designed to promote marriage," says Stephanie Coontz and Nancy Folbre, professors at Evergreen State College and the University of Massachusetts, in a speech they will give at the Council on Contemporary Families April 26–28. Others have noted this money could be spent on day care, job training

FACT: According to the Congressional Research Services' August 10, 2001 report, "Welfare Reform: TANF Grants, Transfers and Unspent Funds through FY 2000,"

there was a total of **$8.6 billion of unspent TANF Funds that the states could spend on day care, job training, etc.** While some of that was set aside for "rainy day" funds to be used in case of an economic slowdown, **$3.2 billion of those funds were "unobligated reserves."** Thus, even the lower figure is ***ten times as much money already available to the states as the Bush Administration is proposing to spend to promote marriage.*** And the $300 million being sought for marriage demonstration programs would not be reallocated TANF funds.

2. Marriage is private:

David Boaz, of the conservative Cato Institute, was critical: "Marriage is one of the most intimate associations in our lives, and the government should stay out of it."

FACT: First, government grants both marriage licenses and divorces. It is already involved. Further, nothing could be more intrusive than the orders given to a father in a divorce. He is told when he can see his children and for how long. A certain percent of his income must be paid in child support, even if the mother and children move far away preventing him from any regular access to his children. He even may have a restraining order forbidding him from seeing his children or talking to them on the phone. Billions are spent annually to enforce child support.

3. Forcing marriage to abusive fathers:

NOW President Kim Gandy asserts: "To say to these women, where the father of their children has abandoned them or abused them, 'You've got to track him down and marry him or your check is going to be reduced,' that's terrible.' "

FACT: No one has proposed reducing the welfare check of a woman who does not marry the father, and no one has proposed marrying an abusive father. Indeed, HHS Assistant Secretary Wade Horn, who oversees welfare, replies, "We're going to support activities that help couples who choose marriage for themselves develop the skills and knowledge necessary to form and sustain a healthy marriage." Who could reasonably object to that?

4. "We don't need to encourage more people to marry:"

Isabel Sawhill, a senior fellow at the Brookings Institution, made this claim in an article, "Is Lack of Marriage the Real Problem?" in a special issue of *The American Prospect* "The Politics of Family," in the current edition. She writes: "The problem is not that people don't marry. Ninety percent of all American women are married by the age of 45."

FACT: Her number was not correct even a generation ago, nor is it today. The Census reports in America's Families and Living Arrangements 2000, issued in June, 2001 that nearly **two in ten have not married by age 45,** specifically, 18.1%. More alarming, another 15.5% of men and women were unmarried between the ages of 35 and 45, **almost triple the 6.1% of the unmarried** in this age bracket in 1970. Many of them will never marry. The fact is **marriage rates have plunged** in this country. In 1960, 66% of Americans were married and living together, but only 53% were married and sharing a home in 2000.

Why? ***Cohabitation has become the dominant way male-female unions are formed.*** In 2000, 4.9 million couples were living together, according to the Census at any moment in time, That is 11 times the 430,000 doing so in 1960. By contrast, there are only 2.3 million marriages in an entire year.

FACT: Cohabitation is the problem. It is a triple cancer of marriage:

- Cohabitation has diverted millions from getting married at all. In 1970, only 21 million Americans had never married; by 2000 the figure jumped 124% to 47 million, while population grew by only 38%.
- Cohabitating before marriage increases the odds of divorce by 50% compared to those who have never lived together, according to the University of Wisconsin.
- Fully 41% of cohabiting couples have a child, which is far more likely to spark a breakup than a marriage. Indeed, as cohabitation has soared 11-fold since 1960, out-of-wedlock births have also shot up from 5% of all births to 33% in 2000. While welfare reform has been successful in cutting welfare rolls by 58%, the illegitimacy rate has continued to rise. In 1996, when welfare reform was passed, 1.26 million babies were born out-of-wedlock, or 32.4% of all births. In 2000 the figure rose to 1,346,000 births or 33.1% of births.

Isabel Sawhill asserts the problem is out-of-wedlock births to teens: "Although only 30% of all out-of-wedlock births are to teens, half of *first* out-of-wedlock births are to women under age 20." However, half of first births are not to teens, and the

Princeton Fragile Families study reports that more than half of those births were to cohabiting parents. As I see it, the primary problem is the cohabitation of adults, who have babies out of wedlock.

5. Marriages won't solve the problem:

"Will more marriages solve this problem? Hardly. Marriages among teenagers are notoriously unstable," Ms Sawhill asserts.

However, nearly a million births to unmarried mothers are aged 20 or older, with 449,000 over age 25. More than half who are cohabiting and another third are romantically involved, with the father at the time of the birth. ***Why shouldn't we encourage those couples to marry?*** Let's be honest. If they do not marry the father of their child, the odds are they will be a single mom the rest of their lives. Few men want to marry a woman with another man's child. So their real choice is marry the father of their child or never marry. These couples would be much better off getting married, rather than living together, and bringing children into the world before they have made a commitment to one another. Nearly half of male cohabitants (47%) are over age 35 and 42% of women. Surely, they are old enough to make a mature decision.

She's right that too many women are giving birth before they marry. But if they become pregnant, what should they do if they are not to abort? I say they should create healthy marriages.

Theodora Ooms, a senior policy analyst at the Center for Law and Social Policy, wrote in the same issue of *The American Prospect,* "The majority of these parents are committed to each other and to their child and have high hopes of eventual marriage and a future together, although these hopes too often are not realized. We should reach out to young parents to help them achieve their desire to remain together as a family. A helpful package of services to offer these young families might include a combination of 'soft' services—relationship-skills and marriage-education workshops, financial management classes . . . and 'hard' services, such as job training and placement, housing, medical coverage," she writes.

Finally, I'd argue that similar services ought to be offered to the 246,000 mothers who are young adults, aged 18–19. If the couple is in love, they should consider marriage, and the society should help them to make it. What are their odds of divorce? A study in *Family Planning Perspectives* reports that even without help, 85% of those young parents who marry, are married five years later and 75 percent are still married a decade later. Not bad!

6. "Plenty of women justifiably leave abusive marriages."

That assertion by Robert Kuttner, founder and co-editor of The American Prospect, implies that most women who divorce are doing so because they were physically abused.

FACT: A Gallup Poll of 1,213 adults found that only 5% of people who divorced say the problem was physical abuse. In only 17% of cases was infidelity the issue, and drug or alcohol abuse was involved in 16%. The big issue is "incompatibility" mentioned by 47% of respondents, and another 10% said it was arguments over money, family or children. Thus in nearly three-fifths (57%) of the cases, the problem was poor communication—which caused TEN TIMES as many breakups as physical abuse.

What has been demonstrated by groups like PAIRS, PREP, and **Marriage Savers,** is that these skills can be taught by lay people, ideally by Mentor Couples. One study of PREP found that couples trained in its technique of resolving conflict had 50% lower divorce rates than those with standard marriage preparation. In my home church, out of 302 couples who signed up for marriage prep, as noted above, *we have had only 7 divorces in a decade, a 2.5% failure rate!*

7. "Sometimes a good divorce is better than a bad marriage."

That assertion by E. Mavis Hetherington, a Professor of Psychology at the University of Virginia, and co-author (with John Kelly) of For Better or Worse: Divorce Reconsidered," poses a false hypothesis. The key question is this, can a bad marriage become a good one?

FACT: First, most people do not divorce because of a bad marriage

Professor Paul Amato of Johns Hopkins has found that "Very few people getting divorced mention serious problems, such as mental abuse, violence, alcohol or drug problems. Instead, people mention:

We have been growing apart.
We don't feel as close as we once were.
The quality of our communication is not as good as it should be.

Amato has been conducting a longitudinal study in which he has interviewed 2000 married people in 1980, 1983, 1988, 1992, 1997, and 2000. He has interviewed the children of these marriages after they reach 19. The majority of 691 children grew up with continuously married parents. Some 21% experienced divorce and 15% were in homes where the parents stayed married, but had unresolved conflict. Amato confirms that children experiencing divorce reached adulthood with less education, are not as close to their parents, have more symptoms of depression, and were less happy. He confirms that fewer marry and if they do, are more likely to divorce themselves.

What is surprising about his findings is that of 295 couples who divorced, only 40% were in marriages with very low happiness, with few positive interactions and much conflict. In 60% of the divorces, the couple's happiness was average. Their positive interaction is average. They had no more than average conflict. In other words, three out of five couples who divorce are no more unhappy or conflicted than married couples who stayed together!

Such couples do not have sufficient reason to punish their children by divorce. In these marriages which Amato calls "good enough marriages," the unilateral decision of one partner to walk out is unexpected, stunning and inexplicable. He said, "Most children don't care about midlife crisis; they don't care about how deep the level is of their parents' self-actualization. They want regular access to both parents. Many of these good enough marriages can be salvaged."

FACT: Even terrible marriages can be saved in four out of five cases:

The vast majority of even terrible marriages can be saved with remarkably little effort. Let me give three answers, referred to briefly above:

> **1. Retrouvaille is a weekend retreat in which couples whose marriages once nearly failed, who I call "back-from-the-brink" couples—share details about how they overcame years of adultery, alcoholism, neglect, verbal or physical abuse, and have gone on to build great marriages. The results are spectacular. Of 2,000 couples who have attended in Michigan, *a third had already filed divorce papers, yet 80% rebuilt their marriages. Two-fifths of more than 1,000 couples in Fort Worth had already separated or divorced, yet 70% reconciled and are still together. Buffalo's Retrouvaille has saved 90% of its marriages.* Nationally, about 65,000 couples have attended Retrouvaille, and on average, four out of five marriages are saved.**
>
> **2. Marriage Ministry is a similar proven way to save couples headed for divorce courts—but it is based in a local church. St. David's Episcopal Church in Jacksonville, Florida trained seven couples whose marriages nearly failed to help those now in trouble. One woman had been in an adulterous affair for eight years. A man was a bisexual, who once had homosexual affairs on the side. Another man was an alcoholic who lost his job and was out of work two years. *Their pain qualified them to be Mentor Couples who worked with 40 troubled marriages, and they saved 38 of them—a 95% success rate.* My organization, Marriage Savers, has planted this Marriage Ministry in dozens of other churches with a stunning 90% success rate. We can train back-from-the-brink couples to tell their story to couples in crisis, over a Friday night and all day Saturday.**

By contrast with this remarkable track record, professional therapists are no where near as successful. Diane Sollee, head of Smart Marriages and the former Associate Director of the American Association of Marriage and Family Therapy, says therapists save less than 20% of the marriages they work with. In fact, they often counsel couples to divorce, which is outrageous.

Why are lay couples able to save 80% to 90% of marriages when professionally trained counselors are so ineffectual? The major reason marriages fail is selfishness. The major reason the good ones succeed is selflessness. *What's needed is spiritual, conversion, a recognition that one needs to replace selfishness with selflessness.* That can best be inspired by seeing walking parables, couples who once stood on the brink of divorce for very good reasons, but then stepped back, and saved their marriage. Like a 12-stepper of Alcoholics Anonymous, a couple who has been in the pits and rebuilt their marriage—has a credibility that no pastor or counselor has. A couple who had lived through adultery, for example, and remained together, can tell a younger couple in crisis because she found out that he was cheating on her: "We know adultery breaks trust. We have been there, done that. But

we are here to tell you that trust can be restored. We have done it. Let us tell you how we rebuilt trust. Let us pray with you about this."

3. Stick to the Vows:

Finally, consider a study by Professor Linda Waite, of the University of Chicago, which drew remarkable findings from the National Survey of Families and Households, a huge study of 13,000 people. "Of those couples who said their marriages were very unhappy in 1987, 82% were still married five years later. And if they were still married, 90% said they were very happy! I was surprised that so many who were unhappy were still together, and that the vast majority said their marriage was terrific or very good, though it was the same marriage! The worst marriages showed the most improvement," Dr. Waite says.

Every marriage has bad patches. ***What's needed is for people to only stick to their vows made at the altar, to remain together "for better for worse, for richer for poorer, in sickness and in health, to love and to cherish, till death do us part."***

8. Marriage can't be re-established.

"There is no way to re-establish marriage as the main site of child rearing," argues Stephanie Coontz in The American Prospect. "There is no way to reverse this trend short of a repressiveness that would not long be tolerated even in today's patriotic climate."

FACT: the divorce rate of Modesto, CA has plunged 48% and its marriage rate has risen 14% between 1986 and 2000, at a time the U.S. marriage rate fell 18% since the clergy of that area adopted a "Community Marriage Policy" in 1986 at my suggestion. Some 95 pastors, priests and a rabbi accepted my suggestion that there ought to be at least four months of marriage preparation that includes taking a premarital inventory, discussing it with an older, mentoring couple, improving their skills of communication and conflict resolution and studying Scripture. They also accepted my suggestion for taking steps to improve the marriages of couples in their congregations, and to save troubled ones. Pastors said their goal was to "radically reduce the divorce rate of those married in area churches." Obviously, much more than that has been accomplished.

FACT: With 1,250 divorces being avoided per year and 880 more marriages a year, more Modesto area children are growing up in secure homes. ***The result is that school dropouts have fallen 20% and births to teenagers, by 30%.*** Healthy marriages are good for kids!

FACT: Divorces Plunge in 34 Cities:

Marriage Savers, the organization my wife and I founded, has helped the clergy of 159 towns and cities to create **Community Marriage Policies,** or **Community Marriage Covenants.** A national study is now being conducted on their impact. Before those results are available, we know that divorces have plunged in 34 out of 36 cities with known results:

- Divorces fell 6% in one year, in **Tallahassee, Baton Rouge, Springdale, AR and Columbus, GA**
- In a single year, **Harrisonburg, VA** divorces plunged 15% and by 24% in **Cedar Rapids, IA.**
- **Peoria's** divorce rate has fallen 28% in seven years.
- **Austin, Texas** ***divorces fell 37%*** from 3,466 in 1995, the year before signing a CMP, to only 2,173 in 2000, a huge 37% drop.
- **Kansas City, KS** ***divorces plummeted 43% in only five years*** in a two county area from 1,530 in 1995 to only 874 in 2000.

FACT: Community Marriage Policies/Covenants create a new day for marriage and an old one for divorce. Here is how the Heritage Foundation put it

> "A well-executed Community Marriage Covenant . . . can save up to 80% of marriages headed for divorce, reconcile more than half of the separated couples, and enable 80 of those in stepfamilies o be successful parents and partners."

Conclusion:

The critics of President's Bush's proposal to spend $300 million to improve marriage, really do not have sound arguments. The sum is very modest and would not reduce welfare funds. We do need to encourage some people to marry—particularly those who are living together. Marriage can be re-established as the norm for most men and women. Healthy marriages will lift millions out of poverty. Welfare spending has not done it. As Bush noted in his speech, "Between 1965 and 1995, federal and state spending on poor and low income families increased from around $40 bil-

lion to more than $350 billion a year. Yet during the same 30-year period we made virtually no progress—no progress reducing child poverty. And the number of children born out of wedlock grew from one in 13 to one in three."

The 1996 welfare reform law reduced welfare rolls by more than 50 percent. Equally important, it made a major dent in poverty. There are 5.4 million fewer people in poverty, and the poverty rate for blacks is at an historic low.

As even Stephanie Coontz and Nancy Folbre concede, "According to recent census figures, 6 percent of married couple families with children live in poverty, compared to 33 percent of families headed by single moms. To many the conclusion seems obvious. Marry off those single moms and they reduce their risk of poverty by a factor of more than 5, right? Plus their children will do better in a two-parent family. It's not quite that simple," they say.

However, as *The Washington Post* editorialized on April 5, "Why not find out whether helping mothers—and fathers—tackle the challenging task of getting and staying married could help families find their way out of poverty?" In a letter to the editor, Mr. Kuttner disagreed: "Marriage is not a panacea." He is wrong. Married people are healthier, happier, live longer, are much wealthier and have better sex than single people, according to *A Case for Marriage* by Maggie Gallagher and Linda Waite. And their kids are far less likely to drop out of school and become pregnant or delinquent.

The institution of marriage is in a massive state of collapse, with disastrous consequences to tens of millions of people. First, there have been more than a million divorces a year for 30 years affecting a million children a year. Now another 1.3 million more are born to unmarried parents annually.

There is an answer. And it is obvious—healthy marriages.

Why is $300 million needed? Two-thirds of Americans are members of a church or synagogue, 69% according to George Gallup. And he reports that 55% of African Americans attend church in any given week. Organized religion clearly has access to most Americans. Yet only 1 percent of America's 300,000 congregations have marriage mentors today. And there are almost none in African-American churches. A massive effort must be undertaken to recruit and train those mentor couples to reach out and provide a "safety net" to those who are married, getting married and those having babies out-of-wedlock.

If only a third of churches and synagogues each trained ten couples by 2010, there would be a million mentoring couples! Surely they could cut the divorce rate in half and increase the marriage rate! I said that in a recent column, a column called "Ethics & Religion" which I have written weekly since 1981.

Is it realistic to think the nation's divorce rate could be slashed by 50% within a decade? *Christianity Today* quoted me on my vision in an editorial and concluded:

> ***"If McManus's projections are at all reasonable—and if we put our minds to the task they are—we could save approximately 600,000 marriages (a year) by 2010. If that vision doesn't motivate us, what will?"***

In any case, we at Marriage Savers are ready to put our shoulder to the wheel.

Statement of Sister Richelle Friedman, PBVM, Senior Policy Associate, McAuley Institute, Silver Spring, Maryland

McAuley Institute is a faith-based, nonprofit intermediary which assists local nonprofits serving the housing needs of the poor, and especially women and children. Founded in 1983 by the Sisters of Mercy, McAuley focuses its financial and technical assistance on newly emerging groups working in extremely poor urban and rural areas. Most of the groups we serve are led by women and are have boards with a majority of residents.

McAuley Institute stands for the dignity of every human person. As a result, we believe that public policy in general, and the TANF program in particular, should be designed to encourage states to provide the education and public services necessary to enable every parent and child to escape the debilitating condition of poverty and to reach their full potential as human beings.

As an organization focusing primarily on housing, McAuley hopes you will recognize the substantial role that stable, affordable housing plays in enabling welfare recipients get jobs, keep them and become economically stable. The five recommendations we offer for subcommittee consideration would:

1. Treat housing provided with TANF and state maintenance of effort funds in the same manner as other work supports such as child care. HHS rules defining

housing as "assistance" under TANF have discouraged jurisdictions from funding housing assistance even for those no longer receiving TANF benefits.

2. Provide funds to HHS as part of a HUD–HHS demonstration of housing with services for families with multiple barriers to work.

3. Require states to consider data on the housing needs of present and former TANF recipients in the planning and implementation of welfare-to-work programs.

4. Encourage state, county and local government entities to facilitate interagency cooperation as it relates to meeting the housing and other needs of low-income families.

5. Allow states to determine what constitutes "minor rehabilitation" of rental housing payable with TANF funds to eliminate the current confusion which has resulted in non-use of funds for that purpose.

The rationale for giving more attention to housing is simple. First, having an address and a place to live is usually the essential first step to finding a job, especially if one is a parent of young children. Secondly, to maintain employment one cannot face the constant possibility of having to move because of impossibly high rent or the conflicts that inevitably arise when one family has to double up with another. Finally, employment is usually more obtainable and stable if one is able to live near the workplace of or have access to the transportation necessary for a reasonable commute.

Many welfare recipients enter the workforce through jobs that pay the minimum wage or only slightly more. Today, in no state does a full-time minimum wage job enable a family to afford the federal fair market rent for a two-bedroom apartment. The national median "housing wage" for a 2-bedroom unit at HUD's fair market rent is $13.87 per hour, according to the National Low Income Housing Coalition.[1] (The housing wage standard is the level of income necessary to afford housing while paying no more than 30 percent of income for rent.) In contrast, the typical "welfare leaver" earns a wage of $7 to $8 per hour.

On the other hand, research has found significantly higher employment rates and earnings for welfare leavers who receive housing assistance. The Manpower Demonstration and Research Center's study of the Minnesota Family Investment Program (MFIP), found substantially higher employment rates and earnings more among participants who lived in public housing or received housing assistance. In contrast with those who had no housing assistance, for those who did, MFIP boosted employment rates 18 percentage points. Quarterly earnings for those receiving full MFIP services *and* housing were 25 percent higher.[2] Researchers from UCLA found that families in four California counties who were receiving both welfare cash assistance and Section 8 housing vouchers worked significantly more hours on average than welfare families living in unsubsidized housing.[3]

Despite these positive effects, only 30 percent of TANF recipients receive housing subsidies. Earlier this week, the Washington Post reported in an article (attached to this testimony) that the state of Maryland has reduced its welfare rolls by nearly 68 percent since 1996. But, since 1998, the state's demand for emergency shelter has risen by 31 percent.

In 1996, Congress recognized the need for ongoing financial support of health care and child care, but not housing, for those moving to employment. We believe states should be allowed to use TANF and state maintenance of effort funds for housing in the same manner as other work supports like child care. This would require that housing expenditures be defined as "non-assistance." HHS' current rule defining housing support as TANF assistance starts the time clock running after four months even when a family is not receiving TANF cash benefits. Besides the time clock, states desiring to use funds for housing also face barriers associated with continuing child support assignments and the monthly tracking of employment and income data.

Only nine states (Connecticut, Kentucky, Maryland, Michigan, Minnesota, New Jersey, North Carolina, Virginia and Pennsylvania) and three counties (Denver, Los Angeles and San Mateo) have committed TANF or MOE funds to time-limited housing assistance for more than three months and up to 24. But the difficulties posed by the definition of assistance has kept other states, such as Ohio, from offering more than three months of housing support. Some of the nine limit the subsidy to families who are homeless or at risk of homelessness. Most of the states use the assistance to help parents who are working or soon to become employed.

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[1] *Out of Reach,* National Low Income Housing Coalition report, September 2001.

[2] *Research Evidence Suggest That Housing Subsidies Can Help Long-Term Welfare Recipients Find and Retain Jobs*, Center on Budget and Policy Priorities, June 27, 2000.

[3] *The Increasing Use of TANF and State Matching Funds to Provide Housing Assistance to Families Moving From welfare-to-work,* Center on Budget and Policy Priorities, February 2000.

Our second recommendation is for a HHS–HUD demonstration of programs that combine housing assistance various support services tailored to the needs of parents who have multiple job barriers. The experience of welfare reform has thrown light on the fact that the lack of safe, decent and affordable housing is itself a job barrier. Organizations such as the Women's Community Revitalization Project (WCRP), which McAuley works with in Philadelphia, are helping people who face many in addition to housing, face numerous other barriers to self-sufficiency—limited English, education deficits, lack of work experience, physical disability, the lack of constructive activities for children, and the traumas associated with domestic violence and crime. Domestic violence is a factor in the need for assistance by nearly half of all TANF cases.[4] Other groups in McAuley's network are helping mothers living with AIDS and recovering from addiction. Several of our projects are providing transitional housing while assisting women released from prison who are rebuilding their relationships with their children.

In all of these instances, case management connecting parents with a range of necessary services can best be provided in a residential context with child care on-site or available nearby. These settings can also serve as laboratories where parents can become engaged in community life, learn how government works, develop leadership skills and assume responsibility for managing their own environment.

WCRP is one such comprehensive program. It is located in eastern North Philadelphia where approximately 70 percent of residents receive public benefits and the remainder support their families on less than $16,000 a year. Four years after becoming WCRP tenants, only 30 percent remain on public assistance.

WCRP emphasizes the development of long-term, trusting relationships between staff and tenants. The WCRP approach affirms each person as an individual, thus supporting the different paths the women need to take to achieve their personal, financial and family goals. In some cases, a woman must confront past or current trauma before she can even begin to think about getting a job or earning a degree. In others, finding steady, sustaining employment, can be the catalyst for other personal and family-strengthening changes. For still other women, getting involved in community activities may be the first step toward building the confidence to confront the challenges of family or employment. Whichever path is chosen, follow-up is critical. For staff, this means reaching out, calling frequently, and building relationships attentive to the details of the women's lives.

