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WELFARE REFORM REAUTHORIZATION PROPOSALS

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

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

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

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WELFARE REFORM REAUTHORIZATION PROPOSALS

THURSDAY, FEBRUARY 10, 2005

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

The Subcommittee met, pursuant to notice, at 1:09 p.m., in room B–318, Rayburn 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
February 02, 2005
No. HR–1

CONTACT: (202) 225–1721

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, February 10, 2005, in room B–318 Rayburn House Office Building, beginning at 1:00 p.m.**

Oral testimony at this hearing will be from both invited and public witnesses. Invited witnesses will include welfare experts and program administrators, among others. Any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Subcommittee 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 The legislation repealed the individual entitlement to cash welfare benefits and created the Temporary Assistance for Needy Families (TANF) block grant, which provides fixed funding to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.

Since State and Federal welfare reforms were enacted in the mid-1990s, national figures point to remarkable progress in combating welfare dependence and poverty. The number of children living in poverty has dropped by more than 1 million and the African-American child poverty rate fell to and remains near record lows. Welfare caseloads have fallen by 60 percent nationwide as 3 million families and 9 million recipients have left welfare, and record numbers of current and former welfare recipients are working.

As originally authorized by the 1996 Welfare Reform Law, TANF and related programs expired on September 30, 2002. The House passed comprehensive welfare reauthorization bills in 2002 and 2003; however the Senate did not act, resulting in a series of short-term extension bills. On January 4, 2005, senior Members of the House introduced the Personal Responsibility, Work, and Family Promotion Act of 2005 (H.R. 240). This legislation is nearly identical to legislation which passed the House in 2002 and 2003, which would promote more work as well as provide funding for TANF and related programs beyond the current expiration date of March 31, 2005.

In announcing the hearing, Chairman Herger stated: "The House has twice passed legislation providing full funding for welfare-to-work programs, increased funding for child care, and specific funds designed to promote stronger families and healthy marriages. We will continue to push for passage of legislation that represents the next step in our Nation's efforts to reform welfare, promote work, and strengthen families. This hearing will give us the opportunity to hear from a variety of interested individuals and groups about ideas for further positive 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 Michael Morrow or Kevin Herms at (202) 225–1721 no later than 5:00 p.m. on **Friday, February 4, 2005**. 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 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 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 in lieu of a personal appearance. 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 Subcommittee 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 office, B–317 Rayburn House Office Building, no later than 1:00 p.m. on Tuesday, February 8, 2005.** The 200 copies can be delivered to the Subcommittee staff in one of two ways: (1) Government agency employees can deliver their copies to B–317 Rayburn House Office Building in an open and searchable box, but must carry with them their respective government issued identification to show the U.S. Capitol Police, or (2) for non-government officials, the copies must be sent to the new Congressional Courier Acceptance Site at the location of 2nd and D Streets, N.E., **at least 48 hours prior to the hearing date**. **Please ensure that you have the address of the Subcommittee, B–317 Rayburn House Office Building, on your package, and contact the staff of the Subcommittee at (202) 225–1025 of its impending arrival.** *Due to new House mailing procedures, please avoid using mail couriers such as the U.S. Postal Service, UPS, and FedEx.* When a couriered item arrives at this facility, it will be opened, screened, and then delivered to the Subcommittee office, within one of the following two time frames: (1) expected or confirmed deliveries will be delivered in approximately 2 to 3 hours, and (2) unexpected items, or items not approved by the Subcommittee office, will be delivered the morning of the next business day. The U.S. Capitol Police will refuse all non-governmental courier deliveries to all House Office Buildings.

WRITTEN STATEMENTS IN LIEU OF PERSONAL APPEARANCE:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, *http://waysandmeans.house.gov*, select "*109th Congress*" from the menu entitled, "*Hearing Archives*" (*http://waysandmeans.house.gov/Hearings.asp?congress=17*). Select the hearing for which you would like to submit, and click on the link entitled, "*Click here to provide a submission for the record*." Once you have followed the online instructions, completing all informational forms and clicking "submit" on the final page, an email will be sent to the address which you supply confirming your interest in providing a submission for the record. You ***MUST REPLY*** to the email and ***ATTACH*** your submission as a Word or WordPerfect document, in compliance

with the formatting requirements listed below, by close of business Thursday, February 24, 2005. **Finally**, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. Those filing written statements who wish to have their statements considered for distribution to the press and interested public at the hearing can follow the same procedure listed above for those who are testifying and making an oral presentation. For questions, or if you encounter technical problems, please call (202) 225–1721.

FORMATTING REQUIREMENTS:

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

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

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

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

Note: All Committee advisories and news releases are available on the World Wide Web at *http://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. I would now like to begin today's hearing on welfare reauthorization proposals and welcome our witnesses. Ms. Woolsey, as you will be our first witness, please have a seat at the table. The purpose of today's hearing is to review what has been accomplished since the historic 1996 welfare reform law was enacted and to listen to some of the best ideas for making further progress. Welfare reform has been an enormous success. Since enactment in 1996, work among welfare recipients has more than doubled. Welfare dependence has been cut in half, and more than 1 million children have been removed from poverty. We want to continue and expand those gains to help more single parents move toward financial stability and independence and a brighter future. Despite these gains, we have seen less progress in recent years. The intent of the 1996 law was to have 50 percent of the parents working while receiving welfare benefits—not 100 percent of parents, just half of them. The reality is we are not meeting this modest goal. Today, less than one in three parents on welfare is working or training—a rate that has declined in 3 of the past 4 years.

At the same time, progress on reducing dependence has slowed, and poverty rates have started to edge up again.

In 2002 and 2003, the House passed comprehensive legislation to extend and improve the welfare reform law so it will continue to meet our goals of reducing poverty, increasing independence, and prioritizing work. Each bill would have provided additional funds to help more parents work and pay for child care costs. Each bill would have given States new flexibility and other tools to help more parents find jobs and achieve self-sufficiency. Each bill would have focused the Temporary Assistance for Needy Families (TANF) program on reducing poverty. Each bill would have provided States the assurance of Federal funds for the coming 5 years. Each bill included child support program improvements that would have provided millions more dollars to families.

Three years after the House first passed such legislation, we are still marking time. It is a disgrace that a successful program is languishing through eight short term extensions of current law. Had our 2002 bill been enacted, by now States would have received $1.8 billion more in additional child care funds. Instead, child care funding has stayed the same, and work by welfare recipients has actually dropped. Looking ahead, there is no assurance of maintaining the same level of Federal funding, even though the President's budget proposes level funding for TANF and child care. That is the starting point for our deliberations, not the final word. In today's budget climate, it is not guaranteed that we can match the support these programs might have been provided if Congress had acted anytime since 2002. The longer we delay, the more funding will be at risk.

On January 4th, my colleagues and I reintroduced comprehensive welfare reauthorization legislation. This bill, H.R. 240, expresses our continued support for more work, stronger families, and better outcomes for children. Those are values we all can support. I welcome Dr. Wade Horn here to discuss the Administration's welfare reauthorization proposals and what we have learned over the past few years. I look forward to the testimony from our witnesses today, starting with my colleague Representative Lynn Woolsey of California. I especially appreciate the interest in today's topic expressed by a range of groups and individuals who have submitted testimony for the record. We have invited several of those groups to testify before us today. Without objection, each Member will have the opportunity to submit a written statement and have it included in the record at this point. Mr. McDermott, would you care to make a statement?

[The opening statement of Chairman Herger follows:]

Opening Statement of The Honorable Wally Herger, Chairman, and a Representative in Congress from the State of California

Welcome to today's hearing on welfare reauthorization proposals.

The purpose of today's hearing is to review what has been accomplished since the historic 1996 welfare reform law was enacted, and to listen to some of the best ideas for making further progress.

Welfare reform has been an enormous success. Since enactment in 1996, work among welfare recipients has more than doubled. Welfare dependence has been cut in half, and more than one million children have been removed from poverty. We want to continue and expand those gainsto help more single parents move toward financial stability and independence and a brighter future.

Despite these gains, we've seen less progress in recent years. The intent of the 1996 law was to have 50 percent of parents working while receiving welfare benefits. Not 100 percent of parents—just half.

The reality is we're not meeting this modest goal. Today, less than one in three parents on welfare is working or training today—a rate that has declined in three of the past four years. At the same time, progress on reducing dependence has slowed, and poverty rates have started to edge up again.

In 2002 and 2003, the House passed comprehensive legislation to extend and improve the welfare reform law so it will meet our goal to continue reducing poverty, increasing independence and prioritizing work.

Each bill would have provided additional funds to help transition to higher work goals and to address child care costs. Each bill would have given states new flexibility and other tools to help more parents on welfare find jobs and achieve self-sufficiency. Each bill would have focused the TANF program on reducing poverty. Each bill would have provided States the assurance of Federal funds for the coming five years. And each bill included child support program improvements that would have provided millions more dollars to families.

Three years after the House first passed such legislation we are still marking time. It is a disgrace that a successful program is languishing through eight short-term extensions of current law. Had our 2002 bill been enacted, by now States would have received $1.8 billion in additional child care funds. Instead, child care funding has stayed the same, and work by welfare recipients has actually dropped.

Looking ahead, there is no assurance of maintaining the same levels of Federal funding, even though the President's Budget proposes level funding for TANF and child care. That's the starting point for our deliberations, not the final word. In today's budget climate it is not guaranteed that we can match the support these programs might have been provided if Congress had acted anytime since 2002. The longer we delay the more we jeopardize level-funding of the program.

On January 4, my colleagues and I reintroduced comprehensive welfare reauthorization legislation. This bill, H.R. 240, expresses our continued support for more work, stronger families and better outcomes for children. Those are values we all can support.

I welcome Dr. Wade Horn here to discuss the Administration's welfare reauthorization proposals and what we have learned over the past few years. I look forward to the testimony from our other witnesses today, starting with my colleague Rep. Lynn Woolsey from California. I especially appreciate the interest in today's topic expressed by a range of groups and individuals who have submitted testimony for the record. We have invited a representative sample of those groups to testify before us today.

Mr. MCDERMOTT. Yes, thank you, Mr. Chairman. I am sorry, Ms. Woolsey, that you are going to have to listen to another Congressman read a speech at you, but I want to say at the outset that I am looking forward to working with Wally in this Committee. I hope that we can lead this Committee in a way that will be done in a bipartisan way, that will put America's interests really above political interests. I really think that we are at a crossroads. The gap between the rich and the poor in America continues to grow, and economic mobility is diminishing. Economic insecurity is growing.

The number of people in poverty, including millions of children who do not have enough to eat, continues to rise year after year. The number of Americans without health care continues to grow. We are now over 44 million in this country. Every 30 seconds in America, in the richest, most powerful Nation on Earth, someone declares bankruptcy because they have simply fallen sick and cannot pay their bills. As a nation and as people, we are not taking care of each other.

Now, with the party in power running the House and the Senate, America is turning from a nation, in my view, of "we" to a country of "me," where citizens are rewarded for looking out for themselves.

I regret to say that under this rule the Federal Government is turning really a blind eye to America's most needy and most vulnerable citizens, even as they fall deeper into poverty. The President's budget priorities are as clear as they are disturbing, in my view. They tender lucrative deals to defense contractors for unnecessary weapons systems. They enrich America's top 1 percent with tax cuts that increase their personal gain and increase America's deficits. The President's number one domestic goal is to turn Social Security into social insecurity. He proposes to remove the safety net under senior citizens that keeps millions of our elderly out of poverty when they retire.

Make no mistake: The President and his supporters are attacking the very means by which you and me value our responsibility to each other. America was founded on the bedrock principle "we," not "me." We are duty-bound not only ourselves but to each other. We have always been proud of this. It has made America stand so tall in the world. Today this hearing really focuses on Temporary Assistance for Needy Families. The TANF goal should be to provide vulnerable Americans with the opportunity to reach economic security and self-sufficiency. TANF ought to stand for "Toward a New Future" because that is what I want for these people . . . a path to skills and new economic opportunity.

Despite what confronts us, the Republican refrain so far is the same: under-fund and under-concern. The result—the children go missing in the foster care system, are placed in unsafe child care settings, and consistently go without a nourishing meal. Just when you think it cannot get any worse, well, they propose something new. H.R. 240, recently introduced in the House, is a perfect example. It is the same bill that was introduced 3 years ago. The bill was bad policy then, and it remains the wrong approach today. Rather than focusing on moving welfare recipients into wage-paying jobs, this legislation emphasizes putting them into unpaid make-work. Instead of increasing State flexibility to move welfare recipients toward self-sufficiency, Republicans stick the States with huge unfunded mandates. Rather than empowering the welfare recipients to climb out of poverty, they are restricted in their access to education and training.

Incredibly, the proposal is funding only 10 percent of the urgent need for child care so that working mothers can work without fearing for the safety of their children. They offer $1 billion in this budget. Now, the nonpartisan Congressional Budget Office (CBO) says the real figure is $11 billion. Those are not my numbers. Those come out of CBO. On the issue of child care, I want to highlight three charts that expose some troubling facts, if someone will put those charts up. The first shows that our current effort to provide child care to needy families is grossly insufficient. According to the data from the U.S. Department of Health and Human Services (HHS), only about one quarter of the children who are eligible for child care under State eligibility criteria actually receive assistance. That is not a high level. Many States are very low, but even those do not have it. The fraction drops to roughly 1 out of 7 if you use Federal eligibility requirements. These numbers clearly show we are falling short, and the proposal that we have before us makes it worse.

The budget released on Monday by the Bush Administration leaves no doubt, as illustrated by the second chart, the Administration budget projects the number of people receiving child care assistance will decline by over 300,000 over the next 5 years. There is only one conclusion you can draw from that chart: the President supports and intends to cut child care coverage, even as his Administration proposes tougher requirements that will keep working mothers away from the home longer. Make longer hours that the mother has got to be out of the home, but do not provide the child care.

My friends on the other side of the aisle might suggest that this bill is minimally more generous on child care than the Administration's budget. The CBO makes quick work of that fiction and CBO ran the numbers, and you can see the results in the third chart. The calculation simply looks at the cost of the work requirement proposed in the Republican bill plus the cost of keeping Federal child care funding constant with inflation. The bottom line is a deficit—that red block at the bottom—of $10.6 billion.

Now, the question you have to ask yourself and we have to ask ourselves is: How are the States going to respond to this huge shortfall? I fear the answer will be deeper cuts in child care assistance for the working poor. Many of us believe there is a better way, and along with my Democratic colleagues on this Subcommittee, I am introducing legislation today that squarely focuses on moving welfare recipients into real jobs and ultimately out of poverty. The bill has meaningful work requirements along with necessary resources to implement them.

One unique feature of our bill is a provision that would allow States at their option to be judged solely on their progress in moving welfare recipients into employment, into jobs. Other improvements in our bill include increasing access to skills training and restoring benefits to immigrants who have come to this country legally. "Toward a New Future," that is what TANF means to Democrats, and that is where Americans will end up under our bill.

I invite all of our witnesses today to look at our bill, submit any thoughts and suggestions you have to me in writing, and beginning today we can discuss what is needed to do truly welfare reform. We can develop an action plan. We can better care for each other. Thank you.

[The opening statement of Mr. McDermott follows:]

Opening Statement of The Honorable Jim McDermott, a Representative in Congress from the State of Washington

Mr. Chairman, I want to say at the outset that I look forward to working with you. I hope that, together, we can lead the HR Subcommittee in a bi-partisan spirit that puts America's interests ahead of political interests.

I believe that we are at a crossroads. The gap between rich and poor Americans continues to grow. Economic mobility is diminishing. Economic insecurity is growing. The number of people in poverty—including millions of children who don't have enough to eat—continues to rise year after year.

The number of Americans without health care continues to grow—now over 44 million.

Every 30 seconds in America, the richest, most powerful nation on earth, someone declares bankruptcy because they have simply fallen sick.

As a nation, and as a people, we are not taking care of each other.

With Republicans running the House, Senate, and White House, America is turning from a nation of "we" to a country of "me" where citizens are rewarded for looking out only for themselves.

I regret to say that under Republican Rule, the federal government is turning a blind eye to America's most needy and most vulnerable citizens, even as they fall deeper into poverty.

The President's budget priorities are as clear as they are disturbing:

Tender lucrative deals to defense contractors for unnecessary weapons systems;

Enrich America's top 1% with tax cuts that increase their personal gain and increase America's deficit pain.

The President's number one domestic goal is to turn Social Security into Social Insecurity. He proposes to remove the safety net under senior citizens that keeps millions of our elderly out of poverty when they retire.

Make no mistake, the President and his supporters are attacking the very means by which we—you and me—value our responsibility to each other.

America was founded on a bedrock principle—"We" not me. We are duty-bound not only ourselves, but to each other. We've always been proud of this. It's what made America stand so tall in the world.

Today, this hearing will focus on the Temporary Assistance for Needy Families program. TANF's goal should be to provide vulnerable Americans with the opportunity to reach economic security and self-sufficiency. TANF ought to stand for: Toward A New Future, because that's what I want for these people . . . a path to skills and new economic opportunity.

Despite what confronts us, the Republican refrain, so far, is the same.

Under fund and unconcerned.

The result: children go missing in foster care systems, are placed in unsafe childcare settings, and consistently go without a nourishing meal.

Just when you think it can't get any worse, Republicans propose something new.

H.R. 240 recently introduced by House Republicans is a perfect example. It is the same bill that was introduced three years ago. The bill was bad policy then, and it remains the wrong approach today.

Rather than focusing on moving welfare recipients into wage-paying jobs, the Republican legislation emphasizes putting them into unpaid make-work.

Instead of increasing State flexibility to move welfare recipients towards self-sufficiency, Republicans stick the States with huge unfunded mandates. Rather than empowering welfare recipients to climb out of poverty, Republicans restrict access to education and training. And, incredibly, Republicans propose funding only 10% of the urgent need for the childcare, so that working mothers can work without fearing for the safety of their children. Republicans offer $1 billion. The non-partisan Congressional Budget Office says the real number is $11 billion.

On the issue of childcare I want to highlight three charts that expose some troubling facts. The first shows that our current efforts to provide childcare to needy families are grossly insufficient.

According to data from HHS, only about one-quarter of the children who are eligible for child care subsidies *under state eligibility criteria* actually receive assistance. This fraction drops to roughly one out of every seven children if you use the *federal* eligibility standard for day care assistance. These numbers clearly show we are falling short. And Republicans propose to make it much worse.

The budget released on Monday by the Bush Administration leaves no doubt.

As illustrated by the second chart, the Administration's budget projects the number of people receiving child assistance will *decline* by 300,000 over the next five years.

There's only one conclusion to draw: The President supports and intends to cut childcare coverage—even as his Administration proposes tougher requirements that will keep working mothers away from home longer.

My friends on the other side of the aisle might suggest their bill is minimally more generous on childcare than the Administration's budget. The CBO makes quick work of that fiction. CBO ran the numbers and you can see the result in the third chart. The calculation simply looks at the cost of the work requirements proposed in the Republican bill, plus the cost of keeping federal childcare funding constant with inflation. The bottom line: a deficit of $10.6 billion.

How are States going to respond to this huge shortfall? I fear the answer will be deep cuts in child care assistance for the working poor.

Mr. Chairman, many of us believe there is a better way.

Along with my Democratic colleagues on this subcommittee, I am introducing legislation today that squarely focuses on moving welfare recipients into real jobs, and ultimately out of poverty.

The bill has meaningful work requirements, along with the necessary resources to implement them.

One unique feature of our bill is a provision that would allow States, at their option, to be judged solely on their progress in moving welfare recipients into employment—into jobs.

Other improvements in our bill include increased access to skills-training, and restored benefits to immigrants who have come to this country legally.

Toward A New Future. That's what TANF means to Democrats and that's where Americans will end up under our bill.

I invite all of today's witnesses to look at our bill and submit any thoughts or suggestions to me in writing.

Beginning today, we can discuss what is needed to truly reform welfare. We can develop an action plan. We can better care for each other. Thank you.

Chairman HERGER. Thank you, Mr. McDermott. Before we move on to our testimony, I want to remind our witnesses to limit their oral statements to 5 minutes. However, without objection, all of the written testimony will be made a part of the permanent record. Additionally, as today's hearing will conclude by 4:30 p.m., we will have one round of questions per panel. Members are welcome to submit additional written questions to the witnesses for inclusion in the hearing record. I would like to thank the Honorable Lynn Woolsey from California for joining us. Please proceed with your testimony.

STATEMENT OF HON. LYNN C. WOOLSEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. WOOLSEY. Chairman Herger, Ranking Member McDermott, and Subcommittee Members, thank you very much for the opportunity to testify today on this absolutely critical issue of welfare reform. I come to you today not just as a concerned legislator, but as someone who knows firsthand what it is like to depend on public assistance for the very survival of my family. I was 29 years old when my husband left and did not leave a time to help me raise and support my three children. They were 1, 3, and 5 years old at the time.

I had a job, but it did not pay nearly enough to support us. I had no choice but to go on welfare—Aid to Families with Dependent Children—in order to afford child care, health care coverage, and the food stamps that we needed. I continued in my job, however. It was very difficult. I cannot tell you what a painful period it was, but eventually I was able to work my way out of poverty and achieve self-sufficiency. I would not be here today if it were not for the generous, compassionate welfare system that was in place 36 years ago, and you know I have paid back to the system.

I tell you this story in part to combat the crude stereotype of welfare recipients as hopeless cases who are leeching off the system. There are thousands and thousands of success stories like mine, or more. At its best, welfare is a lifeline, not a lifestyle. It is to be an emergency support that helps people until they are able to put their lives together and stand on their own two feet. Believe me, no one wants to be on welfare. Anybody that thinks they do has to be on welfare themselves for just a year.

The enemy is not welfare. The enemy is poverty. Too often, when I hear people brag about welfare reform, the statistic cited is the

number of people who have been dropped from the rolls, but that should not be the measure of success. What we should be talking about is the number of people who have been able to move out of poverty. As we prepare to again reauthorize welfare reform, I sincerely hope that we will remember the lessons learned over the past 8 years. One lesson, of course, is that a strong economy can make some of the complexities of welfare reform go away. During the boom of the mid-1990s, there were jobs for people when they left welfare. Today, many of those people are going back onto welfare because the economy is no longer creating the same opportunities.

Which leads me to my first priority—education and training. These priorities are key to successful welfare reform. I believe strongly that going to school—getting General Educational Development (GED), learning English as a second language, attending a community college, getting an advanced degree—must satisfy the work requirements under this or any new bill. We need to give people the chance to receive an education and to learn the skills that will allow them to earn a living that will support their families. My second priority is adjusted benefits based on the cost of living in a particular community. Welfare recipients in my district of Marin and Sonoma counties in California—where rents can begin at $1,000 a month at the very bottom—need more to get by than welfare recipients in less expensive parts of the country. Third, this new bill must address the shortage of safe, affordable child care. If we truly believe in family values, then we cannot punish single parents for choosing not to work if it means leaving their children in a dangerous care situation.

Child care—instructor training and facility construction among other things—is actually a centerpiece of a legislative package I introduced last Congress called the Balancing Act. You see, I do not think we should be satisfied with passing a mediocre welfare reform bill. I believe we need an ambitious, comprehensive effort to help families balance work and family. In addition to child care provisions, the Balancing Act includes expanded family and medical leave, universal voluntary preschool, improved school nutrition, better after-school programs and benefits for part-time and temporary workers. There is no "ownership society" without these integral building blocks. With that, I urge Members of the Subcommittee and all of my congressional colleagues to remember our obligation to those who have been dealt a poor hand and need a "leg up" with their government's help. We can start by passing a welfare reform bill that empowers people rather than punishing them. I thank you very much.

[The prepared statement of Ms. Woolsey follows:]

Statement of The Honorable Lynn C. Woolsey, a Representative in Congress from the State of California

Chairman Herger and Subcommittee members . . . thank you for the opportunity to testify today on this critical issue of welfare reform.

I come to you today not just as a concerned legislator, but as someone who knows firsthand what it's like to depend on public assistance for the very survival of your family. I was 29 years old when my husband left and didn't leave a dime to help support our three children ages 1, 3, and 5.

I had a job, but it didn't pay nearly enough to support us. I had no choice but to go on welfare (Aid to Families with Dependent Children) in order to afford

childcare, health coverage and food stamps. It was a difficult, painful period, but eventually I was able to work my way out of poverty and achieve self-sufficiency. But I wouldn't be here today if it weren't for a generous, compassionate welfare system—and certainly 36 years later I have paid back the system.

I tell you this story in part to combat the crude stereotype of welfare recipients as hopeless cases who are leeching off the system. There are a lot of success stories like mine. At its best, welfare is a *lifeline*, not a *lifestyle* . . . as an emergency support that helps people until they can put their lives together and stand on their own two feet. Believe me, no one *wants* to be on welfare.

The enemy is not welfare; the enemy is poverty. Too often, when I hear people brag about welfare reform, the statistic they cite is the number of people who have been dropped from the rolls. But that shouldn't be the measure of success. What we should be talking about is the number of people who have been able to move out of poverty.

As we prepare to again reauthorize welfare reform, I sincerely hope that we will remember the lessons learned over the past eight and a half years. One lesson, of course, is that a strong economy can mask some of the complexities of welfare reform.

During the boom of the mid-1990s, there were jobs for people when they left welfare. Today, many of those people are going back onto welfare because the economy is no longer creating the same opportunities.

Which leads me to my first priority—education and training, which are key to successful welfare reform. I believe strongly that going to school—GED Studies, English as a Second Language, community college, and advanced degrees—must satisfy the work requirement under any new bill. We need to give people the chance to receive an education and to learn the skills that will allow them to earn a living that supports a family.

My second priority is adjusted benefits based on the cost-of-living in your community. Welfare recipients in my district of Marin and Sonoma Counties in California—where rents can begin at $1000 a month—need more to get by than welfare recipients in less expensive parts of the country.

Third, this new bill must address the shortage of safe, affordable childcare. If we truly believe in family values, then we cannot punish single parents for choosing not to work if it means leaving their children in a dangerous care situation.

Childcare—instructor training and facility construction among other things—is actually a centerpiece of a legislative package I introduced last Congress called The Balancing Act. You see, I don't think we should be satisfied with passing a mediocre welfare reform bill. I believe we need an ambitious, comprehensive effort to help families balance work and family. In addition to childcare provisions, the Balancing Act includes expanded family and medical leave, universal voluntary preschool, improved school nutrition, better after-school programs and benefits for part-time and temporary workers. There is no "ownership society" without these integral building blocks.

With that, I urge members of the subcommittee and all of my congressional colleagues to remember our obligation to those who've been dealt a poor hand and need a "leg up" with their government's help. And we can start by passing a welfare reform bill that *empowers* people rather than *punishes* them. Thank you very much.

Chairman HERGER. I thank you for your testimony. Are there any questions?

Mr. CARDIN. I would just like to point out——

Chairman HERGER. The gentleman from Maryland.

Mr. CARDIN. Thank you. I appreciate it. I have had the opportunity to be the ranking Democrat on this Committee for the last couple Congresses, and I just really want to thank Lynn Woolsey for her help and input into the work of this Committee. She has been a real leader in trying to understand the importance of welfare, the sensitivity to people that go on welfare, and our objective to try to help children particularly. I just really wanted to thank her for her help and leadership in this area.

Ms. WOOLSEY. Thank you very much, Mr. Cardin. Actually, as the Ranking Member on one of the Education and Workforce Com-

mittees, I will be working with you hand in hand through this process, too, and I look forward to that.

Chairman HERGER. The gentleman from Washington is recognized.

Mr. MCDERMOTT. I listened to your speech, and I thought I was hearing the agenda of the Workforce Committee. [Laughter.] We are going to hear testimony from a number of Republicans in administrative spots—mayors, Governors—that say that the problems are not fixed by the bills we have before us. We have got some work to do between now and——

Ms. WOOLSEY. I look forward to working with you, Mr. McDermott, and you, Mr. Chairman.

Chairman HERGER. Thank you, Ms. Woolsey, for your testimony. With that, we will move to our next witness. I would like to welcome Dr. Wade Horn, Assistant Secretary for Children and Families at HHS. Dr. Horn, please proceed with your testimony.

STATEMENT OF THE HONORABLE WADE F. HORN, PH.D., ASSISTANT SECRETARY, ADMINISTRATION FOR CHILDREN AND FAMILIES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dr. HORN. Thank you, Mr. Chairman, Mr. McDermott, and the rest of the Members of the Committee. I am very pleased to appear before you today to discuss the next phase of welfare reform. I want to particularly take a moment to congratulate you, Mr. McDermott, for assuming the Ranking Member position on this Subcommittee. I look forward to finding common ground for us to work together, small as that may be at the outset, but I am convinced that we can find places where we can work together, and I look forward to that.

I also would like to take the opportunity to express my thanks to everyone on this Committee for their leadership and their unceasing efforts to further improve the lives of low-income Americans. Your initial work in enacting the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) has had a profound, positive effect on our Nation's vulnerable families. Building on this success, President Bush laid out a clear path for the next phase of welfare reform. I would like to briefly highlight key provisions of the President's welfare reform package and update you on the important progress we have made in strengthening families. I will begin with TANF, the cornerstone of our welfare reform efforts.

TANF is a remarkable example of a successful Federal-State partnership. States effectively emphasized work while providing families with needed training, job opportunities, and work supports. As a result, welfare caseloads have decline by over 60 percent. Employment among never-married mothers has grown to unprecedented levels. Child poverty rates have declined about 14 percent, and birth rates for teenagers continue to decline. States still face many challenges. A majority of adult TANF recipients are not engaged in employment-related activity. States have been less effective in placing clients with multiple barriers in work. More effective models of post-employment supports that lead to career development and wage progression are needed.

In addition, given what the research tells us about the benefits of healthy marriages to children and adults, we need to promote policies that support the formation and stability of healthy marriages and that provide a strong and nurturing environment for raising children. Consequently, our efforts to reauthorize TANF buildupon our past success and address current challenges by: strengthening the Federal-State partnership; by requiring States to help every family they serve achieve the greatest degree of self-sufficiency possible; by helping States find effective ways to improve child well-being through programs aimed at promoting healthy marriages and encouraging responsible fatherhood; and by permitting States to better integrate welfare and workforce assistance programs.

I would also like to briefly recognize the importance of other programs embraced by the President's proposal in improving a family's ability to achieve and maintain self-sufficient: child support enforcement, child care, and abstinence education. Like TANF, PRWORA has had an enormous impact on the success of child support. Collections in fiscal year 2003 were more than $21 billion, and the number of paternities established or acknowledged reached over 1.5 million. The child support enforcement proposals being considered as part of this welfare reform reauthorization build on that success by strengthening enforcement tools and directing more of the support collected to the families. Under the proposal, families and children will benefit financially. Equally important, children will see that their parents support and care for them. The pass-through and disregard proposal and the proposal to revise and simplify distribution rules will increase the amount of collections going to families by more than $1 billion over the next 5 years.

Access to child care assistance also can make a critical difference in helping low-income families retain employment. Therefore, our proposal maintains the underlying structure and financing of these essential child care programs at the historically high level of funding. Specifically, $2.1 billion is proposed for the Child Care and Development Block Grant and $2.7 billion for the child care entitlement program, a total of $4.8 billion. In addition, States continue to have the flexibility to use TANF funds for child care, both by transferring up to 30 percent of TANF funds to child care programs and by spending additional TANF money directly on child care. When TANF funds are considered, as well as Head Start and other State and Federal funding sources, over $18 billion is available annually for child care and related services for kids.

The final piece of our strategy supports the reauthorization of the State Abstinence Education Program. In 2000, there were almost 19 million new cases of sexually transmitted diseases in the U.S., and historically about one quarter of those cases have been teenagers. We know without any doubt that those teens who choose to abstain from sex will not contract such diseases and will not become pregnant. We have seen the benefits of a strong abstinence message, and it is clear that the State program needs to be reauthorized. Mr. Chairman, I come before you today with a spirit of willingness to work on a bipartisan basis with this Committee to ensure that this year we take the opportunity before us and reauthorize these very important programs.

[The prepared statement of Dr. Horn follows:]

Statement of The Honorable Wade F. Horn, Ph.D., Assistant Secretary, Administration for Children and Families, U.S. Department of Health and Human Services

Mr. Chairman, Mr. McDermott, and members of the Committee, I am pleased to appear before you today to discuss the next phase of welfare reform. Shortly after the President outlined his reauthorization proposal "Working Toward Independence" in February of 2002, and again early in 2003, this Committee and the House passed bills that would achieve the necessary next steps outlined by the President. Most recently you affirmed your commitment to America's families by introducing H.R. 240 the very first day that this Congress convened. I would like to take this opportunity to express my heartfelt thanks to you, Mr. Chairman, for your leadership and to the Committee for your unceasing efforts to enact the next phase of welfare reform to further improve the lives of low-income Americans.

It has been three years since President Bush first proposed his strategy for reauthorizing TANF and the other critical programs included in welfare reform. During this time, the issues have been debated thoroughly but the work has not been completed and States have been left to wonder how they should proceed. We believe it is extremely important to finish this work as soon as possible and set a strong, positive course for helping America's families. Secretary Leavitt and I are convinced that working together with you, we will be successful.

Your initial work, the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, has had a profound, positive impact on our nation's vulnerable families. With our State partners, our accomplishments have far surpassed even the most optimistic goals. With heightened expectations of personal responsibility and greater opportunities, millions of families have moved from dependence on welfare to the independence of work. We have provided the necessary work supports, child care, and transportation to ensure that parents can get to work and stay there without worrying about the safety and well-being of their children. We also have collected record amounts of child support on behalf of children with a parent absent from the home.

Building on these successes, President Bush laid out a clear path for the next phase of welfare reform. The proposal is guided by four critical goals that will transform the lives of low-income families: strengthen work, promote healthy families, give States greater flexibility, and demonstrate compassion to those in need. These are the guideposts that shaped the Administration's proposal for TANF, child support, child care and abstinence education. This framework has not changed.

As we prepare jointly to move forward on making the President's welfare reform proposals a reality, I would like to use my time today to highlight the key provisions of the President's welfare reform package and update you on the important progress we have made in strengthening families since the President's proposal was unveiled. I will begin with TANF, the cornerstone of our welfare reform efforts.

Temporary Assistance for Needy Families

As the Assistant Secretary for Children and Families, I have heard one consistent theme about the Temporary Assistance for Needy Families program—TANF is a remarkable example of a successful Federal-State partnership. This Committee and Congress granted States tremendous flexibility to reform, design, and operate their welfare programs. Initially, some questioned the wisdom of this course of action and expressed concern about a potential "race-to-the-bottom." Instead, States effectively emphasized work, while providing families with needed training, job opportunities and work supports. In looking at State reported data on TANF recipients for FY 1998–FY 2003, States have reported an average of 843,000 newjob entries each year. As a result, millions of families have been able to end their dependency on welfare and achieve self-sufficiency. The welfare caseload has declined by 61.4 percent and the total number of families receiving assistance is now lower than at any time since 1970.

Some other positive outcomes we have seen since the law's passage include:

- Employment among never-married mothers has grown to unprecedented levels. For example, between 1996 and 2003, the employment rate for never-married mothers increased 28 percent, from 49.3 percent to 63.2 percent.
- Contrary to critics who claimed that welfare reform would impoverish one million children, the child poverty rate declined about 14 percent, with 1.6 million fewer children in poverty. Overall child poverty rates declined from 20.5 percent in 1996 to 17.6 percent in 2003. Over this same period, the poverty rate among African American children declined from 39.9 percent to 33.6 percent—lower

than at any time before welfare reform was enacted, when child poverty rates for African American children were 40 percent or higher. Similarly, the poverty rate among Hispanic children declined from 40.3 percent to 29.7 percent. Although the poverty rate has increased some since 2000 as a result of the recent recession, the surge in job creation over the past 20 months portends renewed improvement in poverty rates.
- The birth rate for teenagers continues to decline, as does the number of births to unmarried teens.

But even with this notable progress, much remains to be done, and States still face many challenges. While the basic structure and goals of TANF remain strong, we are concerned about some unfavorable trends. Despite the success in moving families from welfare to work, a majority of adult TANF recipients are not engaged in employment-related activities. In FY 2003, States reported that only 31 percent of families with an adult recipient participated in the required 30 hours of TANF work activities. We need to reverse this trend so that all TANF recipients are given the opportunity to become self-sufficient.

States also have been less effective in placing clients with multiple barriers (such as mental health issues, addiction, learning disabilities, and limited English proficiency) in work. We need to ensure that these barriers are addressed and that every family is given work opportunities leading to self-sufficiency. But our efforts cannot stop there. We also need to develop more effective models of post-employment supports that lead to career development and wage progression, programs that sustain and keep families together, and programs that enable low-income, non-custodial fathers to help their families both financially and in non-financial ways.

In addition, given what the research literature tells us about the benefits healthy marriages confer on both children and adults, we need to promote policies that support the formation and stability of healthy marriage, and provide a strong and nurturing environment for raising children.

Consequently, our efforts to reauthorize TANF build upon our past success and address current challenges by:

- strengthening the Federal-State partnership;
- requiring 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 improve child well-being through programs aimed at promoting healthy marriages and encouraging responsible fatherhood;
- improving program performance and, therefore, the quality of programs and services made available to families; and
- permitting States to integrate the various welfare and workforce assistance programs operating in their States.

I would like to offer some detail on each of these elements.

Strengthen the Federal-State Partnership

Although national caseloads are now less than half of what they were when the TANF block grant was first established, we propose to maintain the current level of support for TANF of $16.5 billion each year for block grants to States and Tribes and an additional $319 million for annual Supplemental Grants to States that have experienced high population growth and have historically low funding levels. This will allow States to maintain investments they have made in supporting families' transition from welfare to work, strengthening families, and providing other benefits and services that support the goals of the TANF program. It also will permit them to develop innovative programs to address remaining challenges.

Other key policy changes that will increase State flexibility include: eliminating limitations on services for the unemployed by defining "assistance" so that rules tied to such spending will not apply to child care, transportation and other support services; allowing States to designate and obligate "rainy day funds"; and revising current restrictions on funds carried over from one year to the next by allowing such funds to be spent on any service or benefit that achieves a TANF purpose.

Maximize Self-Sufficiency Through Work

A key component of our reauthorization proposal is to maximize self-sufficiency through work. States will be required over time to make certain that the percentage of TANF recipients engaged in work and productive activities grows and that the primary focus is on participation in work—subsidized or unsubsidized employment, on-the-job training, and supervised work experience or community service. States also will be required to engage all TANF families with an adult in self-sufficiency

activities and they must develop, and regularly monitor progress on, individual plans for each family that include appropriate activities leading to self-sufficiency.

The current caseload reduction credit, the effect of which has been the elimination of the participation rate requirement in most States, will be phased out and replaced by an employment credit. The result of these policy changes will be to reinstitute a meaningful work participation rate requirement while increasing flexibility in how States can achieve that standard.

Promote Child Well-Being, Responsible Fatherhood and Healthy Marrages

Our proposal seeks to improve child well-being through programs aimed at encouraging responsible fatherhood and healthy marriages. Indeed, we establish improving the well-being of children as the overarching purpose of TANF, recognizing that the four goals of TANF are important strategies for achieving this purpose. In support of this overarching goal, we target $100 million from the discontinued Out of Wedlock Birth Reduction Bonus for broad research, evaluation, demonstration and technical assistance, focused primarily on healthy marriage and family formation activities. These demonstration efforts will be carefully evaluated and information about successful programs will be broadly disseminated. Our proposal also redirects $100 million from the current law High Performance Bonus to establish a competitive matching grant program for States and Tribes to develop innovative approaches to promoting healthy marriages and reducing out-of-wedlock births.

Additionally, we will provide $40 million in mandatory funding for the promotion and support of responsible fatherhood and healthy marriage programs to reverse the rise in father absence and its subsequent impact on our nation's children. This funding will provide for demonstration projects to test promising approaches to promote and support involved, committed and responsible fatherhood, and to encourage and support healthy marriages between parents raising children. Funds also will be used to identify, test, and publicize community-based programs and activities that effectively encourage and support responsible fatherhood and that can be replicated in other communities, including two multi-city, multi-State projects.

Improve Program Performance

Under TANF, States have become great innovators. But, the shift in focus to a work and family support program has presented management challenges. Therefore, our fourth reauthorization component highlights improving program performance and accountability. For example, we replace the current High Performance Bonus with a $100 million Bonus to Reward Employment Achievement. Targeted on meeting the employment goals of TANF, it will reward States for successful job placements, sustained work and wage growth.

Program Intergration

For any organization to succeed, it must never stop asking how it can do things better. Using the flexibility under programs such as TANF and the One-Stop Career Center system, States have made great strides towards transforming and integrating their public assistance programs into innovative and comprehensive workforce assistance programs. But, with greater flexibility even more can be accomplished. The final key element of our TANF proposal, therefore, seeks to enable far broader State welfare and workforce program integration through the establishment of new State program integration demonstrations to show the mutual benefit that could result from broad flexibility in program integration. The proposed demonstrations could modify all aspects of selected Federal programs, including funding and program eligibility and reporting rules, enabling States to design fully integrated welfare and workforce investment systems that could revolutionize service delivery.

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 and to provide for the well-being of children. Like TANF, the child support program has been very successful. On a national basis, the program's effectiveness in collecting support has greatly improved. Total collections have increased 47.6 percent in just five years, and the number of cases for which child support was collected has increased by 78.7 percent. In FY 2003, we collected more than $21 billion of support for children—an all-time high and a 5 percent increase over FY 2002, even while the caseload decreased.

The child support enforcement program uses a number of tools to ensure that children receive the support they deserve—many of which were implemented as a result of the original welfare reform legislation. Tools such as the National Directory of New Hires and the Federal Case Registry, the passport denial program, the finan-

cial 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 over 1.5 million. Of these, over 860,000 paternities were established through in-hospital acknowledgement programs.

The child support enforcement proposals being considered as part of welfare reform reauthorization build on our success by focusing on increasing child support collections and directing more of the support collected to families. This focus on families represents a major shift away from the historic purpose of the child support enforcement program which was heretofore aimed at recouping Federal and State welfare outlays.

Directing More Support to Families

Under current law, States and the Federal government can keep some of the child support collected on behalf of current or former TANF recipients to defray costs of welfare. We are proposing a change to give States an incentive to send more child support directly to the family. Families and children will benefit financially and, equally important, the children will see that their parents support and care for them.

Currently, almost half the States pass through a portion of child support collections to TANF families. Under our proposal, the Federal government will share in the cost of amounts passed through to families and disregarded for purposes of determining TANF eligibility of up to the greater of $100 per month or $50 over current State efforts. Federal contributions to the pass-through of collections to TANF families will provide a strong incentive to States to begin to pass-through additional support to these families, or increase the amount of the current pass-through. Moreover, these increased pass through amounts will be disregarded in determining TANF eligibility, thus providing greater financial resources to help children in need. This proposal will increase collections going to families by $169 million over five years.

States also will be given the option to adopt simplified distribution rules under which families that have transitioned from welfare will receive all of their child support collections. This proposal will increase collections going to families by $984 million over five years and eliminate the need for States to use complex distribution rules.

Increasing the Amount of Child Support Collected

The second prong of our strategy for child support enforcement is to increase the amount of support collected by adding to our existing cadre of enforcement tools. For example, we will expand our successful program for denying passports to parents so that it covers parents owing $2,500 or more in past-due support. The passport denial program, run jointly by HHS and the Department of State, currently works to deny passports to delinquent parents owing more than $5,000 in past due support. In FY 2004 alone, individuals with child support arrearages paid $12.5 million in lump sum child support payments in order to renew or obtain their passports. Under the current threshold of $5,000, there are approximately 3.5 million cases certified at the Department of State for passport denial. Lowering the threshold to $2,500 will likely add an additional 500,000 cases.

Also, to ensure that child support orders are fair to both custodial parents and children as well as noncustodial parents, we will require States to review and adjust as appropriate, child support orders in TANF cases every three years. These reviews will ensure that orders reflect any changes in the needs of the child and/or the ability of the non-custodial parent to pay.

In addition to proposals to enhance State efforts to secure child support collections we are seeking to improve children's access to health insurance. For example, we will require States to look to either parent when considering the health care coverage needs of a child rather than focusing solely on non-custodial parents as under current law. Research shows that more health insurance is provided by custodial parents and stepparents than is provided by non-custodial parents. Under this proposal, States could improve their efforts to place responsibility on parents, rather than the government, for meeting their children's health care needs.

User Fee

In addition to our proposals for increasing support and directing more of the support collected to families, State agencies will be required to collect a $25 user fee for families that have never received welfare when child support enforcement efforts

on their behalf are successful. Because the fee is collected only when the State is successful in collecting support and represents a fraction of the cost of the services families receive, we are confident it will not pose a barrier to families seeking child support enforcement services.

Access and Visitation Program

Finally, in keeping with the President's commitment to strengthen families, funding for access and visitation grant programs will double over time, from $10 million to $20 million annually and for the first time will be available to Indian Tribes that operate Title IV–D child support programs. Studies have shown that when non-custodial parent/child relationships are improved, non-custodial parents are more likely to meet their financial responsibility to their children.

I would like to turn now to child care, a key support service for low-income families.

Child Care

Access to child care assistance can make a critical difference in helping low-income families retain employment. Therefore, the Administration remains committed to preserving the key aspects of the child care program: parental choice, administrative flexibility for States and Tribes, inclusion of faith-based and community-based organizations, and development of literacy, numeracy, and other early learning skills for children in care; while maintaining the underlying structure and financing of these essential child care programs.