WCRP uses a careful process to select tenants who truly need and will benefit most from participation in the program. A case manager helps tenants develop a workplan based on individual needs. The plan is implemented by drawing on close relationships WCRP has established with a dozen or more community agencies including the welfare department, child care programs, legal services, a literacy program, community college, settlement house, advocacy groups, and various health, mental health and training services. The tenant also follows a self-sufficiency workplan that provides connection to education, job readiness and job training programs.

WCRP also employs a job developer who helps participants write their resumes and refers them to appropriate job openings. During the course of the program, staff frequently are called upon to assist in crises that arise, including life-threatening illness, domestic violence, loss of employment or economic support, child abuse, suicide attempts, and conflicts between tenants. The case manager also helps resolve potential lease violations. As a result of cooperative relationships developed between the tenants and property managers, WCRP has experienced very low eviction rates.

WCRP encourages tenants to join the WCRP board, advisory committee and other committees that make recommendations and decisions on such matters as housing design, property management procedures, personnel policies and finance. Residents have initiated programs of their own, including fundraising to create an after-school enrichment program for their children.

WCRP's holistic approach is an example of only one of the models that could be tested and evaluated as part of a demonstration of moving multiply challenged welfare recipients to self-sufficiency. Without being prescriptive, we believe authorizing language should provide for grants to be made on a competitive basis to nonprofits or public agencies in both urban and rural locations. Ten percent of the funds could be designated for testing models to serve non-custodial parents seeking to reunify with their families. We believe a $50 million, three-year demonstration could fund 25 to 30 projects with an average of 40 families participating in each. In total, about 1,100 families would participate at an average annual cost of $14,500, including

[4] Angela Browne & Shari S. Bassuk, "Intimate Violence in the Lives of Homeless and Poor Housed Women: Prevalence and Patterns in an Ethnically Diverse Sample," American Journal of Orthopsychiatry, April 1997.

both services and the housing subsidy. The demonstration should give preference to projects that leverage additional funds and provide for sustainability after the demonstration period.

Our third recommendation is to require states to consider data on the housing status of present and former TANF recipients in the planning and implementation of their TANF programs. Increasingly, states are becoming aware of the barriers posed by lack of affordable housing to families sustained employment. States could be required to describe the primary problems that families leaving TANF experience in securing and retaining adequate, affordable housing and the estimated extent of such problems, including but not limited to the price of housing in various parts of the state that include a large share of TANF recipients, and the steps that have been and will be taken by the state and other public or private entities that administer housing programs to address these needs. Congress should direct HHS to work with HUD to develop a procedure for inter-agency data matching or other uniform data collection protocols on the housing status of families receiving cash benefits.

The fourth recommendation is to encourage state, county and local government entities to facilitate interagency cooperation as it relates to meeting the housing and other needs of low-income families. As a parallel to the current requirement in the U.S. Housing Act that public housing agencies (PHAs) seek to enter into cooperation agreements with welfare agencies, Congress should require states to cooperate, directly or through counties, with PHAs to promote the economic self-sufficiency of public housing residents and voucher program participants that currently or recently received TANF benefits. Possible cooperation could include welfare agencies identifying public housing residents that are current or recent recipients of TANF-funded benefits who are then eligible for a two-year phased disregard of earnings in determining their rent. It could also include the use of TANF funds to help families with vouchers locate housing, including housing that is more accessible to employment.

Our fifth recommendation is to allow states to determine what constitutes "minor rehabilitation" of rental housing payable with TANF funds. Currently law permits the use of TANF funds for minor rehabilitation, but there is no HHS guidance on what types or cost of repairs are allowable. The confusion has resulted in non-use of funds for that purpose. Several states have recently allocated TANF funds to rehabilitate rental housing for TANF-eligible families, focusing particularly on mitigating lead paint hazards in housing with children under six and on handicap accessibility. If states were allowed to determine the level of expenditures that constitute minor rehabilitation, more states with similar needs might follow suit.

McAuley Institute looks forward to working with you to incorporate these provisions in TANF reauthorization.

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washingtonpost.com

In Md., Families Go From welfare-to-work Without A Place to Live

By Mary Otto
Washington Post Staff Writer
Monday, April 8, 2002; Page B01

Crystal Green, 31, is not one to complain. She is working hard to support herself and her two children, Victor, 9, and Jayla, 11, who is disabled.

She works nights, so they can sleep at her job at an assisted living facility. She has made it off Maryland's welfare rolls. By that measure, she's a success story. At the same time, she and her children are homeless.

Maryland prides itself for having reduced its welfare rolls by nearly 68 percent since beginning welfare reform in 1996. That's more than 154,000 people, including Green, her children and many of their working homeless neighbors at Sarah's House, a neat row of Fort Meade barracks transformed into a shelter and transitional housing for 138 people.

The demand for emergency shelter in Maryland has risen 31 percent since 1998, raising questions about whether the increasing number of working families at Sarah's House and other shelters is a little-publicized consequence of welfare reform.

Some advocates contend that a changed federal housing strategy, the lack of affordable housing and low limits set by the state on how much welfare recipients can earn are fueling homelessness among newly minted workers.

The concern echoes a national debate, although studies are inconclusive about whether people experience more trouble with homelessness and eviction after leav-

ing welfare, says Heidi Goldberg, a policy analyst for the Center on Budget and Policy Priorities, a Washington think tank.

In the District, a study of a sampling of former welfare recipients suggested that they experienced no increase in problems relating to homelessness. But similar studies in Colorado and New Mexico both reported an increase in problems. In Arizona, problems with homelessness apparently decreased.

The issue does not appear to have been studied in Maryland and Virginia. But some advocates for the homeless and welfare recipients in Maryland point out that the state has historically had one of the nation's lowest cutoff points, and the lowest in the Washington area, for the amount recipients can earn before losing cash assistance. At the same time, they note, Maryland ranks near the top nationally in housing costs.

The amount a family of three could earn before losing its cash assistance would rise from $745 to about $845 a month under a limit passed by the state legislature this year, said Lynda Meade of Catholic Charities.

But Maryland's ceiling would still remain below Virginia's, at $1,179 a month, and the District's, $1,295 a month.

There is also a huge gap in supply of the kind of housing needed by the working poor. In Maryland, six of the 10 occupations with the most job openings—including sales, restaurant and janitorial work—don't pay enough to rent a two-bedroom apartment at 30 percent of median income in any county, said Deborah Povich, director of public policy for the Baltimore-based nonprofit Maryland Center for Community Development. "So we have a growing homeless population that consists of families with children," Povich said.

Rich Larson, policy research director for the state Department of Human Resources said it would be unfair to blame the problems of homeless families on Maryland's welfare program.

Maryland does do a lot for them, he said, even offering low-wage workers an earned income tax credit. Green and her neighbors are up against a non-welfare problem, Larson said. "The non-welfare problem is low-paying jobs."

Green arrived at Sarah's House in January 2001 and became ineligible for cash assistance in February 2001, when she got her first paycheck from her $7-an-hour job at a nursing home.

"It's like if you have a job, that's it," Green said. "Bam. You can make it." Sarah's House, run by Catholic Charities with support from the Army and Anne Arundel County, as well as other public and private funding, is helping her along.

Residents, who move from the emergency shelter to the 18-month transitional housing program, get help with applying for welfare-to-work benefits such as child care subsidies and children's health insurance. There is also on-site day care, transportation assistance, job placement help and counseling.

Families at Sarah's House typically earn $6 to $8 an hour in part-and full-time jobs in health care, hospitality and other services, grossing $11,000 to $15,000 a year, shelter officials said.

To be self-sufficient in even the less-affluent parts of Anne Arundel County where the shelter is located, residents need to earn at least $14.83 an hour, according to "The Self-Sufficiency Standard for Maryland," a report put out by the Maryland-based Advocates for Children and Youth. In Montgomery County, excluding Rockville, the hourly self-sufficiency wage for a similar family is $23.21. In Prince George's, it is $18.19, the report says.

Sarah's House resident and former welfare recipient Victoria Thomas, the mother of two young children and a teenage son, earns $218 to $260 a week as a $6.60-an-hour coffee shop barista.

"It's a struggle, but I'm determined to do what I have to do," she said.

After seven months working at the nursing home, Green found a better job, paying $8.50 an hour at an assisted living facility in Annapolis. But because of the nighttime hours, she had trouble getting transportation and could work only on weekends.

With the $700 a month she was bringing home as a part-time worker, she managed to buy a car. Now that she is working full time, she is able to bring home about $1,100 a month after taxes. Among her monthly expenses are a $400 car payment and $130 for the housing and program fee at Sarah's House. And she continues to tithe at her church on Sundays: "As long as I pay my tithe, me and my children have what we need."

By income standards, she remains eligible for food stamps, but she said she has had trouble obtaining them. She said she has also encountered problems collecting her disabled daughter's Supplemental Security Income in recent months. And now that the welfare system no longer collects child support from Victor's father, she has shied away from trying to get it.

"I expect nothing. And when I do get something, I am pleased with the littlest things," she said.

But she is wondering where she will live when she leaves the shelter. At her salary—less than 30 percent of the state's median household income—all she will be able to manage, at least at first, is public housing. But as housing prices have risen, the supply of public housing has dwindled.

Many public housing projects are being reconfigured into lower-density, mixed-income developments, and some large landlords have opted out of the subsidized housing market, said Gary Givens of the Metropolitan Washington Council of Governments. "You have a tight squeeze," he said.

In 1996, there were 22,200 public housing units in Maryland. In 2000, there were 20,300, according to the U.S. Department of Housing and Urban Development. The number of privately owned, publicly subsidized units has also declined, from 31,100 in 1995 to roughly 30,000 in 2000, according to HUD.

Meanwhile, however, the state has had an increase in Section 8 vouchers issued to tenants—up from 26,100 in 1995 to 38,100 in 2000. The vouchers supplement the amount tenants can afford to pay for housing, but in a state of rising rents, diminishing supplies of multifamily accommodations and increasing competition, poor tenants have trouble competing for existing units, Povich said.

In Anne Arundel County, about 15 percent to 20 percent of the families with vouchers are able to use it, a rate that is common in suburbs nationwide, according to county Housing Commission Director Larry A. Loyd.

Sarah's House director Deborah Hardy said it is not uncommon for families to spend their entire 18 months at the shelter on waiting lists for public or Section 8 housing. Fifteen months into her sojourn at Sarah's House, Green is on a waiting list for public housing.

She and her neighbors are worried about getting housing at all and worried about the troubled public housing they are likely to get. They are worried about making their lives work outside, Hardy said.

"It's heartbreaking when you see people getting to the end . . . As you get closer to the exit date, you can see the anxiety."

She said she wishes they could stay longer but there are other families waiting desperately for their beds.

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Statement of Cory J. Jensen, Men's Health Network

The Men's Health Network welcomes the opportunity to submit testimony on the issue of welfare reform. The Human Resources Subcommittee should be applauded for their past efforts concerning welfare reform. The 1996 welfare law has produced lower welfare rolls and has helped move many poor mothers into the world of work.

As Congress addresses welfare reauthorization this year, the Men's Health Network suggests a few changes that will move more families off welfare, increase the role of fathers in their children's lives, and promote marriage.

- **Encouraging Father Involvement and Marriage**

A crucial goal of the 1996 reform was to increase marriage. Congress recognized that a two-parent family best served the interests of children and that children need both parents to be active participants in their lives. Congress should establish public policies that encourage non-custodial parents (mostly fathers) to be a part of their children's lives. Fathers who are involved with their children are more likely to pay child support, decreasing the likelihood that the mother and child will resort to welfare.

Increased parenting time ("visitation") for non-custodial fathers will promote reconciliation between the mother and father and foster marriage. Parenting time can be encouraged through grants that promote the involvement of single fathers with their children, but those grants *must* provide that fathers actually connect with their children. In addressing parenting time ("visitation") and fatherhood programs, the 106th Congress (House) passed legislation which required that "visitation" programs:

> *(help) fathers arrange and maintain a consistent schedule of parenting time visits with their children*

This provision twice passed the House in the 106th Congress and achieved bi-partisan support. Even if fathers do not live with their children, they still have a right

and a responsibility to participate in the child's upbringing and to work with the mother to promote the child's development. Similar language should be applied to existing parenting time ("visitation") programs funded by TANF.

• Arrearages Hurt Families and Discourage Marriage

Child support reform is directly linked to welfare reform and the encouragement of father involvement and marriage. The goal of increasing marriage for out of wedlock births will not be met as long as the non-custodial fathers are burdened with child support arrearages that are unreasonable and do not reflect their earning capacity during the period that the arrearages accrued. Such men are simply not marriage material.

State policy makers often identify arrearages as a factor keeping non-custodial fathers from becoming more involved with their children. Many of these arrearages are accumulated due to illness, unemployment or underemployment and would not exist if the child support order had been modified, based on the parent's actual income, to properly conform to the state's guidelines. These fathers want to be responsible and pay child support, but they simply do not have the means to pay. If they obtain a job that allows them to contribute to the upbringing of their children, they find that they are already thousands of dollars in debt and financially ruined.

Additionally, unwed fathers inherit an average of $10,000 to $15,000 child support debt at the time of paternity establishment, a debt they cannot afford to pay. Many of these men suffer from a lack of education and job skills. This instant debt drives them away from their families while encouraging them to join what has been termed "the underground economy."

The 106th Congress (House), with strong bipartisan support addressing fatherhood issues, twice passed language that should be applied to all cases where a non-custodial parent is attempting to become involved with his/her child or is engaged in state-approved job skill improvement programs

> *the State will voluntarily cancel child support arrearages owed to the State by the father as a result of the father providing various supports to the family such as maintaining a regular child support payment schedule or living with his children*

This language should be a part of any child support reform associated with TANF renewal.

• Defying Federal Law, Child Support Agencies Do Not Modify For non-custodial Parents and Create "Ghost Arrearages"

Federal law requires that a child support order be adjusted (or modified) at the request of either parent to match the parent's ability to pay either more or less child support. Reports from private attorneys and non-custodial parents indicate that state child support agencies rarely offer modification services to parents who owe child support and whose earnings have diminished. State child support agencies place little or no importance on the modification of support orders for these parents even though federal law states they are to provide services at the request of either parent. Failure to provide this federally mandated service results in "ghost arrearages"—arrearages which would not exist if child support agencies would provide the services mandated by federal law.

Federal law also states that a child support order cannot be modified retroactively under any circumstances, except to the date that a modification was filed and the other party was served. In many circumstances, fathers are not aware that they can file to have their child support changed if they become unemployed or are unable to work due to a medical condition or injury. During an extended period of unemployment or illness, arrearages can accumulate to incredible levels. Unfortunately, federal law forbids retroactive modification of those arrearages to reflect the true earning ability of the father during that period.

TANF reauthorization should include a provision that child support can be retroactively modified if a state child support agency has failed to notify non-custodial parents of their right to a child support modification, if appropriate, or have failed to timely modify a child support order if requested to do so.

• Education and Work Training Programs Should Be Expanded for non-custodial Parents

TANF should place the same level of importance on education and job training programs for non-custodial parents (mostly fathers) as it does for custodial parents (mostly mothers). Boys drop out of school at higher rates than girls and are less likely to graduate from high school or enter college. When they become parents, often unwed, they are not equipped to provide for their children, yet government

looks to them for the children's support while providing job training, childcare, and other needed benefits for the mother.

To properly insure that these men will qualify for benefits, TANF reauthorization should again follow the lead of the 106th Congress (House) which twice passed language that would provide a reasonable income standard for job training and related programs. Additionally, eligibility should be based on the assumption that the father is a part of his family. Using a father with three children as an example, poverty-line eligibility for this man should be based on a family size of four. The language which passed the House twice provided that a non-custodial parent is eligible for benefits if their.

> *income (net of court-ordered child support) is less than 150 percent of the poverty line*

Statement of the Michigan League for Human Services, Lansing, Michigan

The Michigan League for Human Services appreciates the opportunity to provide comments for consideration in the TANF reauthorization process. For your information, the League is a statewide citizens organization with a membership of nearly 1,800 organizations and individuals representing a wide range of interests. The League's primary activities are research, analysis, public education and advocacy on issues affecting low-income individuals and families.

The League has followed very closely the overhaul of the nation's welfare system, and in particular, the impact in Michigan of the Personal Work and Responsibility Act (PWORA) and funding through the Temporary Assistance for Needy Families Block Grant (TANF). The TANF reauthorization process affords an important opportunity to address issues that have emerged since enactment of the federal legislation in 1996 and make adjustments that can improve outcomes in the states in the future. The League's comments are focused on the following issues: funding, poverty reduction, addressing long-term barriers, flexibility/accountability and time limits.

TANF Funding

It is critical that long-term TANF funding be increased during the reauthorization process. Michigan, like other states, now uses TANF monies to fund a wide array of benefits and services to low-income families. These include cash grants, as well as supports that help families enter and remain in the workforce. Nationally, the TANF block grant has declined in purchasing power by 13.5 percent since 1997 and will be worth 30 percent less in five years if funding is maintained at the current level.

Michigan's TANF allocation has held steady at $775 million annually, yet program costs continue to grow each year. Michigan does not currently have a TANF surplus, nor does the state have anything resembling a case load rainy day fund. If an adequate safety net is to be maintained, and if the focus of the TANF block grant is to move families to economic self-sufficiency, TANF funding levels must reflect the fact that supportive services such as child care, education and training are significantly more expensive than merely providing cash grants.

At the same time, it is very important that the states' maintenance of effort requirement also be increased in relation to any increase in TANF funding. The required level of state commitment has already dropped to 75 percent of 1994 levels. At a time of increased economic need it is particularly important that states maintain, rather than reduce, their spending on safety net programs.

Finally, as part of TANF reauthorization, attention should be given to restructuring the contingency fund for the states. This is particularly important, given the current recession and the resulting needs in the states. The original contingency fund would have proven woefully inadequate if the economy had faltered earlier and if even a handful of large states had needed to tap the fund. Further, no state would have been able to access the fund, given the fact that all states moved quickly to the 75 percent maintenance of effort level. Additional funding during a recession is particularly important for a state like Michigan, which is still heavily dependent on manufacturing and is generally impacted to a greater extent by an economic downturn than other states might be.

Poverty Reduction

TANF reauthorization should refocus the states' efforts on the goal of poverty reduction rather than simply the closure of welfare cases by including poverty reduction as an explicit TANF purpose.

Cash assistance case loads in Michigan, like the rest of the country, have declined dramatically. In Michigan, the case load began to drop even before enactment of federal welfare legislation. In Fiscal Year 1992 Michigan's AFDC case load exceeded 225,000; by Fiscal Year 2000 it had dropped to 68,000—a decline of almost 70 percent. Although the case loads have begun to increase in response to the economic decline, they are only projected to reach 79,000 in Fiscal Year 2002. There has also been a significant growth in the percent of families receiving cash assistance from the new Family Independence Program, who also have earnings. The percent of cash assistance cases with at least one person earning some income increased from 16 percent to 32 percent during the period from 1992 to 2000.

However, although case loads are down and parents are working, families are still very poor. From 1992–2000 Michigan's official poverty rate declined from 13.6 percent to 9.7 percent. But, while this 23 percent decline in poverty is a significant achievement, it is far short of what should have been achieved during such a long period of economic expansion, and far short of the 70 percent reduction in the cash assistance case load during the same period. Underscoring the fact that poverty and economic hardship in Michigan did not decline very much during the 1990s, applications for cash assistance held steady. The period from 1992–2000 ended with cash assistance applications at almost the same level as in 1992.

The economic hardship experienced by large numbers of Michigan's families, despite an exodus from the welfare system into a seemingly booming labor market can be attributed in large measure to the nature of the employment available to many recipients and former recipients, and to the limited opportunities to access education and training. The average wage of individuals moving from welfare-to-work in Michigan is $7 per hour. A study conducted for the Michigan Department of Career Development and the Michigan Family Independence Agency by the Human Services Institute of Health Management Associates documents the extent to which former cash assistance recipients have been unable to improve their lives and achieve economic self-sufficiency through work alone. This December 2000 study of Work First participants whose cases closed due to earnings showed that 76 percent were employed, but that 43 percent had worked for more than one employer during the year and nearly a quarter had worked less than 30 hours per week. Further, less than half reported that they were better off in terms of household income, and much smaller percents said they were better off in other ways. Only 31 percent said they were better off in terms of housing, 28 percent in terms of food and nutritional needs, 29 percent in terms of child health care, and 26 percent in terms of access to health care.

Michigan has begun to take steps to broaden the access to education and training opportunities for Family Independence Program recipients. The 10–10–10 program allows recipients to meet the 30 hour work requirement with 10 hours of paid employment, 10 hours of class time and 10 hours of study time. This activity is limited to 12 months and can only count toward the last year of a two-or four-year academic program. The Michigan House of Representatives voted recently, however, to allow such activity to count toward the first year of a two-year program. In addition, while Michigan has recently enacted legislation to require up to 40 hours of work activity, caseworkers will have discretion as to whether to require the full 40 hours of work activity in individual instances.

The League is very concerned about proposals such as the Bush Administration proposal that would actually limit the ability of states to design, implement and expand programs such as the 10–10–10 program. Not only would such proposals require a full 40 hours of work activity, but the definition of work activity would be narrowed significantly.

Policies should be put in place as part of TANF reauthorization that encourage states to do more to help working families advance in the labor market. Incentives for the states to achieve more in this area, coupled with funding for experimentation, and particularly for research and evaluation of what is most effective, would be steps in the right direction. In addition, changes in federal policy that allow greater opportunity for vocational education training and post-secondary education could substantially improve labor market outcomes for many low-income parents.

Addressing Long-Term Barriers

Many parents remain on the cash assistance case load, or keep returning to the case load, because they have significant barriers that prevent them from entering or staying in the labor force. TANF reauthorization provides an important opportunity to reexamine the policies that can help these parents also move toward greater economic self-sufficiency.

Roughly one-third of Michigan's case load is temporarily deferred from working; another 10 percent are expected to work but are not working. A wide variety of circumstances, including low educational and skill levels, illiteracy, domestic violence, substance abuse, caring for a special needs child, and mental health problems can contribute to an individual's inability to participate in the labor market in a sustained manner, if at all.

Early assessment of each applicant's needs and circumstances can help to identify such barriers; yet, the Work First model fails to incorporate such an important step in applicant screening. The Michigan Family Independence Agency's Summer Enrichment Program, carried out during 2000, and funded through TANF, represented an attempt to identify and address the needs of recipients with multiple or long-term barriers. Unfortunately, the program was authorized and implemented hastily and had disappointing results. Originally intended to serve approximately 5,000 families, it served approximately 1,000. Further, because it was targeted to families who, as of a set date were expected to work and did not have earnings, it failed to help some families—particularly large families—who had received assistance for some time but who had not been able to earn enough to move the family off of the cash assistance case load.

TANF reauthorization should include changes that address the needs of these families for substantially more support and assistance than is available through current policies. Such changes should ensure that a thorough assessment is conducted of the parent's, and the family's needs, that a range of options exists for addressing their needs, and that the parent and the family are not unduly penalized because of their circumstances.

Flexibility/Accountability

It is critical that flexibility with regard to the use of TANF funds be maintained in order that states can continue to provide important work supports to families making the transition from welfare-to-work, while at the same time ensuring an adequate safety net for those who face barriers to work.

TANF expenditures in Michigan have shifted from provision of cash assistance to a wide array of programs and services, including work supports. In Michigan, federal TANF expenditures for cash assistance have declined dramatically since 1996 in response to the decline in cash assistance case loads. In Fiscal Year 1997, the first full year in which TANF funds were available, 58 percent of Michigan's TANF allocation was spent on cash assistance; two years later only 11 percent of TANF funds was spent on cash assistance. As a result of the decline in spending for cash assistance, Michigan began to take advantage of the flexibility provided by TANF and began to use freed up TANF funds for other TANF-eligible programs, thereby shifting significantly the allocation of funds among the various TANF purposes. In Michigan there has been a substantial increase in the use of TANF funds for low-income child day care, a critical work support for parents entering the labor force. In addition, TANF funds are used for a variety of services including domestic violence prevention, transportation and housing.

Proposals such as the Bush Administration proposal that would significantly increase work and work participation requirements, as well as narrow the definition of work activity, would seriously hinder the ability of states like Michigan to use TANF funding to continue and expand programs and strategies that get parents into good jobs that offer long-term prospects for economic security. Instead, such proposals may very well result a shift of state resources away from such efforts and force them instead to design and implement costly workfare programs that offer virtually no long-term hope for economic advancement.