Our proposal supports maintaining the historically high level of funding for child care, including $2.1 billion for the Child Care and Development Block Grant and $2.7 billion for Child Care Entitlement—a total of $4.8 billion for what is referred to as the Child Care and Development Fund or CCDF. In addition, States continue to have the flexibility to use TANF funds for child care both by transferring up to 30 percent of TANF funds to CCDF, and by spending additional TANF money directly for child care. When TANF funds are considered, as well as Head Start and other State and Federal funding sources, over $18 billion currently is available for child care and related services for children.

Funding available through child care programs and TANF transfers alone will provide child care assistance to an estimated 2.2 million children this year. This is a significant increase over the number served just a few years ago; in 1998 about 1.8 million children received subsidized care.

These substantial child care resources support our expectation that all families will be fully engaged in work and other meaningful activities by ensuring that safe, affordable child care is available when necessary.

Abstinence Education

In 2000, there were almost 19 million new cases of sexually transmitted diseases in the U.S., and historically, about one-quarter of these cases have been teenagers. We know that for many of the diseases there is no cure. We also know, without a doubt, that those teens who choose to abstain from sex will not contract such diseases and will not become pregnant. The goal of abstinence education is to encourage our nation's youth to make the healthiest decisions for themselves.

Therefore, the final piece of our welfare reform strategy supports reauthorization of the State Abstinence Education Program. Recently, the State Abstinence Education Program contained in PRWORA and the discretionary Community-Based Abstinence program were transferred to the Administration for Children and Families. This move provided important linkages to community-based and faith-based positive youth development programs which connect youth to caring adults, thereby empowering them in their schools and communities. Such programs can be effective in protecting young people not only against early sexual behavior but also from illegal drugs, alcohol, tobacco, and violence.

One of the great success stories in recent years is the progress in lowering the out of wedlock birth rate, especially among teen mothers. The State Abstinence Education Program and Community-Based Abstinence Education grants have helped people to develop the self-discipline to say "no" to sex. They help people develop inner strength, help them take charge of their lives, and redirect their energies into healthy and productive choices. While the evidence is still being collected, we are seeing the benefits of a strong abstinence message, and it is clear that the State program needs to be reauthorized.

Conclusion

Mr. Chairman, the proposal I bring before you today contains many different elements. What binds these fundamental elements together is the desire to improve the lives of the families who otherwise would become dependent on welfare. In his

second inaugural address, the President stated that in America's ideal of freedom, citizens find the dignity and security of economic independence. He expressed the vision of an ownership society, making every citizen an agent of his or her own destiny. These ideals certainly fit the President's concept of welfare reform as well as those embodied in H.R. 240. The Secretary and I stand ready to work with you on the next steps to making economic independence within the reach of America's neediest families. I would be happy to answer any questions you have.

Chairman HERGER. Thank you for your testimony, Dr. Horn. With that, we will proceed and turn to questions. Would the gentleman from Colorado, Mr. Beauprez, like to inquire?

Mr. BEAUPREZ. Thank you, Mr. Chairman. Yes, I would. Dr. Horn, thank you for being with us. It is my first year on the Committee, and I am delighted to be here. Tell me, I know that Congress has passed a TANF reauthorization I believe in both the 107th and 108th Congress. Is that correct?

Dr. HORN. The House has.

Mr. BEAUPREZ. The House has, excuse me. That is what I meant to say, has passed in both the 107th and 108th Congress.

Dr. HORN. In the 107th, both years of that session of Congress.

Mr. BEAUPREZ. Is the Administration changing their reauthorization proposals this year?

Dr. HORN. No.

Mr. BEAUPREZ. Same as those?

Dr. HORN. Essentially the same. We have some additional child support enforcement proposals related to medical child support, but basically our proposals remain the same.

Mr. BEAUPREZ. Why then the same?

Dr. HORN. Why the same? We think that this is a good proposal. We think that the principles embodied in our proposal are also embodied in H.R. 240, and we think that it is time for us to move forward and get the TANF bill reauthorized.

Mr. BEAUPREZ. Well, then the challenge apparently—assume for a moment, if you would—I guess you would—that the bill that the House has passed and the bill that we are considering now is adequate. The challenge seems to be to get the Senate on board and move the bill. I certainly hear from my constituents back home that one of the things that they hope and pray we get done in this Congress is to pass TANF reauthorization finally, and I understand why.

Can you explain for me rather graphically in the time you have got what the States are losing and, even better than that, the people who very desperately need these benefits? What are we talking about as opposed to where we are at now, which is essentially a continuing resolution, something we throw around in Congress often; but that basically says where we are at yesterday is where we are at today. Nothing changes, right?

Dr. HORN. The biggest problem by operating this program under a series of extensions is that the States basically are left in the lurch wondering what the rules for this program are going to be in the long term. In order to develop effective welfare-to-work programs, you need to have some certainty about what the rules of the game are because without that certainty it is very hard to develop those kinds of effective programs because you do not know whether

next year, in fact, the rules may change. One of the big costs to the States is that they have this uncertainty as to what it is that they—what kinds of rules they are going to be operating under, so it is difficult for them to plan.

There also is a missed opportunity, the longer we delay reauthorization, to implement a number of new flexibility provisions which are very important to the States. For example, under current law any State that does not obligate funds, all of its funds from 1 year to the next can carryover those funds. It is called unobligated balances, carryover balances. Under current law those funds can only be used for cash assistance in subsequent years. Well, this program is no longer primarily a cash assistance program. It is a work support program. Effectively what our proposal would do and what H.R. 240 would do as one example of enhanced State flexibility is it would allow States to unlock this now almost $2 billion in unobligated carryover funds to do the kinds of things that I know others on both sides of the aisle are interested in doing—pay for child care, pay for transportation services, pay——

Mr. BEAUPREZ. There is $2 billion just laying on the table?

Dr. HORN. There is $2 billion, and that is an under-estimate because in States like California, where as soon as they obligate it down to the county level, it is counted in our books as obligated even though it may not be obligated and sitting around at the county level. There are costs to not getting this reauthorization done, and I think that it is both a cost—one big cost is that the States do not have certainty as to what the rules of the game are going to be, and the second is that they also lose out on many of the provisions that would enhance their flexibility. One last thing is they also lose out on these really good and excellent child support enforcement provisions, where we estimate that with a relatively small investment of Federal dollars, we can over the next 5 years essentially increase child support collections to about $3.5 billion.

Mr. BEAUPREZ. The deadbeat dad problem.

Dr. HORN. Pardon?

Mr. BEAUPREZ. The deadbeat dad problem?

Dr. HORN. Well, we think we need to have an evenhanded approach with the noncustodial parents.

Mr. BEAUPREZ. Fair enough.

Dr. HORN. I used to run an organization called the National Fatherhood Initiative, and I do not like the term "deadbeat parents."

Mr. BEAUPREZ. That is okay. I thought we guys were the whole——

Dr. HORN. There are very good provisions in child support, too, that would make sure that more families had money in their hands and those provisions are also tied up in this bill.

Mr. BEAUPREZ. Thank you very much. I thank the chairman.

Chairman HERGER. The gentleman is welcome. We do have a series of votes on the House floor at this time, so we will go and vote as soon as possible and return as soon as the votes have concluded. This hearing stands in recess.

[Recess.]

The Subcommittee will continue, and the gentleman from Washington, the Ranking Member, is recognized for 5 minutes.

Mr. MCDERMOTT. Thank you, Mr. Chairman. Mr. Horn, good to see you again.

Dr. HORN. Good to see you.

Mr. MCDERMOTT. I do hope we find some common ground.

Dr. HORN. I agree.

Mr. MCDERMOTT. According to the Administration's own estimates, this budget will lead to 300,000 fewer Americans receiving child care assistance. Now, the President in this bill wants us to raise up the work requirements, which means people are going to be out there working more, which in my simple understanding would mean that you are going to need more child care for workers. Where is that money going to come from, if you could tell me? Do you think that is all buried in there somewhere? Or do you think the States have it? Or where is the money going to come from, the $10 billion that we showed earlier?

Dr. HORN. First of all, I think the estimates that you are referring to in terms of the 5 year estimates, if the child care development fund is not adjusted for inflation, assumes that there will be level funding of the child care development fund in each of the next 4 years. As you know, we go through a budgetary process each year, and the Administration has not announced a position that there ought to be no increases in child care over the next 5 years. It is just the way the estimate is done, assuming that there is no increase. There is a budgetary process we go through every year, and those decisions will be made at that time.

In addition to that, it is important to keep in mind that one provision of the President's proposal that is also contained within H.R. 240 would unlock immediately, if passed, nearly $2 billion in funding that could be utilized for child care if States deemed that that is a priority for them. One of the benefits of getting the bill passed quickly is it would immediately unlock that $2 billion, which right now not a penny of that can be used for child care.

Mr. MCDERMOTT. Where is that $2 billion right now you say is all locked up somewhere?

Dr. HORN. It is in the unobligated carryover funds that States have. As you know, under TANF if you do not spend all of your money in a given year, you can carry that money over. The problem is that under current law, if you carry any of that money over from 1 year to the next, you can only use that money for cash assistance. You cannot use it for other kinds of work supports. The States have to report to us each year how much in the carryover fund they have and how much of that carryover fund is obligated, how much of that is unobligated, and the latest numbers that we have suggest that there is almost $2 billion in unobligated carryover funds which could immediately become available for child care if this bill were passed.

Mr. MCDERMOTT. Well, my understanding is that the States are already spending nearly all of that TANF money because they use a growing portion of the money on work-related services and antipoverty measures rather than on cash assistance. It seems to me like that money is gone. Do you feel you—because I want to ask the next witnesses whether they have any money laying around in their States or not that they have not been spending, because you are asserting that there is some money out there somewhere.

When you plan a budget that says you are going to have 300,000 more, the economy is not picking up. The jobs are not getting better in terms of the amounts that people are earning. That means it is harder for them to hire child care, good child care. I do not understand, because I don't think any State—I am going to ask the State people when they get here where they think they will get the money to provide child care for their programs. I understand this is a 50/50 deal, but it seems—or, no, it is not a 50/50 deal. It is one of those sort of joint partnerships where everybody tries to slide away from who is responsible for it.

Dr. HORN. Well, first of all, let me say I agree with you that child care is important work support, and there is a provision in TANF, which no one proposes to change, that says that if child care is not available to a recipient, the State cannot sanction that family for not going to work. We do not propose to change that. We think child care is a necessary and important work support for families leaving the TANF program.

Mr. MCDERMOTT. I see my time is almost done, so I want to ask you one short question. Has the National Governors' Association (NGA) endorsed your bill and said this is a good idea?

Dr. HORN. I don't recall.

Mr. MCDERMOTT. You don't recall?

Dr. HORN. No.

Mr. MCDERMOTT. Did you go out and talk to them and show this bill to them and say, "What do you think, guys—and ladies?"

Dr. HORN. Yes, we have had conversations with the NGA.

Mr. MCDERMOTT. You did approach them?

Dr. HORN. Sure.

Mr. MCDERMOTT. You don't know what their decision was? Is that because they haven't decided or because I didn't want to hear the answer?

Dr. HORN. I don't recall what position they have taken on the bill, to be honest with you.

Mr. MCDERMOTT. Thank you, Mr. Chairman.

Chairman HERGER. I thank the gentleman. The gentleman from Pennsylvania, Mr. English, to inquire.

Mr. ENGLISH. Thank you, Mr. Chairman.

Mr. Horn, I guess I am getting old or something because I was around here 10 years ago when we were doing welfare reform. I was on this Subcommittee, and, you know, the strange echo of some of the arguments that we heard back then based on CBO projections we are hearing now, that the Administration's proposal is inadequate. The same CBO projections turned out, as I understand, 10 years ago to be off by about $20 billion. In fact, whereas we were hit with the argument repeatedly we had not set enough money aside for child care even though we had actually put aside more than the Clinton Administration had asked for, it turned out we did have adequate funding for child care. Does not the experience that the Administration has had suggest that there is enough money plugged in regardless of what statistics are being thrown around by critics?

Dr. HORN. I have looked at the CBO estimates that were released yesterday, and I think that the CBO is, unfortunately, repeating a mistake they made back in 1996, and that mistake is to

assume that caseloads will stay constant over 5 years. The reason why CBO was so off in its estimate in 1996 concerning how much money in the TANF program and child care programs were necessary is because they assumed that over the next 5 years the caseloads would not decline. Well, guess what happened? They declined by almost 60 percent, and so that freed up a lot of additional money. Rather than being 13 and I have seen some estimates as high as $20 billion short, what really happened is we have $2 billion left over in unobligated balances here 7 years later. They are making the same mistake, in my view, in these new estimates. They are assuming that over the next 5 years there will be no caseload decline as a consequence of the new work requirements and the work participation requirements.

Well, if it were true that the package of reforms that we are advocating and that are seen within H.R. 240 would result in no additional caseload decline, I would be against the proposal. It would not make any sense. The whole idea of the proposal that is embodied in the President's proposal as well as in H.R. 240 is to encourage even more people to leave welfare to go to work, meaning the caseloads will decline. When the caseloads decline, it frees up additional money that then does not have to be spent on cash assistance and becomes available for child care.

Mr. ENGLISH. Thank you.

Mr. Chairman, I cannot see the light so I do not know how—oh, there we go. I am green, okay.

Chairman HERGER. Two minutes.

Mr. ENGLISH. I wanted to jump then, Mr. Horn, to your testimony with regard to child support, which I think is frequently one of the parts of the welfare reform story that really was genuinely bipartisan 10 years ago and is a remarkable success story. Can you please detail for us the Administration's proposal in this area?

Dr. HORN. Well, I probably do not have enough time to talk about all of them because it is quite a large package, so let me talk about it conceptually. First of all, what the Administration proposes to do is to provide States with incentives to pass through more of the money that is collected in child support actually to families, both families who are currently on welfare and also those who have left, because we believe that we need to move to a place where child support is no longer a welfare cost recoupment program for the States and the Federal government, but really a program that provides ongoing financial support to families. The way to do that is to encourage more pass-through and also to encourage that States, when they pass through additional moneys, that they disregard those child support payments in calculating eligibility for the TANF program.

At the same time, we have a package of additional enforcement mechanisms that would generate, we think, greater child support collections, and we also wanted a more evenhanded approach so that we could work with fathers who want to pay, the ones who are more, in Dr. Johnson's vernacular, "dead broke" than "deadbeat," and work with them so that they can get employment so they can start fulfilling their financial obligations to their kids. Then, finally, we have some new proposals around medical child support, the idea being we want to have a system in place that en-

sures more kids are covered, not just financially but also in terms of medical insurance, if they, in fact, are in a situation where there is a noncustodial parent.

Mr. ENGLISH. Thank you. I yield back the balance of my time.

Chairman HERGER. I thank the gentleman from Pennsylvania. The gentleman from Illinois, Mr. Emanuel, to inquire.

Mr. EMANUEL. Thank you, Mr. Chairman. Thank you, Mr. Horn, for being here. I want to pick up a little on what my colleague from Pennsylvania said, but having at another time in another life, it feels like, worked on the other side of Pennsylvania Avenue on the first bill that led to some of the successes and benchmarks that you are citing, it was principally because of a strategy and philosophy that dealt with eliminating the speed bumps on the way to moving people from dependence to independence—A, in child care; B, in health care assistance; C, transportation assistance; and then through the earned income tax cut and the minimum wage. It made work a more attractive alternative to dependency. Second, we removed the speed bumps that took work down below as a means of economic independence to dependency because it was child care, health care, and also basically ways of support, whether that is through the minimum wage or earned income tax credit.

My problem is when you look at what the bill is that you are advocating, in many ways you divert from what has been a proven success in moving people—forget just the numeric reductions in the payroll. I think the biggest accomplishment is for the children of some of these families when they can say and identify all of us grew up in a culture of work and a philosophy of work. We knew what our parents did. We identified with the philosophy of work, the schedule of work. When a child whose parent moves from dependency to independence, they are part of that culture of work, and they can answer what their parent does at school. Unfortunately, what is wrong with this legislation is you depart from that road map. I will just tell you from my own experiences in Chicago, there are not enough child care slots and there are not enough child care dollars. I think my Mayor and our Governor do a great job.

Second is rather than just have 1 year of transition health care assistance, we should be building on that 1 year because it was so essential because a lot of people go from—what parent—let me stop myself there. What parent would choose Medicaid, guaranteed health care for their children, versus a job with no health care and only 1 year? That is putting a parent in a horrible choice between their own economic independence and their children's health care, and those are the choices this plan gives. Rather than say only 1 year of Medicaid, we should actually take Medicaid to a second year, help these parents be good parents at work and good parents at home, and we are not doing that.

The problem with this legislation is it does not take the lessons of the success of the last 6 years under the welfare program 1996 and build on them. In many ways, it contorts them and departs from them. I think what you want to do here and I think what the Democratic alternative does is on all those areas—child care resources and slots, health care beyond the first year of transitional

assistance, earned income tax credit, minimum wage, transportation assistance, moving people from where they live to where the jobs are—you have abandoned that, that to me is what is so infuriating because it actually—this was the first time we all collectively—not at first, it went through two vetoes to get there—did the right thing both for the government, for the people it serves, and the taxpayers.

I think every one of us—and what I want to bring up—and I hope that I can submit to the record, Mr. Chairman, the Joyce Foundation in Chicago did a six State study for 6 years on welfare reform—Michigan, Illinois, Indiana, Wisconsin—all these great States that everybody was praising—Iowa—had different economic groups, and so forth. What did the respondents who moved successfully from welfare to work say? The 38 percent, the biggest thing, child care dollars. This was while the States were flush with child care dollars, and they said the biggest prohibition to getting a job was not enough child care resources or availability of slots. Second, after they were up with their 1 year, they lost their health care. Add a second year of health care transition.

Then third, obviously, as you well know—and if you do not, I will get you a subscription to the newspaper. You can pick the newspaper. Wages are being suppressed in this country. Minimum wage has not kept up. Earned income tax credit has not kept up. In all those areas we are not building on it. If we are walking away from 6 years of experimental success, and that is my problem. I hope you can take a look at the Joyce Foundation study, what the respondents who successfully have moved from welfare to work said they needed—not CBO, not OMB, not some bureaucracy in Washington, but people on the ground, parents who have done it right. If you haven't seen that study from the Joyce Foundation, I would be more than willing to forward it to you, and I would like to submit it into the record, Mr. Chairman, if that is okay.

Chairman HERGER. Without objection.

Mr. EMANUEL. Thank you.

[The study was not received at time of printing.]

Dr. HORN. Congressman, first I would say welcome to the Subcommittee. I have had the opportunity——

Mr. EMANUEL. That is a good welcome after what I just said. [Laughter.]

Dr. HORN. I look forward to working with you. I am a great admirer of the work that you did on the 1996 law, and I agree with you that the 1996 law did a number of very important things. I think that in the history of social policy in the 20th century, the welfare reform law 1996 will go down as one of the great shining successes. I agree with you. There are some who would argue then if it is not broken, don't fix it. I work for a President who says if it isn't perfect, make it better. Also, I think we could agree that it isn't perfect. Now, we may disagree on how to make it better, but what we are trying to do is not to retreat upon a successful program but make it better. There are a couple of things that I would point——

Mr. EMANUEL. Well, if I could say one thing—and I do not mean to interrupt, but I am a middle child and so I have to. I just don't want to make, you know, the perfect the enemy of the good.

Dr. HORN. I agree with that.

Mr. EMANUEL. If we are going to throw analogies around—my one concern here, though, is that I understand you think you can make it perfect, but in every area from health care to child care to wages to transportation, you are not building on the program of success.

Dr. HORN. Let me point out just a couple areas where I think that we are, because we have seen some weaknesses. Right now, because of the caseload reduction credit, we basically have a zero work participation rate in many States. Twenty seven States now have a work participation rate requirement of 5 percent or less. Twenty seven States. We ought to fix that because the consequence of that is that we are seeing the percentage of welfare recipients who are actually participating in work declining over the last 3 years to right now only 31 percent of those who satisfy the current work participation requirements. We ought to fix that. We also think we ought to be having every single person who walks through the door of a welfare agency immediately engage with a case plan developed within 60 days so that we can get everybody off of welfare as quickly as possible. There are a number of areas I think we can agree on, and I look forward to working with you on that.

Chairman HERGER. The gentleman's time has expired.

Mr. EMANUEL. Can I just add one point, Mr. Chairman?

Chairman HERGER. Very quickly.

Mr. EMANUEL. Very quickly, the reason you are down on lower work participation is you are dealing with the hardcore cases. The first 6 years dealt with the easier cases, and just making harder requirements on work does not mean you are going to get better success results. Thank you, Mr. Chairman.

Chairman HERGER. The gentlelady from Connecticut, Mrs. Johnson, is recognized.

Mrs. JOHNSON. To the preceding gentleman's comment, there certainly is truth in the fact that you are dealing with many who are harder to employ. To have a zero work requirement result from our bill is also irrational. Now, in this new bill, it is my understanding that mental health and substance abuse—time spent in mental health treatment programs and substance abuse programs can count as work for the 16 hours between these 3 days of work and the full 40-hour requirement. I think that is important. I think if people are going to be full-time workers and look toward the future for full-time work and self-sufficiency, they need to be able to count their work toward dealing with personal problems as real work, because it is.

Also, my understanding is that you recognize in the bill the importance of people gaining knowledge of child development, of nutrition, of health, of financial management sills. I am concerned that just saying it is possible is not enough, that we need to be more prescriptive and require States to offer plans like that, programs like that so that people coming off welfare do have not only the opportunity but that obligation, because you just cannot be successful, and particularly in today's world, if you do not develop some financial management capabilities. That is one question, and then I am going to give you a chance to answer all these.

Second, does this bill better tie together work training and career advancement know, in other words, so people are more clear that if I decide to get an LPN, what are the next steps? What are the next steps up the education ladder, up the career ladder, up the income ladder? Last, the President's interest in fatherhood really pleases me. You have done a lot of work in that area, both in government and out of government. We will not ever make a dent in this fatherhood problem if we don't make the fathers of women on welfare who are not working eligible for the work and training programs and bring them into these courses that the mothers must take on child development, financial planning, adult development. That is where we really want to help young people grow in an understanding of how relationships enrich their lives, make work lives successful, make parenting successful and so on. I know it would be expensive to treat them exactly like the women on welfare, but a lot of them are not employed or they are employed in the underground. If they are employed in the underground, it is almost worse because they are not paying Social Security and they will never get Medicare, and for whom would it be a reasonable decision to marry someone like that?

Both how do we get hooked, and then how do we help them work off arrearages so, again, they would be eligible for a job in the real world and could move ahead? The fatherhood issues, career development issue, and then in those 40 hours making absolutely clear and rather compulsory, if you do not have something else better to do, that you do take these courses that you should have had in our high schools if we were thinking?

Dr. HORN. Well, I will try to be brief in all three answers. First of all, there is always a delicate balancing act between the principle or the goal of State flexibility and the principle or the goal of, you know, what we think would be a good idea. I agree with you that I do think that the kinds of services that you listed are all very good and worthwhile things to do, but we put them in the category of State flexibility. They are things we would encourage, but not necessarily require them of recipients because not every recipient requires each one of those services.