At the same time that states must retain flexibility with regard to the use of TANF funds, it is also important to ensure that states are using their TANF monies appropriately, and achieving desired outcomes. TANF reauthorization should result in policies that require states to use TANF funds in ways that supplement, not supplant, existing state expenditures for programs. Michigan has increasingly used TANF funds to supplant state General Fund expenditures in certain areas. This practice began in 1998; since then the percent of Michigan's TANF allocation being used to replace state General Fund dollars has quadrupled. The programs in which TANF funds have replaced state dollars vary greatly. The most egregious example of supplantation is the use of TANF funds to cover a portion of Michigan's Homestead Property Tax Credit refunds. The homestead credit has been in existence since 1973. There has been no recent change in eligibility or benefits, thus the use of TANF funds is simply a funding shift.

Supplantation is also occurring with regard to maintenance of effort requirements. A considerable portion of the expenditures that Michigan claims toward its MOE re-

quirement is being used for programs and services that would never have been counted toward the state match under the old AFDC program. One example is the nearly $100 million in school aid expenditures for school readiness programs that are now counted toward Michigan's TANF MOE requirement. While these are certainly worthy programs, it should be noted that under AFDC the state dollars used as matching funds for federal dollars would have had to be used for basic needs or employment services.

Time Limits

Michigan is one of just two states that have not enacted a time limit on receipt of state benefits. Recipients of cash assistance are assured that if they are complying fully with work requirements their benefits will be provided with state dollars at the point that they reach their lifetime limit on receipt of federally funded benefits. While Michigan's cash assistance case load remains small, the state can count benefits for federally time-limited recipients toward Michigan's MOE requirement. It is extremely positive that Michigan has chosen not to establish a time limit. However, the federal time limit could put the state at some measure of fiscal risk in the future if case loads were to escalate, and families would not then be covered.

Were Michigan not to provide benefits to families who reach their federal time limits, the impact could be extremely detrimental to family well-being. **It is important, therefore, that time limits on receipt of TANF benefits be reexamined in the context of an economic recession when work may not be available. Further, time limits should be reconsidered in terms of their impact on families who are working hard, but earning very low wages and still receiving a small cash assistance grant.** Despite their work effort, the federal clock on benefits is running and this family could actually be penalized for not earning enough in a short enough time period. **In addition, time limits on benefits for families with significant barriers to employment should be reconsidered.** Such families may need additional time to address barriers in a manner that results in better long-term prospects for the family's ability to achieve economic self-sufficiency.

In summary, the League views the TANF reauthorization process as an important opportunity to reflect on experiences and lessons learned over the past five years, and to use that perspective to address the issues that will shape the future of social welfare policy. The League looks forward to following the TANF reauthorization debate and to providing input where possible. If members of the Subcommittee have any questions about the League's comments, or about the League, they should be directed to Ann Marston or Sharon Parks on the League's staff.

Statement of Raymond C. Scheppach, Executive Director, National Governors Association

Mr. Chairman, Representative Cardin, and Members of the Subcommittee:

Thank you for the opportunity to testify today on the reauthorization of welfare reform. I am here today on behalf of the National Governors Association (NGA).

Six years ago, a bipartisan group of Governors came to you and asked for the opportunity to make broad, nationwide changes to a flawed welfare system. You gave Governors that opportunity through a bipartisan agreement forged among Governors, Congress, and the Administration called the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), more commonly referred to as welfare reform. This agreement gave Governors the opportunity to develop innovative approaches to helping low-income families work toward self-sufficiency through a system based on work requirements and time limits.

The nation's Governors thank you for the opportunity to make these sweeping changes and for devolving the authority to administer welfare programs so that Governors could make decisions at the state and local level. I am here today on behalf of Governors to renew the bipartisan federal-state partnership that was forged in 1996 and to give you Governors' recommendations for how we can work together toward the next stage of welfare reform. The agreement to enact federal welfare reform was built on a strong bipartisan basis, and Governors strongly urge the committee to make a commitment to once again reach a bipartisan consensus on how to reauthorize this law.

Governors are proud of the success they've achieved in welfare reform. As a result of the changes Governors have made in the states, unprecedented numbers of single women with children have moved into the workforce. Welfare case loads are down

by over 50 percent nationwide. Poverty rates are at their lowest in years. The focus of welfare systems has been transformed from check-cutting to comprehensive employment and support with an emphasis on job placement and retention. Fewer individuals are dependent on cash payments and yet a greater number of families are benefiting from programs to help them enter the workforce, stay employed, advance in their jobs, and improve their overall family well-being.

Governors recognize, however, that the job of helping families attain long-term self-sufficiency is far from over and that many challenges remain. The nation operated under the Aid to Families with Dependent Children (AFDC) program for more than 60 years. Over time, this program grew less effective as families became more reliant on public assistance. In just a few short years of operating Temporary Assistance for Needy Families (TANF) programs, states have dramatically changed their system of public assistance—yet it still very much is a program in development. The nation's Governors urge the committee to build on the success that has been achieved thus far and to reject any proposals that would alter the course that states have followed in implementing welfare reform.

NGA Policy on Welfare Reform

At the NGA Winter Meeting, the Governors adopted a policy making specific recommendations for the reauthorization of welfare reform. I will highlight a few of these recommendations and I encourage you to review the complete written policy as well. A copy of the NGA policy is attached and we ask that it be submitted for the record.

I will highlight policy recommendations in three specific areas: flexibility, funding, and program alignment.

Flexibility

The flexibility of the TANF block grant was the cornerstone of the 1996 reforms. The four broad statutory purposes for TANF provide states with significant flexibility to develop and implement innovative approaches to providing assistance to low-income families. This flexibility has allowed 50 different states and territories to operate 50 different programs—and even greater than that—it gave states the ability to allow local communities to develop their own unique approaches to addressing families' needs at the community level. This flexibility has provided states the ability to use TANF funds for a broad range of services and programs designed to improve the well-being of low-income families.

In addition to the work-based services such as job placement, retention, and advancement assistance, states use the flexibility within TANF for work supports such as child care and transportation, education and training programs, substance abuse and mental health treatment, after-school programs and teen pregnancy prevention efforts, and family counseling and fatherhood programs—just to name a few. This flexibility must be maintained in reauthorization.

Emphasis on work should continue. One area where state flexibility is critical is within work requirements. Governors believe that the emphasis on work should continue to be paramount in welfare reform. This emphasis on work began years before federal welfare reform was enacted in 1996 through the dozens of waivers requested by Governors that allowed states to develop innovative welfare-to-work initiatives. States continue to build on their proven success of promoting work—as well as retention and advancement strategies—and urge the Federal Government to build on this success as well.

While states may now know more about what helps prepare individuals for work and succeed in the workplace, the importance of work has not shifted and should continue in reauthorization. Governors support the notion that TANF clients should be engaged in work preparation or employment activities but believe that states should have greater flexibility to define what counts as a work activity. As states work with families on a more individualized basis, many states are finding that a combination of activities on a limited basis, such as work, job training, education, and substance abuse treatment, leads to the greatest success for some individuals. The Federal Government should recognize the success of these tailored approaches to addressing an individual's needs.

In addition, states that were afforded flexibility through waivers should have the option to continue or renew these waivers under TANF reauthorization. Restricting this flexibility could greatly curtail the progress made in some states' welfare reform initiatives.

While Governors have not yet reached a consensus on the specific provisions of the pending proposed changes to the work requirements, NGA, jointly with the American Public Human Services Association (APHSA), recently conducted a survey of states to learn more about the potential implications the proposed work require-

ments would have on current welfare reform systems. Close to 50 states have responded to this survey, and I ask that the document summarizing the results be submitted for the record.

Family formation. Governors appreciate the approach taken by the Administration to encourage—rather than mandate—state innovation related to family formation. States should continue to have the flexibility to decide how to best develop innovative approaches to strengthening families—through marriage promotion, teen pregnancy prevention, and/or fatherhood initiatives—within the context of their own unique state welfare reform initiatives. Governors would oppose any proposals that would use set-asides to mandate the use of TANF funds for any specific purposes, and Governors appreciate that the Administration also rejected these proposals.

Other key areas of flexibility. A number of provisions included in pending reauthorization proposals demonstrate the recognition in Congress and within the Administration that the flexibility afforded to states must continue.

Specifically, Governors support:

- The provision included in the Administration's proposal that would eliminate the restriction on the use of carry-over TANF funds.
- The provision included in the Administration's proposal that would provide states the ability to maintain rainy-day funds.
- The provision included in the Administration's proposal providing states the ability to continue the transfer of funds from TANF to the Social Services Block Grant and the Child Care Development Block Grant (CCDBG).

Governors also appreciate the inclusion in some proposals' provisions that would provide states the option to serve legal immigrants with TANF funds.

Funding

Governors appreciate the Administration's and the subcommittee's recognition of the need for continued funding for the TANF block grant. Welfare is no longer simply about providing cash payments to poor families. While Governors are proud of the significant decline in the welfare case loads, the untold story is about the significant federal and state resources that are now dedicated to non-cash assistance for low-income families such as child care and transportation assistance—assistance designed to keep individuals working and to prevent their return to the cash case load. The continued investment from the Federal Government is imperative to our ability to sustain this new construct of delivering services to broad populations of low-income families. NGA policy calls for an inflationary adjustment in the TANF block grant. Without an increase, the continued reduction in the real dollar value of the TANF block grant could cause states to shift their focus away from the non-cash assistance services that directly related to the success of welfare reform.

TANF supplemental grants, contingency fund. Governors also support provisions in the Administration's proposal that would continue funding for both the TANF supplemental grants and the TANF contingency fund. Governors encourage the committee to consider making changes to the existing contingency fund so that it becomes a viable option for states in times of economic downturn.

Bonuses. Governors encourage the committee to consider the importance of investing in bonuses as a means to encourage and reward positive outcomes in welfare reform. Governors support the continuation of funding for bonuses and believe that bonuses, rather than penalties, are an effective tool for the Federal Government to use to recognize state innovation and progress toward achieving the goals of the welfare reform law.

Child care. It is imperative that the Federal Government continue to recognize child care as a key component of a family's ability to succeed in their transition from welfare-to-work. Despite significant increases in both state and federal investments in child care, many states continue to face an unmet need for child care subsidies. States must continue to have the ability to use TANF funds both directly on child care and through the transferability to CCDBG. Governors also believe that funding for child care should continue to be a priority for the Federal Government.

Program Alignment

States' ability to coordinate federal programs that serve families in need is critical to the next stage of welfare reform. With the advent of welfare reform, states are working to create a more comprehensive system of supports for families. Yet too many barriers exist in federal law that prevent or complicate this coordination.

Food stamps. One example of a federal program where Governors believe states should have greater flexibility is the Food Stamp Program. While I recognize that the Food Stamp Program is not within the jurisdiction of this committee, food stamp benefits are often a key support for families as they move toward self-sufficiency

and are directly related to the continued success in welfare reform. Despite significant progress in welfare reform, which has provided Governors the ability to develop innovative approaches through the TANF block grant, rules for administering the Food Stamp Program remain prescriptive and inflexible. Governors encourage members of this committee to work toward reform of the food stamp program. A number of significant changes have been proposed in the nutrition title of the pending farm bill, and the nation's Governors urge your support for these reforms.

Other key programs and expanded waiver authority. A number of other programs are increasingly interconnected with welfare reform initiatives in states, such as child welfare, child support, housing, Medicaid and the Workforce Investment Act. Governors appreciate the Administration's recognition of the need to break down these barriers to coordination by proposing expanded waiver authority for states. We look forward to working with the committee to develop the most effective ways to eliminate barriers to, and to create incentives for, greater coordination of related programs. Governors believe states' ability for greater coordination will ultimately lead to an improved system of delivering assistance to our citizens.

Thank you for the opportunity to testify today. On behalf of the nation's Governors, I look forward to working with you to renew the historic, bipartisan partnership as we move to the next stage of welfare reform.

HR–36. WELFARE REFORM

36.1 Background.

The 1996 welfare reform law marked an historic shift in social policy by devolving to the states and territories the authority to develop and implement innovative approaches to welfare reform that would better serve poor families. The nation's Governors led the way for this reform by demonstrating successful implementation of waivers to the former Aid to Families with Dependent Children (AFDC) program, adopting innovative policies related to work requirements and time limits. Governors welcomed the opportunity to make broad, nationwide changes to a welfare system that had operated for more than 60 years. In partnership with Congress and the Administration, Governors reached an agreement to end the federal funding of an individual entitlement to cash assistance, and to instead accept federal funds in the form of the Temporary Assistance for Needy Families (TANF) block grant with work participation requirements and a 60-month federal time limit on cash assistance with state-specified exemptions. In exchange for the ability to administer the program at the state level, Congress and the Administration made a commitment to Governors for guaranteed levels of funding for TANF, and Governors agreed to maintain state expenditures through a maintenance-of-effort (MOE) provision. The TANF block grant has provided Governors the flexibility to implement innovative welfare reform programs based on work requirements and time limits, along with the ability to use TANF funds to provide needed work supports for low-income working families.

36.2 Next Stage of Welfare Reform.

Governors are proud of their success in welfare reform. States and territories have enacted policies and programs to help individuals move into work and have provided them with work-related supports, such as child care and transportation assistance. As a result, unprecedented numbers of single women with children have moved into the workforce. The focus of welfare systems has been transformed from check-cutting to comprehensive employment and support with an emphasis on job placement and retention. TANF provides the flexibility to allow caseworkers to better assess recipients' needs and tailor their assistance package on an individual basis. As a result, fewer individuals are dependent on cash payments and a greater number are benefiting from state programs to help them enter the workforce, stay employed, advance in their jobs, and improve their overall family well-being.

Governors recognize, however, that the job of helping families attain long-term self-sufficiency is far from over and that many challenges remain. States continue to face the challenges of the next stage of welfare reform as Congress and the Administration consider reauthorization of the TANF block grant. For example, Governors recognize that achieving self-sufficiency and sustained independence from welfare requires more than just an entry-level job. States are beginning to address the challenges of promoting job retention, job advancement, and increased earnings. Further, many long-term welfare recipients who remain on the welfare rolls struggle with multiple barriers to employment, such as low literacy levels, mental illness, substance abuse, learning disabilities, limited English proficiency, and domestic violence. States face the challenge of working to address these barriers in light of time

limits and work requirements. In addition, research indicates that children are better off if they are raised with the active involvement of both parents. Governors recognize that initiatives in areas such as fatherhood programs and teen pregnancy prevention programs can help prevent welfare dependency and result in better outcomes for children.

Balancing priorities and facing increasing demands for assistance in times of economic downturn have become recent challenges to state welfare programs. Since the enactment of TANF, states have used the funding and flexibility provided in the block grant along with significant state investments to develop and implement new innovative work and family support initiatives far beyond the traditional cash welfare system. In fact, a recent study by the General Accounting Office demonstrated that over the past five years many states have substantially increased their own financial investment to address the overall needs of low-income families. With recent rises in unemployment and heightened expectations for the reformed welfare system, however, states may now be faced with significant new fiscal challenges in their TANF programs to maintain a consistent level of assistance to families in need.

36.3 Recommendations for Reauthorization.

The ongoing progress of welfare reform is of the utmost concern to the nation's Governors. The nation operated under the AFDC program for more than 60 years. Over time, this program grew less effective as families became more reliant on public assistance. In just a few short years of operating TANF programs, states have dramatically changed their system of public assistance—yet it is still very much a program in development. The success of welfare reform has demonstrated the positive changes that are possible through devolution of authority to the state and local level, and Governors strongly believe this authority should not be rescinded. Any policy changes at the federal level that would alter the course states have followed in implementing their TANF programs could have a detrimental impact on the delivery of assistance. The nation's Governors urge Congress and the Administration to reject any reauthorization proposals that would hinder the continued progress of welfare reform.

36.3.1 Funding.

36.3.1.1 Overall funding levels should include an inflationary adjustment.

Governors believe the Federal Government must maintain the financial commitment to the TANF block grant and allow for inflationary increases in the program. Welfare is no longer simply about providing cash payments to poor families. While Governors are proud of the significant decline in the number of people receiving cash assistance, the untold story of welfare reform is the amount of federal and state funds that are now being dedicated to non-cash assistance, such as child care, transportation, training, and family support services for families transitioning from welfare-to-work. Failure to provide an inflationary increase, coupled with a continued reduction in the real dollar value of the TANF block grant, could cause states to shift their focus away from, or reduce their investment in, non-cash assistance services that directly relate to the success of welfare reform. The continued financial commitment from the Federal Government is imperative to states' ability to sustain the new construct of delivering services to broad populations of low-income families.

36.3.1.2 Supplemental funds should continue.

The original TANF statute provided supplemental funding to qualifying states with high population growth or historically low welfare spending. Governors believe such supplemental funds to states should be included in the qualifying states' base grant amounts in reauthorization. If Congress determines that additional states and/or territories qualify for TANF supplemental funds, all such funds should be in addition to the current total TANF funding as adjusted for inflation. These funds should be in addition to those that have been historically paid to states through the TANF supplemental grants in fiscal 2001.

36.3.1.3 Contingency fund should be strengthened.

Governors support strengthening the existing TANF contingency fund to make it a viable source of federal support in times of economic crisis. The uncertainty of the current economic situation speaks to the need to develop a workable TANF contingency fund. Specifically, Governors are interested in working with Congress and the Administration to develop more appropriate triggers for eligibility. In addition, the high match requirement imposed on states that access the contingency fund is not reasonable during an economic downturn, and Governors believe this requirement should be eliminated.

36.3.1.4 Ability to maintain state "rainy day" funds should be enhanced.

The TANF statute explicitly allowed states to carry funds forward from year to year—in part to allow states to prepare for a "rainy day." Unfortunately, Congress has often viewed carryover funds as dollars no longer needed by the states, making them vulnerable to cuts. Rather than creating an incentive for states to spend federal funds in a rush—the "spend it or lose it" mentality—the Federal Government should create incentives for states to "save" funds so that states are better equipped in times of economic difficulty. Governors believe Congress and the Administration should consider new incentives for states to "save," such as allowing states to count state "rainy day" funds for welfare toward some portion of their TANF MOE requirement.

36.3.1.5 Bonuses should be used to reward high performance.

States are currently eligible for financial bonuses through the TANF High Performance Bonus and the out-of-wedlock birth reduction bonus. Governors believe that bonuses, rather than penalties, are an effective mechanism for the Federal Government to use to encourage and reward innovative state approaches to welfare reform, and support the continuation of these bonuses.

36.3.2 Flexibility.

Governors believe that states' ability to implement innovative approaches to assist low-income families must continue. The flexibility of the TANF block grant was the cornerstone of the 1996 reforms. The four broad purposes for TANF currently contained in the federal welfare law provide states with significant flexibility to develop and implement innovative welfare reform initiatives and to serve a broad population of families in need. States are directed to use TANF funds "in any manner that is reasonably calculated to accomplish the purpose(s)." Governors strongly believe that this flexibility must be maintained.

Further, Governors would oppose any effort to establish set-asides or further restrictions on the use of TANF funds. The 1996 welfare reform agreement was based on providing states the flexibility to design unique welfare reform initiatives, and proposals to require states to spend specified levels of TANF funds for a specific purpose would violate the basic tenets of this agreement. Any added emphasis the Federal Government places on a specific area of TANF spending, such as family formation, fatherhood, or poverty reduction, should come in the form of additional federal spending for state demonstration projects that can be rigorously evaluated.

In addition, Governors believe there are a number of areas in which additional flexibility could enhance state welfare reform initiatives.

36.3.2.1 Focus on work should remain paramount.

Governors believe that the emphasis on work should continue to be paramount in welfare reform. While states may now know more about what helps prepare individuals for work and succeed in the workplace, the importance of work has not shifted and should continue in reauthorization. Governors support the notion that TANF clients should be engaged in work preparation or employment activity but believe that states should have greater flexibility to define what counts as a work activity. As states work with families on a more individualized basis, many states are finding that a combination of activities on a limited basis, such as work, job training, education, and substance abuse treatment, leads to the greatest success for some individuals. Governors believe the Federal Government should recognize the success of these tailored approaches to addressing an individual's needs by providing states greater discretion in defining appropriate work activities.

In addition, Governors believe two-parent families and single-parent families should be subject to the same work participation rates and encourage Congress to eliminate the separate two-parent work participation rate.

Consistent with the goals of welfare reform, states also should continue to receive credit for helping to move families off welfare.

36.3.2.2 Time limits should continue.

Governors believe time limits on assistance have an important signaling effect to both recipients and to caseworkers about the urgency of addressing a family's needs and strongly support their continuation. As more states approach the time when long-term welfare recipients will begin to reach their limit on federally-funded cash assistance, Governors believe that, at state option and under certain limited circumstances, individuals who are working in unsubsidized employment consistent with the purposes of the law should have the ability to earn additional months of eligibility for federally-funded assistance.

36.3.2.3 Ability to work with faith-based providers should continue.

States have a long history of working with faith-based organizations, and these organizations play an important role in improving the lives of families in need. The 1996 welfare reform law provided states with the option to contract with religious organizations within the TANF program. Governors believe this is a sound approach to collaboration with faith-based organizations and the option should be continued.

36.3.2.4 Immigrant benefits should be restored.

Although some benefits to some legal immigrants have been restored in recent years, states should have the option to serve legal immigrants with TAN funds.

36.3.2.5 Waiver policies should be continued.

Many states have continued to operate under waivers even after the enactment of TANF. States that were afforded enhanced flexibility through waivers should have the option to continue or renew some or all of these waivers under the TANF reauthorization legislation. Restricting this flexibility could greatly curtail the progress made in some states' welfare reform initiatives.

36.3.2.6 Transferability should be enhanced.

The 1996 welfare reform law allowed states to transfer up to 30 percent of their TANF funds into the Child Care Development Block Grant (CCDBG) and the Social Services Block Grant (SSBG). In recent years, however, the transferability to SSBG has been restricted. Governors believe the authority to transfer funds to both CCDBG and SSBG should be maintained and the amount states can transfer to SSBG should be restored to 10 percent. In addition, Congress and the Administration should consider enhancing states' abilities to use TANF funds toward the Access to Jobs transportation program through transferability.

36.3.2.7 Definition of qualified state expenditures should be expanded.

Differences between allowable uses of TANF funds and state expenditures that are a "countable" qualified state expenditure under the state MOE requirement are unnecessary complex and burdensome. For example, even though both state and federal funds can generally be used in ways that are consistent with the purposes of the act, state funds can be used only when a needs test is met. In effect, this means that the federal legislation restricts state spending more than it does federal spending. Governors support removing the restrictions on state funds so that states have at least as much flexibility in their spending of MOE funds as they do with TANF funds.

36.3.2.8 Restrictions on the use of carry-over funds should be eliminated.

The TANF statute explicitly provides states with the authority to carry funds forward from year to year to encourage long-range planning and to prepare for economic downturns. However, states are currently restricted to using funds from previous years on cash assistance only, essentially limiting states' ability to use carry-over funds for work supports, such as child care and transportation. Since states are now spending a much higher proportion of their TANF funds on work supports and benefits other than cash assistance, Governors believe this restriction should be eliminated.

36.3.3 Program Alignment.

Governors believe the Federal Government should explore ways to simplify and align rules for related programs in order to enhance states' abilities to create a cohesive system of support for low-income families. With the advent of welfare reform, states are working to create a more comprehensive system of assistance for families in need. The system of programs and benefits for individuals and families in need is becoming increasingly interconnected, and the Federal Government should consider eliminating barriers to this progress. Just as families' needs do not distinguish between different federal funding sources, neither should the Federal Government address families' needs with cumbersome and disjointed funding streams, eligibility rules, and reporting requirements. Governors believe states and territories should be provided greater flexibility to coordinate federally funded state-administered programs. A federal-state task force should be established to provide formal recommendations to Congress and the President on ways to increase coordination among federal programs serving families in need.

36.3.3.1 Food stamps.

Food stamp benefits are often considered a key support for families transitioning from welfare-to-work. Unlike welfare reform, however, which has allowed states to develop innovative approaches for addressing families' needs, rules for admin-

istering the Food Stamp Program remain prescriptive and inflexible. Governors believe reforming the Food Stamp Program is a critical component of the next stage of welfare reform. Specific recommendations for food stamp reform can be found in the NGA food stamp policy (HR–22).

36.3.3.2 Child care.

It is imperative that the Federal Government recognize child care as a key component of a successful TANF program. For many families, a successful transition from welfare-to-work is based on the reliability of child care assistance. Despite significant increases in both state and federal investments in child care, many states continue to face an unmet need for child care subsidies. Governors believe that states must continue to have the ability to use TANF funds both directly on child care and through the transferability to CCDBG. Governors also believe that funding for child care should continue to be a priority for the Federal Government.

36.3.3.3 Child welfare.

Governors recognize that in many states, TANF funds are used for a variety of child welfare services, such as kinship care and family preservation initiatives, and this flexibility should continue. Governors also believe that additional flexibility within the child welfare system, including expanded waiver authority, could greatly enhance states' abilities to serve families in need. Specific recommendations for additional flexibility in child welfare programs can be found in the NGA child welfare policy (HR–26).

36.3.3.4 Child support.

As a result of reforms enacted as part of the 1996 welfare reform law, states have a number of new tools to collect and distribute child support payments, which have greatly strengthened the overall child support enforcement program. Recognizing that child support payments are often a key component of a family's economic security, states are continuing to work to improve the collection and distribution of child support for low-income families. Governors are supportive of the Federal Government providing states with the option and the incentive to passthrough a greater share of child support collections to families—bearing in mind that in many states the financial stability of the child support enforcement system depends, in part, on retained collections. Specific recommendations for creating options for passthrough can be found in the NGA child support policy (HR–14).

36.3.3.5 Housing.

Even though affordable, convenient housing is critical for a family to have a successful transition from welfare-to-work, there is too often a disconnect between agencies administering housing and welfare programs. Governors are interested in working with Congress and the Administration to develop proposals within the TANF reauthorization to help improve the interaction between welfare and housing systems.

36.3.3.6 Workforce Investment Act.

Coordination between the TANF system and the workforce system continues to be a significant challenge in many states. Despite the enactment of the Workforce Investment Act in 1998, complex rules attached to various funding streams continue to make effective coordination between agencies unnecessarily difficult. Governors are committed to continuing to work toward better coordination and are interested in working with the Federal Government to explore ways to improve this relationship.

36.3.3.7 Medicaid.

Governors recognize Medicaid as a key component of a family's transition from welfare-to-work. Without access to regular health care, health problems of a new worker or the worker's family members are likely to lead to greater absenteeism and possibly to job loss. Because access to health insurance is a crucial work support, Governors believe that Transitional Medicaid Assistance (TMA) should be continued. In addition, Governors acknowledge the importance of administrative funds for all health and human service programs, including Medicaid. While shared Medicaid administrative funds may have been incorporated into some states' TANF block grant base allocation, Governors believe that any reduction in the federal commitment to the administration of these programs will result in a loss of vital health and human service assistance to families in need.

Time limited (effective Winter Meeting 2001—Winter Meeting 2003).

Adopted Winter Meeting 1997; revised Winter Meeting 1999, Winter Meeting 2001, and Winter Meeting 2002.

Welfare Reform Reauthorization:
State Impact of Proposed Changes in Work Requirements
April 2002 Survey Results

The National Governors Association (NGA) and the American Public Human Services Association (APHSA) recently conducted a joint survey of Governors and state TANF administrators to assess the impact proposed changes to the work requirements would have on current state welfare reform initiatives. This document represents the compilation and summation of the survey results and in no way represents NGA/APHSA policy or position on any legislative proposal. The suggested modifications included in this document represent the views of individual states and have not been developed in collaboration with NGA/APHSA staff.

The goal of the survey is to help inform the welfare reform reauthorization debate, especially around work-related and overall funding issues. NGA and APHSA plan to use the information gathered in the surveys to complement the current work participation data which is reported by HHS, and to provide both quantitative and qualitative data to key policymakers on Capitol Hill and in the Administration about current state policies related to work, and about how state programs would be affected if proposed changes were enacted.

This survey did not address other provisions of the Administration's welfare reform reauthorization plan, many of which are consistent with NGA and APHSA policy positions on welfare reform. NGA and APHSA chose to focus the survey primarily on the impact of work-related provisions proposed by the Administration since this was the one area of the proposal that marked a significant change from the current TANF law. A total of 48 states responded to the survey, representing a broad range of states from all regions of the country. A list of the states who responded is attached. Not all states that submitted a completed survey responded to all 20 questions included in the survey. The results are summarized in this report.

NGA/APHSA Policy Related to Work

The current NGA policy on welfare reform (HR–36) makes the following statement on work:

> "Governors believe that the emphasis on work should continue to be paramount in welfare reform. While states may now know more about what helps prepare individuals for work and succeed in the workplace, the importance of work has not shifted and should continue in reauthorization. Governors support the notion that TANF clients should be engaged in work preparation or employment activity but believe that states should have greater flexibility to define what counts as a work activity. As states work with families on a more individualized basis, many states are finding that a combination of activities on a limited basis, such as work, job training, education, and substance abuse treatment, leads to the greatest success for some individuals. Governors believe the Federal Government should recognize the success of these tailored approaches to addressing an individual's needs by providing states greater discretion in defining appropriate work activities."

The current APHSA policy on TANF, as written in the APHSA document *Crossroads*, includes the following statement in regard to work requirements:

> "Recognizing that each state is unique and at different phases of welfare reform, at state option, measures of job placement, job retention and earnings progression could replace the current work participation rates."

Overall TANF Funding

Proposal

Under the Administration's proposal, the TANF block grant would be funded at $16.6 billion per year over 5 years. States would receive a block grant allotment equivalent to the amount received in FY 1997. TANF supplemental grants would be funded at $319 million during federal fiscal year 2003.

Current law

Current law provides states with TANF block grant allotments equivalent to the federal payments received under the former AFDC program in FY 1992–94, 1994 or 1995, whichever is higher. Baseline funding for the block grant is $16.5 billion annually. Seventeen states received annual supplemental grant allotments during federal fiscal year 1997 through 2001 due to high population growth and high poverty. Each state received a 2.5% increase in their annual TANF block grant allotment each year. The authorization for the supplemental grants expired in FY 2002.

Survey results

According to the survey, the majority of states are spending at levels above their annual block grant allotment. States reported programming prior year funds in the current year while others also noted expending high performance and other bonus funds. Based on the 40 states that responded to the question concerning TANF spending levels in the current fiscal year, **29 reported spending at levels in excess of their grant allotment, 8 reported spending their full allotment, and 3 reported spending below their grant allotment.**

States expressed concerns over the impact of level funding of the TANF block grant; citing inflation having reduced the purchasing power of the block grant, making it unlikely that the block grant will keep pace with the rising costs of services, such as case management, employment and training, transportation and child care.

"Although case loads for cash aid have gone down dramatically since the 1996 law, the cost of providing employment and other services to those remaining on aid has increased . . . Without sustained support for these services, dependence on cash aid could increase." (CA)

"Over the five year period that the TANF block grant has been in place, inflation has reduced purchasing power by 2–3 percent each year . . . and because we are spending in excess of our annual allotment, we will have to cut spending." (MI)

"Any shifts in case load size, ever increasing child care rates and additional services to populations who are harder to service will compete for existing funds already committed on a regular basis. The state would have to redesign program eligibility and services or face potential waiting lists if the block grant was level funded or the state would have to commit additional state dollars to maintain existing programs and services at current levels." (ME)

"Level funding does not cover administrative expenses for contractors, staff or child care providers. Our funding priorities would have to shift and could include a cut in financial assistance benefits, child care or support services." (VT)

"We have built in program sunsets that will bring our future spending within our current block grant level. Getting to that level will be painful. It will require paring back benefit levels and eligibility leaving unfunded a major intervention program for the hardest to employ and not renewing benefits to families that are outside of our core TANF program." (MN)

Implications of Proposed Work Requirements on Current Welfare Reform Strategies

Proposal

The Administration's proposal would increase work participation rates for state TANF programs each year by 5 percent until states achieved a 70 percent work participation rate by FY 2007. The proposal also increases the required number of hours of work to 40-hours per week and requires clients to work 24 hours in unsubsidized employment, subsidized public sector employment, subsidized private sector employment, on the job training, community work experience or community service. States would have the flexibility to use the remaining 16 hours to engage families in activities that do not qualify as work but serve to "achieve a TANF purpose". Welfare waiver demonstration programs would be discontinued, the case load reduction credit would be eliminated and replaced with a provision allowing states to count for 3 months the number of clients who left the cash case load for earnings when calculating the work participation rate.

Current law

States are required to meet a 50% work participation rate; 30 hours is required for single head of households; for families with children under age six, 20 hours satisfies the requirement. States may engage clients in any of twelve different activities defined in law, including vocational education and job search on a limited basis. In addition, states are permitted to operate their work programs under the terms

of their approved welfare waiver demonstration program. States also may use a case load reduction credit to reduce their required work participation penalty. States have the flexibility to design programs with higher participation standards, different work definitions and additional hours.

Survey results

States were asked if the proposal would require them to shift their current approach to working with TANF families and to elaborate on any redirection of resources or major policy changes that would occur. **Of the 47 states that responded to this question, 41 states indicated that the proposal would cause them to make fundamental changes to their state welfare reform strategies and/or redirect resources; 2 states stated that no change would be necessary and 4 states described some changes that would be required.**

Several states noted that evaluations of their programs have given them evidence that they are pursuing successful strategies that would require fundamental change if the Administration's proposal became law.

"The independent evaluation of the pilot version of Minnesota's approach found it to be perhaps the most successful welfare reform effort in the nation, resulting in increased work effort, lower dependence on welfare, reduced poverty, more stable marriages and better outcomes for children. This approach will be jeopardized by more stringent work participation requirements . . . This would require us to shift away from our investments that are aimed at reducing poverty and helping hard-to-employ families. Instead we would have to invest in public work programs and focus on keeping families involved in many hours of activity, regardless of individual need . . . This would represent a dramatic shift in the course for welfare reform in Minnesota, a course we have spent more than a decade developing, and would needlessly jeopardize an approach that is considered a national model." (MN)

A number of states noted that their welfare-to-work approach has been tailored to meet the individual needs of the TANF clients served by the program and that the proposed changes in work requirements would require them to redesign their strategies.

"Yes, a major redirection of resources and policy would occur. Utah would likely have to abandon the universal participation approach based on individualized employment planning. Employment counselors would become worksite developers and monitors instead of negotiating individualized employment plans tailored to meet the customer's needs to be employed." (UT)

States that have devolved administration of the TANF program to local or county-based administrators expressed concern that the proposed changes in work requirements would limit state and local flexibility. As a result, local agents and community partners would need to redirect resources to meet new program requirements.

"One of the major focuses of Maryland's Family Investment Program is to provide flexibility to its local department of social services to design and implement programs that meet the unique needs of our customers . . . since no additional funds are included in the proposal, local departments would be forced to dismantle effective programs that reduce non-marital births, improve job retention, encourage completion of secondary education by teenagers and young adults and reduce substance abuse. In essence we would replace a program geared toward helping people leave welfare for work (or avoid welfare altogether) for one geared toward making those on welfare participate in "work-like" activities." (MD)

"By expanding work requirements, and simultaneously restricting California's ability to meet those requirements, the President's proposal would significantly limit state flexibility to design programs that move families from welfare-to-work. One example is the proposal to narrow the allowable work activities, which will limit current flexibility to design programs according to each counties' need." (CA)

"This would cause a major shift in how we run our programs. We currently have contracts with many state and community partners to provide work readiness activities for our TANF client. These contracts would have to be ended or severely modified. Additionally, we would have to seriously look at the probability of including a community service component to our program which we currently do not have." (OK)

States indicated that under the proposed changes in work requirements, the ability to continue to offer education related programs to TANF clients would be diminished.

". . . our case managers are encouraged to assign clients to a combination of work and educational activities that best meet the client's needs and will lead to the most productive outcomes for that client . . . we will no longer be able to offer this . . . since 40 hour per week jobs are not widely available, it would be to the state's advantage to place clients in subsidized employment or preparation for employment activi-

ties rather than unsubsidized work which would seem to defeat the whole purpose." (AL)

"Our concern has been and will continue to be one what is best for the family. However, with the increased participation rate and the likelihood of a penalty for failure to meet the new rate, we may no longer be able to support this philosophy as fully or support education-related activities that in the long run may help families actually move out of poverty." (NC)

"A 70% participation rate with a 40 hour a week requirement will probably require two things. First, creation of a number of make work activities or greater use of current ones, whether or not warranted, just to fill the requirement. Second, a near total abandonment of allowing any client that is able to work at all to participate in such things as GED programs or post-secondary education. Near 30% of the case load could soon be cases with multiple barriers to any kind of useful activity, meaning all the rest will have to be in work activities." (IL)

A number of states noted that due to the significant case load reduction that has occurred over the past five years, the clients remaining on the cash assistance rolls have multiple barriers to employment and that the proposed requirements would limit states' ability to work with these families as they have done in the past.

"Under the President's proposal, states would have less flexibility to help clients access needed domestic violence counseling, vocational rehabilitation services and family stabilization resources that are sometimes necessary in successfully finding employment. We believe that our approach is likely to be more successful in helping clients retain the jobs that they get (and we believe that the recent NEWWS study that reviewed Oregon's program confirms this) because our staff and partners take the time to help clients remove barriers to employment." (OR)

In order to meet the proposed rates and hours, many states noted that they would need to create work experience and community service slots to meet required rates in part because the recent downturn in the economy means fewer unsubsidized jobs are available to meet the increased requirements.

"To meet these increased rates, New York would have to significantly increase the number of recipients in other allowable activities such as work experience and community service. TANF resources directed to support working recipients and other low-income individuals will need to be redirected to help meet the increased rates to perform the additional referral and tracking functions associated with increased hours and numbers of participants." (NY)

Rural states described structural challenges in meeting the proposed work rates, such as availability of jobs, transportation, availability of community work positions and tribal populations.

"It is extremely unlikely that we could do so (meet the work requirements). Challenges include lack of worksites in our many rural areas (8.5% of the adult included case load live in Native Villages exempt from the time limit; 43% live in small communities with populations under 10,000.) We already 'compete' with the Dept. of Corrections for the limited number of work experience slots in rural Alaska." (AK)

States with waivers noted that there would be significant changes necessary with the discontinuation of waivers as proposed.

"With the flexibility provided to the state under the federal waiver process, New Hampshire has been able to customize the program to meet the needs of our disadvantaged families. It is these waivered activities that were created to meet the specific needs of each family that has made this program so successful to date." (NH)

A few states also noted that the proposed changes in the work requirements were consistent with current programs.

"President Bush's welfare proposal furthers and strengthens a central feature, which explains the success of Connecticut's welfare reform program, Jobs First. It's the notion that welfare recipients must be engaged in the direction of self-sufficiency. Increasing work requirements has been successful when it's part of an overall approach to reform that includes incentives to transition from welfare-to-work by providing families with services and benefits including, strong employment services, child care assistance, food stamps, income supplements, transportation assistance, and other non-cash work support services. The President's welfare reform proposal provides states with the flexibility to use innovative solutions to help welfare recipients achieve self-reliance and independence." (CT)

Specific Factors Contributing to States' Ability to Meet Proposed Requirements

States were asked to describe any circumstances that could complicate the state's ability to comply with the proposed work requirements. States were not limited to the number of factors they could list. Of the 47 states responding to this question,

two states did not identify any circumstances that could complicate their ability to meet proposed requirements. Responses varied widely, but could be generally categorized into four areas: rural issues, employment/economic factors, state/federal policies, and client characteristics.

- **The majority of states (33) responding cited concerns about meeting the proposed work requirements in rural areas where the economy is often lagging and employment opportunities are limited.** Four states specifically mentioned the lack of employers and/or appropriate infrastructure in rural areas that are able to accommodate expanded work experience or community service initiatives. Fourteen states reported that concerns about employment in rural areas are complicated by a lack of adequate transportation and/or child care providers. Six states mentioned concerns about the ability of large tribal populations on TANF to comply with the proposed work requirements, especially those living on reservations.
- **Many states (27) cited limitations in current state or federal policies that would greatly complicate a state's ability to meet proposed work requirements.** Thirteen states raised concerns about low benefit levels that would cause clients to lose eligibility for TANF before reaching full-time employment and that would prevent significant placement in subsidized work experience, and one mentioned a similar concern because of a state minimum wage set higher than the federal rate. Seven states specifically mentioned the application of the Fair Labor Standards Act (FLSA) as a limitation to placing recipients in full-time work. Nine states responded that the loss of a waiver would cause them to shift their approach of working with families to overcome multiple barriers in order to comply with the proposed work requirements. Three states cited state laws that require that individuals with certain characteristics, such as pending SSI or caring for a disabled family member, be exempted or deferred from work requirements. One state reported that state law would have to be amended in order to allow subsidized employment which is currently prohibited under state law. One of the state-supervised, county-administered states raised a concern about having to require each county to revisit their local plans for working with families.
- **Many states (21) responded by listing factors related to the condition of the local economy, the employment market, and the willingness of employers to engage welfare recipients in work.** Eleven states cited high unemployment and significant private sector lay-offs that have led to intense competition for job openings as factors that could complicate their ability to meet work requirements. Five states described the mismatch between the nature of the employment market and the skill level of clients—the jobs that are available require specific skills that often welfare recipients have not acquired, and employers are passing up welfare recipients for workers with higher skills. Eight states responded that because most entry-level jobs in industries most likely to hire welfare recipients are part time, or "shift work" (on evenings and weekends), the proposed requirements could require multiple jobs and child care placements. One state raised the concern that employers would not hire recipients who had not had prior vocational training, and two states mentioned that employers often hire less than full-time to avoid providing benefits such as health care.
- **Some states (10) reported that their current case load has a higher proportion of recipients with multiple and significant barriers to employment which could pose an additional challenge for states.** Barriers mentioned include domestic violence, substance abuse, mental health, low literacy rate, lack of English proficiency, lack of high school credentials, and pending SSI.

Current Hours of Work

States were asked to provide the percentage of their case load that is engaged in any activity for any number of hours, including those that do not count toward the current work participation rate. **Of the 37 states that responded to this question, an average of 61% of the TANF cases with an adult in the case load are engaged in some work-related activity—as defined by either the state or the Federal Government.** According to the most recent HHS data, an average of 34% of TANF cases is engaged in work activities for at least 30 hours a week.

States were asked to provide the percentage of their case load that is engaged for at least 40 hours a week in an activity that counts toward the *current* work participation rates. **Of the 24 states that responded to this question, an average of 9% of the TANF cases with an adult in the case load are engaged in a feder-**

ally-defined work activity for at least 40 hours a week. In addition, one state reported that 60 percent of their case load was working 40 hours a week because of their waiver which allows them greater flexibility in defining work activities. Some states responded that it would not be possible for a recipient to be working 40 hours a week at minimum wage and still on the case load because they would no longer be eligible for TANF cash assistance. Five states responded that were not able to answer this question because their systems are not currently equipped to track 40 hours.

States were asked to provide the percentage of their case load that is engaged for at least 24 hours a week in an activity that counts toward the *current* work participation rates. **Of the 30 states that responded to this question, an average of 29% of the TANF cases with an adult in the case load are engaged in a federally-defined work activity for at least 24 hours a week.** The numbers were significantly higher in states with waivers—close to 90% in two states based on the definition of allowable activities under their waivers. States were asked a similar question about percentage of case load engaged for 24 hours in "work activities" as defined by the Administration's proposal (which includes a list of 6 specific activities). **On average, 20% of the TANF cases with an adult in the case load are engaged in work for 24 hours as defined by the list included in the proposal.** In all but three states that answered both of these questions, the percentage of cases engaged in work decreased with the limited list of countable activities.

Universal Participation

Proposal

Under the Administration's proposal, states would be required to develop a self-sufficiency plan for each family within 60 days of opening a case, and to provide a full engagement of all families in such a self-sufficiency plan. This requirement would not apply to child-only cases, but would apply to adults in a household with a partial family sanction, and to families with a child under the age of one. States would be required to ensure that all families are participating in constructive activities in accordance with their plan, to monitor participation and progress toward self-sufficiency, and to evaluate assigned activities.

Current law

Current law provides authority to, but does not mandate, states to develop an individual responsibility plan (section 408(b)) for all recipients that would set forth employment goals and plans for moving the individual into private sector employment. States are provided significant discretion in designing these plans and in deciding who should have such a plan.

Survey results

According to the survey, the majority of states have opted to require TANF recipients to have some version of an employability plan. Of the 41 states that answered this question, 35 states confirmed that they currently work with families to develop plans to move them toward self-sufficiency. The names of these plans vary by state. For example, a "personal responsibility plan", a "family self-sufficiency plan", or a "family development plan". Based on the 33 states that responded to a question about the percentage of a state's case load with an employability plan, an average of 88% of all adults receiving cash assistance currently have some version of an employability plan, as defined by the states. Eighteen states responded that 100% of their case load has some version of an employability plan. States are given broad flexibility to design these plans under current law.

"The President's universal engagement concept recognizes that moving every welfare family forward means everyone must be engaged in the direction of self-sufficiency." (CT)

Many states responded that it was difficult to estimate any additional costs associated with the proposal that all families have a "self-sufficiency plan." State responses relative to additional costs for this proposal varied based on the degree to which their current policy applied to all families receiving TANF. A number of states responded that many families in their TANF case load are exempt from work requirements—such as those with a child under age one, caring for a disabled child, pending SSI—and the state therefore does not necessarily require an employability plan for all families. In those states where additional costs were expected as a result of this proposal, there was general agreement that the additional and intensified case management would lead to higher administrative costs for the states.

"As an estimate, this would require 15.3 FTEs, resulting in about $558,000 in salary and benefit costs." (TN)

A number of states expressed concern about the extent to which they may have to change what they currently have in place in order to comply with the proposed self-sufficiency plans. Because details of the proposal are not yet available, it was difficult for states to estimate how much of an impact the universal participation requirement would have on existing state programs.

Policies related to prividing employability plans for cases in which an adult has been sanctioned off assistance vary greatly among states. Just as states have a broad range of policies related to how sanctions are applied to families, so too are their policies on who must continue to have an employability plan. In general, states with full-family sanctions responded that they do not keep an employability plan for an adult after they have been sanctioned and no longer receive TANF assistance. States that apply partial family sanctions for noncompliance with TANF requirements generally continue to require a family to comply with a modified employability plan.

A number of states expressed concerns about the possible increased child care costs associated with this new universal engagement requirement, which are outlined further in the summary of the survey results on child care.

Capacity for Barrier Removal Activities

Under the Administration's proposal, certain "non-work" activities could count fully toward the 40-hour work week requirement for up to three consecutive months within any 24 month period. These activities, which are intended to be barrier removal activities aimed toward moving a family to employment, include activities such as substance abuse treatment, rehabilitative services and vocational education. States could also count these activities on a limited basis, up to 16 hours a week, beyond the three month period. States were asked about the capacity to provide these services within the proposed "three month out of 24 month period" time frame and about any challenges with this approach.

Of the 42 states responding to this question, the majority of states (34) raised concerns that the 3-month period would not be adequate to effectively address families' barriers to employment. Some states reported that while they may have the capacity to provide services, the restriction on the time frame could prove to be problematic. Thirteen states specifically mentioned that most vocational education programs run longer than 3 months, often operating for either 6 or 12 months. A number of other states reported that the 3-month allowance doesn't take into consideration relapse issues with substance abuse and doesn't recognize the typical stop-start nature of those seeking to receive substance abuse treatment.

"These are not barriers that can be overcome with a cookie-cutter approach of a 3 month time limit . . . Kansas will be forced to choose between requiring recipients who may not be ready to work for 24 hours a week, knowing they will fail; or placing them in the right activities such as remedial education, learning disability accommodation training, substance abuse, mental health or domestic violence counseling, or basic job skills training, and accepting a penalty for failure to meet the participation rate requirement." (KS)

More generally, some states responded that the approach to addressing these barriers should be integrated and multifaceted, rather than addressed in a set three-month period.