In terms of career advancement, the research literature is pretty clear that education-first strategies are less effective than are workforce strategies. The best strategy is one that combines the two, and that is precisely at the heart of what the President has proposed and what is also embodied in H.R. 240. That is to say, we do not require 40 hours of work; neither does your bill. What it says is there are 24 hours of work, but you also have to fill in that other time, those other 16 hours.

Well, what would you fill that in with? Well, I would hope that most people would fill that in with additional education and training experiences, because how do people get better jobs? First of all, they establish good work histories. Someone who comes to you as an employer who says, "I do not have any reliable work history," is not someone you are likely to hire. You want to get them into work to start to get that reliable work history.

On the other hand, if you come to an employer and say, "I have no skills," they say, "Well, this is a skilled position. I am not going to hire you." Rather than throwing a wild party because we have

gotten someone off of the TANF rolls because they have a part-time job now, stuck at low wages, unskilled, what the President's proposal and H.R. 240 says is we want the agencies to continue to work with that client to give them additional education and training so they can get a better job.

Mrs. JOHNSON. Right. Good. Thank you.

Chairman HERGER. The gentlelady's time has expired. The gentleman from California, Mr. Becerra, to inquire.

Mr. BECERRA. Thank you, Mr. Chairman. Secretary Horn, thank you for being here. Let me see if I can delve into a bit this whole issue of child care. I think we all see the glaring numbers, but I am still trying to make sense of how we expect to make a great deal of progress when only one in four of the eligible children in this country would be serviced by this legislation. Explain to me, give me the 30-second sound bite of how it is that the Administration expects women with children, especially those under 5 or 6 years of age, to succeed in the workplace if they have got small kids and they will be receiving no money to help them with child care.

Dr. HORN. I will give you the 10 second sound bite. They would not be required, either under current law, the President's proposal, or H.R. 240, to go to work if, in fact, there is not child care available. That is current law. We do not propose to change that.

Mr. BECERRA. What they will do is they will exhaust their time to TANF proposals and then all of a sudden before they know it, they have hit the barrier, and they no longer get any benefits under welfare, and they still have not gotten a job. Their kids are a little bit older, and they still cannot get child care.

Dr. HORN. I understand your concern, but I do not think that is the way it would work.

Mr. BECERRA. How would it——

Dr. HORN. First of all, if you look at the CBO estimates over the next 5 years, of the $8.3 billion they estimated being necessary, half of that is in costs related to work programs and half of that is in child care.

Mr. BECERRA. No, but let's focus on the child care dollars. My understanding is that the President's own numbers show that you will be providing assistance to less children as a result of this proposal than you are right now, some 300,000 less; and as it is, we are only providing child care eligibility and funding for that to the States for a quarter of the 9.5 million children.

Dr. HORN. Again, the 300,000 less kids being provided with child care is the assumption that there is level funding for the next 5 years in the child care development fund. Those are decisions that have not been made. Each of those—each year——

Mr. BECERRA. What about the President's budget that he presented this past week?

Dr. HORN. That is for 2006. It is not for 2007, 2008, 2009, and 2010.

Mr. BECERRA. Are you telling us today that you are going to let us know that the Administration will be proposing at least increases equal to the cost of living over the next 5 years?

Dr. HORN. If I told you that today, I would be the former Assistant Secretary tomorrow, I assure you. [Laughter.]

Mr. BECERRA. Well, last year you did not say you would, and you are still the current Assistant Secretary. So——

Dr. HORN. What I am saying is that those are decisions that have not been made and will be made within the context of future budget requests.

Mr. BECERRA. How is it that you are coming before this Committee and the President has presented a budget and those decisions have not been made? Is there a reason why women who are looking for a way out of welfare, who have children, who are hoping to end the vicious cycle of poverty for themselves, have to wait longer to find out what happens in this budget?

Dr. HORN. No, because if you pass TANF today, tomorrow almost $2 billion becomes available immediately that cannot be spent for child care today. It becomes immediately available——

Mr. BECERRA. You are going back to the TANF dollars?

Dr. HORN. The carryover, the unobligated carryover balances, yes.

Mr. BECERRA. I think you answered Mr. McDermott a bit on this. Have you done an analysis of how much TANF money is actually available to these States?

Dr. HORN. How much is available?

Mr. BECERRA. Yes.

Dr. HORN. Between TANF and child care over the next 5 years, $167 billion.

Mr. BECERRA. Okay. Now, you are saying that is free money that is available?

Dr. HORN. No, no, no. I misunderstood your question.

Mr. BECERRA. How much of the TANF money that you say that you can use—you said there is about $2 billion available there. How much of that is—have you done an analysis, first, of the $2 billion that you say may be available of the TANF cash assistance money?

Dr. HORN. Well, under TANF, as you know, there is $16.7 billion available——

Mr. BECERRA. That I understand. I am just wondering if you done an analysis.

Dr. HORN. Of how much of that $2 billion could be used for child care?

Mr. BECERRA. Yes, child care.

Dr. HORN. One hundred percent, if you pass this bill.

Mr. BECERRA. I understand it could. Are the States willing to let it be used for that?

Dr. HORN. Well, the States have the flexibility to decide how to use that money under the bill.

Mr. BECERRA. In your analysis, did you determine that the States have enough money that they need for their own cash assistance programs, for their work-related programs, that they could use TANF dollars for child assistance? Did you do that type of analysis?

Dr. HORN. We did not ask the States how they would use those unobligated balances.

Mr. BECERRA. You are proposing to us that we consider those $2 billion in TANF dollars that you say are available for child care. You must be relying on something. There must be some factual

basis for you to say that. Otherwise, the States are going to come screaming to us saying, Please, we do not have enough TANF money as it is, now you are talking about using the TANF money that we are supposed to use for work-related activities for all the other things we have to do for cash assistance to these mothers who are on welfare, and at the same time use it for child care. You can only use the dollars so many times.

Dr. HORN. We have had lots of conversation with the States, including the NGA, on the issue of carryover balances. I would state without fear of contradiction that the States believe that it would be a very, very good thing to allow them to use those carryover balances in whatever way that the State feels is useful to them in service of——

Mr. BECERRA. Mr. Secretary, I would ask you if you could provide us with any written analysis that has been done by your Department on the availability of those 2 billion TANF dollars.

Dr. HORN. Sure, I would be happy to do that.

Mr. BECERRA. Thank you so much. Thank you, Mr. Chairman.

Chairman HERGER. The gentleman's time has expired. Dr. Horn, the President's proposal and H.R. 240, the bill introduced by the senior House Republicans last month, would require States to engage all TANF recipients with an adult in self-sufficiency activities as well as to develop individual plans for activities leading to self-sufficiency. Given that the work rates have fallen among the welfare recipients in 3 of the last 4 years, this seems to be very important. Can you talk a little bit more about the importance of engaging families? Is there evidence that States are not working to engage families immediately?

Dr. HORN. First of all, I want to say that many States and many local welfare-to-work programs are doing the best job that they can, are really committed to this program. On the other hand, there is a reason why in its wisdom this Congress passed a bill in 1996 that set a work participation rate, because it believed that it was important for the States to focus on getting people into work, and one way to do that is to set a minimum work participation rate.

Now, if you ask the average American what percentage of people on welfare are supposed to be engaged in work, the average American would say all of them. They do not say 50 percent. They certainly do not say 31 percent. They think all of them are. The fact of the matter is that because of the caseload reduction credit, right now only 31 percent of those on TANF are satisfying the work requirements. I do not think that is because States, you know, are ignoring their welfare-to-work programs. It seems to us that it is time for us to put a work participation rate requirement back in that is real, at the same time also putting a new requirement that within 60 days every TANF recipient that walks through the door, within 60 days has a case plan.

Congresswoman Johnson, you and I, unfortunately, remember the days in child welfare when there was not a case plan for people in child welfare. Well, Congress fixed that. Now everybody has got a case plan. They often are not developed enough, quick enough for my taste, but they have a plan. It is astounding that people who go into TANF offices do not have a plan. How are you going to fully understand what their needs are, how are you going to fully under-

stand what the opportunities are to engage them unless someone sits down and says let's develop a plan? That seems to be a minimum requirement, one that I think, my guess is, everybody agrees with. Let's put a requirement on it that says everybody ought to be engaged, because we don't want them sitting around without a plan, without someone working with them, because we know the time clock is ticking. We are not doing them any favors in just letting them stay on welfare both because if you are on welfare—guess what?—you are going to be poor, forever. Tthere are not any rich people on welfare. You are going to be poor. Also it is important to note that their time clock is ticking, and the only way to really move them quickly, preserving enough time on the time clock in case they need it in the future, is to engage them quickly.

Chairman HERGER. Thank you very much, Dr. Horn, and we appreciate your testimony. With that, I would like to invite our next panel to join us at the table. This afternoon we will be hearing from Kevin McGuire, Executive Director of the Family Investment Administration, Maryland Department of Human Resources; Robert Rector, Senior Research Fellow at the Heritage Foundation; Dr. Ron Haskins, Senior Fellow at the Brookings Institution and Senior Consultant at the Annie E. Casey Foundation; Dr. Jeffery Johnson, President and chief executive officer of the National Partnership for Community Leadership, accompanied by Yovani Rivera; and Jason Turner, Director of the Center for Self-Sufficiency. Mr. McGuire to testify.

STATEMENT OF KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR, FAMILY INVESTMENT ADMINISTRATION, MARYLAND DEPARTMENT OF HUMAN RESOURCES, BALTIMORE, MARYLAND

Mr. MCGUIRE. Good afternoon. I am Kevin McGuire, the Executive Director of the Family Investment Administration at the Maryland Department of Human Resources. I bring greetings from Governor Bob Ehrlich to his friends and former colleagues on the Committee. I also bring a special greeting to Maryland Congressman Ben Cardin, a Member of the Subcommittee who has worked for bipartisan welfare reform both in Congress and in Maryland.

I am also here to share with you the Ehrlich Administration's mission to engage and strengthen communities and families through service, innovation, and reengineering. Thanks to the policymaking leadership of the Congress, Maryland's Joint Committee on Welfare Reform, and the support of the Maryland General Assembly, my department has had unprecedented flexibility to accomplish our mutual goals. I certainly think Maryland is in the forefront of States with successful welfare reform programs.

Due to your leadership, Maryland's Family Investment Program has been very effective. It is a flexible, outcome-based model that has allowed us to devolve many of the operational decisions on program implementation to our local departments of social services. Among some of our successful outcomes is the decline of our cash assistance from 227,887 recipients in January 1995 to now 65,714 recipients in January 2005. That is an unprecedented decline and that is the lowest in cash assistance in our State since November 1963.

In addition to wages, families that leave welfare for work also continue to receive medical assistance and food stamp benefits and receive refundable earned income tax credits from both the Federal and State governments. We found that that has been very successful and very helpful for making the case of moving from welfare to work. We also have followed TANF reauthorization very carefully. During repeated continuances of the program, we have determined for some time that, whatever ultimately reauthorization will be, it will include proposals calling for an increase in work participation rates, an increase in work hours, a different scope of defined work activities, universal engagement, and reform of the caseload reduction credit.

Now, we have done this because for Maryland the stakes are enormous, as failure to meet the new work requirement rates and universal engagement requirements could subject the State to a potential liability for large Federal penalties. Consequently, we have taken a proactive approach to be prepared for what is likely to lie ahead. We have been making plans for new initiatives that will give our State a head start on some of these things.

Now, we did it for a couple of reasons. Two of the biggest things we did is we started on a process of universal engagement and increased work participation, and since the Ehrlich Administration has been in, we have roughly—we have had a very low work participation rate for federally counted work activity. We have basically doubled it by now. At the same rate, we still have caseload going down and people are still going to work. We think that we are on the right track, but we just want to share with you some of the things that we want to do.

To move forward, we agree with you, Chairman, that despite the success of the 1996 proposals, more work needs to be done. My staff and I have carefully reviewed the proposals in H.R. 240, the Personal Responsibility, Work, and Family Promotion Act of 2005, and we think it provides a firm foundation on which to build our continuing efforts to meet the goals of welfare reform. We are especially pleased that the bill maintains many of the very positive and flexible features of the original legislation, including funding for the Temporary Assistance for Needy Families program, full funding, and provides some increase in funding for child care programs. Similarly, the continuation of the transitional medical assistance program will continue to ensure that individuals leaving welfare for work have important health coverage for up to a year after they leave the rolls.

We have also noticed a couple of opportunities that are provided in the bill, some of which I will just basically touch on: Provision for healthy marriage initiatives. We think that the new provisions aimed at encouraging healthy marriages and two parent married families are very encouraging. We also like the idea of expanded State demonstration authority. We are very enthusiastic about the new State-flex demonstration authority, and we strongly support the concept that States are the laboratories of democracy. Maryland has recognized that the vast diversity of government, means tested programs, in itself, sometimes leads to confusion and inadvertently sets up barriers to program access and participation. We think having the flexibility will allow us to address that.

We also like an opportunity to continue improving the food stamp program. While people have moved from welfare to work, we have done something in Maryland that was very interesting. We have taken care of a lot of our administrative problems in payment accuracy, but we have also increased the number of working people on food stamps while the caseload is going down. That is something that is pretty well to do. Some of the challenges? Increasing work requirements, we are considering replacing the recalibrated caseload reduction credit with an employment credit, consider providing penalty relief to States making steady improvement in their rates, and just one other thing, simply: We need a bill. I cannot go on years and years going to my legislature without a bill. Thank you very much.

[The prepared statement of Mr. McGuire follows:]

Statement of Kevin M. McGuire, Executive Director, Family Investment Administration, Maryland Department of Human Resources, Baltimore, Maryland

Good afternoon. I am Kevin McGuire, Executive Director of the Family Investment Administration at the Maryland Department of Human Resources. I bring greetings from Governor Bob Ehrlich to his friends and former colleagues on the committee. I also bring a special greeting to Maryland Congressman Ben Cardin, a member of the subcommittee who has worked for bipartisan welfare reform both in the Congress and in Maryland.

Background: Your Leadership Has Enabled Us To Do Great Things

I am here to share with you the Ehrlich administration's mission to engage and strengthen communities and families through service, innovation and reengineering. Thanks to the policymaking leadership of the Congress, Maryland's Joint Committee on Welfare Reform and the support of the Maryland General Assembly my Department has had unprecedented flexibility to accomplish our mutual goals. I certainly think Maryland is in the forefront of states with successful welfare reform programs.

Because of your leadership, Maryland's Family Investment Program (FIP) has been very effective. It is a flexible, outcome-based model that has allowed us to devolve many of the operational decisions on program implementation to our local departments of social services. Among our successful FIP outcomes is the decline of our cash welfare caseload from 227,887 recipients in January 1995 to 65,714 recipients in January 2005, a decline of 161,173 adults and children, reducing the caseload by 71.2%. In our last state fiscal year alone, we placed more than 9,000 recipients in unsubsidized employment. We have also seen significant increases in the average starting wage for those placed in jobs which is now at $8.08 an hour.

In addition to wages, families that leave welfare for work in Maryland also continue to receive Medical Assistance and Food Stamp benefits and receive refundable Earned Income Tax Credits from both the Federal and State governments. They also may receive child care assistance and child support payments. We found that 98% of exiting families receive at least one of these benefits. In total, based on the average wage and available benefits in Maryland, we estimate that a family of three can experience an increase in cash and in-kind income from $10,416 when on cash assistance to $27,715 when working at our current average wage at placement.

We are convinced that it is better for a family to be off welfare and working. Dr. Catherine Born of the University of Maryland School of Social Work in her *Life After Welfare* series of studies supports this conclusion. Dr. Born has consistently found that the majority of those who have left welfare did so because they found jobs, have not returned to welfare, and have kept their families together. She has found that a majority of former Maryland TANF recipients work in a job covered by unemployment insurance that their earnings increase over time and almost two-thirds of those that exit cash assistance for at least one month remain off the welfare rolls.

In short, we have been enabled by your legislative policy leadership to develop a plan with outcomes that have silenced the early naysayers of welfare reform when the original legislation was being debated in 1996 and exceeded our own expectations.

In the Absence of TANF Reauthorization, We Have Continued to Innovate and Plan

We have instituted a new reporting mechanism, which I have adapted from my experience in New York called JobStat. JobStat is a better means of measuring productivity and improves performance outcomes. The unique features of JobStat include the fact that it is a *management* system, not a computer system. It is a one page statistical report that displays essential performance data from many reports on one page and is complemented by slides for visual effect. Regular JobStat meetings in the local departments allow key executive and local management staff to meet and talk about the successes and challenges of our work of moving individuals from welfare to employment. Each JobStat meeting is concluded with a summary that lists management decisions and corrective action strategies in a document known as the action item report. This report is a tasking document that remains in effect until the action or issue is completely resolved.

We have followed the TANF Reauthorization debate carefully. During repeated continuances of the program we have determined for some time that, whatever ultimate Reauthorization bill comes out of the Congress, it will include proposals calling for an increase in work participation rates, an increase in work hours, a different scope of defined federal work activities, Universal Engagement, and reform of the caseload reduction credit.

We have done this because the stakes for Maryland are enormous, as failure to meet the new federal work participation rates and universal engagement requirements could subject the state to a potential liability for large federal penalties. Consequently, we have taken a proactive approach to be prepared for what is likely to lie ahead. We have been making plans for new initiatives that will give our state a head start on the impending and plausible new requirements in an eventual TANF reauthorization bill. Two of these initiatives are already taking place.

We have formed a work participation workgroup made up of representatives from my Bureau of Work Programs and our local departments of social services. Their charter is to continue to examine and implement new ways to engage our customers in work and to increase our federal work participation rate. We have done this since Maryland has historically viewed movement off welfare and to work as one of our key goals and our cash assistance caseload decline as a key performance measure of that goal. In the past, Maryland determined that the caseload reduction credit was enacted to recognize that helping a family off welfare was just as valuable as having them be on welfare and in a federally defined work activity. This then became a key element of our strategy to meet the work participation rates. We have determined that this element needs to be changed and we have changed. The effort of this workgroup has been successful. We have raised our rate from 9.7% in federal fiscal year 2003 to an estimated 16.3% in 2004. This, together with our caseload reduction credit of 43.2% yields an effective rate of 59.9%. I want to point out that at the same time our participation rate in state defined activities and in federally defined activities for less than the required number of hours was 46% in 2003 and 51% in 2004. We clearly have engaged people, but not in a manner to have them count in the rates as currently constructed. As I will discuss later, this legislation offers some opportunity to better reflect what we are doing in the federal rates.

We have also already begun our "Universal Engagement" program, which means that each and every client must be engaged in a work activity or another constructive activity within no more than thirty days of their case opening that will lead to independence as soon as possible. Through our proactive approach, we are striving to place Maryland in a position to be prepared for TANF reauthorization.

To Move Forward, We Need Your Continued Leadership and Assistance

We agree with Chairman Herger that "despite the success of the 1996 reforms, more work needs to be done." My staff and I have carefully reviewed the proposals in H.R. 240, the "Personal Responsibility, Work, and Family Promotion Act of 2005." Maryland thinks it provides a firm foundation on which to build our continuing efforts to meet the goals of welfare reform.

We are especially pleased that the bill maintains many of the very positive and flexible features of the original legislation, including full funding for the Temporary Assistance for Needy Families program (TANF) and provides for some increase in funding for child care programs. Similarly, the continuation of the Transitional Medical Assistance program will continue to ensure that individuals leaving welfare for employment have important health care coverage for up to a year after they leave the welfare rolls.

Opportunities

We also look forward to some of the new opportunities provided in this bill. There are three we find particularly interesting as we plan "on the ground" for the needs of Maryland's families and its most vulnerable citizens.

Healthy Marriage Initiatives. The new provisions aimed at encouraging healthy marriages and two-parent married families are very encouraging. As we have implemented welfare reform and as the TANF Reauthorization debate has progressed, we have been approached by many groups with an interest in developing healthy marriage proposals as part of a statewide initiative. Regrettably, there have been limited funds available for these. We were able to offer hope to these people by telling them of the funding possibilities in the various previous versions of TANF Reauthorization. Until now, their hopes have not been realized. The provisions in H.R. 240 for funding, technical assistance and research are welcome and long overdue.

Expand State Demonstration Authority. My staff and I a very enthusiastic about the new "state-flex" demonstration authority. We strongly support the concept that the states are the "laboratories of democracy." This is certainly supported by the ferment of activity, research and evaluation that went on in the states and helped guide the enactment of the 1996 law. Since the beginning of our welfare reform efforts and over the past fifteen or so years, Maryland has recognized that the vast diversity of government, means-tested programs, in itself, sometimes leads to confusion and inadvertently sets up barriers to program access and participation. Low-income people eligible for these programs are sometimes faced with a bewildering array of policies, requirements and benefits. Putting them all together is a daunting task for them and those of us who want to help them on the path to self-sufficiency.

An Opportunity to Coninue Improving the Food Stamp Program. What I said in the previous bullet goes double or even triple for the Food Stamp program. I am particularly pleased to see an opening up of the waiver authority in the Food Stamp program. Maryland worked long and hard with both advocates and the American Public Human Services Association on the program improvement and simplifications in the Farm Bill. We have picked up many of the options in that legislation, including Simplified Reporting and the Transitional Food Stamp benefit for those leaving cash assistance. We have also taken almost every opportunity in that legislation to align cash assistance, food stamp and medical assistance policies. The only areas where we did not do this involved significant, additional costs on one or more of the affected programs. We welcome the opportunity to continue this effort.

Challenges

We also look forward to meeting, and look forward to your assistance in meeting, the new challenges provided in this bill. While Maryland fully concurs with the important changes this bill makes with regard to the rates for participation in federally defined work activities, hours of participation in these activities and child care, we have some suggestions that should help to ensure that your legislative policy intent is fully realized.

Increasing minimum work requirements. We concur with raising the minimum work participation requirement 5% per year beginning in federal fiscal year 2007 so that we will have a work participation rate of 70% in federal fiscal year 2010. We also appreciate very much that Maryland would receive a "superachiever" credit toward these increased rates because of our past accomplishments in caseload declines. However, we have some concerns that we ask you to address as you consider this legislation. These stem from the accomplishments of our program and the strategies I have discussed above. We have achieved a caseload decline of 71.2%, have good outcomes from our studies of welfare leavers, and yet have had a rate of participation in federally defined activities in single digits or the teens during all that time. We have to be doing some things right that are not reflected in the participation rates. Some suggestions we have to address this issue:

Consider replacing the recalibrated caseload reduction credit in the current bill with an employment credit. Many people have expressed concerns about the current caseload reduction credit. Some say that it places too much attention on simply closing cases. Others say that it takes states' attention away from placement in work activities while on welfare. For Maryland, a recalibrated credit will, over time, become increasingly worthless toward achievement of the new rates. At the same time, we agree with those that say trying to look back to what the reality was in pre-welfare reform days is no longer valid. A better approach would be the development of an employment credit along the lines as has been discussed in Senate versions of TANF Reauthorization. This tracks the logic of the work participation better than the current credit. If states are to be held accountable for placing

people in federally defined work activities on the theory that this will lead to employment and leaving the welfare rolls, why not give us credit against that strategy for really getting people to work and helping them get off welfare? Is it better to have someone on welfare performing work-like tasks in a simulated work week, or to have them off welfare completely doing real work in a real work week?