"Rather than trying to deal with these issues in a three month period, we believe that it is more effective to spread them out as a part of a more integrated strategy that mixes work activities and family stabilization activities." (OR)

Community Service/Work Experience

Of the 43 states that responded to questions about community service and work experience programs (CS/WEP), 40 reported that they currently operate one, or both, of these types of programs. The majority of states reported that they do so on a limited basis because of the high costs associated with running these programs, and because of the challenges of finding employers/supervisors and developing appropriate worksites.

"We do not have many community services/work experience programs as we have found it more productive, and less expensive, to place people in work preparation, then unsubsidized jobs with supports." (AK)

"With our low benefits, even with food stamps added in, paid community service will cost more than the benefits. It would cost a minimum of $15 million simply for wages for a community service program for 3000 clients." (AL)

"We would need to expand these opportunities significantly to meet the proposed work requirements. Providing supervision at a group worksite costs approximately $40,000 to $45,000. At 15–20 slots per site, this translates to a state expense of $3000 per slot (filled or unfilled)." (VT)

"Kentucky purchases liability insurance for work experience participants and estimates these costs would increase by $15,000 a year in order to meet proposed work requirements." (KY)

Other states report they have not used these programs extensively because they have focused on preparing recipients to leave the case load for private sector employment and have found CS/WEP to be less effective than other approaches.

"Local jurisdictions that do not operate CS/WEP would be loath to do so in that the work first philosophy has and continues to be extremely successful and has resulted in a 66.9% case load decline." (MD)

"We have never relied on any significant volume of placements in community service or work experience, and in fact have been philosophically opposed, preferring to focus on private sector employment." (MI)

"Washington currently operates both an unpaid work experience program (WEX) and a subsidized public service job program (community jobs). We are in the process of ending our contracts for WEX placements as our data show it has not been as effective as other services in helping clients find employment." (WA)

Two states with a significant tribal population reported that they use community service or work experience especially in remote areas or on reservations.

Many of the states that responded indicated they would be inclined to expand these programs in order to meet the proposed work requirements, including those who do not currently operate CS/WEP. Some states, including those with low benefit levels and/or high state minimum wages, contend they would be willing to expand community service/work experience but that they would be somewhat limited by the number of hours a recipient can work at minimum wage before losing eligibility for TANF. Eight states specifically mentioned that the application of the Fair Labor Standards Act could complicate their ability to expand CS/WEP because of the need to meet minimum wage requirements.

"Indiana is a low benefit state that to date has emphasized placements in unsubsidized employment opportunities. Under existing TANF work requirements, in the event of an economic downturn, like the current one, community work experience activities cannot be used to fully replace unsubsidized employment for many adult recipients without violating the Fair Labor Standards Act." (IN)

One state reported that minimal changes would be required to expand these programs since they are already included in their welfare reform strategy. Others reported the need to develop or expand infrastructure to accommodate such expansions.

"The costs and challenges associated with developing a brand new program would be significant. New policies, procedures, and forms, as well as computer system changes would be necessary." (OK)

"Resources would have to be diverted from current services such as pregnancy prevention, training programs, marriage initiatives, fatherhood programs, and other child well being initiatives in order to meet the cost of providing worksites to meet the work requirements." (UT)

Suggested Modifications to Proposed Work Requirements

States were asked to suggest one or two specific modifications to the proposed work requirements that would better accommodate their existing state programs. Most states made a number of suggestions. **Of the 47 states that responded to this question, 35 suggested broadening the list of activity that are countable toward work and/or allowing the states greater flexibility to define what is considered a countable activity. Six states specifically mentioned greater flexibility around the inclusion of job search and/or job readiness activities, and three states specifically mentioned education (e.g. vocational education, high school proficiency/GED).**

29 of the 45 states that responded to this question suggested decreasing the proposed required number of hours a recipient must work in order to be counted toward a state's work participation rate, and many of these states suggested maintaining the current TANF requirements on both hours and types of activities that could be counted.

"California recommends that policymakers resist the urge to fix what isn't broken, especially around the work provisions—which have proven successful nationwide. Specifically, given the success that states have shown in the implementation of wel-

fare reform, we would maintain current law work requirements, including required hours of work, work participation rate, allowable work activities, etc." (CA)

"While there are numerous provisions in the new proposal that build on this success, CO would like to see a continued respect for state flexibility to promote the best practices to ensure a 'work first' approach." (CO)

Six states suggested making states more accountable for outcomes by providing states the flexibility to design programs to meet state-defined self-sufficiency goals.

"Our recommendation is to make states accountable for true outcomes (successful diversion, placement into real jobs, retention, and advancement) rather than the proposed process measures." (AK)

Ten states mentioned the importance of developing a workable employment credit. Four states suggested allowing states to retain existing waivers. Other suggestions included: maintaining the 50 percent work requirement, allowing exemptions for certain tribal populations, allowing partial credit for partial hours, lifting the 3-month cap on "non-work activities", and a slower phase-out of the case load reduction credit.

Child Care

Proposal

Under the Administration's proposal, mandatory funding for child care would be set at $2.7 billion in FY 2003 and discretionary funding for the Child Care and Development Block Grant (CCDBG) would be set at $2.1 billion in FY 2003. States would continue to have the ability to transfer up to 30 percent of their TANF block grant allotment to the CCDBG.

Current law

The proposed funding levels reflect the funding level approved for FFY2002. States are permitted to transfer up to 30 percent of their TANF block grant allotment to the CCDBG.

Survey results

States were asked to estimate the annual increase in child care costs associated with the proposal to require 70 percent participation in activities totaling 40-hours per week. **Of the 32 states responding to the question, 30 states indicated that the costs would increase and two states indicated that there would be no additional costs associated with the proposal. The estimated annual increase in child care expenditures in 30 states totals more than $770 million.** States also indicated that there would be increased costs associated with the proposed universal participation requirement, infant and toddler care, sick child care, non-traditional hours care, etc.; these costs are excluded from the estimate. Some states used forecasting models, while others used administrative data to calculate their estimates. Examples are listed below:

"Based on a forecasting model developed by RESI of Towson University, we estimate that the total additional child care costs by 2005 will be $10,777,725. This is based on both the increase in the total TANF participants in work activities and the increased hourly requirement proposed by the Administration. This represents a 32.5% higher rate of expenditure than we currently forecast for child care subsidies." (MD)

"We estimate that we will have to work with an additional 9,872 families toward meeting the work requirement. The average family receiving cash assistance in North Carolina is one adult and two children. The average cost per month of childcare is $268 per child. This amounts to approximately $5.3 million a month more and more than $63 million per year in additional child care dollars needed." (NC)

"This is not easy to estimate. This estimate is based upon current expenditures and the project FIP case load for SFY 2003. The estimated amount needed for 70% of the projected case load (2nd parent added in and child only cases factored out) to work or participate 40 hours a week is approximately $48.3 million. For SFY 2002 there is budgeted $3.6 million for non-working, but participating FIP participants plus a projected expenditure of $11.5 million for working participants. The difference between the projected need for full time participation/work for 70% of the FIP case load and current anticipated expenditures, would be an increase need for child care of $33.2 million." (IA)

"The proposed level of funding would be adequate to cover any additional childcare associated with the proposed changes in work participation requirements for families receiving TANF services. Even so, increases in CCDF funding may be needed in 2005–07 to maintain 'At Risk' childcare at current levels." (TX)

Thirty-nine states responded to the question asking the percentage of the states' cash assistance case load receiving child care benefits. The average percentage was 20 percent.

Caseload Reduction Credit

Proposal

The Administration's proposal would phaseout the TANF case load Reduction Credit over two years and replace the credit with a provision that allows states to count cases that left cash assistance due to earnings for a period of three-months. In FFY 2003, the full case load Reduction Credit would apply as under current law; in FFY 2004 the credit will be halved; beginning in FFY 2005, the credit will be eliminated. In FFY 2005 and thereafter, states will be allowed to count cases that left assistance due to earnings for a period of three months.

Current law

States can reduce the work participation rates by the percentage their cash assistance case load has declined since 1995.

Survey results

States were asked to estimate whether they would face penalty status if the case load reduction credit were replaced with the ability to count cases that left TANF due to earnings for three months. The question was asked assuming no change in the current work definitions or hours of work, but assuming a 5 percent annual increase in work participation requirements. **Of the 35 states responding to this question, 26 states indicated they would be in penalty status at 50 percent and above. Five (5) states would face penalty at 55 percent and above. One (1) state indicated they would be in penalty status at 60 percent and above and two (2) states said they would be in penalty status at 65 percent and above. One state said they would never be in penalty status.**

For more information about the results of this survey, please contact Gretchen Odegard of the National Governors Association at 202–624–5361 or Elaine Ryan of the American Public Human Services Association at 202–682–0100.

States responding to the NGA/APHSA survey

Alabama
Alaska
Arizona
Arkansas
California
Colorado
Connecticut
Delaware
District of Columbia
Georgia
Hawaii
Idaho
Illinois
Indiana
Iowa
Kansas
Kentucky
Louisiana
Maine
Maryland
Massachusetts
Michigan
Minnesota
Missouri
Montana
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina

North Dakota
Ohio
Oklahoma
Oregon
Rhode Island
South Carolina
South Dakota
Tennessee
Texas
Utah
Vermont
Virginia
Virgin Islands
Washington
West Virginia
Wyoming

Statement of Susan Drake, Executive Director, National Immigration Law Center, Boise, Idaho

Mr. Chairman and Members of the Subcommittee:

On behalf of the National Immigration Law Center (NILC) please accept these written comments in response to the Subcommittee on Human Resources' announcement of the April 11 hearing on welfare reform reauthorization proposals. NILC is a non-profit legal support organization that specializes in the intersection of immigration, employment and public benefits laws. NILC provides policy analysis, technical assistance, training and publications to attorneys, community-based organizations, health care and social service providers and government agencies on policies that affect low-income immigrants. As you move forward, we urge you to build upon the progress made over the past five years, and take this chance to develop innovative strategies to address the barriers to sustainable employment faced by low-wage immigrant workers.

Specifically we have the following recommendations:

1. Restore Eligibility to Legal Immigrants. Adopt provisions of Representative Cardin's bill that restore SSI and TANF to legal immigrants

2. Increase English Proficiency and Improve Employment and Earnings for Persons with Limited English Proficiency. Adopt provisions of Representative Cardin's bill that: (a) Allow ESL as a countable work activity; (b) mandate a sanction review process to determine whether certain conditions, such as limited proficiency in English, may contribute to benefit recipients' noncompliance with program requirements; (c) Require states to assess the recipient's skills, prior work experience, and circumstances related to his or her employability, including English proficiency; and (d) allow up to 2 years of vocational and educational training to be counted as a work activity. Currently, no more than 12 months of vocational and educational training are allowed as a work activity.

IMMIGRANT'S EXPERIENCE AFTER WELFARE REFORM

The welfare law restricted immigrants' eligibility for a broad range of programs, including Medicaid, the State Children's Health Insurance Program (SCHIP), food stamps, child care, job training and other services that promote the upward mobility of low-wage families.[1] Immigrants and refugees constitute an increasing share of the low-wage workforce, especially in key sectors such as service, manufacturing, and agriculture. Although immigrants have high workforce participation rates,[2] almost 43 percent of immigrants work at jobs paying less than $7.50 an hour, com-

[1] The welfare law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, made most immigrants who entered the United States on or after August 22, 1996, ineligible for Temporary Assistance for Needy Families, Medicaid, the State Children's Health Insurance Program, food stamps, and Supplemental Security Income. It also severely restricted the eligibility of immigrants living in the United States before August 1996, although partial restorations in 1997 and 1998 restored SSI and food stamps to certain of these immigrants, primarily seniors, children, and persons with disabilities. As time progresses, the immigrant restrictions will become even more dramatic because of the growth in the immigrant population that entered after 1996, which is estimated to now be 1/3 of the immigrant population.

[2] In 2000 foreign-born men 16 years old and older had a higher labor force participation rate (80 percent) than native-born men (74 percent).

pared to 28 percent of all workers. Because of the types of jobs that they hold, only 26 percent of immigrants have job-based health insurance. The impact of the immigrant restrictions has been two-fold:

(1) Low-wage immigrants have struggled to support their families without access to programs such as Medicaid, SCHIP and food stamps, which were created to support working poor families. When immigrants work full-time and cannot secure these services, the health of their families suffers. Studies have found that children in immigrant families comprise one-fifth of the low-income children in 20 states.[3]

(2) Low-wage immigrants have been deprived of the opportunity to improve their economic mobility through TANF. Services restricted by the welfare law include non-cash programs such as job training, English as a Second Language, and child care. These core services are critical to maintaining jobs and enhancing employment opportunities. Even immigrants who remained eligible for TANF have not been served successfully by the program. For example, language barriers may prevent recipients from ever receiving an employment assessment to determine which TANF services might best suit their needs. There is increasing evidence that such individuals are simply pushed aside, rarely receiving assistance aimed at their transition to the workforce. Persons with language barriers are heavily represented among those for whom TANF has not been an effective bridge into the workforce—in most states, English-language training is not effectively delivered as a work-related educational activity.

The immigrant restrictions imposed by the 1996 welfare law have resulted in severe declines in participation by immigrants as well as citizen children who remained eligible for the programs. These impacts are felt nationwide. Currently, one of every five children in the U.S. is either an immigrant or the child of an immigrant.[4] And 85 percent of immigrant families include at least one U.S. citizen, typically a child.[5] These U.S. citizen children were among those most profoundly harmed by the law's immigrant restrictions. For example, in families with incomes below 200 percent of the federal poverty level, 33 percent of citizen children with immigrant parents lack health insurance, compared to 19 percent of children with citizen parents.[6] And even though U.S. citizen children living with noncitizen parents remained eligible for food stamps, their participation in the Food Stamp Program declined 42 percent between 1994 and 1999.[7] Surveys conducted after the passage of the welfare law concluded that children in immigrant families face greater hardships than other children in obtaining adequate health care, nutrition, and housing, and that the hardships are greater in the states with the fewest programs to replace the federal cuts.[8]

WELFARE REAUTHORIZATION PROPOSALS

Restoring Eligibility for Legal Immigrants

The immigrant provisions of the 1996 law singled out legal immigrants for restrictions on health care, food stamps, TANF—including non-cash services, such as child care, transportation and job training, and other core programs that support low-wage working families. Because immigrants are so profoundly integrated into our communities, their exclusion from support systems and safety net programs has a major effect on public health and economic development. Immigrant restrictions on federal programs hamper economic mobility for 20 percent of the low wage population, impede measures to fight diseases, frustrate efforts to develop the local economy, and stretch the resources of non-profit and religious organizations.

Although immigrants and refugees traditionally had been concentrated in a few states, job opportunities have attracted them to new centers, which may not be fully prepared to address their needs. Immigrant restrictions strain state and local government resources, causing particularly difficult problems in a time of recession, and limit states' potential to assist a significant part of the working poor population.

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[3] Shawn Fremstad, *Immigrants and Welfare Reauthorization* (Center on Budget and Policy Priorities calculations, 2002).

[4] Urban Institute, *Check Points* (September 2000).

[5] Michael Fix, Wendy Zimmerman, and Jeffrey Passell, *The Integration of Immigrant Families in the United States* (Urban Institute, July 2001).

[6] Ku and Blaney, *Health Coverage for Immigrant Children*.

[7] United States Department of Agriculture, *The Decline in Food Stamp Participation: A Report to Congress* (July 2001).

[8] Hardship is greater for children of immigrants than for children of U.S. natives in three areas: food, housing, and health care. See Randy Capps, *Hardship among Children of Immigrants: Findings from the 1999 National Survey of America's Families* (Washington, DC: Urban Institute, February 2001).

Lack of flexibility over the use of TANF funds, for example, prevents states from creating programs that address immigrant-specific barriers to employment and economic integration.[9] Although the welfare law allows states to provide state-funded benefits to immigrants who lost federal eligibility, very few states have fully restored services, and some states provide services only to certain groups of immigrants, such as children or seniors.

We applaud Representative Cardin for including the restoration of both TANF and SSI in the "Next Step in Reforming Welfare Act" (H.R. 3625). This bill would allow states to provide job training and other non-cash services to low-income immigrants, and provide a safety net for persons with disabilities. We are extremely disappointed that Chairman Herger's bill does not allow states to draw down federal TANF funds for immigrants who entered the U.S. on or after August 22, 1996, and maintains severe restrictions on SSI. States should be given the flexibility to help all individuals move towards self-sufficiency through the TANF program. States also need access to a safety net for persons who, by age or disability, are unable to work. By preventing states from serving immigrants, Congress thwarts the most fundamental goals of welfare reform

Improving the TANF Program for Immigrants and Persons with Limited English Proficiency

Currently, almost 18 percent of persons in the United States over the age of five speak a language other than English at home, and almost 8 percent are limited English proficient (LEP).[10] Immigrants who are proficient in English earn more than immigrants with limited English proficiency or those who do not speak English at all. A study by MassINC found that employed immigrants in Massachusetts who are fluent in English earn 33 percent more than immigrants with limited English speaking skills.[11] A similar study in Los Angeles by the Economic Roundtable found that former welfare recipients who were English proficient earned a higher wage than former welfare recipients who did not speak English or who were LEP.[12]

While many states allow some TANF recipients to participate in English as a Second Language (ESL) courses, full participation is limited in many states. Under current law, ESL is not explicitly listed as a work activity for purposes of meeting a state's work participation rate requirements. The allowable activities that would include ESL—such as job skills, training, and education related to employment—have limitations on the extent to which they can count toward the federal work rate. These restrictions limit states' flexibility to place LEP persons in intensive and vocational ESL courses.

Under current law, limited English speakers have an equal right to participate in all facets of TANF. But this is an empty right unless a state's program is designed to meet the needs of participants who do not yet speak English.[13] Identifying the English proficiency of TANF applicants and recipients will help states better assess the educational and training needs of their client population. Applicants and recipients who do not speak English are often placed in orientation and training classes in English, and may be at a higher risk of being sanctioned.[14] This practice wastes state and federal resources and fails to move the recipients closer to job readiness.

Representative Cardin's bill would greatly improve LEP individuals' success in the workforce. Representative Cardin not only includes ESL as a countable work activity, but also ensures that LEP individuals are properly assessed. The Cardin bill would also mandate a sanction review process that determines whether certain con-

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[9] Shawn Fremstad, *Immigrant Families and TANF Reauthorization* (Washington, DC: Center on Budget and Policy Priorities, preliminary draft, May 2001).

[10] U.S. Census 2000 Supplementary Survey Summary Tables.

[11] MassINC, The Changing Workforce: Immigrants and the New Economy in Massachusetts (November 1999).

[12] Mark Drayse, Daniel Flaming, and Peter Force, The Economic Roundtable, The Cage of Poverty, September 2000.

[13] A study of Hmong TANF participants in Wisconsin found that language barriers made communication with TANF caseworkers difficult: 70 percent of the surveyed participants could not communicate with their caseworkers, and 90 percent had difficulty understanding written materials they received from their welfare agencies and had to rely on children, relatives, friends and others for translation. See Shawn Fremstad, *Immigrant Families and TANF Reauthorization* (Washington, DC: Center on Budget and Policy Priorities, preliminary draft, May 2001).

[14] In Massachusetts, a study that surveyed a sample of families whose cases were closed after hitting the state's 24-month time limit found that 7.6 percent were lawfully present immigrants and 17.6 percent were limited in their ability to speak English. See Massachusetts Department of Transitional Assistance, After Time Limits: A Study of Households Leaving Welfare Between December 1998 and April 1999. (November 2000).

ditions, such as limited proficiency in English, may contribute to benefit recipients' noncompliance with program requirements.

Chairman Herger's bill would make it more difficult for LEP individuals to move from welfare-to-work. First, the bill does not clarify that ESL can count as a work activity. Second, it limits the list of activities that can count towards the work requirement—eliminating programs like vocational education that provide a great opportunity to mix English skills and job skills training. Third, the bill increases the work requirement, limiting state flexibility to serve hard-to-employ individuals.

Statement of Manuel Mirabal, President and Chief Executive Officer, National Puerto Rican Coalition

Thank you Chairman Herger and Members of the Subcommittee for holding this hearing and for accepting this testimony that I am presenting on behalf of the National Puerto Rican Coalition, which represents the interests of 7 million Puerto Rican United States citizens through a network of over 400 community-based organizations.

Overview of NPRC TANF Reauthorization Efforts

Working to insure that there are good programs available to help the Puerto Rico community rise from poverty is a priority of the National Puerto Rican Coalition. For this reason NPRC held a forum in partnership with the Center for the New Economy, the Puerto Rican Legal Defense & Education Fund, and the National Council of La Raza, on Welfare Reform in Puerto Rico on June 1st of 2001 to learn more about the issues facing the Puerto Rican community on the island and how it relates to the community on the mainland. NPRC also founded and is co-Chair, along with the Mexican American Legal Defense and Educational Fund, of the Latino Coalition for Families, a coalition of national organizations advocating for the advancement of Latino Families.

LCF has prepared a Welfare Reauthorization Agenda that provides recommendations for the 2002 federal reauthorization of Temporary Assistance to Needy Families (TANF). The Agenda concentrates on the coalition's top priorities for TANF, which include providing access for immigrants, overcoming language barriers for clients with limited English proficiency, and addressing disparities in Puerto Rico. In addition the agenda includes suggestions to improve child care and Medicaid eligibility, as well as expanding services for comprehensive sexual education and increasing opportunities for education and training.

It is essential that the 2002 TANF reauthorization provide Latino recipients the tools to move off the rolls. As the largest minority group in the country, the nation's economic success is inextricably tied to the economic success of Latinos. Each time a family succeeds in rising out of poverty and becomes a productive member of our society the whole nation benefits. The Latino Coalition for Families calls on Congress to correct the disparities in benefits, training, and work supports so that needy families can in earnest be given the help necessary to achieve the dignity of self-sufficiency, regardless of where they live.

TANF Reauthorization Recommendations for Puerto Rico

Puerto Rico's TANF funding is limited by law because it falls under a statutory cap that constricts total overall funding for three separate programs: TANF, IV–E Foster Care, and Aged, Blind and Disabled (the program Puerto Rico has instead of Supplemental Security Income (SSI), from which the Island is excluded.) The combination of separate programs under one cap not only restricts funding but it also causes budgetary problems. For this reason, the LCF has prepared the following recommendations for federal reauthorization:

- Take IV–E Foster Care out of the TANF cap to free up some monies to be able to cover more families.
- Remove barriers that exclude Puerto Rico from the Child Care and Development Fund—Mandatory Grant and exclude from the cap the Child Care and Development Fund—Matching Grant.

Puerto Rico is not eligible for TANF supplementary funding resources provided by the Federal Government. TANF supplementary Grants are intended to assist states with higher than average population growth rates and or lower than average TANF grant funds per person. At $34.78 per poor person, Puerto Rico clearly receives grants far lower than the national average yet Puerto Rico does not receive the Supplementary Grant because the program is limited by statute to states. Therefore we recommend that the Federal Government remove barriers that exclude

Puerto Rico from the TANF Supplementary Grant program and once barriers are removed exclude Supplementary Grants from the current TANF cap.

Federal funding of Medicaid is also capped for Puerto Rico. Federal funding now stands at only 15 percent of the cost of the program. Due to the funding cap, the Island can only provide for extremely poor families under Medicaid. Since Puerto Rico is required to meet the same regulatory provisions of TANF as the states, it is essential that Puerto Rico's TANF recipients who are leaving welfare have access to the same transitional medical assistance as their mainland counterparts. Denying island residents this support further heightens their barriers to a successful transition in an already bleak economic reality. Thus Puerto Rico should receive reimbursement for the provisions of these services as do the states, and this reimbursement should not be counted against the cap currently imposed upon Medicaid reimbursement to Puerto Rico.