Consider providing penalty releif for for states making stedy improvment in their rates. As I mentioned above, the TANF Reauthorization debate has caused us to seriously reconsider our prior strategies. The requirements in this bill or any bill likely to pass are causing and will cause Maryland to adjust its program to meet the challenges in the higher participation rates. We are likely to incur substantial costs as we continue to re-engineer our program to meet these new challenges. We have found from our efforts so far that this is not an easy task. However, there still looms the dark cloud of substantial penalties for failure to more quickly adapt our system which was based firmly on the rules and agreements made in the original legislation. Presently the only penalty relief a state may get is through the negotiation and completion of a Corrective Compliance Plan with the Office of Family Assistance. We think this runs counter to this legislation's overall desire to increase state flexibility while enforcing a strict accountability for results. **Governor Ehrlich has supported a proposal that would provide in the law an exemption from the penalty for failure to make the minimum work participation rate if the state improves its minimum work participation rate by at least five percent for a fiscal year.** We think this provides the right balance as we move to higher standards of achievement. We know this can be done because we have done it. However, it also holds our feet to the fire for continuous improvement in meeting the required rates.

Requiring Welfare Recipients to Put in a Full Work Week. We concur that welfare recipients should participate in a simulated work week. We are also very appreciative of the 24/16 approach that allows up to two days per week for participation in needed activities to remove barriers to employment. We also appreciate moving from a weekly to monthly standard that, by itself, will improve our performance. Finally, we think the provision for partial credit will also help us better meet the goals of the legislation. However, we do have a concern here. **There presently appears to be variation on how to interpret the regulations.** As we have looked at other states that have high participation rates, there appears to be wide variation on what counts when and for how long. Variations are particularly evident concerning "excused absences." Some seem to interpret the language in the statute very rigidly and if an hour is missed, even for the best of reasons, it does not count for the participant or the state. Others seem to say that, taking the course that the participation requirement ought to simulate a work week, the requirement also simulates other aspects of the real job market such as leave for illness, jury duty, personal reasons beyond the control of the participant and the like. These varieties of interpretation create an unlevel playing field. Indeed, our historic low rate may be partially due to a very conservative approach to counting actual hours. We suggest that the committee devise language that specifically allows states as they develop a simulated work week to have the flexibility to design that work week to reflect the work place. This should include reasonable, simulated "leave" so that neither the participant nor the state is placed in jeopardy of penalties due to unnecessarily stringent conditions provided for in a simulated workplace.

Child Care. We support the committee's recognition that child care is an integral part of welfare reform. Participants need child care in order to participate in work activities while on welfare and many continue to need the support of affordable child care as they move off welfare on their path to self-sufficiency. Affordable, quality child care is an essential support to work. We concur with the legislation's emphasis on quality child care. We also support its recognition that increases in funding are required. However, we think the bill does not go far enough in providing needed funding for the quality care that it seeks to provide. During the debate on TANF Reauthorization in the last session of the Congress, **Governor Ehrlich supported the amendment offered by Senator Snowe to the PRIDE Act, reported out by the Senate Finance Committee, to substantially increase child care funding.** The Senate approved that amendment with a large majority. We urge the committee to consider increasing the amount of child care funding in H.R. 240 as adequate funding is a principal concern among many who seek a balanced program. Indeed, just this past week during the Maryland General Assembly's hearing on my Department's budget, there was bipartisan concern about the need for adequate funding for child care as part of TANF Reauthorization to provide balance to the work requirements. For Maryland, significant, additional child care funding will help our low-income families, including those still receiving cash assistance; but, more importantly, the increased funding will help those who have played

by the rules and taken the first steps toward self-sufficiency. Governor Ehrlich has taken measures to provide funds for a partial thaw to a freeze we have had on new applications for child care assistance to low income working families. We need your support to help us lift that freeze completely and allow low income Marylanders to secure safe, quality and affordable child care.

In Conclusion, What Maryland Needs Above All Is a Bill

Finally, I want to say that what is most important in this round of debate on TANF Reauthorization is that we finally get a bill. The past string of continuing resolutions has hindered our ability to plan for whatever comes out of the legislative process. Having one foot in the old program and another lifted moving toward an uncertain new one is a difficult position to hold for over two years.

Thank you for the opportunity to share with you my thoughts on the reauthorization of the TANF program. We are proud of our accomplishments in welfare reform and are pleased with the outcomes our customers have achieved. We hope you will consider our suggestions to make a good bill even better.

Chairman HERGER. Thank you very much, Mr. McGuire. Mr. Rector to testify.

STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW, DOMESTIC POLICY STUDIES, THE HERITAGE FOUNDATION

Mr. RECTOR. Thank you so much for having me here today. I want to focus my testimony today on the very important issue of poverty, welfare, and marriage, and on the very critical provision of the Healthy Marriage Initiative, which is included in your bill and which I think is, in fact, a more important innovation in welfare than the 1996 welfare reform act was in and of itself. As you all know, one child in three in the United States is born out of wedlock. That is one child every 25 seconds. As we all know and on which there is complete agreement, the children born and raised without a father in the home are dramatically more likely to suffer emotional and behavioral problems, to fail in school, to suffer from drug and alcohol abuse, to end up incarcerated and in jail. We also all know that Federal and State governments together, when you look at all the means tested spending that we have on families with children, Federal and State governments together spend about $240 billion a year on low-income families with children, and 75 percent of that spending goes directly to single-parent families where there is not a father in the home.

Similarly, 80 percent of all long-term poverty, child poverty in the United States occurs in broken or never-married families. It looks like we have got a problem here, and it looks like many of these problems might be solved if we could find a way to bring these fathers into the home and help them live in those homes in a condition of healthy marriage. Now, when we look at the issue of poverty, this first chart I presented here comes from the Princeton University Fragile Families Survey, which is a widely used survey of unmarried couples at the time of the child's birth. The left-hand column there shows the percentage of those single moms who are going to be poor if they remain single moms after the birth of the child, and it is over half of them. On the right-hand column, what we did, because the Fragile Families Survey has the father's wages in their, we just took the father's wages and said, What if dad got married and he stayed with the mom instead of wandering

off someplace? The child poverty rate drops down to 17 percent. About two-thirds of these children are immediately raised out of poverty if we can get the father to stay there and be a contributing husband within the home. A dramatic, dramatic change, huge, huge implications for those numbers.

Now, if we could have the next chart, which again comes from the Fragile Families Survey, a lot of people argue, well, the main reason these dads are not getting married is because they do not have jobs. The Fragile Families Survey shows that at the time of this intervention, which is before the birth or around conception—early, not 10 years down the road when the mother is on welfare, but a very early intervention—98 percent of these guys had jobs. Half of them are living with the mom. Eighty percent of them are in romantic relationships with the moms, and the median wage for these men is $17,500 a year. Two-thirds of these men can support the child above poverty without the mother working at all. A lot of people argue, oh, well, the reason that they do not marry is because they need job training or they need employment assistance and so forth.

We did a simulation where we said, well, let's boost the employment rate among these fathers. Let's boost their wages and things and see what effect that has simulated by regression analysis on the marriage rate after the child is born. In fact, you can see there is no change whatsoever because, in fact, male wages and employment are not a particularly significant factor in predicting marriage, mainly because all these guys are employed in the first place.

Then if we could have the next chart, very importantly, people argue, oh, well, what you nutty people on the right are trying to do is force these women to marry abusive men. Okay? We have the Fragile Families Survey again, and this survey contains data which asked the question privately: Have you experienced from the male domestic violence in the last year? This is the response, and this is the population that would be treated under the Healthy Marriage Initiative, and it is either 4 percent or so for the whole population; in the target group, the very marriageable group, it is down around 2 percent. Domestic abuse is virtually non-existent in this group. Moreover, I would say, as we all know, that most domestic abuse occurs in cohabiting relationships. It does not occur in marriage. If we could help these couples move out of unstable cohabiting relationships into stable marriage, we would reduce the already low levels of abuse. I would say finally you cannot use data from welfare mothers that are 30 years old and ask them if they ever had abuse in the last 20 years of their lives. They did. The question is: Are you being abused in this relationship with this father of your child? The answer is no. This is a win-win policy. It is a win for children. It is a win for the taxpayer. It is a win for the parents.

[The prepared statement of Mr. Rector follows:]

Statement of Robert Rector, Senior Research Fellow, Domestic Policy Studies, The Heritage Foundation

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

Summary

The erosion of marriage during the past four decades has had large-scale negative effects on both children and adults: It lies at the heart of many of the social problems with which the government currently grapples. Nearly 80 percent of long term child poverty occurs in broken or never-married families. Each year government spends over $200 billion on means-tested aid to families with children; three quarters of this aid flows to single parent families. Children raised without a father in the home are more likely to experience: emotional and behavioral problems, school failure; drug and alcohol abuse, crime, and incarceration. The beneficial effects of marriage on individuals and society are beyond reasonable dispute, and there is a broad and growing consensus that government policy should promote rather than discourage healthy marriage.

In response to these trends, President George W. Bush has proposed—as part of welfare reform reauthorization—the creation of a pilot program to promote healthy and stable marriage. Funding for the program would be small-scale: $300 million per year. This sum represents one penny to promote healthy marriage for every five dollars government currently spends to subsidize single parenthood. Moreover, this small investment today could result in potentially great savings in the future by reducing dependence on welfare and other social services.

The following are important points about the healthy marriage initiative:

- The program would be focused on early intervention, helping young adult couples establish stable and healthy relationships before the conception and birth of a child.
- Participation in the program would be strictly voluntary.
- Although there is much chatter about an alleged shortage of marriageable males as a barrier to marriage, in reality, nearly half of unmarried mothers are living with the child's father at the time a child is born; another 23 percent are in a stable romantic relationship with the father. A shortage of "marriageable men" is not a major obstacle to marriage promotion.
- Over 95 percent of unmarried fathers worked during the year of the child's birth; their median annual earnings were $17,500. (This is higher than the mothers' earnings.) Drug and alcohol abuse among these fathers is rare.
- Marriage can have a dramatic effect in reducing child poverty. If poor single mothers were married to the fathers of their children, nearly 70 percent would be immediately lifted out of poverty.
- Some argue that the key to increasing marriage in low income communities is to provide job training to increase the wages and employment of fathers. One problem with this approach is that government job training programs generally have a very limited impact on employment and earnings. More importantly, data from the Fragile Families survey show that increasing fathers' employment and earnings will have only a marginal effect in increasing marriage. Improving attitudes and relationship skills will have a far greater impact.
- Domestic violence among the low income couples who would be targeted for the healthy marriage initiative is very rare. In fact, only 2 percent experience domestic violence. Critics of the healthy marriage initiative often cite statistics showing that a high percent of middle-aged welfare mothers have suffered domestic violence at some point in the past. These figures are irrelevant for two reasons. First, the healthy marriage initiative will focus on younger women around the time of a child's birth, not older mothers with a long history of welfare dependence. The domestic violence rates are very different for these two groups. Second, the fact a woman has experienced domestic violence in the past does not mean she is experiencing violence in a current relationship, or that most prior relationships have involved violence.
- Most domestic violence occurs in cohabitation not marriage; helping couples move from unstable cohabiting relationships into healthy marriage should reduce domestic violence.
- Over 100 separate evaluations show that marriage skill education programs, of the sort that would be used in the healthy marriage initiative, are effective in reducing strife, improving communications skills, increasing couple stability and enhancing marital happiness.
- Some argue that the healthy marriage initiative should be broadened to include funding for other activities such as daycare, job training, and birth control. The problem is that government already spends massively on these other activities: over $20 billion annually on daycare; $6.2 billion on job training and $1.7 billion on birth control. To allow healthy marriage funds to be diverted to these amply funded activities would dissipate the funding and ensure that relatively little was spent to actually strengthening marriage.

Some argue that the government should not "interfere" in private decisions concerning marriage. This argument is faulty on several counts. First, participation in the healthy marriage program would be completely voluntary; opposing the marriage initiative on grounds of "non-interference" really means denying low income couples access to information and training that they actively want, but is not available in low income communities. Second, the means-tested welfare system already "intervenes" against marriage by providing substantial financial penalties when low income couples do marry.

Third, the government spends over $150 billion in subsidies to single parents each year. Much of this expenditure would have been avoided if the mothers were married to the fathers of their children. To insist that the government has an obligation to support single parents—and to mitigate the damage that results from the erosion of marriage—but should do nothing to strengthen marriage itself is myopic. It is like arguing that the government should pay to sustain polio victims in iron lung machines but should not pay for the vaccine to prevent polio in the first place.

The Importance of Marriage

Today, nearly one-third of all American children are born outside marriage. That's one out-of-wedlock birth every 35 seconds. Of those born inside marriage, a great many children will experience their parents' divorce before they reach age 18. More than half of the children in the United States will spend all or part of their childhood in never-formed or broken families.

The collapse of marriage is the principal cause of child poverty in the United States. Children raised by never-married mothers are seven times more likely to live in poverty than children raised by their biological parents in intact marriages. Overall, approximately 80 percent of long-term child poverty in the United States occurs among children from broken or never-formed families.

It is often argued that strengthening marriage would have little impact on child poverty because absent fathers earn too little. This is not true: The typical non-married father earns $17,500 per year at the time his child is born. Some 70 percent of poor single mothers would be lifted out of poverty if they were married to their children's father. According to data from the Princeton Fragile Families and Child Well-being Survey—a well-known survey of couples who are unmarried at the time of a child's birth. If the mothers remain single and do not marry the fathers of their children, some 55 percent will be poor. However, if the mothers married the fathers, the poverty rate would drop to 17 percent. (This analysis is based on the fathers' actual earnings in the year before the child's birth.)[1]

The growth of single-parent families has had an enormous impact on government. The welfare system for children is overwhelmingly a subsidy system for single-parent families. Some three-quarters of the aid to children—given through programs such as food stamps, Medicaid, public housing, Temporary Assistance to Needy Families (TANF), and the Earned Income Tax Credit—goes to single-parent families. Each year, government spends over $150 billion in means-tested welfare aid for single parents.[2]

Growing up without a father in the home has harmful long-term effects on children. Compared with similar children from intact families, children raised in single-parent homes are more likely to become involved in crime, to have emotional and behavioral problems, to fail in school, to abuse drugs, and to end up on welfare as adults.[3]

Finally, marriage also brings benefits to adults. Extensive research shows that married adults are happier, are more productive on the job, earn more, have better physical and mental health, and live longer than their unmarried counterparts. Marriage also brings safety to women: Mothers who have married are half has likely to suffer from domestic violence as are never-married mothers.[4]

Policy Background

Despite the overwhelming evidence of the benefits of marriage to families and society, the sad fact is that, for more than four decades, the welfare system has penal-

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[1] For more information on this point, see Robert E. Rector, Kirk A. Johnson, Patrick F. Fagan, and Lauren R. Noyes, "Increasing Marriage Will Dramatically Reduce Child Poverty," Heritage Foundation *Center for Data Analysis Report* No. CDA03–06, May 20, 2003.

[2] Robert Rector, "The Size and Scope of Means-Tested Welfare Spending," testimony before the Committee on the Budget, U.S. House of Representatives, August 1, 2001.

[3] Patrick Fagan, Robert Rector, Kirk Johnson, and America Peterson, *The Positive Effects of Marriage: A Book of Charts* (Washington, D.C.: The Heritage Foundation, April 2002), at *http://www.heritage.org/Research/Features/Marriage/index.cfm.*

[4] Robert E. Rector, Patrick F. Fagan, and Kirk A. Johnson, "Marriage: Still the Safest Place for Women and Children," Heritage Foundation *Backgrounder* No. 1732, March 9, 2004.

ized and discouraged marriage. The U.S. welfare system is currently composed of more than 70 means-tested aid programs providing cash, food, housing, medical care, and social services to low-income persons. Each year, over $200 billion flows through this system to families with children. While it is widely accepted that the welfare system 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, 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 she would if she were married to a working husband. Welfare not only serves as a substitute for a husband, but it actually penalizes marriage because a low-income couple will experience a significant drop in combined income if they marry.

For example: A typical single mother on Temporary Assistance to Needy Families receives a combined welfare package of various means-tested aid benefits worth about $14,000 per year. Suppose the father of her children has a low-wage job paying $16,000 per year. If the mother and father remain unmarried, they will have a combined income of $30,000 ($14,000 from welfare and $16,000 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. 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. The only way to eliminate the anti-marriage bias from welfare entirely would be to make all mothers eligible for these programs regardless of whether they are married and regardless of their husbands' earnings. Structured in this way, the welfare system would be marriage-neutral: It would neither reward nor penalize marriage.

Such across-the-board change, however, would cost tens of billions of dollars. A more feasible strategy would be to experiment by selectively reducing welfare's anti-marriage incentives to determine which penalties have the biggest behavioral impact. This approach is incorporated in the President's Healthy Marriage Initiative.

President Bush's Initiative to Promote Healthy Marriage

In recognition of the widespread benefits of marriage to individuals and society, the federal welfare reform legislation enacted in 1996 set forth clear goals: to increase the number of two-parent families and to reduce out-of-wedlock childbearing. Regrettably, in the years since this reform, most states have done very little to advance these objectives directly. Out of more than $100 billion in federal TANF funds disbursed over the past seven years, only about $20 million—a miniscule 0.02 percent—has been spent on promoting marriage.

Recognizing this shortcoming, President Bush has sought to meet the original goals of welfare reform by proposing a new model program to promote healthy marriage as a part of welfare reauthorization. The proposed program would seek to increase healthy marriage by providing individuals and couples with:

- Accurate information on the value of marriage in the lives of men, women, and children;
- Marriage-skills education that will enable couples to reduce conflict and increase the happiness and longevity of their relationship; and
- Experimental reductions in the financial penalties against marriage that are currently contained in all federal welfare programs.

All participation in the President's marriage program would be voluntary. The initiative would utilize existing marriage-skills education programs that have proven effective in decreasing conflict and increasing happiness and stability among couples. These programs have also been shown to be effective in reducing domestic violence.[5] The pro-marriage initiative would not merely seek to increase marriage rates among target couples, but also would provide ongoing support to help at-risk couples maintain healthy marriages over time.

[5] Patrick F. Fagan, Robert W. Patterson, and Robert E. Rector, "Marriage and Welfare Reform: The Overwhelming Evidence That Marriage Education Works," Heritage Foundation *Backgrounder* No. 1606, October 25, 2002.

The plan would not create government bureaucracies to provide marriage training. Instead, the government would contract with private organizations that have successful track records in providing marriage-skills education.

Timing and Targeting of Services

The President's Healthy Marriage Initiative is often characterized as seeking to increase marriage among welfare (TANF) recipients. This is somewhat inaccurate. Most welfare mothers have poor relationships with their children's father: In many cases, the relationship disintegrated long ago. Attempting to promote healthy marriage in these situations is a bit like trying to glue Humpty-Dumpty together after he has fallen off the wall. Such a program would be certain to fail. By contrast, a well-designed marriage initiative would target women and men earlier in their lives when attitudes and relationships were initially being formed. It would also seek to strengthen existing marriages to reduce divorce.

The primary focus of marriage programs would be preventative—not reparative. The programs would seek to prevent the isolation and poverty of welfare mothers by intervening at an early point before a pattern of broken relationships and welfare dependence had emerged. By fostering better life decisions and stronger relationship skills, marriage programs can increase child well-being and adult happiness, and reduce child poverty and welfare dependence.

A serious pro-marriage initiative would target couples and individuals and couples in a variety of venues. The marriage initiative would include:

- *Education* about the value of marriage and life-skills planning for high school students who are at risk of out-of-wedlock child bearing;
- *Pre-marital counseling programs* for engaged couples and marriage enrichment programs for married couples. These programs have potential to reduce future divorce. While it would not be necessary for the government to broadly subsidize middle-class use of these programs, government funds should be used as a catalyst to promote awareness and make such programs more widely available;
- *Marriage and relationship skills training* for young unmarried adults prior to a child's conception; and,
- *Marriage skills training* for low-income married couples at the time of a child's birth. Childbirth places considerable strain on relationships and this can lead to divorce. It is possible that lower-income married couples could benefit from pro-marriage services as much or more than unmarried parents.

Much of the discussion of marriage promotion has focused on unmarried couples at the "magic moment" of a child's birth. These discussions use data from the Fragile Families survey. While services should be offered at the magic moment of birth, it is now clear that this is not the optimal point of intervention. Waiting until after a child is born to figure out whether you want to make a permanent commitment to your partner is a bad strategy. Moreover, many unmarried, new parents are poorly prepared for either marriage or parenthood.

There is widespread agreement, among both liberals and conservatives, that the best point of intervention with these young couples would have been prior to their child's conception, rather than after the child's birth. However, while the government has virtually guaranteed access to low-income mothers at the time of birth, contact with young, low-income adults at an earlier stage is commonly thought to be difficult or impossible. In fact, this perception may be erroneous. The federal government currently funds some 4,700 birth control clinics through the Title X program. These clinics provide birth control to 4.4 million low-income persons each year—most of which are young adult women. Many of the clientele of these clinics will become members of the "fragile families" of the future.

In addition to birth control, it should be relatively simple for these clinics to offer voluntary referrals to programs providing life-planning, marriage, and relationship training, to those who are interested. The goal of such programs would be to encourage young adult women to delay childbirth and to develop stable marital relationships before bringing children into the world. The potential for outreach through the Title X clinics may actually be greater than through maternity wards. Expanding healthy marriage services to cover the time prior to a child's conception may considerably increase the effectiveness of future programs.

At present, Title X clinics do a poor job in preventing out-of-wedlock childbearing. In part, this is because these clinics offer free birth control but do not provide life skill training that would help young adult men and women prepare for decisions concerning childbirth and child-rearing more wisely. Offering referrals to a broader range of services at Title X clinics could greatly increase their effectiveness.

Program Specifics

The President's Healthy Marriage Initiative has been included in the Personal Responsibility, Work, and Family Promotion Act of 2003 (H.R. 4) that was passed by the U.S. House of Representatives in May 2002 and again in February 2003. The bill creates a small funding set aside in the TANF program for healthy marriage promotion. Funds could be used for a specified set of activities consistent with the overarching strategy of promoting healthy marriage. These activities would include:

- Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health;
- Education in high schools about the value of marriage, relationship skills, and budgeting; Marriage education, marriage-skills instruction, and relationship-skills programs—which may include parenting skills, financial management, conflict resolution, and job and career advancement for non-married pregnant women and non-married expectant fathers;
- Pre-marital education and marriage-skills training for engaged couples and for couples or individuals interested in marriage;
- Marriage-enhancement and marriage-skills training for married couples;
- Divorce-reduction programs that teach relationship skills;
- Marriage mentoring programs that use married couples as role models and mentors in at-risk communities; and
- Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any of the above activities.