National TANF Reauthorization Recommendations

Immigrants

The welfare reforms of 1996 placed restrictions on most immigrants eligibility for a range of federal safety-net programs. Legal immigrants who arrive in the U.S. after welfare reform were made ineligible for TANF and Medicaid for five years, and were barred from receiving SSI and food stamps for ten years. In recognition that not only have those restrictions jeopardized the well being of citizen children of immigrant parents, but also that immigrants contribute to the U.S. economy through a high labor participation rate, many jurisdictions including Puerto Rico have allowed immigrants to remain eligible for safety-net programs but have had to do so with their own already limited funds. The federal reauthorization of TANF should restore nutritional and medical safety net benefits for lawfully present immigrants regardless of their date of entry including; supplemental Security Income (SSI), Food Stamps, Medicaid, State Child Health Insurance Program (SCHIP), and Temporary Assistance for Needy Families (TANF).

Teen Pregnancy

While teen pregnancy in the U.S. has declined since the 1990's and teen childbearing reached a record low of 49.7 births per 1000 15–19 year olds in 2000, Latina teens continued to have the highest birth rate in the nation, with 94.4 births per 1000 15–19 year olds in 2000, a slight increase from 1999. Three out of five Latinas in the U.S. become pregnant during their teen years. And according to the Department of Education in Puerto Rico, 92.2 percent of females in Puerto Rico are sexually active by the age of seventeen. To help decrease teen pregnancy TANF regulations should permit states to implement age-appropriate comprehensive sexual education programs that teach both abstinence and contraception.

Language

Latinos have moved off the welfare rolls at a slower rate than their white and black counterparts, in part, due to language barriers and low educational attainment. Lack of linguistically accessible services, lack of job training for persons with limited English proficiency as well as lack of bilingual staff, pervades TANF programs. In order to aid in breaking down some of the language barriers now present, states should be required to include ESL classes as a work training option, as well as to take information on clients' primary language and include it in their data collection and tracking of outcomes. Also the establishment of a supplemental fund to assist states in providing language services should be considered. These funds would aid states in hiring and recruiting bilingual staff, translating, printing and distributing materials, forms, etc. in multiple languages, and providing ESL classes. These services would aid the Puerto Ricans that migrate from the island to the mainland and are limited English proficient.

Members of Congress, thank you for your time and attention.

Statement of Mary Carraher, Executive Director, Project Self-Sufficiency of Loveland—Fort Collins, Colorado

Dear Friends in Washington:

Please include this statement with your testimony on welfare reform reauthorization. I have been the Executive Director of Project Self-Sufficiency of Loveland—Fort Collins (Colorado) for the past 12 years. I also serve on the Colorado State Auditor's Advisory Committee for the evaluation of the first five years of welfare reform in this state.

These experiences have convinced me of the importance of education as the most critical factor influencing the future of those families who receive public assistance. The current legislation and the updates proposed in H.R.4090 limit the ability of the State of Colorado and Larimer County to assist families in moving out of poverty and into living wage employment. Project Self-Sufficiency, a local nonprofit organization that is a spin-off of the 1985 HUD programs, has seen the greatest successes when single parents are able to return to school full-time and devote themselves to their educations and the care of their children. Many do work study for 15 hours while taking classes. Under the provisions of TANF, this plan is much more difficult, if not impossible, to implement.

We have seen low-income parents become computer specialists, nurses, teachers, dental hygienists, and social workers, among other careers. We have a participant who went on to become an attorney after leaving the program. We currently have a third year veterinary medicine student at Colorado State University. I will be visiting Washington May 13–17 for Wayne Allard's Capital Conference and would like to provide testimony in person at that time.

In order to facilitate greater educational opportunities for TANF participants restrictions need to be removed and states and counties need to be able to count students toward their participation rates, even when they are full-time, ongoing students. TANF recipients have five years total to change their lives and prepare for future support of their children. For many participants education is the best use of those five years.

I also want to underline the urgency of providing adequate child care funding to accompany TANF without draining the resources currently used for creative programs. Please provide the funding needed to finance the child care required to do the work you expect of program participants. Larimer County, Colorado is featured in last summer's edition of the Journal of Community Practice for excellence in the implementation of TANF locally. I would be happy to provide you with a copy of that article.

I close now, for fear I will lose my readers. I can be reached at 970.667.3232 x22 Thanks for listening,

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Sault Ste. Marie Tribe of Chippewa Indians
St. Ignace, Michigan 49781
April 12, 2002

Honorable Chairman Wally Herger
Committee on Ways and Means
Subcommittee on Human Resources
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Herger,

This letter is in support of the reauthorization of the welfare reform law, which is before your congressional committee. As Tribal Chairman of the Sault Ste. Marie Tribe of Chippewa Indians, I fully endorse and support our Native Employment Works Program.

Our N.E.W. program is one of several direct services we employ for our membership. It has been a key in providing long-term employment and with the support of the Welfare-to-Work and N.E.W. programs we have been able to help eliminate the cycle of dependence of tribal members on public assistance.

The positive aspects of these programs are very evident in data provided by the Native Employment Works program. Therefore, we feel it is vital that these kinds of resources continue to be available directly to the Sault Tribe through the legislation reauthorizing welfare reform before your committee.

Again, our Tribal Board lends full support for the past and future legislation which enables tribal members to achieve self-sufficiency and reduce their dependence on public assistance.

If I can be of further assistance, please do not hesitate to contact me at 906-635-6050.

Thank you in advance for your time and consideration in this matter.

Sincerely,

Bernard Bouschor
Chairman

Sault Ste. Marie Tribe of Chippewa Indians
St. Ignace, Michigan 49781
April 12, 2002

Honorable Chairman Wally Herger
Committee on Ways and Means
Subcommittee on Human Resources
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Herger:

This letter is in support of tribal NEW and WtW program. As director of the Sault Tribe of Chippewa Indians Native Employment Works Program. I have seen first hand the positive effect these programs have had on the Native American population in our service area.

The responsibility for assisting Indian families toward achieving self-sufficiency falls primarily on Indian Tribal governments. They have the closest relationship to the reservation population. Tribal governments are the basic providers of employment, education, and social services. We have in many cases through our NEW and WtW programs been able to break the cycle of dependence on public assistance.

You can see the overwhelming support these programs provide to our population in the Eastern Upper Peninsula of Michigan by reviewing our latest statistics (1–31–02), which are as follows:

Native Employment Works Program

63 Active Cases

- 45 clients are employed full-time (71% employment rate)
- 3 clients are medically exempt
- 2 are in G.E.D.
- 13 are in active job search

Our program plan in effect until 6/30/04 has a goal of at least 25% employment within six months on the program.

welfare-to-work Program

96 Active Cases

- 82 clients are employed (85% employment rate)
- 5 clients are medically exempt
- 4 clients are in active job search
- 2 are in an educational component

A unique feature of this program is the availability and use of wage reimbursement, which we have utilized for several cases. Our program runs through 5/12/03.

In this quick capsule summary, the positive aspects of these programs are very evident and supported. As the program director I would like to take this opportunity to add a quick human element to this letter. Being a life-long resident of the E.U.P. and knowing the social and economic conditions of tribal members, seeing these programs work and bringing self-esteem and economic independence to native peoples far outweigh raw data and statistics.

For these reasons, the Sault Tribe and Native Employment Works program lends its support behind any and all efforts to continue NEW, WtW and any other programs that help native peoples achieve social and economic self-independence.

The next few pages contain brief summaries of several cases that have had success through utilizing our programs. Thank you for your attention and cooperation in this matter.

Case #444

This client is a 36 year old Native American female. She is a single mother of two children. She had her children removed from her home due to her substance abuse. She applied for case assistance at the Chippewa County Family Independence Agency on November 7, 2001 and was referred to Native Employment Works program.

The client came in for her initial orientation with Native Employment Works on November 8, 2001. The Direct Service Worker (DSW) inquired about past employment history and barriers to employment. The client stated she had to go to jail from November 9 to November 16, 2001 for neglect charges due to her substance abuse. The DSW offered support and encouragement to the client. The client had skills in the optical field and as a bartender.

The client was set to begin a job skills class on November 19, 2001 but became employed by an optical clinic that same day. She was in need of insurance for her

car and work clothing and did not have any funds to pay for these. Native Employment Works provided her work clothing and a support service was approved to pay for her automobile insurance. Native Employment Works has also provided her with gasoline so she could drive the 22 miles to work everyday.

The client maintained employment and attended substance abuse classes. Her children were returned home and still reside with her. Her cash assistance never opened due to her being employed so soon. She recently needed car repairs and Native Employment Works was able to pay for the repairs to help her maintain her employment. The client is still employed and doing very well at her job.

Case #623

This client is a 35 year old Native American male. He is married with two children. The client's wife had recently lost her job in Iowa so the family relocated to the Upper Peninsula where they had family. He applied for cash assistance with the Chippewa County Family Independence Agency on January 22, 2002 and was referred to the Native Employment Works program.

The client came in for his initial orientation with Native Employment Works on January 23, 2002. The Direct Service Worker (DSW) inquired about past employment and skills that the client may have. He disclosed he had taken a course in baking and had a certificate. The DSW made a call to the Sault Tribe Human Resource Department to inquire about a lead baker's job. An interview for this job was set up with the client. He was selected for the job and began working on February 6, 2002.

The client's car was in need of major repairs. He lived approximately 25 miles from the job site. Support service requests were put in to repair the client's car and were approved. The client was able to use a family member's car while his was being repaired. Native Employment Works provided gasoline for the vehicle.

The client was able to move out of his parent's house and rent his own home. He was also able to get off cash assistance. His cash case closed on March 12, 2002. This client is still employed and doing very well at his job.

Case #141

This client is a 32-year old Native American female who resides in Chippewa County. This client is a single mother of four children but she only has three in custody. This client recently experienced domestic abuse and was in a temporary shelter seeking assistance. This client was a self-referral.

This client came in and needed a lot of assistance to help her. She already had a job but could not afford to fix her own vehicle so she can maintain employment to be able to provide for her children. This client went through many jobs (waitress, bartender, housekeeper, etc.). She disclosed that she would be interested in working with the elders. After the DSW made a few phone calls to the Human Resources Department, the client received an interview and did an excellent job. She is now working for the Sault Tribe under the Eldercare Services part-time and she loves her job.

This client received supportive services for auto repair, insurance, work clothes and gasoline. She is now moving into a bigger place so she can try to obtain custody of her fourth child. This client is also working full-time and spends quality time with her children during the evening and on weekends. She is no longer received any assistance from the Family Independence Agency, and will not consider receiving it. This client is devoted to doing as much as possible for her and her family to succeed.

Case #132

This is a self-referral case. The client does not have an active FIP case. Household size is two adults and four children. The client started a new job as a laborer in an auto shop and makes $9.00 per hour. He is expected to work 10 to 20 hours per week.

His family was living off his wife's full-time income for the past year. He stated his barriers to keeping new employment were the need for automobile repairs, auto registration, auto insurance, and the high cost of gasoline. Childcare was discussed but he did not require this service.

The client was provided with a letter of wage reimbursement eligibility of 50% up to a six-month training period to give to his employer. He was also helped with additional tribal services of LIHEAP heating assistance, Contract health, and HIP applications.

The client requested automobile repairs and provided two estimates with the request. He was approved to have his transmission rebuilt and also for the labor ex-

pense. He has also been provided with transportation costs of Shell Gas card. He must travel 15 to 20 miles one-way to work.

When the worker last saw this client, he and his family were doing well. He had received a raise and was working full-time. He also told the worker that his wife has received a raise, so they are doing extremely well. They have not had any problems with the car since the program paid to have his transmission rebuilt. With both adult household members now working full-time, the family is self-sufficient.

Case #264

This is a self-referral case. The client does not have an active FIP case. The household size is one adult and four children.

The client works as a bar server at the Kewadin Casino in Manistique making $4.70 per hour. She works 40 hours per week. He stated barriers to maintain employment were automobile repairs, automobile registration, automobile insurance, and the high cost of gasoline. Childcare was discussed but she does not need this service.

She has been provided with additional tribal services such as: heating assistance, Contract Health, Emergency assistance and HIP applications. The client has been helped with support services such as gasoline cards, automobile registration, automobile insurance, and automobile purchase. Due to an emergency, the client was approved for an automobile purchase after her vehicle was destroyed in a fire.

When the worker last saw the client, her and her family were doing well. She continues to work full-time of 40 hours per week and has received raises. The client was able to maintain her employment because of the tribes help in purchasing a new vehicle. This client has not recently requested support services.

Case #237

This client was a single parent with one child upon entering our program. The client possessed only a 7th grade education, but had an excellent work history. This client was employed at Subway, earning a wage of $7.75 per hour.

Through the wage reimbursement provided by our program, this client was able to advance to a Shift Manager at Subway.

Case #288

This client is a 32-year old, Native American, single mother of two children. Both the children are in her care and the family resides in Chippewa County. This client was a referral from the Family Independence Agency and went through our Native Employment Works program. She is now enrolled in the Welfare-to-Work program.

Throughout her time in our programs, she has attended Lake Superior State University and received her Bachelor of Science degree in Criminal Justice in December of 2000. This client was charged with Domestic Assault in July of 2001 and as a result lost custody of one of her children. Also, her diploma was going to invalid. She fought the charges, stating is was self-defense and they were eventually dismissed. This client is now working for Inter-Tribal as a Foster Care Specialist within Chippewa County and has custody of both her children.

This client received supportive services for automobile repair and insurance, gasoline and work clothing. She is doing very well at her job and also with her family. This client is now helping children within our community and she is giving back to our community.

Case #290

When this client entered the program, she was married with four children. She had worked with Adult Education to complete High School. At the time she was a seasonal employee with a local restaurant, earning a wage of $3.50 per hour.

Currently, this client is the Manager of the Local Animal Shelter. She was able to obtain this position through wage reimbursement provided though the program.

As these human stories and the overall statistics from our program indicate, the Sault Ste. Marie Tribe of Chippewa Indians has contributed to the success of welfare reform in our area.

That success would not have possible, however, without the financial assistance we have received from the Federal Government through the tribal employment programs authorized in Title IV–A of the Social Security Act. The Native Employment Works (NEW) program in Section 412 of the Act and the tribal component of the Welfare-to-Work program in Section 403 have given the tribe the resources to move our people from welfare into employment.

It is essential that these kinds of resources continue to be available directly to the tribe under the legislation reauthorizing welfare reform. For our clients to con-

tinue to move into and to success in the workforce, that legislation must contain provisions which:

- Provide direct funding to all Indian tribal governments for employment services for welfare recipients.
- Continue and expand the total level of support that has been available under both the NEW and tribal Welfare-to-Work programs. We endorse a minimum funding level of $37 million per year.
- Enable tribes to serve those receiving cash assistance, transitioning from cash assistance to employment or who are likely to go on cash assistance unless they receive services to insure that they become and remain employable.
- Allow the full range of employment, training and supportive services we know to be necessary to move welfare clients into employment.
- Include key program support elements, including technical assistance, a requirement that the regulations and other policy directives be developed in consultation with tribal governments and allowing tribes to integrate related services into a strong, effective approach to all the employment, education and other needs of tribal families.

With this kind of support in the reauthorization of the welfare reform law, the Sault Ste. Marie Tribe can continue to insure that all of our people that now must rely on public assistance to meet their basic needs can become productive, tax-paying members of Michigan's workforce.

We stand ready and anxious to work with the Committee to achieve this end.

Sincerely,

Michael Belonga
Native Employment Works Director

Statement of Washington's Working Families Campaign: 2002, Seattle, Washington

On behalf of the Washington's Working Families Campaign: 2002, we respectably submit our testimony for the hearing on welfare reform reauthorization proposals held by the Subcommittee on Human Resources of the Committee on Ways and Means.

Washington's Working Families Campaign: 2002 represents thousands of people around the state who are working poor or concerned about poverty in Washington. This coalition works to build support for policies that make reducing poverty the focus of TANF Reauthorization. It is a statewide coalition of organizations that represent welfare recipients, workers, children, women, people of faith, immigrants, concerned citizens and people of color.

WorkFirst in Washington State

As measured by the most often used standards, Washington State's welfare program, Workfirst, has been successful. case loads have fallen by over 40%. At any one time, more than 30% of parents who receive a grant for their children are working outside the home. Many of those who are not employed are looking for work or preparing for work. Low-income parents in Washington State are keeping their part of the bargain with the federal and state government—they have left welfare for employment.

However, while Washington's TANF program has succeeded in reducing case loads, it has not been successful at helping families move out of poverty and become self-sufficient. The average wage for parents leaving welfare is only $7.50 an hour. Working full time, the parent grosses $1,300 a month. After taxes, she may take home a little over $1,100. With added work related costs of transportation, medical co-payments, child care, coupled with the probable loss of food stamps, her disposable income is not much more than her welfare grant and her children have less time to spend with their custodial parent.

People leaving welfare have moved into jobs without sick leave and vacation. They are unable to take time off if their child becomes ill. They are unable to participate in parent/teacher conferences or school events. Because of their child care costs, many children who needed adult supervision became latch-key kids, coming home to empty homes and empty neighborhoods.

Even after three years, these adults have not seen significant wage progression. According to Washington State's study, only 45% of WorkFirst clients who left welfare in the summer of 1997 earned enough money to lift their families out of poverty three years later. Washington State has set a modest goal in the area of wage pro-

gression. They aim to have 45% of the families leaving welfare receive a 10% wage increase over a one year period. The state has yet to achieve even this modest goal during any month.

Workfirst was not successful in moving people out of poverty during the economic boom of the 1990s. Now our state faces a slumping economy, massive layoffs and the second highest unemployment rate in the country. Washington State's budget was in deficit this year and we have seen a new increase in welfare case loads. The governor and legislature cut over $50 million from programs that support low-income families. If expenditures continue at the present rate, the Washington State TANF budget will have a $200 million deficit in 2003–05 biennium.

TANF Reauthorization

As Congress revisits welfare reform, the members of our campaign hope that legislators will enact reforms to TANF that move families out of poverty and toward self-sufficiency. The goal of the TANF program should be changed from reducing welfare case load to reducing poverty among low-income families. State performance measures should be based on enhancing the economic well being of low-income families. States should be held accountable for and report on issues such as poverty reduction, job retention, wage levels, and wage progression and should be given bonuses for improvements in these areas.

Work Requirements

The increased work participation rates recommended by the Bush Administration would devastate most of the programs that have proven to help families become self-sufficient. The Puget Sound area faces a skills shortage, even as our economy has stalled. Employers are looking for skilled workers and the programs listed below benefit both job seeker and employer. Under the Administration's plan, these programs would be defunded or completely reoriented to accommodate the more stringent work requirements.

- *Pre-employment training,* offered by the state's community and technical colleges, provides 12–16 weeks of training for jobs with starting wages averaging $9 an hour. This is much higher than the average wage of someone leaving welfare.
- *Work based learning* pays the tuition of parents working 20 hours a week in unsubsidized employment for one or two quarters.
- For those with multiple barriers, the Community Jobs program places parents in a non-profit or public sector job. They work 20 hours a week for their welfare grant. Because their earnings are counted as wages, they are eligible for the Earned Income Credit and open a Social Security retirement account. In addition to the paid work, many are completing a high school equivalency program, getting counseling for themselves or their children or doing some other activity.

The Administration's proposal to raise work participation rates would force Washington State to revamp all of these successful programs to create massive unpaid "workfare" programs. The largest workfare program in New York has shown to be ineffective in increasing employment or wages of participants. Instead it has displaced other workers and failed to offer participants basic protections or access to training or new skills.

Funding

When he was governor, HHS Secretary, Tommy Thompson used to say that you couldn't do "welfare on the cheap"—without major investments in support services. The failure to increase the TANF block grant to keep pace with inflation means a real cut of 22% by 2007. Now, more that ever, our state needs the Federal Government to fully maintain its commitment to this vital safety net program.

Additionally, any proposal that includes a massive new work requirement with no new money for childcare, transportation or education would be an incredible burden on this and other states.

Time Limits

Families that are making every effort to lift their families out of poverty should not have their lifetime benefits clocks ticking. In Washington State, almost 40% of the parents who will hit the 5-year life time limit are working. Even though these parents are doing everything that is expected of them under welfare reform, they are exhausting their valuable 5-year limit. Parents who are working and receiving TANF cash assistance should not have to use up their benefits. Parents who are

"playing by the rules" should receive an extension beyond the 5-year lifetime limit, irrespective of the 20% extension cap.

Education and Training

As stated above, employers are looking for a skilled workforce, especially in the Puget Sound area. Even with the economic slow-down, there continues to be a need for skilled workers in the technical and health care fields. Both of these sectors start new workers at higher than average wages, provide a wage ladder and include benefits. Some jobs even offer the flexible schedule which single parents need. Without increased access to education and training, people leaving welfare cannot prepare for this type of secure employment.

We would like Congress to increase access to education and training so parents can get jobs that support their families. The new welfare bill should permit two years of vocational education and remove the cap that allows only 30% of the state's case load to access training and education.

Immigrants

In 1996, Washington State correctly decided to use state dollars to support legal immigrants. These new residents are a vital part of our economy and community. We need the Federal Government to assume this responsibility for cash assistance, social security benefits and food stamps.

The Members of Washington's Working Families Campaign: 2002 urge Congress to enact reforms to TANF that provide parents with the tools to move their families out of poverty and into self sufficiency. Thank you for your attention to our comments.

Washington's Working Families Campaign: 2002

Organizing Committee: Children's Alliance, Fremont Public Association, Fair Budget, Jewish Federation of Greater Seattle, Lutheran Public Policy of Washington State, Native American Coalition, Northwest Federation of Community Organizations, Statewide Poverty Action Network, Washington Alliance for Immigrant & Refugee Justice, Washington Association of Churches, Washington Community Action Partnership, Washington Citizen Action, Washington Coalition Against Domestic Violence, Washington State, Jobs With Justice, Welfare Advocates Group, Welfare Rights Organizing Coalition

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Statement of the Women's Institute for Housing and Economic Development, Boston, Massachusetts

Dear Congressman Herger:

Welfare reform has done little to ensure people move out of poverty but has moved people off of the rolls. Many people move into work, but remain poor, a fact that has been documented.[1] In some cases, they are poor with more complicated lives and less time to supervise their children. The goal of welfare reform should be to increase incomes to self-sufficiency levels, which in turn will increase the health and well being of families and communities. **Welfare reform can only lead to financial independence if there is a strong emphasis on education, job training, and job placement and retention. Higher education increases earnings, and reduces chances of unemployment and returning to the welfare rolls.** Child care, after school programs, and teen programs are needed to fill the void when parents are working.

We urge you to consider education and training as a large component of the required work related hours. Following we provide data and describe our experience with operating a college access program for low-income women. Please consider bill H.R. 3113 sponsored by Congresswoman Patsy Mink, in your deliberations. The bill improves work supports such as child care and education and training. It addresses barriers to economic self-sufficiency and requires benefits be sufficient to protect families against hunger and homelessness. Families cannot sustain themselves on minimum wage jobs and especially in high cost areas like Massachusetts they become homeless, ultimately costing the government more funding.

Approximately one-quarter of women on welfare do not have a high school diploma, and therefore must earn a GED during the time limit. Even with a GED or high school diploma, earnings will be low without vocational or college training.

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[1] Haskins, R. & Blank, R. (2001). Welfare Reauthorization. Joint Center for Poverty Research: Poverty Research News, 5(6),3–5.

Each year of college completed by welfare recipients raises the hourly wage by $1.14.[2] The same study showed that in 1998 the median hourly wage was $11.00 for welfare recipients who graduated. Research has shown that a community college degree raises a woman's income by 65%[3] and that a year of college can cut the poverty rate for Latinos and African Americans by more than half. The Bureau of Labor Statistics (2001) shows the median weekly earnings of women with a college degree was over $339 more per week than earnings of women with only a high school diploma. Women returning to college were found to show increases in confidence and better relationships with their children. Children's success in school has long been directly correlated to their mother's level of education.

In 1997, the Women's Institute for Housing and Economic Development piloted *Women in Community Development*, a four-year college access program at the University of Massachusetts in Boston. While most of the participants are former welfare recipients, 92% are currently working and attending school. While participants are highly motivated they are under considerable stress as they try to work full-time, attend college and care for their families. Attainment of their college degree would have been more expeditious and less stressful if they could have attended school full-time while on welfare. Current participants and graduates earn between $25,000–$42,000 per year in jobs mostly found through the program's network. These wages are considerably higher than the average entry level jobs that pays on average $8 per hour, or $16,000 per year. Leadership development, economic literacy and an individual development account program are all components of the Women in Community Development program. Attached are letters written by participants in the Women in Community Development program.