Should the Healthy Marriage Program Be Broadened?

Much of the debate about marriage-strengthening will center on this list of allowable uses of the marriage funds. Opponents of the President's initiative will seek to broaden the list to include activities that have little or no link to marriage. The effort to broaden the program to include standard government services such as job training, day care, and contraceptive promotion (all of which are already amply funded through other programs) would dissipate the limited funds available and render the program meaningless.[6]

Criticisms of the President's Plan

The President's Healthy Marriage Initiative has been criticized on a number of grounds. Each of these criticisms is inaccurate.

• **Individuals will be forced to participate in the program.** Critics charge that welfare mothers would be forced to participate in marriage education. In fact, all participation would be voluntary. Services would be provided only to individuals or couples interested in receiving them.[7]

• **The program will increase domestic violence.** Critics charge that the program would increase domestic violence by coercing or encouraging women to remain in dangerous relationships. In fact, marriage and relationship-skills training has been shown to reduce, not increase, domestic violence.[8] Such programs help women steer clear of dangerous and counterproductive relationships.[9]Moreover, domestic violence is less widespread among low-income couples than is generally assumed. For example, three-quarters of non-married mothers are romantically involved with the child's father at the time of the non-marital birth: Only 2 percent of these women have experienced domestic violence in their relationship with the father.[10] In general, domestic violence is more common in cohabiting relationships than in marriage: Never-married mothers, for example, are twice as likely to experience domestic violence than are mothers who have married.

A very common statistic used to oppose the healthy marriage initiative is that some 60 percent of welfare mothers have experienced domestic violence. This figure is based on surveys of older welfare mothers and measures whether the woman has

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[6] Robert E. Rector, Melissa G. Pardue, and Lauren R. Noyes, 'Marriage Plus': Sabotaging the President's Efforts to Promote Healthy Marriage," Heritage Foundation *Backgrounder* No. 1677, August 22, 2003.

[7] The Bush Administration has always been clear that individuals' participation in the program would be completely voluntary. The Personal Responsibility and Individual Development for Everyone (PRIDE) Act, introduced by Senator Grassley, contains specific language clarifying that point. See Section 103, p. 154 of the PRIDE legislation.

[8] Fagan et al., "Marriage and Welfare Reform: The Overwhelming Evidence that Marriage Education Works."

[9] Some critics seem to assume that marriage programs would encourage women to marry abusive boyfriends or would try to use marriage to improve an abusive relationship. No marriage program would do this, because all of them rest on the premise that marriage is inappropriate when significant physical abuse exists.

[10] Rector et al., "Increasing Marriage Will Dramatically Reduce Child Poverty."

ever experienced domestic violence at any time in the past. By the time they reach their early thirties, single mothers on welfare may have been involved in ten or more intimate relationships. The fact that some 60 percent of these women have experienced domestic violence at least once is not surprising; however, this figure does not suggest that most TANF mothers are experiencing violence in their current relationships or that most of their prior relationships have involved violence. Moreover, as I have stated, older welfare mothers are not a principle target group of the healthy marriage initiative. The initiative would be a preventive strategy focused on younger unmarried couples; as noted, the domestic violence rate among these couples is close to zero.

• **Marriage-skills programs are ineffective or unproven.** Critics charge that marriage-skills programs are ineffective. The facts show exactly the opposite: Over 100 separate evaluations of marriage training programs demonstrate that these programs can reduce strife, improve communications skills, increase stability, and enhance marital happiness.[11]

• **The program will bribe couples to marry.** Critics charge that the marriage program will bribe low-income women to marry unwisely. This is not true. As noted, all means-tested welfare programs such as TANF, food stamps, and public housing contain significant financial penalties against marriage. The marriage program would experiment with selectively reducing these penalties against marriage.

• **The program is too expensive.** The President proposed spending $300 million per year on his model marriage program ($200 million in federal funds and $100 million in state funds). This sum represents one penny spent to promote healthy marriage for every five dollars spent to subsidize single parenthood.[12] This small investment would also help to avert future dependence on welfare.

• **The public opposes marriage promotion.** Critics claim that the public opposes programs to strengthen marriage. In fact, the state of Oklahoma has operated a marriage program similar to the President's proposal for several years. Most Oklahomans are familiar with this program; 85 percent of the state's residents support the program, and only 15 percent oppose it.[13]

• **Low-income women are not interested in marriage.** Critics charge that low-income women are not interested in marriage and marriage-skills training. However, at the time of their child's birth, more than 75 percent of non-married mothers say they are interested in marrying their child's father. In Oklahoma, 72 percent of women who have received welfare say that they are interested in receiving marriage-skills training.[14]

• **Low-income women have histories of abuse that will make marriage difficult.** Some have argued that low-income women are likely to have experienced sexual abuse or violence in their childhoods and that this abuse makes in far more difficult for them to form stable marriages as adult.[15] Women who have suffered childhood abuse may be more likely to move through a long series of unstable and transitory cohabitions as adults. In reality, relatively few of the women who would be targeted by the healthy marriage initiative will have experienced childhood abuse; however, to the extent they have suffered prior abuse, it would be important to offer services that may help them improve current relationships rather than simply abandoning them to a persistent pattern of relationship failure.

• **The shortage of "marriageable men" makes marriage unlikely for most low-income women.** Critics argue that marriage is impractical in low-income communities because men earn too little to be attractive spouses. This is not true. As noted, nearly three-quarters of non-married mothers are cohabiting with, or are romantically involved with, the child's father at the time of the baby's birth. The median income of these non-married fathers is $17,500 per year. Some 70 percent of poor single mothers would be lifted out of poverty if they married the father of their children.[16]

• **Increasing male wages through job training is the key to increasing marriage.** Some argue that the key to getting low-income parents to marry is to

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[11] Fagan et al., "Marriage and Welfare Reform: The Overwhelming Evidence that Marriage Education Works," p. 7.

[12] Rector, "The Size and Scope of Means-tested Welfare Spending."

[13] Christine A. Johnson et al., *Marriage in Oklahoma*, Oklahoma State University, Bureau for Social Research, June 2002, p. 31.

[14] Johnson, *Marriage in Oklahoma*, p. 35.

[15] See Andrew Cherlin, et al., "The Influence of Sexual Abuse on Marriage and Cohabitation," forthcoming in the *American Sociological Review*

[16] Rector et al., "Increasing Marriage Will Dramatically Reduce Child Poverty." Data are taken from the Fragile Families and Child Well-Being Study at Princeton University, at *http://crcw.princeton.edu/fragilefamilies*. See also Wendy Sigle-Rushton, "For Richer or Poorer," Center for Research on Child Well-being, Princeton University, Working Paper 301–17FF, 2001.

raise the father's wages. This notion is inaccurate for several reasons. *First,* unmarried fathers already earn, on average, $17,500 per year at the time of their child's birth. *Second,* data from the Fragile Families Survey show that male wage rates have very little to do with whether or not an unmarried father marries the mother of his child. Instead, the most important factors in determining whether or not couples marry after a child's birth are the couples' attitudes about marriage and their relationship skills.[17] These are the precise attitudes and behaviors that would be targeted for change in the President's Healthy Marriage Initiative.

Third, the federal government already operates seven separate job-training programs and spends over $6.2 billion per year on job training.[18] Since the beginning of the War on Poverty, overall spending on job training has exceeded $257 billion.[19] This spending has had no apparent effect on increasing marriage in the past: There is no reason to believe it would do so in the future. *Fourth*, most government training programs are ineffective in raising wage rates. For example, a large-scale evaluation of the Job Training Partnership Act (JTPA) showed that the program raised the hourly wage rates of female trainees by only 3.4 percent and those of male trainees by zero.[20]

Finally, under H.R. 4, job training may be provided, if needed, to individuals participating in marriage-skills and marriage-enhancement programs. However, any job training must be linked to marriage-skills training. To add job training as a standalone spending category within a "marriage" funding stream would cripple any future marriage program by diverting substantial funds into traditional job-training activities that have little to do with marriage.

• **Encouraging marriage at an early age is counterproductive.** The age at which women give birth out of wedlock is often underestimated. The issues of out-of-wedlock childbearing and teen pregnancy are generally confused: They are not the same. Most women who give birth outside marriage are in their early twenties. Only 10 percent of out-of-wedlock births occur to girls under age 18; 75 percent occur to women who are age 20 and older.

The focus of the Healthy Marriage Initiative would be on encouraging couples to form stable, committed relationships and to marry before pregnancy and childbirth occur. In many cases, this would involve delaying childbearing until couples were older and more mature. Thus, the goals of promoting healthy marriage and of postponing childbearing to a mature age are harmonious and mutually supportive. However, simply encouraging a delay in childbearing without increasing the incidence of healthy marriage would have only marginal benefits and would not be wise policy.

• **Government should fund more pregnancy-prevention and contraceptive programs rather than marriage promotion.** Some urge that marriage promotion funds should be diverted to contraceptive programs on the grounds that, once women have had children out of wedlock, they are less likely to marry in the future. But the government already spends over $1.7 billion per year on pregnancy prevention and contraceptive promotion through programs such as Medicaid, TANF, Adolescent Sexual Health, and Title X.[21] Overall, current funding for contraception/pregnancy-prevention dwarfs the proposed funding for marriage promotion. Diverting limited marriage funds to even more contraceptive programs would clearly cripple any marriage initiative.

However, as noted, the President's Healthy Marriage Initiative would promote the goal of preventing non-marital pregnancy in another broad sense. Marriage programs would encourage women to enter healthy marriages before becoming pregnant. In many cases, this would involve encouraging women to avoid pregnancy until they become more mature and more capable of sustaining a viable, healthy relationship. However, this approach would differ greatly from simply handing out contraceptives.

• **Promoting marriage is none of the government's business.** There are some who argue that, while marriage is a fine institution, the decision to marry or

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[17] Robert Rector and Kirk A. Johnson, Ph.d., "Roles Couples' Relationship Skills and Fathers' Employment in Encouraging Marriage," *Report of the Center for Data Analysis, CDA04–14,* The Heritage Foundation, December 6, 2004

[18] Vee Burke, *Cash and Noncash Benefits for Persons with Limited Income: Eligibility Rules, Recipients and Expenditure Data, FY 1998–FY 2000*, November, 19, 2001, p. 221.

[19] This figure represents federal job training expenditures from 1965 to 2000 in constant 2000 dollars

[20] Howard Bloom et al., *National JTPA Study Overview: Title II–A Impacts on Earnings and Employment at 18 Months*, Abt Associates Inc., January 1993.

[21] See Melissa G. Pardue, Robert E. Rector, and Shannan Martin, "Government Spends $12 on Safe Sex and Contraceptives for Every $1 Spent on Abstinence," Heritage Foundation *Backgrounder* No. 1718, January 14, 2004.

not to marry is a private decision in which the government should not be involved.[22] This argument is based on a misunderstanding of the government's current involvement in the issue of single-parenthood, as well a misunderstanding of the President's Healthy Marriage Initiative.

First, the government is already massively involved when marriages either fail to form or break apart. Each year, the government spends over $150 billion in subsidies to single parents. Much of this expenditure would have been avoided if the mothers were married to the fathers of their children. This cost represents government efforts to pick up the pieces and contain the damage when marriage fails. To insist that the government has an obligation to support single parents—and to control the damage that results from the erosion of marriage—but should do nothing to strengthen marriage itself is myopic. It is like arguing that the government should pay to sustain polio victims in iron lung machines but should not pay for the vaccine to prevent polio in the first place.

Second, the government is already heavily (and counterproductively) involved in individual marriage decisions, given that government welfare policies discourage marriage, by penalizing low-income couples who do marry and by rewarding those who do not. The President's Healthy Marriage Initiative would take the first steps to reduce these anti-marriage penalties.

Third, under the President's initiative, the government would not "intrude" into private matters concerning marriage, since all participation in the marriage promotion program would be voluntary. Nearly all Americans believe in the institution of marriage and hope for happy and long-lasting marriages for themselves and their children. Very few wish for a life marked by a series of acrimonious and broken relationships. The President's program would offer services to couples seeking to improve the quality of their relationships. It would provide couples seeking healthy and enduring marriages with skills and training to help them to achieve that goal. To refuse services and training to low-income couples who are actively seeking to improve their relationships because "marriage is none of the government's business" is both cruel and shortsighted.

Finally, the government has a long-established interest in improving the well-being of children. For instance, the government funds Head Start because the program will ostensibly increase the ability of disadvantaged children to grow up to become happy and productive members of society. It is clear that healthy marriage has substantial, long-term, positive effects on children's development: Conversely, the absence of a father or the presence of strife within a home both have harmful effects on children. If government has a legitimate role in seeking to improve child wellbeing through programs such as Head Start, it has a far more significant role in assisting children by fostering healthy marriage within society.

Conclusion

More than 40 years ago, Senator Daniel Patrick Moynihan—at that time, a member of President Lyndon Johnson's White House staff—wrote poignantly of the social ills stemming from the decline of marriage in the black community. Since that time, the dramatic erosion of marriage has afflicted the white community as well. Today, the social and economic ills fostered by marital collapse have exceeded Senator Moynihan's worst expectations.

In response, President Bush has developed the Healthy Marriage Initiative: the first positive step toward strengthening the institution of marriage since the Moynihan report four decades ago. The proposal represents a strategy to increase healthy marriage—carefully crafted on the basis of all existing research on the topic of promoting and strengthening marriage.

There is now broad bipartisan recognition that healthy marriage is a natural protective institution that, in most cases, promotes the well-being of men, women, and children: It is the foundation of a healthy society. Yet, for decades, government policy has remained indifferent or hostile to marriage. Government programs sought merely to pick up the pieces as marriages failed or—worse—actively undermined marriage. President Bush seeks to change this policy of indifference and hostility. There is no group that will gain more from this change than low-income single women, most of whom hope for a happy, healthy marriage in their future. President Bush seeks to provide young couples with the knowledge and skills to accomplish their dreams. The Congress would be wise to affirm their support for marriage by

[22] For example, Senator Max Baucus has stated that he would oppose even modest funds to promote healthy marriage because "marriage is not something the government should interfere with." Senator Max Baucus, "Remarks on Welfare Reform Reauthorization," National Campaign for Jobs and Income Support, March 5, 2002.

passing welfare reform reauthorization and enacting the President's Healthy Marriage Initiative.

Chairman HERGER. Thank you, Mr. Rector. Dr. Haskins to testify.

STATEMENT OF RON HASKINS, PH.D., SENIOR FELLOW, BROOKINGS INSTITUTION, WASHINGTON, D.C., AND SENIOR CONSULTANT, ANNIE E. CASEY FOUNDATION, BALTIMORE, MARYLAND

Dr. HASKINS. Chairman Herger and Ranking Member McDermott, Members of the Subcommittee, thank you very much for allowing me to testify today. It is a great privilege to be here. I just want to say one word about the success of the welfare reform legislation. I think we tend to focus on TANF and some people sometimes talk about child care, but the whole range of programs in that legislation, which are enormous, have been successful and have very interesting evidence on child support. Wade Horn mentioned the provisions for noncitizens, which Mr. Becerra fought so strongly against, on SSI. I would like to point out to you that RAND recently completed a study that the SSI reforms for children over a 10 year period starting this year will save $22 billion because of children who left SSI, both when they are children and they also will be less likely to be on as adults. There is a lot of policy in this law in 1996 that people really have not paid much attention to that have been very successful reforms. I am sorry Mr. McCrery is not here because Mr. McCrery was the main author of those reforms.

Let me come right to the point. I think we should cut a deal. Three years is long enough for the States to wait. They have done a great job in implementing this program. It is a little uneven, like all programs are. Some States have done a great job; some States have done average; some States have, you know, not done a great job. I think certainly they need to know what the rules are going to be, and several people have already mentioned that.

I think there are three major provisions that have caused us to have difficulty. One is the work provision, and although I support the Administration's work provision, I think it is a fine provision, if I were Governor of a State or welfare director of a State, I would agree to implement those. We need to have a deal so Republicans and Democrats both have to show flexibility. We are all aware that this is not necessarily a great time for bipartisan efforts because the two parties have been fairly hostile toward each other in recent years. Both sides need to show some flexibility, and I would show flexibility on the work requirement. There is nothing wrong with the work requirement in the 1996 law, the principle on which half the people on the caseload should be working. That is a fine principle. That is good enough. Thirty hours is good enough.

The problem is the caseload reduction credit. I do not have time to go into it here. It was a mistake when we put it in the law because nobody had any idea what was going to happen to the rolls. CBO did not know it. Nobody predicted what would happen. That has basically gutted the work requirement, so fix the caseload re-

duction credit so that States have to have 50 percent of the caseload, and then have lots of hearings and get them in here and find out all the tricks they are doing so we can get rid of some of those, embarrass them into doing it right. If they have half the people truly in work experience positions or in actual jobs, the caseloads will start going down again, I am quite sure, that is the first thing.

The second thing, super waivers, a great idea. The States, who are supposed to be hungering for it, it is hard to find evidence that they really want it. I have put this question to many States about tell me exactly what you would do with this super waiver provision, and they have a hard time putting into words exactly what they would do that they could not already do under current law. Let's cut it way back and allow two or three or four States to have a super waiver, set up some conditions under which they can do it, give the Secretary the authority to waive whatever provisions the Congress decides to put in the bill. The ones in your bill are fine, and let's see if it actually makes any difference and the States truly can align their work and work support programs so that they can do a more efficient and effective job, so let's try that.

Then the third thing is the money for child care. The first two parts are tough for Republicans. Child care is tough for Democrats. I doubt that any Democrat seriously believes that they are going to get $7 billion for child care over the next 5 years, as in the Senate bill. A billion dollars in your bill, I think, at this moment, when the Congress is going to cut all kinds of programs, it appears, and if we are serious about it, we have to cut spending. There just is not going to be $7 billion. If Democrats are insisting on $7 billion, there is not going to be a bill. I think it is as simple as that.

Negotiated out, but a billion to me seems reasonable in your bill. Maybe Democrats can get it up a little bit, but it is certainly not going to be anywhere close to $7 billion. If both sides would show flexibility, we could do it. Now, why should we do this? Several reasons have already been given. States need to know what the rules are. They need stability. State innovation will be promoted, if States know what the rules are, and have the money, and they have the money, and they know they have got 5 years.

A third thing the Democrats hope they will pay attention to is that money is dangling out there. It has been there for 3 years. I bet some of you might have had a thought that if we had done this 3 years ago or last year that it would be less vulnerable now than it is, especially if we have reconciliation this year. TANF is likely to get a hit. Let us get that tucked away and pass it before we get to reconciliation in the fall. The next thing is the child support provisions, as Wade Horn pointed out, are excellence.

Then the final thing is I totally agree with Robert Rector—and I really hope Members will delve into this issue—marriage is really crucial. It is every bit as important as work. It is the only way that we are going to have a really big impact on poverty in this country now. We cannot do it with welfare. It has to be done through individual initiative. Halfway there we were, and now we need to go the rest of the way with marriage, and the Administration proposal is exactly the right one. We need hundreds of programs around the country, careful evaluations, and in 10 years I bet you we will figure out ways to get these young couples that Robert was talking

about, that they want to be married, and they will get married. Thank you, Mr. Chairman.

[The prepared statement of Mr. Haskins follows:]

Statement of Ron Haskins, Ph.D., Senior Fellow, Brookings Institution, Washington, D.C., and Senior Consultant, Annie E. Casey Foundation, Baltimore, Maryland

In 1996, thanks in large part to members of this committee, Congress passed and President Clinton signed into law a sweeping, bipartisan welfare reform bill. Since that time, the welfare rolls have fallen by half, the employment of mothers heading families—especially never-married mothers—has reached an all-time high, and child poverty has declined substantially for the first time since the early 1970s. In fact, in 2000 poverty among black children reached the lowest level ever. Even after the recession, employment by single mothers is still near its historic high reached in 2000 and child poverty—including poverty among minority children—is still much lower than in 1996 when welfare reform passed. Moreover, the reforms of welfare for noncitizens, of child support enforcement, and of Supplemental Security Income for children have had their intended effects, savings taxpayers billions of dollars and increasing the integrity of these programs—and in the case of child support enforcement, helping custodial mothers achieve self-sufficiency. No policy has only positive effects, but on the whole the 1996 welfare reform law stands as one of the most successful pieces of social legislation ever enacted.[1]

As is customary for reform legislation, the authors of the 1996 law sunset funding for several of its new programs—including Temporary Assistance for Needy Families (TANF) and the entitlement portion of the Child Care and Development Block Grant (CCDBG)—at the end of fiscal year 2002. Beginning late in 2001 and continuing into 2002, the Bush Administration worked closely with Republican members of this committee and with representatives of the Republican leadership in both Houses to fashion a reauthorization bill. That bill, the Personal Responsibility, Work, and Family Promotion Act, was introduced on April 9, 2002 and passed by the House in timely fashion on May 16. As amazing at it might seem, there has been virtually no further progress on reauthorization since that original bill passed the House in the spring of 2002. During the rest of the 107th Congress, which ended in 2002, the Senate was unable to bring a bill out of committee and the legislation died. At the beginning of the 108th Congress, the House again introduced and enacted a reauthorization bill, but again the Senate was unable to pass a bill. The Finance Committee did manage to get a bill out of committee, only to have it die on the floor before it could receive an up or down vote.

Over the course of the three-year debate, many issues have separated the parties. These include the strength of the work requirement, expanded waiver authority for states to allow more coordination between a wide range of programs that support work (sometimes called the "superwaiver" proposal), the amount of new money for child care, and the provision on promoting marriage. The work issue has perhaps been the most controversial. Republicans are proposing to tighten the definition of work by restricting credit for education, increasing the weekly hours of required work to 40, and replacing the caseload reduction credit with a rolling credit that ensures strong work requirements no matter how much states reduce their caseload.

Even though these specific work requirements turned out to be controversial, it is worth noting that a prominent Democratic organization, the Democratic Leadership Council, with support from many Democratic Senators including Hillary Clinton, Tom Carper, and Evan Bayh, supported a bill with work requirements that were nearly as strong as those in the House bill. In any case, it is a routine matter for Democrats to initiate legislation to the left, and Republicans to initiate legislation to the right, of positions they could support in a final bill. Indeed, it is conventional wisdom in Washington that introducing a bill at the outset of a legislative debate that represents your best and final offer would be bad strategy. The real issue is what position a party is willing to adopt at the conclusion of final negotiations. In the legislative context, that means the final position to which members of each party would agree in a House-Senate conference. Since the Senate has never passed a bill, no one can claim that Republicans have not been willing to deal. The context for dealing has yet to occur.

It is to be expected that each party would blame the other for whatever goes wrong in Washington, but a time comes to pay less attention to assigning blame and

[1] Ron Haskins, "Welfare Reform: The Biggest Accomplishment of the Revolution" in Republican Revolution Ten Years Later, edited by Chris Edwards (Washington: Cato, forthcoming).

more attention to finding solutions. That time is at hand. I fervently hope that members of this committee and all members of the House, the Senate, and Bush administration will be willing to stop blaming the other side and agree to compromise provisions that will permit a five-year reauthorization of this important program.

It seems clear, and has for three years, that three major issues prevent agreement between the parties. These issues are the work requirement, the superwaiver, and the amount of new money for child care. Although the Republican initiative on marriage has gotten lots of press attention, it seems that much of the controversy has died down during the course of the debate and opposition seems to have waned. Even the *Washington Post* had kind things to say about the administration's marriage proposal.[2]

On the work requirement, I believe the solution has been obvious for some time. The work requirement in current law has only one flaw, the caseload reduction credit. When welfare reform was enacted in 1996, governors wanted credit for helping families leave the rolls. Their proposal was to count every family that left the rolls as meeting the work requirement. Clay Shaw and other Republicans on this committee, perhaps with support from some Democrats, always held firmly to the position that counting all welfare leavers as meeting the work requirement was an unambiguously bad idea. It is the nature of welfare caseloads to have lots of turnover. Mothers leave and rejoin welfare for a host of reasons, and they were doing so long before states had any serious work requirements. To give states credit for this natural rate of turnover in the welfare caseload was to completely gut the work requirement. After all, a given state could have a 50 percent turnover in its caseload in a given year and yet experience an actual increase in its caseload if more people came onto the roles than left.

But Chairman Shaw and most members of the committee agreed with the governors that states should get some credit against the work requirement for helping families leave the caseload. To avoid the problem of counting the natural churning in the caseload, credit was given for net reductions in the caseload. Consider a simplified example. If a state had 100 families on welfare and 50 families left the rolls while only 25 joined the rolls, the state's net caseload reduction would be 50 minus 25 divided by 100 or 25 percent. Under the subcommittee provision, the state would get to subtract its caseload reduction from the work requirement for that year. If the work requirement were 50 percent, the revised work requirement would be 50 percent minus 25 percent or 25 percent. The underlying concept in this approach is that states should get credit for welfare exits only to the extent that they exceed welfare entries. After all, perhaps the major purpose of welfare reform is to help people leave (or avoid) welfare and to support themselves primarily through their own efforts.

But after enactment of the 1996 law, a severe problem arose with the caseload reduction credit. Caseloads all over the nation plummeted as never before. Whereas the rolls of the Aid to Families with Dependent Children (AFDC) program had not declined for more than two consecutive years since 1960 and then only by a few percentage points, after 1994 the caseload fell every year and the national caseload declined by about 60 percent. Because of the caseload reduction credit, the typical state had no work requirement (50 percent work requirement minus 50 percent net caseload decline equals zero work requirement). Clearly, if anyone had known what a dramatic impact welfare reform and the good economy of the 1990s would have on caseloads, the caseload reduction credit would have been written differently in the 1996 law. Given these facts, I believe simply fixing the caseload reduction credit and leaving the other features of the 1996 work requirement in place would be sufficient. This provision should not, of course, be in the initial Republican bill, but I believe it would adequate as the final compromise provision. Here's the bottom line: as long as states are required to have half their caseload in a work program in which most of those counting toward the requirement are actually in a job and in which participants must work at least 30 hours per week, the work requirement will be more than adequate. I am not aware of any evidence that going beyond these characteristics of a work requirement would produce any benefits for welfare families or states. But going beyond these requirements would certainly cost states more money.

The solution on the superwaiver provision is to drop the universal waiver provision and enact authority for just three to five states to experiment with the new flexibility provided in the House bill. As a concept, the superwaiver is excellent pol-

[2] "The Left's Marriage Problem," *Washington Post*, April 5, 2002, p. A22.

icy.[3] But I have noticed that since House Republicans have been fighting to create this broad new waiver policy, few if any states have lobbied aggressively to support the policy. In addition, when I have asked state officials to provide examples of how they would use the waiver authority, they have had difficulty articulating how they would like to coordinate their welfare, work, training, education, food, and housing programs in ways that they now cannot. Perhaps some states may be able to come up with constructive proposals, but there is no evidence that states are planning to take advantage of the superwaiver provision. It's simply not worth fighting to give something to states that they say they want in the abstract, but cannot provide clear examples of how they would use if given the new authority. On the chance that several states will actually think of good ways to coordinate their programs, I think it good policy to allow a few states to have the expanded flexibility provided by the superwaiver. Such states may be able to figure out ways to use the superwaiver to promote efficiency by better aligning their work support programs. If that were to happen, Congress could debate whether to expand the superwaiver to additional states.

The third and in many ways most difficult issue is the amount of new money for child care. Arguably this is the single provision that has done the most to prevent Congress from passing a bill. Last year, the Senate wanted at least $7.0 billion over five years in new money, but House Republicans were willing to provide only $1 billion. The best argument in support of the Democratic call for big new money is that so many welfare mothers have now gone to work that there is a substantial increase in the demand for child care. Whatever Congress decides to do about the problem with the work requirement is likely to intensify the need for child care. Even if Congress fixed only the caseload reduction credit, states would still have stiff new work requirements that apply to those on the welfare caseload and they would continue to have a very large number of mothers who have left the rolls for work, many of whom will need child care to continue working. As the need for child care expands, the President's budget shows that the number of child care slots that could be paid for with funds from the CCDBG will decline in the years ahead.[4]Democrats also argue that the quality of some child care is low. With more money, states could raise child care standards and perhaps improve some of the facilities that provide low quality care.

Republicans respond that states have more money for child care than ever, most of which is federal. They have money from the CCDBG, Title I, Head Start, the Child and Adult Care Food Program, and many other smaller programs, around $25 billion in total counting the states' own spending. Moreover, states can use more money from the TANF block grant for child care, either by transferring it into the CCDBG or by spending it directly out of TANF. Even if states need more money for child care, Republicans argue that they already have more than ever and that their TANF caseload is smaller than ever, leaving more money to use for child care.

This year there will be a new, or at least more intense, consideration for this committee in negotiating how much new money could be made available for child care. I refer, of course, to the new seriousness with which the Bush administration and the Congress appear to be approaching the federal deficit. I strongly support action to reduce the deficit, even if it means making painful cuts in social programs or raising revenues.[5] The president's goal of cutting the deficit in half within five years is the very least Congress should accomplish. Given the enormous pressure on spending this year, it will be difficult to increase funding for any domestic programs. Indeed, many members of Congress and the Bush administration, as well as outside observers, are predicting that Congress will use the reconciliation budget procedure this year to force reductions in spending. If so, this committee will be required to produce many billions of dollars in spending cuts or revenue raisers. It is difficult to see how major new funding for child care is compatible with reconciliation. For every dollar by which this committee increases spending on child care, you will be required to cut an additional dollar above your reconciliation amount somewhere else. The $1 billion over five years in new child care money offered by the House for the last three years seems generous under the spending pressure Congress faces this year. In short, if there is to be a bill this year, Democrats and the group of

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[3] Pietro S. Nivola, Jennifer L. Noyes, and Isabel V. Sawhill. (2004). "Waive of the Future? Federalism and the Next Phrase of Welfare Reform," *WR&B Policy Brief,* no.29 (Washington: Brookings).

[4] Office of Management and Budget, "Budget of the United States Government: Fiscal Year 2006," (Government Printing Office, 2005).

[5] Ron Haskins, Alice Rivlin, and Isabel Sawhill, "Getting to Balance: Three Alternative Plans," in Restoring Fiscal Sanity: How to Balance the Budget, edited by Alice Rivlin and Isabel Sawhill (Washington: Brookings, 2004).

Senate Republicans who supported $7 billion for child care are going to have to substantially reduce their demands.

In summary, if Republicans back off somewhat on the work requirement and the superwaiver, Democrats should be willing to reduce their demand for additional child care money. The details of a deal that the majority of both Republicans and Democrats could accept could flow from these three main ingredients of a bipartisan compromise.

On the other hand, if Republicans and Democrats cannot reach agreement this year, Republicans can use the reconciliation budget procedure to pass a bill that few or even no Democrats support. The main threat against passing a welfare reauthorization bill that does not have several billion dollars in new child care spending is that Senators supporting additional child care spending could organize a filibuster against the bill. A Senate filibuster can be stopped only by a 60-vote majority. Thus, in effect, controversial legislation can be passed in the Senate only if it can attract 60 votes. But a reconciliation bill is not subject to filibuster. The negotiations over TANF reauthorization should be conducted with the understanding that if bipartisan agreement cannot be reached by, say, July, Republicans will include their own version of reauthorization in the reconciliation bill. The Byrd Rule in the Senate may cause modest problems with this approach by requiring some provisions in the bill to be dropped, but the main TANF block grant and most other major provisions would escape the Byrd Rule. It is worth recalling that the 1996 welfare reform law was passed as part of reconciliation and most of its provisions survived the Byrd Rule.

The reasons for passing a reauthorization bill this year are legion. I'm sure that members from both sides of the aisle would agree that the orderly conduct of Congressional business is preferable to creating programs and then keeping those administering the programs at the state and local level in limbo for several years while Congress debates the future of the program. Further, state administrators, who on the whole have done a commendable job of implementing welfare reform (and many additional provisions in the 1996 welfare reform law, especially child support enforcement), have now waited for three years to learn whether TANF funding will be continued at its present level and whether the programs will be substantially changed. The main consideration here is that the people who have implemented reform and oversee it on a day-to-day basis deserve to know what Congress expects in the future. They should not be kept waiting any longer.

I think there is another powerful reason for enacting a reauthorization bill this year. In addition to fixing the work requirement, the most important provision in the reauthorization bill may be the funds to promote marriage. Ironically, the importance of marriage to poor and low-income Americans was brilliantly established long ago by one of the most implacable foes of welfare reform, the late Senator Daniel Patrick Moynihan. In 1965, as an Assistant Secretary in the Department of Labor, Moynihan wrote a report arguing that a major reason black Americans were not making greater social and economic progress was that too many black children were being reared in female-headed families.[6] Moynihan was particularly concerned about the growing number of children born to never-married parents. Since the Moynihan report was published, all the problems that so alarmed him have gotten much worse. Further, social science research has provided abundant evidence that proves Moynihan was right—both adults and children do better in married-couple families. As compared with children from married-couple families, children reared in female-headed families perform poorly in school, are less likely to graduate, are more likely to have babies as teenagers, are more likely to have mental health problems, and are less likely to be self-supporting as adults.[7]

Members of this committee may recall that in 1983, a commission sponsored by the Department of Education held that "if an unfriendly power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war."[8] That colorful claim could be applied with equal force to the explosion of single-parent families in the nation. The implication of the social science research on the long-term effects of the deterioration of marriage is that the nation spends additional billions of dollars on the excess teen

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[6] Daniel P. Moynihan, *The Negro Family: The Case for National Action* (Washington: U.S. Department of Labor, 1965).

[7] SaraMcLanahan and Gary Sandefur, *Growing Up With a Single Parent: What Hurts, What Helps* (Cambridge: Harvard University Press, 1996); Paul Amato, "The Impact of Family Formation Change on the Cognitive, Social, and Emotional Well-Being of the Next Generation," *Future of Children* (2005, forthcoming).

[8] National Commission on Excellence in Education, *A Nation at Risk* (Government Printing Office, 1983).

pregnancy, welfare use, and poor school performance associated with the single-parent child rearing.

This problem is particularly acute among black Americans. The rate of nonmarital births among blacks is about 70 percent.[9] At least half of the remaining black children experience divorce. Thus, around 85 percent of black children, compared with somewhat more than 50 percent of white children, spend a considerable portion of their childhood in single-parent families. In addition to high non-marital birth rates, a major cause of this problem is the severe decline in marriage rates among blacks. In 1950, 62 percent of black women were married, a rate only slightly less than the rate for white women. But by 2002, the rate had plummeted to just 36 percent for black women, a fall of nearly 40 percent, and their marriage rate was almost 35 percent lower than the rate for white women.

Research on parents who have babies outside marriage suggests that many of these young couples would actually like to be married. Sara McLanahan and her colleagues at Princeton have shown that about half of these couples live together at the time of the marriage and an additional 30 percent say they are in a loving relationship. Thus, almost 80 percent of these couples are romantically involved at the time of birth. Further, interviews with the mothers and fathers show that most of them have high ideals about the importance of marriage and are thinking of marriage for themselves.[10] Yet very few of the couples actually marry. Given these facts, it makes sense to try to design programs that could help young, unmarried parents fulfill their desire to marry. These programs should provide couples with marriage education that features training in relationship skills, reducing family violence, financial planning, and other skills that they can use to sustain their relationship. Additional services should also be offered to the couples, especially employment services for both the mothers and fathers. If these programs could actually succeed in promoting marriage rates among these couples, the mother and father, the children, and society would all benefit.

The Department of Health and Human Services (HHS) has already begun conducting research on programs designed to work with these young couples and help them fulfill their dream of being married. HHS will in all probability soon be launching a major project of this type in Baltimore and several other sites around the country. But given its sparse resources, HHS cannot possibly mount the wide range and variety of pro-marriage programs that are needed to help the nation find effective ways to help these couples move toward their goal of marriage. For that, we need provisions like those in the House and Senate TANF reauthorization bills that would provide around $1.5 billion over 5 years to mount scores of demonstration projects around the nation, most involving churches and other community organizations. The history of social interventions shows that most of them do not work. For this reason, we need to implement and study many different types of programs in order to find the most effective approaches to maximizing the number of children living in married-couple families. The Bush administration is following this approach, but on a far too limited scale. Only when TANF reauthorization passes will the nation have adequate resources to meet the challenge of developing effective programs.

The nation has waited three years for Congress to reauthorize the 1996 welfare reform law, one of the most important and successful social programs of recent decades. In the interest of promoting self-sufficiency, we should let the states get on with the task of helping mothers leave or avoid welfare in favor of work. Equally important, Congress should expand the goals of welfare reform to launch the nation in the relatively new direction of helping young unmarried parents achieve martial stability for themselves and their children. This is an agenda that should not wait.

Chairman HERGER. Thank you, Dr. Haskins, and for all your past work and service in this area in this area. Dr. Johnson to testify.

[9] Stephanie J. Ventura and others, "Nonmarital Childbearing in the United States, 1940–99," *National Vital Statistics Reports* 48, No. 16 (Washington: National Center for Health Statistics, 2000).

[10] Sara McLanahan, "Racial and Ethnic Differences in Marriage among New, Unwed Parents," *Fragile Families Research Brief* 25 (Princeton, 2004).

STATEMENT OF JEFFERY M. JOHNSON, PH.D., PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL PARTNERSHIP FOR COMMUNITY LEADERSHIP; ACCOMPANIED BY YOVANI RIVERA

Dr. JOHNSON. Good afternoon. Thank you, Chairman Herger and all the Members of the Committee, for inviting me to testify here on welfare reform and fatherhood. I have brought a guest with me, sitting to my left. His name is Mr. Yovani Rivera, and he is going to share a little bit about his story as a result of being involved in the program with the Northern Virginia Urban League Resource Father Program. He is, also, joined today by his 4 month old daughter Jahaira, and his girlfriend, Silvia Navarrete, who is seated in the first row directly behind us. What I would like to spend most of my time talking about today is a demonstration project called, "Partners for Fragile Families (PFF)," that was completed recently that shows us promise of the provisions in the bill regarding fatherhood. This is a particularly important time for me because this also is the time when my father's 80th birthday would be celebrated. He died 41 years ago, and I still miss him terribly, as well as my other siblings.

There is much information in my prepared testimony on PFF, it was a 10 year, 10 city experiment created through a partnership between local community-based organizations and child support enforcement. Since 2001, 4,500, and we refer to them as dead-broke dads, have taken advantage of employment training, parenting plans, job placement and GED testing services. PFF sites recruited more than 6,000 fathers to participate in these programs. That is a point that the Committee should footnote because these were previously underground father who historically have not shown up on any database related to the birth of the child. The PFF projects were able to locate these fathers and get them into the program. About 4,600 fathers went through the intake system; 3,300 were determined eligible; and 1,523 fathers enrolled in the total demonstration program.

Of those that were enrolled, at intake, 29 percent were employed, 78 percent had less than a 12th-grade education, 68-percent were African American, 13 percent were Hispanic, 8 percent were Caucasian, 2 percent were Native American, and 1 percent were Asian. Another item that I want the Committee to footnote is that 42 percent of them had spent time in jail or prison or had been convicted of a misdemeanor or a felony or were on probation and parole.

Some of the services the fathers received were 68 percent wanted job assistance, 28 percent wanted help in improving their relationship with the child's mother, 64 percent wanted assistance in educational upgrading, so that if you get good jobs, and 45 percent came in the door wanting to improve their parenting skills. Of those services that the fathers requested themselves, 15 percent received assistance in housing and another 29 percent received assistance for substance abuse.

Some of the milestones of PFF that I want to highlight are that 40 percent of the fathers that enrolled in the program established paternity, 28 percent who came in without child support orders or established child support orders, 59 percent of the participants are paying child support, which is above the national average, and 71

percent of the participants went from paying zero in child support to now paying an average of $124 a month, 3 percent got married and 48 percent of the participants either got full or part-time jobs.

We have learned a great deal over the last 6 years, and I've worked with low-income fathers and their fragile families. We have learned a lot about what works and what doesn't work with this population. We have formed, and are continuing to form, unprecedented, mutual, usually beneficial partnerships that will shape the future for children of fragile families and low-income communities. With a stable public funding stream that supports the work of practitioners in the field, we can continue to do this work and so much more. These are programs like those of the Northern Virginia Urban League, the D.C. Fatherhood Initiative, and the Northern Virginia Regional Fatherhood Coalition who operate on shoe-string budgets and the good hearts of volunteers to work with young fathers like Yovani Rivera, who will now briefly share his own story.

Mr. RIVERA. How are you today? I have been with the program since last summer. I have been with Chris Beard, who is right behind us, and he is helping me out a lot. He took me to Northern Virginia Community College to get me signed up, so I can take some classes so I can have a career in architecture or electricity, and he takes me out for lunch sometimes. All we talk about is school, work. He took me trying to get a better job, and he has helped me out. I am more responsible. I am planning to marry my girlfriend, Silvia, because I love my daughter and my girlfriend right now. I want to go to college and get a career so I can provide my daughter with what I didn't have because I grew up without my father, and I just want to be there for my daughter, so she can have what I didn't have. Thank you.

Dr. JOHNSON. Thank you, Mr. Chairman.

[The prepared statement of Mr. Johnson follows:]

Statement of Jeffery M. Johnson, Ph.D., President and Chief Executive Officer, National Partnership for Community Leadership, accompanied by Mr. Yovani Rivera

Good Afternoon. I want to thank Chairman Herger and members of the Human Resources Subcommittee of the House Ways and Means Committee for this opportunity to testify on your efforts to promote responsible fatherhood. I am Dr. Jeffery Johnson, President and CEO of the National Partnership for Community Leadership, NPCL. Some of you may remember that I previously testified before this committee when the organization was known as the NationalCenter for Strategic Nonprofit Planning and Community Leadership, also NPCL. We have found our new name to be more descriptive to a broader audience of the types of community based empowerment efforts and activity to which we are committed. NPCL was always envisioned as a national partner supporting the indigenous leadership of communities to resolve their self defined local issues. On behalf of the board and staff of NPCL and the more than 3,000 local responsible fatherhood and family strengthening program operators and practitioners we have educated and trained, I applaud the continuing efforts of this committee to say plainly and without equivocation that the well being of children is our most important concern and fathers are an integral part of it. Mothers usually provide the mortar that holds most families together, but no matter the configuration of the family, FATHERS COUNT! Also, Mr. Chairman, on February 13th, I will be celebrating the birthday of my own father, The Reverend James Edward Johnson, who died 41 years ago. He was a father who counted to me and my ten siblings and we still miss him desperately.

Let's me state here, that my testimony in support of passage of the Temporary Assistance to Needy Families (TANF) legislation is being supported by a united coalition of national and local fatherhood organizations, which comprises an active and goal oriented work group. Our members include NPCL, the National Fatherhood

Initiative, the National Center for Fathers and Families, the Institute for Responsible Fatherhood and Family Revitalization, the Center on Fathers, Families, and Workforce Development, The National Center on Fathering, and the National Practitioners Network for Fathers and Families.

If the 109th Congress is successful at passing legislation that will reauthorize and provide programmatic stability for Temporary Assistance to Needy Families (TANF); maintain the proposed child support distribution changes that enjoy bi-partisan support, the result of over a decade of talks and negotiations; while providing the first meaningful public support to fatherhood programs; it will be a crucial step towards helping low-income fathers assume emotional, nurturing, legal and financial responsibility for their children. This legislation that seeks to strengthen the relationships between and among fathers and families covers a complex web of interrelated factors that can, on a practical level, make or break brittle and weak family ties frequently associated with a lack of monetary resources. My testimony today is based on over a quarter century of work in this area and specifically on NPCL's work of the past six years with two national demonstration projects designed by state and local leadership to address low-income fathers in their communities. These projects, the Partners for Fragile Families Site Demonstration Project (PFF) and the Fathers at Work Initiative (F@W), while small when compared to the need for such services, operated in 16 cities and provide the broadest base of on point data concerning the financial and emotional reengagement of the fathers of children presently or previously receiving cash payments under the TANF program.

In the brief time I have to share with the Committee, I want to share some specific information on the Fathers At Work Initiative and the Partners for Fragile Families Site Demonstration (PPF), and allow my special guest, Yovani Rivera, a young father enrolled in the Northern Virginia Urban League Resource Father Program, a program that seeks to help fathers recycle themselves and become positive role models and productive tax paying citizens. Yovani is accompanied today by the mother of his four-month-old daughter, Silvia Mavarriete, who is seated in the front row directly behind us. Yovani and Silvia plan to get married.

The Fathers-at-Work initiative was a six-city joint project of NPCL and Public Private/Ventures funded by the Charles Stewart Mott Foundation. It targeted and served older fathers, 25 years old and older, with a focus on fathers who had experienced significant encounters with the criminal justice system. It also sought to take advantage of the relationships that NPCL had developed with state and local child support enforcement leaders in support of socially and economically challenged dads. This project just ended and data collection and analysis will be forthcoming over the next year. Over a period of three years, F@W, as we affectionately called it, served over 700 of the most chronically challenged fathers in the six sites.

The PFF Site Demonstration was a three-year, 10 city experiment, created through a partnership between local community-based organizations and child support enforcement agencies. The goal of the partnership was to create a support system that would address the myriad of personal, relational, and financial needs faced by young (16–25 years of age) low-income, fathers in fragile families. To help the young father, the PFF project sought to get the father to establish legal paternity, improve his education level, increase job skills, and pay child support.

Since 2001, more than 4,500 "dead-broke dads" have taken advantage of employment training, parenting plans, job placement and GED testing services, according to the most recent findings from the Partnership for Fragile Families Site Demonstration project (PFF). With the help of these partnerships, **"fragile fathers" are pulling themselves out of poverty, creating stronger relationships with their children, becoming productive citizens and giving back to their communities.** Initial data confirm that while these children are faced with difficult domestic realities, PFF-fostered partnerships can build system capacity and deliver the tools necessary to strengthen families, fathers, and their futures.