TANF needs to help families successfully make the transition to economic security. TANF reauthorization should learn from the state of Maine which promotes higher education for welfare recipients. In Maine, participation in a two-year degree program may count as the work requirement with no other work activity. The Parents as Scholars (PaS) program allows individuals to enroll in a four-year degree program at UMaine and participation in the program does not count toward the five year time limit for receipt of benefits under TANF.

TANF reauthorization should allow post secondary education to occur in order to move families into real economic security that will have lasting results. Women on welfare who are pursuing their education do not need more sanctions and stresses on their families. They need educational opportunities and supports to succeed as employees and parents.

Sincerely,

Felice Mendell
Executive Director

Exhibit A: Letters by participants

Letters from participants in the Women in Community Development program of the Women's Institute for Housing and Economic Development, 14 Beacon Street, Boston, MA 02108. Phone 617–367–0520 x22, Fax: 617–367–1676. Email: Lpeterson@wihed.org

Participant actual hand written letters will be faxed with the agency letter.

Participants who have written letters:

Theresa Melendez, 23 Dunlap Street Dorchester, MA 02124
Malikkah Phillips, 83 West Cottage Street, Dorchester, MA 02125
Rosamaria Clark, 50 Whitten Street #1 Dorchester, MA 02122
Emma Kigoni, 129 Devon Street Dorchester, MA 02121
Judith Gaston, 63 Rosewood Street Mattapan, MA 02126
Michelle Ekanem, 7 Steadman Rd. #301 Lexington, MA 02421
Jessica Dawn, 40 Draper Street Dorchester, MA 02122

Dorchester, Massachusetts 02124
April 13, 2002

Dear Congress Member:

[2] Karier, Thomas (1998). Welfare Graduates: College and Financial Independence. http://www.levy.org/docs/pn/98–1.html

[3] Boldt, Nancy. (2000). From welfare, to college, to work: support factors to help students persist and succeed and the economic social outcomes of degree attainment. Unpublished doctoral dissertation, University of Vermont.

I am Theresa Melendez, I live in Dorchester Massachusetts. I attend a program that's helping me achieve higher education after a long absence from school. I have two children. This letter is to let you know that I support the measure of TANF that increase funding for TANF so that women may have a real chance to participate in education and training programs that would better prepare them to face the world without assistance. In that train of thought the time women take to study should be counted towards the state's work requirement. I emphatically oppose Bush's TANF proposal. Furthermore the number of hours women are required to work shouldn't be increased. As it stands now the job market is scarce, people who have graduated can't find jobs, how does there proposed changes assume that a woman with children who is trying to make it through school, is going to find a 40 hour job? Also the limit for vocational education should be expanded to a 24 month limit. These are my positions in regards to TANF, hope you can look into it.

Sincerely,

Theresa Melendez

Dorchester, Massachusetts 02125
April 13, 2002

Dear Members of Congress:

My name is Malikkah Phillips and I live in the community in which you serve. I am a mother of four children, full-time college student and a full-time employee of a non-profit agency in the same community.

I am writing to ask you to support the right for single mothers on TANF to stay in school. This means assisting them with sufficient child care.

Malikkah Phillips

Dorchester, Massachusetts 02122
April 13, 2002

Dear Members of Congress:

My name is Rosamaria Clark. I am currently participating in a women's group I like in your city. I urge the reauthorization of TANF. Especially the support to women to continue their education and training and in order for them to do this they also need the support of child care. Your support will help women to become more self sufficient.

Rosamaria Clark

Dorchester, Massachusetts 02121
April 13, 2002

Dear Member of Congress:

My name is Emma and I live in Dorchester, Massachusetts. I am writing you to ask that you reauthorize TANF in support for poor and low-income women who want to attend a four year university. As a former welfare recipient who is now employed and is able to support her family of five, only because I was able to go to college and get an education that gave me the skills I needed to move out of poverty.

Thank you for your attention in this matter.

Emma Kigoni

Mattapan, Massachusetts 02126
April 13, 2002

Dear Member of Congress:

My name is Judith Gaston and I live in Boston, Mattapan to be exact. I am currently working on my bachelor's degree at UMass Boston. The organization helping me with the funding for my education is Women in Community Development, which brings me to the point of this letter.

I am a low-income woman who just got bid off from my job. Without the support from my community leaders to increase overall TANF funding, a lot of women just like myself will suffer. We won't be able to get the proper education needed in order to improve ourselves and better our futures.

Thank you for your time.

Judith Gaston

Lexington, Massachusetts 02421
April 13, 2002

Dear Member of Congress:

My name is Michelle Ekanem. I reside in the Lexington area. I am aware that several bills are before you regarding TANF, Transitional Aid for Needy Families. From my perspective as well as many others, Educational and Training supports are necessary for stabilization within low economic households. Many years ago, I received governmental supports with TAFDC now TANF and through this assistance I have achieved professional and economic stability to raise my family. It is crucial, particularly in difficult economic times that the USA stand by their most needy populations as all of the commonwealth population has stood with the government. Hard times must cause the government to assist, not use it as a reason to not assist.

With respect,

Michelle Ekanem

Dorchester, Massachusetts 02122
April 13, 2002

Dear Member of Congress:

My name is Jessica Dawn and I am a resident of Dorchester (Fields Corner). I am writing you on the subject matter of TANF. I am a mother of four children, two in high school, one in K–2, and one in preschool. I am a strong believer in an individual being able to accomplish their educational goals. As you are well aware, without a solid foundation of strong educational skills, it is hard to find and maintain a good job, let alone a stable career. I am currently working on my Bachelor's degree in Management of Human Services to go along with my Associate's degree in Business Administration. I beg of you to vote to allow our low-income families to pursue their education on higher levels so that they can become economically self-sufficient.

This is so very important. Education is the key, Education is knowledge, knowledge is power. Let's give our families power to take care of themselves.

Thank you in advance for your time and cooperation.

Jessica Dawn

Statement of Bill Wood, Charlotte, North Carolina

INTRODUCTION

Welfare reform, enacted by Congress and signed by President Clinton in 1996, recognized the vital importance of marriage and family, in fact, 3 out of the 4 provisions related to marriage or family. Welfare reform requires states to pursue "job preparation, work and marriage . . . prevent and reduce the incidence of out-of-wedlock pregnancies . . . [and] encourage the formation and maintenance of two-parent families." In spite of this overwhelming requirement, the focus of reforms seems to be principally on job preparation and work. It has been recognized as a bi-partisan, cultural imperative that the other three issues are part of welfare reform. Reauthorization must address the other 3 out of 4 issues more thoroughly. In order to begin to promote marriage, reduce illegitimacy, and encourage families we must curb the trends of divorce and fatherlessness. Father absence, a byproduct of divorce, illegitimacy, and the erosion of the traditional family, is responsible for; filling our prisons, causing psychological problems, suicide, psychosis, gang activity, rape, physical and sexual child abuse, violence against women, general violence, alcohol and drug abuse, poverty, lower academic achievement, school drop-outs, relationship instability, gender identity confusion, runaways, homelessness, cigarette smoking, and any number of corrosive social disorders.[1]

Many anti-marriage detractors foist "privacy" propaganda about intrusions into marriage while ignoring laws designed to regulate every facet of marriage, divorce, child custody, and child support (or repackaged alimony[2]). How much more control over personal decisions could a government exercise? They claim there is little research on promoting marriages and healthy families while shrieking that taxpayers should pay untold billions on disastrously failed anti-family/anti-marriage experi-

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[1] US House Testimony 107–38, June 28, 2001. Pg. 94–104. 83 noted references. Online version is at http://waysandmeans.house.gov/humres/107cong/6–28–01/record/chillegalfound.htm

[2] H.R. 1488, The "Hyde-Woolsey" Child Support Bill. Serial No. 106–107. p. 98–100 subhead "When Child Support becomes Tax Free Alimony." (March 16, 2000)

ments which have created more non-married "families" than married.[3] These detractors demand bias and discrimination against "traditional" family structures by insisting taxpayers subsidize every alternative to traditional families. They then cry "foul" about marriage and family promotion. Modern anti-marriage factions and policies promote a frighteningly bizarre and violent attack on marriage, families, women and children.

CAN ANYONE HEAR THE CHILDREN CRY?

The casualties of the "divorce revolution" are the children;[4] contrary to those who support easier divorce, and protest marriage, "[t]here is substantial evidence that the process of going through their parents' divorce and the resulting changes in their lives are psychologically costly for most children."[5] "The impact of the marital disruption was most pronounced among girls, who skipped school more frequently, reported more depressive behavior, and described social support in more negative terms than did boys from recently disrupted homes."[6] Math scores for girls are dramatically reduced without their biological father in the home.[7] "Among teenage and adult populations of females, parental divorce has been associated with lower self-esteem, precocious sexual activity, greater delinquent-like behavior, and more difficulty establishing gratifying, lasting adult heterosexual relationships. It is especially intriguing to note that, in these studies, the parental divorce typically occurred years before any difficulties were observed."[8] Children of divorced parents are significantly more likely to become delinquent by age 15, regardless of when the divorce took place[9] and boys without an intact family were twice as likely to end up behind bars,[10] with one Wisconsin study showing juvenile delinquent incarceration 12 times higher for children from divorced families.[11] "Most victims of child molestation come from single parent households or are the children of drug ring members."[12] Stepchildren are abused, psychologically, physically, and sexually, far more often than their peers from intact families[13] with re-marriage and step-parenting posing one of the greatest risk factors for child abuse and child sexual abuse,[14] second only to abuse in single-parent homes.

BLACK COMMUNITY

In the 1940's 18% of black women divorced,[15] in 1960 (just before "no-fault" and modern welfare) 3 out of 4 black children were born in marriage;[16] yet by the late 60's and early 70's, the divorce rate had reached 60%.[17] In the 80's, for 25 year olds,

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[3] United states Census Bureau, U.S. Dept. of Commerce, U.S. Dept. of Commerce News (May 15, 2001), http://www.census.gov/Press-Release/www/2001/cb01cn67.html

[4] Judith S. Wallerstein et al., The Unexpected Legacy Of Divorce: A 25 Year Landmark Study (2000); Judith S. Wallerstein & Sandra Blakeslee, Second Chances: Men, Women, And Children A Decade After Divorce (1989); Robert F. Cochran, Jr. & Paul C. Vitz, Child Protective Divorce Laws: A Response to the Effects of Parental Separation on Children, 17 Fam. L.Q. 327 (1983)

[5] Elizabeth S. Scott, Rational Decision making About Marriage and Divorce, 76 Va. L. Rev. 9, 29 (1990)

[6] The Effects of Marital Disruption on Adolescents: Time as a Dynamic A. Frost, PhD; B. Pakiz, EdM, American Journal of Orthopsychiatry, 60(4), October, 1990

[7] David Popenoe, Life Without Father (New York: Martin Kessler Books, 1995), p. 148

[8] Long-Term Effects of Divorce on Children: A Developmental Vulnerability Model Neil Kalter, Ph.D., University of Michigan, American Journal of Orthopsychiatry, 57(4), October, 1987

[9] Abbie K. Frost and Bilge Pakiz, "The Effects of Marital Disruption on Adolescents: Time as a Dynamic," American Journal of Orthopsychiatry, Vol. 60 (1990), pp. 544–555; David B. Larson, James P. Swyers, and Susan S. Larson, The Costly Consequences of Divorce (Rockville, Md.: National Institute for Healthcare Research, 1995), p. 123.

[10] Cynthia C. Harper and Sara S. McLanahan, "Father Absence and Youth Incarceration." Annual Meeting of the American Sociological Association (1998 San Francisco).

[11] Wisconsin Department of Health and Social Services, Division of Youth Services, "Family Status of Delinquents in Juvenile Correctional Facilities in Wisconsin," April 1994.

[12] Los Angeles Times, 16 September, 1985. Cited in Amneus, The Garbage Generation

[13] David M. Fergusson, Michael T. Lynskey, and L. John Horwood, "Childhood Sexual Abuse and Psychiatric Disorders in Young Adulthood: I. Prevalence of Sexual Abuse and Factors Associated with Sexual Abuse," Journal of the American Academy of Child and Adolescent Psychiatry, Vol. 34 (1996), pp. 1355–1364.

[14] US House Testimony 107–38, June 28, 2001. Pg. 96–97. Online version is at http://waysandmeans.house.gov/humres/107cong/6–28–01/record/chillegalfound.htm

[15] Dennis A. Ahlburg and Carol J. DeVita, "New Realities of the American Family," Population Bulletin 47, no.2 (August 1992): 15.

[16] Christopher Jencks, "Is the American Underclass Growing," 86, Table 14. In Jencks and Peterson, eds., Urban Underclass, (Wash, D.C.: Brookings Institution, 1991).

[17] Dennis A. Ahlburg and Carol J. DeVita, "New Realities of the American Family," Population Bulletin 47, no. 2 (August 1992): 15.

there were 3 unmarried black women to each black man with a decent job.[18] Early 90's African American children could expect to spend just 16% of their time in a married household, while Hispanics could expect 67% and Caucasians 80%.[19] The most common arrangement for black children under 6 (42% of the time), was to live with a mother who never married while all black children were only ½ as likely as whites to be living with both parents, and 8 times as likely to be living with a single mom.[20] "Exposure to single motherhood at some point during adolescence increases the risk [of a daughter becoming a single mom] by nearly [150 percent] for whites and . . . by about 100 percent for blacks."[21] Married black family birthrates now average less than 1 child per marriage, if not for out-of-wedlock children, the African American population would quickly die off.[22] The affects of growing up without both parents from similar communities increases the likelihood of jail time, public housing, welfare, and similar life experiences did not increase this likelihood only the lack of the presence of two biological parents.[23] The situation has become so critical that during the days of slavery a black child was more likely to grow up living with both parents than today.[24]

"African Americans marry later, are about twice as likely to divorce, and less likely to ever marry; yet [their] views of the importance of marriage are similar to those held by members of other ethnic groups."[25] By age 30, only 45% of black women have married compared to 80% of white women.[26] The high mortality and incarceration rate of black men has resulted in a serious gender imbalance in the African-American community leaving few marriageable men.[27] Changes in family structure explain 97 percent of black and 99 percent of white families' poverty spells—not only unwed childbearing but also divorce.[28]

"NO-FAULT" IS AN ANTI-MARRIAGE, ANTI-FAMILY, COUNTRY DESTROYING DISASTER

No-fault was a 1969 California revolution enacted in all 50 states by 1985. "[N]o-fault divorce law had a significant positive effect on the divorce rate across the 50 states,[29] "especially for families with children,[30] giving America first place, by an enormous margin, in the worldwide divorce race. From 1960 to 1990, children living

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[18] Daniel T. Lichter, D. McLaughlin, F. LeClere, G. Kephart, and D. Landry, "Race and the Retreat from Marriage: A Shortage of Marriageable Men?" American Sociological Review 57 (December 1992): pp. 781–99.

[19] Larry Bumpass and Hsien-Hen Lu, 1998. "Trends in Cohabitation and Implications for Children's Family Contexts in the U.S." Paper presented at the 1998 annual meeting of the Population Association of America (www.ssc.wisc.edu/cde/cdewp/home.htm): See Table 6.

[20] Maggie Gallagher. The Abolition of Marriage p. 117, citing Andrew J. Cherlin, Marriage, Divorce, Remarriage, rev. and enl. ed., (Cambridge, Mass.: Harvard Univ. Press, 1992), 98–99.

[21] Sara S. McLanahan, "Family Structure and Dependency: Reality Transitions to Female Household Headship," Demography 25, Feb., 1988, 1–16. Cited in Daniel Amneus, The Garbage Generation, (Alhambra, CA: Primrose Press, 1990), p. 240

[22] Reynolds Forley, "After the Starting Line: Blacks and Women in an Uphill Pace," Demography 25, no. 4 (November 1988): 487, Figure 6.

[23] M. Anne Hill and June O'Neill,. Underclass Behaviors in the United States: Measurements and Analysis of Determinants (New York: City University of New York, Baruch College, 1993) p. 90.

[24] Andrew J. Cherlin, Marriage, Divorce, Remarriage, rev. and enl. ed., (Cambridge, Mass.: Harvard Univ. Press, 1992), 110. See also Herbert G. Gutman, The Black Family in Slavery and Freedom, 1750–1925 (New York: Pantheon, 1976). See also Stanley L. Engerman, "Black Fertility and Family Structure in the U.S. 1880–1940," Journal of Family History 2 (Summer 1977): 177ff. Cited in The Abolition of Marriage, by Maggie Gallagher p. 117

[25] M. Belinda Tucker, 2000. "Marital Values and Expectations in Context: Results From a 21 City Survey" in Linda J. Waite et. al (eds) The Ties That Bind: Perspectives on Marriage and Cohabitation (New York: Aldine de Gruyter).

[26] Christine Bachrach, Michelle J. Hindin, and Elizabeth Thomson, (in press) 2000. "The Changing Shape of the Ties that Bind" in Linda J. Waite, et. al. (eds) The Ties That Bind: Perspectives on Marriage and Cohabitation (New York: Aldine de Gruyter).

[27] William A. Darity, Jr. and Samuel L. Myers, Jr., "Family Structure and the Marginalization of Black Men," Policy Implications" in The Decline in Marriage Among African Americans: Causes, Consequences, and Policy Implications, ed. M. Belinda Tucker and Claudia Mitchell-Kernan. (New York: Russell Sage Foundation, 1995), pp. 263–308.

[28] Thomas J. Kneisner, et. al., 1988. "Getting into Poverty Without a Husband, and Getting Out, With or Without" American Economic Review 78 (May): 86–90.

[29] Paul A. Nakonezny, Robert D. Schull and Joseph Lee Rodgers, "The Effect of No-Fault Divorce Law on the Divorce Rate Across the 50 States and Its Relation to Income, Education and Religiosity," Journal of Marriage and the Family, 1995, 57:477–488; Ailsa Burns and Cath Scott, Mother Headed Families and Why They Have Increased, (Hillsdale, N.J.: Lawrence Erlbaum Associates Publishers, 1994), p. 5,9.

[30] Martin Zelder, "The Economic Analysis of the Effect of No-Fault Divorce Law on the Divorce Rate," Harvard Journal of Law and Public Policy 16, No. 1: 241ff.

with a divorced parent increased 352%[31] and from 1970 to 1994 divorced adults quadrupled from 4.3 million to 17.4 million.[32] "If the family trends of recent decades are extended into the future, the result will be not only growing uncertainty within marriage, but the gradual elimination of marriage in favor of casual liaisons oriented to adult expressiveness and self-fulfillment. The problem . . . is that children will be harmed, adults will probably be no happier, and *the social order could collapse*."[33] "Seldom in U.S. history have laws been enacted with higher hopes and poorer results than the no-fault divorce statutes."[34] "In his book, The American Sex Revolution, Harvard sociologist Pitirim Sorokin reviewed the history of societies through the ages, and found that *none survived after they ceased honoring and upholding the institution of marriage between a man and a woman*."[35] "Marriage is displacing both income and race as the great class divide of the new century."[36] Young couples marrying for the first time face a 40–50% chance of divorce.[37] "The divorce revolution—the steady displacement of a marriage culture by a culture of divorce and unwed parenthood—has failed. It has created terrible hardships for children, incurred unsupportable social costs, and failed to deliver on its promise of greater adult happiness. The time has come to shift the focus of national attention from divorce to marriage and to rebuild a family culture based on enduring marital relationships."[38]

Maggie Gallagher sums up the current "No-fault" mess by noting "[y]ou can't force two people to stay married . . . *Divorce, however, is not usually the act of a couple, but of an individual. Eighty percent of divorces in this country are unilateral, rather than truly mutual, decisions*. Rather, the divorce revolution can be more accurately described as a shift of power, favoring the interests of . . . the spouse who wishes to leave over . . . the spouse who is being abandoned and over . . . the children whose consent is not sought."[39] "[Nor is cohabitation] in children's or the society's best interest . . . it has weakened marriage and the intact, two-parent family and thereby *damaged our social well-being, especially that of women and children*."[40] Cohabitating doesn't improve mental health,[41] heightens disagreements while lowering relationship quality, creates relationship instability,[42] while increasing depression, drunkenness,[43] drug use, promiscuity,[44] and the risk of divorce[45] as much as 80%.[46] These findings are consistent with numerous international studies in Western countries.[47] Pre-marital sex created "a considerably higher risk of marital disruption than women who were virgin brides."[48]

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[31] U.S. Department of Commerce, Bureau of the Census, Current Population Reports, p. 23, No. 180, "Marriage, Divorce and Remarriage in the 1990's."

[32] Arlene Saluter, Marital Status and Living Arrangements: March 1994, U.S. Bureau of the Census, March 1996; series P20–484, p, vi.

[33] David Popenoe, "Modern Marriage: Revisiting the Cultural Script," Promises to Keep, 1996, p. 248.

[34] Allen M. Parkman, No-Fault Divorce: What Went Wrong?, (Boulder, CO: Westview Press, 1992), p. 53.

[35] Linda Bowles. Damage for the Children. June 13, 2000. Worldnet Daily online.

[36] Jonathan Rauch, The Widening Marriage Gap: America's New Class Divide, National Journal. May 18, 2001.

[37] U.S. Census Bureau, Current Population Reports, P23–180, 1992, p. 5

[38] Council on Families in America, Marriage in America, A Report to the Nation, 1995.

[39] Maggie Gallagher. The Abolition of Marriage: How We Destroy Lasting Love. Regnery Publishing (Wash., D.C.)

[40] David Popenoe & Barbara Dafoe Whitehead, Should We Live Together? What Young Adults Need to Know about Cohabitation before Marriage, A Comprehensive Review of Recent Research (The National Marriage Project) http://www.smartmarriages.com/cohabit.html

[41] Marilyn Elias. Marriage Makes For A Good State Of Mind. USA TODAY, August 14, 2000 p. 6D.

[42] Jan E. Stets, "The Link Between Past and Present Intimate Relationships," Journal of Family Issues, 1993, 14:236–260.

[43] Jan E. Stets, "Cohabiting and Marital Aggression: The Role of Social Isolation," Journal of Marriage and the Family, 1991, 53:669–680

[44] Michael D. Newcomb and P.M. Bentler, "Assessment of Personality and Demographic Aspects of Cohabitation and Marital Success," Journal of Personality Assessment, 1980, 44:11–24.

[45] William G. Axinn and Arland Thornton, "The Relationship Between Cohabitation and Divorce: Selectivity or Casual Influence?," Demography, 1992, 29:357–374.

[46] Neil G. Bennett, Ann Blanc Klimas and David E. Bloom, "Commitment and the Modern Union: Assessing the Link Between Premarital Cohabitation and Subsequent Marital Stability," American Sociological Review, 1988, 53:127–138.

[47] Axinn and Thornton, 1992, p. 374.

[48] Joan R. Kahn and Kathryn A. London, "Premarital Sex and the Risk of Divorce," Journal of Marriage and the Family, 53 (1991): 845–855.

PERPETUATING THE CYCLE OF DIVORCE

Children raised apart from both of their biological parents were twice as likely to drop out of school with girls twice as likely to get divorced,[49] 2 to 3 times more likely to have behavioral or emotional problems,[50] and 3 times more likely to bear children out of wedlock.[51] Each year in America at least 1.2 million babies are born to unmarried parents[52] and children born out of wedlock reduce a girl's chances for marriage.[53] Children from divorced homes tend to repeat the divorce cycle themselves[54] with the likelihood of repeating the divorce cycle 76% higher than their peers from intact families.[55] Divorced parents have a higher risk of a second divorce upon re-marriage, and their children on average do no better than children from single-parent homes.[56] Perpetuating the cycle of marriage and divorce is more psychologically destructive to children than a stable residence.[57] Re-marriages with stepchildren are more likely to fail (and end in divorce) than re-marriages that do not involve children[58] while half of all children will see their parent's marriage fail, of those, half will see a second marriage breakup, and "ten percent of children of divorce will go on to witness three or more family breakups."[59] Children learn about commitment and the permanence of marriage from their parents and divorce undermines that sense of commitment and permanence making them much more likely to divorce as adults.[60] "We as a society are failing to teach the next generation about the meaning, purposes, and responsibilities of marriage. *If this trend continues, it will constitute nothing less than an act of cultural suicide*."[61]

States with high levels of joint physical child custody in divorce show declining rates of divorce while policies that support or promote sole custody appear to contribute to high divorce rates.[62] "Family" court judges, and anti-family lawyers vehemently oppose joint custody. The Colorado Judiciary even went so far as to submit a report to the legislature opposing a presumption of joint custody on the grounds that it would increase the costs to society.[63] Anyone who has been through the "divorce industry" meat grinder knows first hand why many state judges and lawyers want to continue the wholesale butcher and destruction of marriage and the attendant ruination of our Constitutional posterity (the children)—, it pays well. Why else would they continue to support a system that has been equated with child abuse and the destruction of children?[64]

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[49] Larry L. Bumpass and James A. Sweet. 1995. "Cohabitation, Marriage and Union Stability: Preliminary Findings from NSFH2." NSFH Working Paper No. 65. Center for Demography and Ecology: University of Wisconsin-Madison.

[50] Nicholas Zill and Charlotte A. Schoenborn. 1990. "Developmental, Learning, and Emotional Problems: Health of Our Nation's Children, United States, 1988." Advance Data, National Center for Health Statistics, No. 120, p. 9.

[51] Andrew J. Cherlin, et. al., 1995. "Parental Divorce in Childhood and Demographic Outcomes in Young Adulthood" Demography 32: 299–318; Paul R. Amato and Alan Booth, A Generation at Risk (Cambridge, Mass.: Harvard Univ. Press, 1997): 84–119

[52] U.S. Bureau of the Census, 1998. Statistical Abstract of the United States: 1998 (Washington, D.C.: U.S. Department of Commerce). See Table 101.

[53] Neil G. Bennett, et. al, 1995. "The Influence of Nonmarital Childbearing on the Formation of First Marriages" Demography 32(1): 47–62.

[54] Paul R. Amato, "What Children Learn From Divorce" Population Today, (Washington, DC: Population Reference Bureau, January 2001); Nicholas H. Wolfinger, "Beyond the Intergenerational Transmission of Divorce" Journal of Family Issues 21–8 (2000): 1061–1086

[55] Paul R. Amato and Alan Booth, A Generation at Risk (Cambridge, Mass.: Harvard Univ. Press, 1997), p. 115

[56] Andrew J. Cherlin, 1992. Marriage, Divorce, Remarriage (Cambridge, MA: Harvard Univ. Press): 84–86.

[57] Frank Furstenberg, "Is the Modern Family a Threat to Children's Health?" Society 36 (1999): p. 35.

[58] Arland Thornton and Deborah Freedman, "The Changing American Family," Population Bulletin, vol. 38, no. 4 (Washington, D.C.: Population Reference Bureau, Inc., 1983), 10.

[59] Maggie Gallagher. The Abolition of Marriage: How We Destroy Lasting Love. Regnery Publishing (Wash, D.C.). p. 76

[60] Paul R. Amato, "What Children Learn From Divorce" Population Today, (Washington, DC: Population Reference Bureau, January 2001); Nicholas H. Wolfinger, "Beyond the Intergenerational Transmission of Divorce" Journal of Family Issues 21–8 (2000): 1061–1086

[61] Council on Families in America, Marriage in America, A Report to the Nation, 1995. pg 4.

[62] Richard Kuhn and John Guidubaldi. Child Custody Policies and Divorce Rates in the US. 11th Annual Conference of the Children's Rights Council October 23–26, 1997. Washington, D.C.

[63] Al Knight. A Good Bill was Ambushed. Denverpost Online April 10, 2002.

[64] David R. Francis, "Is Making Divorce Easier Bad for Children?" NBER Digest, February 2001; based on Jonathan Gruber, "Is Making Divorce Easier Bad for Children? The Long Run Implications of Unilateral Divorce," NBER Working Paper No. 7968, October 2000, National Bureau of Economic Research.

EXPLODING MANY OF THE ANTI-MARRIAGE MYTHS AND PROPAGANDA

"The single most powerful predictor of stress-related physical, as well as emotional illness is marital disruption." Divorce early death from hypertension, suicide, cardiovascular disease, and cancer.[65] Divorced or separated men experience psychiatric care at 10 times that of married men and women at 5 times that of married women.[66] Those "who lived alone or [cohabited] had significantly shorter survival times compared with those living with a spouse. . . the [survival factor] was the presence of a spouse."[67] For women, being unmarried is riskier than being 20 pounds overweight, poor, or having cancer and men can add heart disease to the list.[68]

"[Children's] relations with parents appear to suffer, on average, more when parents divorce than when unhappily married parents stay together."[69] "Divorce often causes a bitter dispute between the parents, even worse than before the divorce was decided upon. Two-thirds of angry divorces remain that way after 5 years of being separated, and one-quarter to one-third of those divorces that were initially in good spirits had degenerated to open conflicts."[70] Conversely, 86% of unhappy marriages that didn't give up were able to turn their marriages around within 5 years and subsequently claimed they were happy, or very happy;[71] this study also indicated that "[a] bad marriage is nowhere near as permanent a condition as we sometimes assume." "Significantly more child behavioral problems are found in those families that have an unsatisfactory marriage than in those with a happy marriage, but the behavioral problems from the single-parent families are far worse than in unhappily married families."[72] Even in "high-conflict" marriages, children are still devastated by their parent's divorce.[73] Negative affects of divorce on children are long-lasting and traumatic, and may become worse in adulthood.[74] "The common belief that parental divorce poses long-term hazards for the children involved is supported by [an] analysis of longitudinal data from . . . a nationally representative sample of American youth . . . Effects of marital discord and family disruption were visible twelve to twenty-two years later in poor relationships with parents, and [there is] increased likelihood of dropping out of high school and receiving psychological help."[75]

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[65] Susan Larson and David Larson, M.D., M.S.P.H., "Divorce: A Hazard to Your Health?" Physician, May/June 1990, p. 14.; B.M. Rosen, H.F. Goldsmith, and R.W. Rednick, Demographic and Social Indicators from the U.S. Census of Population and Housing: Uses for Mental Health Planning in Small Areas (Rockville, MD: National Institute of Mental Health, 1977).

[66] B.R. Bloom, S.W. White, and S.J. Asher, "Marital Disruption as a Stressful Life Event," Divorce and Separation: Context, Causes and Consequences (New York: Basic Books, 1979). Cited in Susan Larson and David Larson, M.D., M.S.P.H., "Divorce: A Hazard to Your Health?" Physician, May/June 1990, p. 14.

[67] Maradee A. Davis, John M. Neuhaus, Deborah J. Moritz and Mark R. Segal, "Living Arrangements and Survival among Middle-Aged and Older Adults in the NHANES I Epidemiologic Follow-up Study," American Journal of Public Health, 1992, 82:401–406.

[68] Linda Waite, "Does Marriage Matter?" Demography 32 (1995): 483–507.

[69] Paul R. Amato and Alan Booth, A Generation at Risk (Cambridge, Mass: Harvard Univ. Press, 1997) p. 77–78

[70] Maggie Gallagher. The Abolition of Marriage: How We Destroy Lasting Love. Regnery Pub. (Wash, D.C.). p. 103

[71] Linda J. Waite and Maggie Gallagher, 2000. The Case for Marriage: Why Married People Are Happier, Healthier and Better-Off Financially (New York: Doubleday, 2000).

[72] "No-Fault Divorce: Proposed Solutions to a National Tragedy," 1993 Journal of Legal Studies 2, 22, citing Carolyn Webster-Stratton, The Relationship of Marital Support, Conflict, and Divorce to Parents' Perceptions, Behaviors, and Childhood Conduct Problems, 51 Journal of Marr. and the Family 417–430 (1989).

[73] Linda Waite and Maggie Gallagher, The Case for Marriage (New York: Doubleday, 2000): p. 146

[74] Judith Wallerstein, Julia M. Lewis and Sandra Blakeslee, The Unexpected Legacy of Divorce (New York: Hyperion, 2000); Andrew J. Cherlin, P. Lindsay Chase-Landsdale, and Christine McRae, "Effects of Parental Divorce on Mental Health Throughout the Life Course" American Sociological Review 63 (1998): 239–249; Paul R. Amato and Alan Booth, A Generation at Risk (Cambridge, MA: Harvard Univ. Press, 1997)

[75] Nicholas Zill, et al., "Long-Term Effects of Parental Divorce on Parent Child Relationships, Adjustment and Achievement in Young Adulthood," Journal of Family Psychology, 1993, 7:91–103.

Men with lower levels of education have fewer employment opportunities,[76] they then end up with low wages causing them to marry less[77] and divorce more than those with higher earnings.[78] Where men earn over 50% of the household income, divorces were significantly reduced[79] while women with greater incomes have less incentive to work out marital issues and were more likely to seek a divorce.[80] Poverty is a consequence of not being married and of marital disruption such as divorce.[81] Children from low-income intact families academically outperform children from high-income single parent homes.[82]

Abortion and contraception which started in the late 60's and early 70's changed cultural, social, and moral values so quickly and dramatically that as "traditional" barriers fell, more women who would ordinarily abstain from sex then conceded, more children were born out of wedlock, and marriage rates declined.[83]

BENEFITS OF MARRIAGE

Both men and women benefit from marriage[84] while those who succeed in marriage are more likely to be from an intact home, better educated, white, and more affluent.[85] "Married adults are more productive on the job, earn more, save more, have better physical and mental health, and live longer according to an extensive review of research conducted by scholar Linda Waite."[86] The University of Massachusetts[87] and the UCLA School of Medicine[88] have both conducted studies supporting longer life and better physical and emotional health of married people. According to the UCLA School of medicine study, married people are "happy and contented with life," have lower rates of suicide and mental health problems, lower rates of alcoholism, even when they are unhealthy married couples still live longer.[89] These findings are a cross-cultural human condition as evidenced by a survey of 18,000 adults in 17 industrialized nations showing the positive mental health of married persons verses the unmarried.[90]

Marriage increases employment responsibility among fathers at child birth; they had unemployment rates of less than 10% while unmarried fathers had unemploy-

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[76] Francine D. Blau, Lawrence W. Kahn and Jane Waldfogel, "Understanding Young Women's Marriage Decisions: The Role of Labor and Marriage Market Conditions," Industrial and Labor Relations Review 53, no. 4 (July 2000): pp. 624–48.

[77] Frank F. Furstenberg, Jr. "The Future of Marriage," American Demographics 18 (June 1996), pp. 39–40; Robert Nakosteen and Michael Zimmer, "Men, Money, and Marriage" Social Science Quarterly 78 (1997), pp.; Francine Blau, Lawrence Kahn, and Jane Waldfogel, "Understanding Young Women's Marriage Decisions," Industrial and Labor Relations Review 53 (2000): pp. 624–48.

[78] Robert Nakosteen and Michael Zimmer, "Man, Money, and Marriage: Are High Earners More Prone than Low Earners to Marry?" Social Science Quarterly 78 (1997): pp. 66–82.

[79] Larry L. Bumpass and James A. Sweet. 1995. "Cohabitation, Marriage and Union Stability: Preliminary Findings from NSFH2." NSFH Working Paper No. 65. Center for Demography and Ecology: University of Wisconsin-Madison.

[80] Landon Jones, Great Expectations: America and the Baby Boom Generation (NY: Ballantine Books, 1980), 216.

[81] A. J. Sedlack and D.D. Broadhurst, D.D., Third National Incidence Study of Child Abuse and Neglect: Final Report (Washington D.C.: Department of Health and Human Services 1996); Center for Demography and Ecology, University of Wisconsin, Madison, WI; Mark Testa et al, "Employment and Marriage among Inner-City Fathers," Annals of the American Academy of Political and Social Science 501 (1989), pp. 79–91

[82] "One-Parent Families and Their Children: The School's Most Significant Minority," conducted by The Consortium for the Study of School Needs of Children from One-Parent Families, cosponsored by the National Association of Elementary School Principals and the Institute for Development of Educational Activities, a division of the Charles F. Kettering Foundation (Arlington, VA: 1980).

[83] George A. Akerlof, Janet L. Yellen, and Michael L. Katz. 1996. "An Analysis of Out-of-Wedlock Childbearing in the United States." Quarterly Journal of Economics CXI: 277–317.

[84] Linda J. Waite and Maggie Gallagher, The Case for Marriage (New York: Doubleday, 2000): Ch. 12

[85] Paul R. Amato and Alan Booth, A Generation at Risk (Cambridge, Mass: Harvard Univ Press, 1997), p. 89–99.

[86] Theodora Ooms, "Marriage Plus," The American Prospect vol. 13 no. 7, April 8, 2002

[87] Catherine K. Riessman and Naomi Gerstel, "Marital Dissolution and Health: Do Males or Females Have Greater Risk?" Social Science and Medicine 20 (1985): 627–635.

[88] Robert H. Coombs, "Marital Status and Personal Well-Being: A Literature Review," British Journal of Medical Psychology, (1991) 40:97–102, p. 97.

[89] Robert H. Coombs. Marital Status and Personal Well-Being.

[90] Steven Sack and J. Ross Eshleman. 1998. "Marital Status and Happiness: A 17-Nation Study," Journal of Marriage and the Family 60: 527–536.

ment rates in excess of 25% at their child's birth.[91] Marriage is the most practical solution for income generation, responsibility sharing and joint child-rearing,[92] with children from intact families financially better off having only a 6% likelihood of poverty compared to 33% from single-mother homes.[93] Never married mothers are more prone to poverty than any other group, including those who divorce.[94] Bearing children in marriage shows signs of reducing the risk of divorce by 20% per child birth.[95]

"Even after controlling for differences in income, children who live with their married parents are 2 times less likely to fail at school, 2 to 3 times less likely to suffer an emotional or behavioral problem requiring psychiatric treatment, perhaps as much as 20 times less likely to suffer child abuse, and as adolescents they are less likely to get into trouble with the law, use illicit drugs, smoke cigarettes, abuse alcohol, or engage in early and promiscuous sexual activity."[96] Children from intact families generally do significantly better in all areas of academics,[97] are about 30% less likely to have health problems, and much less likely to have emotional or behavioral problems[98] than their counterparts in a single-parent home. Boys from intact families have fewer legal problems and are less likely to be convicted of crime.[99]

CONCLUSION

Three out of four of the provisions for welfare reform have mandates to promote marriage, reduce illegitimacy, and encourage two-parent families. There are "few other bodies of data in which the weight of the evidence is so decisively on one side of the issue: on the whole, for children, two-parent families are preferable . . . If our prevailing views on family structure hinged solely on scholarly evidence, the current debate never would have arisen in the first place."[100] "The men and women who, for good reasons and bad, revolt against the family are . . . simply revolting against mankind."[101] With such clear, convincing, and conclusive evidence, why do we continue these programs and systems designed to destroy families while brutalizing children? Those who raise privacy claims to oppose marriage are bent on privacy intrusions to promote their personal agendas. Public policies about marriage could and absolutely should be improved.[102]

A research review of the consequences of Father absence demonstrates the complete carnage that divorce and family breakdown causes. So strong are these correlations that attacking marriage and families is an attack on children, especially

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[91] Wendy Single-Rushton and Sara McLanahan, "For Richer or Poorer?" manuscript, Center for Research on Child Well-Being, Princeton University, July 2001, p. 4; Kathryn Edin, "What do Low-Income Single Mothers Say About Marriage?" Social Problems 47 (2000), pp. 112–33.

[92] Many families with two working parents alternate child rearing responsibilities by rearranging work schedules to be with children. Harriet Presser, "Employment Schedules Among Dual-Earner Spouses and the Division of Household Labor by Gender," American Sociological Review 59, no. 3 (June 1994): pp. 348–364.

[93] U.S. Bureau of the Census, "Historical Poverty Statistics—Table 4. Poverty Status of Families, by Type of Family, Presence of Related Children, Race, And Hispanic Origin: 1959–2000," Available at http://www.census.gov. In 1999, 36 percent of single-mother households lived in poverty. Poverty in the U.S. 1999. Current Population Reports, P60–210 (Washington, D.C.: Government Printing Office, 2000).

[94] Alan Guttmacher Institute, "Married Mothers Fare the Best Economically, Even If they Were Unwed at the Time they Gave Birth," Family Planning Perspectives 31, no. 5: pp. 258–60, September, 1999; Ariel Halpern, "Poverty Among Children Born Outside of Marriage: Preliminary Findings from the National Survey of America's Families," (Washington, D.C.: The Urban Institute, 1999).

[95] Hillard S. Kaplan, Jane B. Lancaster, and Kermyt G. Anderson. 1998. "Human Parental Investment and Fertility: The Life Histories of Men in Albuquerque." In Men in Families, edited by Alan Booth and Ann Crouter. Mahwah, NJ: Lawrence Erlbaum Press.

[96] Dr. Wade Horn, "Take A Vow to Promote Benefits of Marriage," Washington Times, November 2, 1999.

[97] Darin R. Featherstone, Bert P. Cundick, and Larry C. Jensen, "Differences in School Behavior and Achievement Between Children From Intact, Reconstituted, and Single-Parent Families," Adolescence 27 (1992): 1–12.

[98] Deborah A. Dawson, "Family Structure and Children's Health and Well-Being: Data from the 1988 National Health Interview Survey on Child Health," Journal of Marriage and the Family 53 (1991): 578–579

[99] M. Anne Hill and June O'Neill, "Underclass Behaviors in the United States: Measurement and Analysis of Determinants," (Center for the Study of Business and Government, Baruch College/The City University of New York, August 1993), p. 73.

[100] David Popenoe, Rutgers University. Source: William J. Bennett, The Index of Leading Cultural Indicators. p. 53

[101] G. K. Chersterson. On Family Life and Other Fairy Tales. World Magazine, May 20, 2000. From his book "Heresies." (1905)

[102] Jared Bernstein, Irv Garfinkel, and Sara McLanahan, A Progressive Marriage Agenda, Economic Policy Institute.

little girls, and an attack on women. The in-tact, two-parent biological family is the safest place for the development and sexual safety of girls and women. *Divorce is so destructive to children that it is child abuse—; absolutely, hideously destructive child abuse. Parents who want out of a marriage with children, for no good reason, or a parent whose actions are destructive to the marriage, are not fit parents. Those who participate in divorce processing, and those who promote easier divorces as well as those opposed to strengthening marriage are pushing child abuse the same way a drug dealer pushes their poison. Divorce perpetuates divorce like a heroin addiction in our body politic—; it continues to demand a higher and higher cost with more and more poison until it destroys and ultimately kills*.

The self-sustaining cycle of illegitimacy, tied to attacks on the "traditional" family, and coupled with anti-marriage policies and programs is destroying the black community. The Black Caucus can no longer ignore the devastation of the African American community and say they represent them. They must become vocal in demanding that the easy divorce laws and anti-marriage policies be ended and return to traditional families. It is difficult not to wonder about all of the pressure from lawyers and other special interests for slavery reparations while ignoring the absolute destruction of an entire people through failed anti-family, anti-marriage welfare policies. Today's anti-marriage and anti-family mess in the black community is a new type of slavery created by the divorce industry and feminists. Reparations should be coming from the divorce industry—, the rich lawyers of the "family" bar, the wealthy judges, prosperous psychologists, "women's" groups, and others who have promoted the destruction of the black community's marriages and families making them dependent on government welfare, just like the dependence of their ancestors.

No-fault divorce is the enemy of marriages, families, and children. Nor is it actually "No-fault". If tide of divorce is not dramatically reversed, it poses dire consequences for our country and its future. Independent verification of "no-fault's" corrosive affects on marriage comes from Canada, where "[a]fter falling for several years the [Canadian divorce rate reached] an all-time high following passage of the Divorce Act of 1985, which allows [for no-fault divorce after one year]."[103] "Ironically, by adopting attitudes that provide greater freedom to leave unsatisfying marriages, people may be increasing the likelihood that their marriages will become unsatisfying in the long run," and therefore fail.[104] *Easy divorce and anti-marriage policies, rhetoric, and programs destroy our Constitutional posterity and undermine our country for generations to come. No country in history has survived the undermining of marriage between a man and a woman*.

Virgin brides divorce less while pre-marital sex and cohabitation lead to higher rates of divorce (trial "marriages" don't work). Higher income for women leads to greater levels of divorce while men with higher incomes experienced less divorce. The "bad marriage" myth is not always good grounds for divorce since many of these are salvageable and the divorce is destructive and traumatic to children for most or all of their lives. Continuing on this path of easy divorce, attacking traditional family values, and undermining marriage is not only a violation of the Constitution's general welfare clause, the proponents of this failed easy divorce system and detractors of traditional values must be viewed as child terrorists.

For adults, marriage creates wealth and prosperity, happiness, mental health and stability, fewer social problems, lower substance abuse, lower death, fewer health problems, and lower suicide rates. Commitment and companionship is both a benefit and "[t]he most common reasons couples give for their long-term marital success . . ."[105] Children with married biological parents benefit from lower rates of delinquency, less promiscuity, lower alcohol and drug use, do better in school, are healthier, have fewer problems with the law, are better adjusted, more emotionally stable, have better adult relationships, lower rates of being abused, and are generally happier and more optimistic about life.

Anti-Marriage and Pro-Divorce ideologies or policies denigrating the traditional family are pro-death, pro-child abuse, pro-poverty, pro-drug abuse,

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[103] Maggie Gallagher. The Abolition of Marriage, p. 148, citing Gertrude Schaffner Goldenberg, "Canada: Bordering on the Feminization of Poverty," in The Feminization of Poverty: Only in America, ed. Gertrude Schaffner Goldenberg and Eleanor Kremen (New York: Greenwood Press, 1990), p. 77.

[104] Paul R. Amato and Stacy J. Rogers, 1999. "Do Attitudes Toward Divorce Affect Marital Quality?" Journal of Family Issues 20(1): 69–86.

[105] Finnegan Alford-Cooper, For Keeps: Marriages that Last a Lifetime (Armonk, NY: M. E. Sharpe, 1998); Judith Wallerstein and Sandra Blakeslee. The Good Marriage (Boston: Houghton Mifflin, 1995); Robert Lauer and Jeanette Lauer, "Factors in Long-Term Marriage" Journal of Family Issues 7:4 (1986): 382–390

pro-alcohol, pro-tobacco, anti-health, anti-woman, anti-child, uncivilized, and ultimately un American and unconstitutional.

RECOMMENDATIONS

American public opinion tracks the sentiment[106] that "divorce in this country should be more difficult to obtain."[107] 75% of the teenagers believe that divorce is too easy[108] and 78% of Americans support requiring counseling for couples with children before a divorce is granted.[109]

- With 3 out of 4 provisions of Welfare reform related to marriage and family, TANF fund payments should be contingent on states collecting accurate data on marriages, divorces and the children involved.
- Enact specific measurable goals or targets for reducing divorce, illegitimacy, and promoting marriage. Monitor and report progress on those goals tying TANF funds to compliance.
- Develop publicity campaigns on marriage health benefits and divorce affects on children.
- Give an additional tax credit for each child born in marriage, with an additional credit at ages 10 and 18 for in-tact marriages. One study found that each child born in marriage reduces the risk of divorce by 20%, encourage this as the costs of the social problems are far higher.
- Fund special demonstration programs for the hardest hit area, the Black community, to turn the tide of divorce and illegitimacy, not to support more dismally failed welfare programs.
- Begin scaling back federal grants, funds, and programs to states that do not address the "no-fault" disaster as a General Welfare issue affecting our Constitutional posterity.
- Every time the opposition cries "foul," point to the destruction of children and the devastating affects on our country. Let the public see the real anti-child, anti-family, un-American agendas.

[106] Lynn D. Wardle, 1999. "Divorce Reform at the Turn of the Millennium: Certainties and Possibilities" Family Law Quarterly 33: 783ff.

[107] The Roper Center for Public Opinion Research, 1998. "The Family, Marriage: Highly Valued" The Public Perspective (February/March): 17–18.

[108] David Popenoe, 1999. Changes in Teen Attitudes Toward Marriage, Cohabitation and Children, 1975–1995 (New Brunswick, NJ: The National Marriage Project): 1–10.

[109] Wirthlin Worldwide, Inc. poll results from 2000 poll, available at www.allianceformarriage.org.