This ten-city demonstration project was designed to promote increased cooperation and informed decision-making among organizations that work with fragile families. PFF recognized that neither government nor private agencies could do this work alone. Therefore, the four key goals of PFF were to:

- Help community-based organizations and government agencies productively leverage their information and resources as partners in order to better discern and respond to the needs of children in fragile families;
- Strengthen disadvantaged, particularly fragile families, in the interest of children;
- Help support both parents in their efforts to become providers for their children; and

- Promote family-friendly income security and other social policies that acknowledge and encourage the contributions of both parents, even those parents without physical custody.

During the conduct of the Partners for Fragile Families Site Demonstration Project, the PFF sites recruited 6,525 fathers. Intake was accomplished on 4,650. Of those going through the intake process, approximately 3,350 were PFF eligible, met the age requirement of between 16–25 years old. Those that were not PFF eligible were referred to alternative programs, or, in the case of the more established programs, served with other resources. Of the 1,523 fathers enrolled in the total program:

- 29% were employed at intake;
- Average hourly wages at intake was $7.43;
- 44% were between the ages of 16 and 20 years old;
- 56% were between 21 to 25 years old;
- 78% had less than 12th grade education;
- 68% were African American, 13% Hispanic, 8% Caucasian, 2% Native American, and 1% Asian; and
- 42% had spent time in jail or prison, or had been convicted of misdemeanors or felony, or on probation or parole.

Fathers that participated in the PFF project were the most economically and socially challenged of the low-income fathers distribution. Their average income was less than $4,000 annually, when gainfully employed. They are chronically unemployed, hard to employ, and present to community-based responsible fatherhood development programs with trauma and multiple needs.

Services Requested by PFF Fathers

The vast majority of PFF participants came through the doors of the PFF programs in crisis. Most came looking for employment, but upon intake and assessment they were to found to have multiple and varying needs. Services requested by fathers were as follows:

- 68% wanted job assistance;
- 42% of those employed wanted help in a better job with more stability;
- 22% wanted help in creating and sustaining a relationship with their children;
- 28% wanted help in improving their relationship with their significant other;
- 64% requested educational assistance to increase their skill levels and better prepare them for employment opportunities;
- 45% wanted to improve their parenting skills;
- 30% wanted help with child support issues;
- 20% wanted anger management training; and
- 25% wanted health services.

Services Received by PFF Fathers

Through a collaborative case management model that agencies developed for the PFF project, the programs were able to meet the service requests of fathers coming through their doors. While participants requested the above-mentioned services, they received additional assistance identified as part of the assessment process and subsequent conversations with participants. Additional services received by PFF participants include:

- 15% received housing assistance;
- 29% received substance abuse training;
- 5% received legal assistance on other than child support issues (Parking fines, DWI, suspension of drivers' licenses . . . etc.);
- 3% mental health treatment;
- 5% dental treatment;
- 60% peer support;
- 3% family and community violence;
- 3% financial literacy;
- 22% child custody; and
- 13% visitation.

PFF Milestones

As of December 2003, the PFF sites have attained the formal end of the conduct of the PFF Demonstration, the following milestones:

- 40% of participants established paternity;
- 28% of participants without orders, established child support orders;
- 59% of participants are paying child support, above the national average;

- 71% of participants went from paying 0 $ to paying an average of $124 monthly;
- 40% of participants initiated Parenting Plans;
- 3% of participants married;
- 7% of participants completed their GED; and
- 48% (of the 71% unemployed at intake) placed in full or part time jobs.

Future Directions for Fatherhood Programs

We have learned a great deal over the last six years in our work with low-income fathers and their fragile families. We have learned a lot about what works and what doesn't work with this population. We have formed, and are continuing to form unprecedented, mutually beneficial partnerships that will shape the future for children of fragile families in low income communities by improving the manner in which services are delivered to their entire family. With a stable public funding stream, that supports the work of practitioners in the field, we can continue to do this work and do so much more. These are programs like those of the Northern Virginia Urban League, the DC Fatherhood Initiative, and the Northern Virginia Regional Fatherhood Coalition, who operate on "shoe string" budgets and the good hearts of volunteers to work with young fathers like Yovani Rivera who will now briefly share his own story

The Partners for Fragile Families Site Demonstration

Beginning September 2000 and ending December 2003, The Partners for Fragile Families Site Demonstration (PFF) was the first national initiative working at the federal, state and local levels to help poor, single fathers pull themselves out of poverty and build stronger links to their children and their children's mothers. This is where we took "family values" from bumper-sticker platitude to meaningful program action. With child well-being always at its center, PFF held that children are best served by two loving parents who can support their children. This means that programs serving low-income families must work together to strengthen, train, build the skill levels and assist each individual, mother and father, towards the goals of financial self-sufficiency, cooperative parenting and being productive community members.

In order to assist low-income families and their biological children, federal, state, local and private programs operating at all levels, must work in concert with one another, to share information, resources, and the objective of child well-being. To that end, Partners for Fragile Families formed unprecedented partnerships among grassroots community-based organizations and child support enforcement agencies to assist young, low-income, unmarried parents—particularly underserved dads—so they could assume financial, emotional and legal responsibility for their children. The three-year, ten-city demonstration project was designed to promote increased cooperation and informed decision-making among organizations that work with fragile families. PFF recognized that neither government nor private agencies could do this work alone. Therefore, the four key goals of PFF were to:

Help community-based organizations and government agencies productively leverage their information and resources as partners in order to better discern and respond to the needs of children in fragile families;

Strengthen disadvantaged, particularly fragile families, in the interest of children;

Help support both parents in their efforts to become providers for their children; and

Promote family-friendly income security and other social policies that acknowledge and encourage the contributions of both parents, even those parents without physical custody.

Who did PFF Target

There are nearly four million fathers of children on welfare, or "fragile fathers" without custody, who are under-educated, unemployed and make so little money that they themselves are eligible for food stamps. Young, poor dads are often willing but unable to assume financial responsibility for their children. In fact, 29 percent of fragile dads actually manage to pay some child support, a clear demonstration that they are trying to do the right thing. And one study showed that poor, single fathers said that they saw their children once a week, took them to the doctor, and reported bathing, feeding, dressing and playing with their children. These men are not "deadbeat dads," they are "dead-broke dads." Only 27 percent of poor single fathers had full-time, year-round jobs in 1990. The average annual income of young, poor single fathers was under $10,000 in 1990 and 60 percent of these men earned less than the individual poverty level of $6,800. Forty-three percent of fragile dads did not finish high school and had no access to employment and training services.

PFF targeted fathers who faced many of the same challenges as welfare mothers. The difference is that where mothers had access to a variety of public assistance

programs including employment training, fathers have not. If fathers were to successfully share the responsibilities of parenthood and become both self- and family-supporting, they needed help similar to that offered to moms. The goal of PFF was to produce a fatherhood system that would help strengthen the involvement of fathers in the lives of their children.

PFT Three Year Participant Finding

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- 3% of participants married;
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Mrs. JOHNSON. [Presiding.] Mr. Turner?

STATEMENT OF JASON A. TURNER, DIRECTOR, CENTER FOR SELF-SUFFICIENCY, MILWAUKEE, WISCONSIN

Mr. TURNER. Thank you. I am going to say three things here today. First, we need to get the bill done—I agree with the others—and there is evidence that States right now, since the election, are abandoning the old idea that they can not have to worry too much about TANF because it is going to happen. Second, there are a couple of improvements to the bill that I would recommend and, third, SSI is now becoming the default Aid to Families with Dependent Children (AFDC) program. It is growing rapidly, it is out of control, and some of the lessons that we learned about how to reform TANF can actually be used constructively in analyzing the problems of the Supplemental Security Income (SSI) program. In my testimony, I suggest that there is a lot of good things going on. I have been to 10 States working with them, consulting for HHS recently and bringing some of the ideas we have used in the past to New York City and Wisconsin to many local offices.

Governor Mitt Romney of Massachusetts recently increased and expanded its work requirement to bring it into line with stricter Federal standards. In Atlanta, the Fulton County office is actually measuring the participation rate by caseworker and coding them red, yellow or green depending on whether they meet the Federal requirements. That act alone, that administrative act alone, you can see on Page 3 the results has increased the participation rate in that county from about 9 percent to 41 percent over a period of 14 months. A lot is being done, but we need to be doing a couple of other things that I think are important in this bill:

Number one, Full Check sanction is the only way to really engage people who have decided to not participate. It is not a tool that is used as a punishment. It is used as a tool to bring people in. In New York City, when we had sent out many, many letters to individuals to come in, at one point, 41 percent of the people who were supposed to participate were not doing so. We need to get Full Check sanction. It is in the bill now, but the problem is that the bill allows the States to obviate the provision by using the separate State program provision, which I won't go into detail, but that problem needs to be fixed. It is fixed, in Senator Talent's bill, S. 5, from the 108th Congress, so I would encourage you to review that. Secondly, the food stamp program should be aligned more closely to the provisions of TANF, using the simplified food stamp program. That provision was put into the first bill, but its effectiveness has been obviated by a narrow reading of the U.S. Depart-

ment of Agriculture not allowing States to line up their programs. That should be clarified.

Third, the use of data from one program to another inside the Agency ought to be allowed. For instance, when I was commissioner, I was told that information that we collected on drug use by Medicaid recipients could not be used to inform ourselves as to what drug treatment program would best be used next for a TANF recipient because there was a firewall. Similarly, new hire information is already collected by the Agency, and so is Social Security wage information, but it is not allowed or States believe they can't use it after they talk to their lawyers, in furthering the program of TANF. That should be clarified as well.

Finally, I would like to talk about SSI. You do have a provision in this bill on SSI, but I think there is a larger issue here, which is States have a financial interest in pushing as many people into SSI as they can. If SSI were just strictly used for the truly disabled who had no opportunity to work whatsoever, then that would be okay. The truth of the matter is the high-functioning SSI population and the low-functioning TANF population are the same people, but they are treated differently. Under TANF, we take those individuals, and we try and help them do what they can do maximize their self-reliance. With SSI, we assume that they can do nothing, and we set them aside. The ways we can use the lessons of TANF in the SSI Program are fivefold:

One, we should assume that applicants and recipients on TANF oftentimes are more capable of doing things than we think they are just by looking at the data. Secondly, we should engage them at the front door; meaning, we should help SSI recipients who are both applying and recently on SSI to engage in vocational rehabilitation as a condition of receiving benefits for that portion of SSI recipients most likely to be able to reengage in the labor force, always looking at activities they can succeed in and tying full benefits to that requirement. Finally, the administrative law judges are overturning an excessive number of medical determinations without a medical reason. They are doing it on other bases. If they don't have a medical reason, they are doing it on the basis of—I don't know what their reasons are or their rationale—but 34 percent of applications are initially approved, 66 percent are approved after appeals. That is obviously too far of a gap, and there needs to be an improvement there. I would agree that the bill is a good bill that the Committee has recommended. I would look to SSI as the next danger point for long-term dependency among former TANF or current TANF participants. Thank you.

[The prepared statement of Mr. Turner follows:]

Statement of Jason A. Turner, Director, Center for Self-Sufficiency, Milwaukee, Wisconsin

Thank you for the opportunity to present testimony on the important topic of TANF reauthorization.

I will summarize the points I will make below:

1. *States and local programs have responded to the prospect of TANF reauthorization, particularly since the re-election of the President, with a greater emphasis on organizing their programs around meeting prospective higher work requirements. Many are making significant improvements. It is important that the Congress support this momentum.*

2. *The committee bill is solid and realistic. However, there are a few areas which are important additions to the bill. These include the following:*
   - *The Full Check sanction provision is the single most important element which allows administrators to draw recipients into the program, reaching full engagement. However, without certain loophole closings, the existing Full Check provision of the bill can be circumvented.*
   - *Food Stamp work and eligibility process requirements should be aligned with TANF consistent with the original intent of the Simplified Food Stamp Program, but which has not been applied in practice. Clarification is required.*
   - *The use of New Hire data for the purpose of recording job placements in TANF should be made explicit. The authority for this is currently unclear.*
3. *There are an increasing number of participants who are probably able to work who are entering the SSI rolls from TANF, and states have a financial interest in moving them into this federally funded program. However, if left unchecked, the growth of SSI could result in it becoming the default dependency program for many who could maintain self-reliance, the role AFDC played in the past.*

Over the past two years my colleagues at the American Institute for Full Employment and I have been working with many state and local social service agencies to improve the proportion of individuals engaged in constructive activities leading to work. As this committee knows, the current federal figures show a low proportion are actively participating, and this alone is the most important reason for TANF reauthorization.

At the same time, I am happy to report that many of the state and local programs with which we work have accepted the idea that greater efforts will be required, and have taken concrete steps to put themselves in the position to meet the anticipated higher TANF requirements coming out of reauthorization. For example Governor Mitt Romney of Massachusetts in January announced increased and expanded work requirements to "bring it in line with stricter federal standards". The Governor said "the welfare policies that Massachusetts instituted in 1995 were ahead of their time. But, the times have changed and we now lag behind the rest of the nation" (press release, 1/24/05).

Minnesota passed updated TANF legislation which took effect this past July, and requires all individuals to be fully engaged before they receive their permanent recipient status at the end of the fourth month after the initial period. Thus when fully implemented, Minnesota will be meeting the higher federal participation rates almost by definition.

Atlanta (Fulton County) has adopted a management technique worthy of adoption elsewhere. Each TANF *caseworker* has the participation rate of his or her caseload measured monthly against the current federal standards. Those whose overall caseload has a participation rate significantly below the federal minimum of 50% are coded red, those closer are yellow, and those meeting the requirement are green. You can see from the chart on the next page, that caseworkers in Atlanta improved their performance substantially between November 03 and September 04 (less red, more yellow and green).

Fulton County Department of Family and Children Services

Work Participation Rate by Worker

Caseload	Last Name	First Name	Center	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04
315c	Brightwell	Christine			8.80%	14.40%	21.52%	20.28%	25.00%	29.73%	31.51%	27.27%	38.10%	41.18%	33.87%
316c	Nash	Joyce A.			5.60%	0.92%	17.33%	21.02%	22.69%	30.16%	27.42%	36.36%	34.40%	37.50%	30.00%
317c	Mincey	Gwendolyn			5.70%	11.30%	8.98%	16.02%	13.41%	19.05%	27.42%	30.77%	26.20%	32.79%	35.38%
318c	Stevens	Dhama			5.70%	5.85%	12.07%	18.00%	18.18%	28.35%	26.33%	23.84%	17.90%	24.84%	22.37%
320c	Nixon	Rosalind				4.40%	22.73%	30.30%	26.15%	33.33%	33.33%	32.86%	32.30%	44.00%	40.00%
321c	Eberhart	Valeria			8.60%	10.30%	28.26%	34.25%	25.68%	31.43%	28.57%	44.83%	32.40%	42.03%	44.07%
534v	Williams	Barbara M.	NWSC											36.52%	36.41%
344c	Jordan	Tiedre			6.10%	8.66%	30.55%	21.92%	33.90%	28.61%	28.32%	34.50%	20.78%		27.54%
345c	Lindsey	Minnie		20.02%	37.80%	33.82%	39.71%	43.94%	50.00%	45.65%	57.22%	47.50%	46.51%		34.78%
346c	Patton	Eloise		9.80%	8.30%	21.95%	31.05%	17.39%	23.44%	19.60%	32.14%	26.20%	16.00%		4.00%
347c	Harris	Dicana													24.00%
347c	Anderson	Carmella			1.80%	1.30%	20.27%	18.18%	15.93%	18.28%	39.44%	17.60%	10.53%		Resigned
348c	Smith	Kimberly E.		8.70%	0.70%	8.11%	17.57%	20.85%	19.42%	16.42%	29.23%	28.80%	23.44%		Transferred
348c	Simmons-Leary	Bobbie G.		7.60%	19.60%	11.54%	11.54%	6.33%	19.18%	20.69%	30.19%	32.60%	34.14%	27.54%	
545v	Smith	Sandra C.	NWSC											22.54%	23.00%
926b	Allen-Hill	Sheila			7.40%	10.70%	8.33%	18.00%	19.29%	19.69%	32.79%	38.16%	31.80%	29.86%	33.33%
928b	Hunter	William I.			11.90%	11.90%	20.19%	25.61%	28.05%	30.67%	22.81%	43.06%	37.60%	35.16%	36.46%
931b	Whittaker	Busara J.			11.50%	6.60%	25.30%	26.10%	18.52%	19.51%	29.27%	26.74%	40.00%	36.26%	34.83%
932b	Pearce	Donald W.			21.60%	22.30%	26.14%	36.36%	39.29%	45.45%	41.56%	37.08%	52.80%	39.33%	47.83%
933b	Walker	Donzaleigh							3.25%	15.40%	13.43%	19.46%	23.56%	30.24%	19.81%
934b	Vacant			50.00%											
936b				19.80%	14.00%	19.20%	19.56%	22.07%	28.38%	28.03%	35.67%	8.10%			
435v	Simmons	Jacquetta	CCNSC											32.08%	34.74%
362c	Jones	Andrea L.		5.00%	5.10%	11.34%				4.60%	4.60%	4.55%	7.00%	9.26%	14.71%
363c	Lancaster	Marilyn													8.65%
	Brightwell	Christine												8.26%	12.10%
027c	James	Terra		5.90%	12.10%	10.75%	8.78%	13.04%	18.09%	30.11%	36.78%	30.80%	43.04%	25.93%
028c	Askew	Felicia		4.20%	7.70%	4.85%	15.00%	18.00%	13.85%	34.23%	39.56%	40.20%	29.89%	35.56%	
029c	Mosley	Yolanda		11.80%	12.30%	12.52%	16.83%	14.69%	40.63%	37.50%	0.00%				Resigned
030c	Thomas	Charynel D.		8.70%	5.40%	13.41%	11.81%	13.33%	25.74%	27.72%	38.71%	30.00%	29.21%	28.33%	
031c	Redding	Stephanie D.		13.30%	14.10%	15.20%	36.90%	27.27%	26.86%	33.33%	38.32%	43.20%	29.41%	28.41%	
032c	Outlaw	Angelia M.		9.00%	4.90%	9.60%	8.91%	18.00%	19.69%	20.25%	27.40%	24.70%	21.92%	18.13%	
033c	Sapp	Essie													
469v	Mizell	Marcus	SWSC											30.75%	25.71%

Congress should move forward and finish the TANF reauthorization. Yes, some state officials will complain about the higher standards contained in a new law, and as a former state official I understand this is "part of the job". But when it is over they will get down to work, and it is important that we maintain and increase the momentum which is underway already.

I would like to take a moment to make three specific suggestions. The first has to do with the Full Check sanction provision. This committee wisely included the provision in the earlier bill, and it is worth fighting for now and in conference. During the period I was New York City Human Services Commissioner under Mayor

Giuliani, we suffered under a weak sanction law. At its peak, fully 40% of those who had been assigned to an activity had chosen not to participate, but instead to take a small reduction in their welfare check. Only by tying a check to a requirement to participate can we bring in many to the office so that we can help them.

However, many states use the "separate state program" accounting provision to obviate certain current federal requirements. This circumvention should not apply to the Full Check Sanction provision inasmuch as it is the single most essential provision to reaching the federal goal of full engagement, and making work programs meaningful (Senator Talent's bill, S–5 from the 108th Congress, includes such a provision).

Second, the Food Stamp program should be aligned more closely to the provisions of TANF in accordance with the Simplified Food Stamp program. This provision of the first TANF bill, which held out such promise, has been thwarted where it was attempted to be implemented by states due to a narrow reading by federal administrators. The intent of the Simplified Program was to make consistent, at state option, work requirements and certain eligibility processing requirements (the financial eligibility standards, of course, remain distinct). The provisions of S–5 from the 108th Congress rectify this problem, and add other complimentary and needed improvements:

- Work participation requirements can be comparable;
- Sanction policy for non-participation in required work activities can be made comparable;
- Food Stamp double-dipping in homeless shelters and other residential facilities is reduced by allowing states to send the payments once directly to the institution;
- Eliminates the ABWOD waiver.

Third, the use of data from one program area to another is often not permitted, even where the information resides within the same agency. For instance, lawyers advised me as commissioner that I could not use information on outcomes from drug treatment programs obtained from Medicaid when determining the best placement for a welfare recipient going into a subsequent substance abuse program. Nor are many states using the critical New Hire data to reduce TANF fraud and improve their job retention records. These management limitations should be rectified through clarification in the new bill.

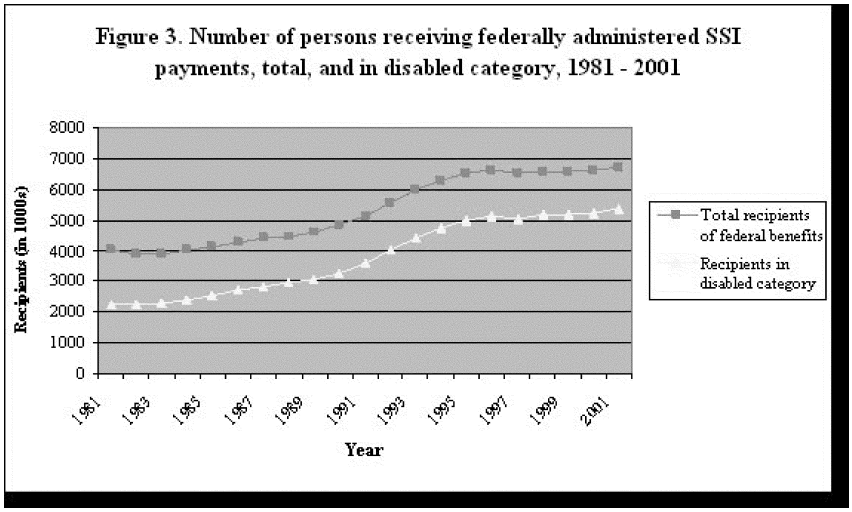
Finally, SSI meets TANF at the intersection of the mildly disabled. Yet the same techniques we use to engage and help the mildly disabled under TANF are ignored by the SSI program, and TANF administrators have a financial incentive to place as many as possible into this program. SSI is becoming a default long term dependency alternative to individuals who may have been able to be helped through TANF self-sufficiency programs. I will not comment on the changes proposed in the President's new budget, which was just released as this testimony was being prepared. Rather, I will speak more generally about the problems inherent in the interaction between TANF and SSI as it currently exists. The balance of my remarks are based on joint work with my colleague David Doddenhoff.

SSI and TANF

The higher-functioning SSI population of applicants and recipients intersects with the mildly disabled TANF population. Much of what we have learned about how to help the mildly disabled go to work applies to SSI as well. However, there are pressures which are resulting in the expansion of SSI beyond what was intended, and if left unchecked could have damaging dependency effects comparable—or worse—to the old AFDC program.

Program growth

In recent years the number of individuals served under the SSI program and the costs associated with the program have increased dramatically. Figure 3 depicts the total number of individuals receiving SSI benefits for the time period 1981–2001, and the subset of those individuals in the disabled category.



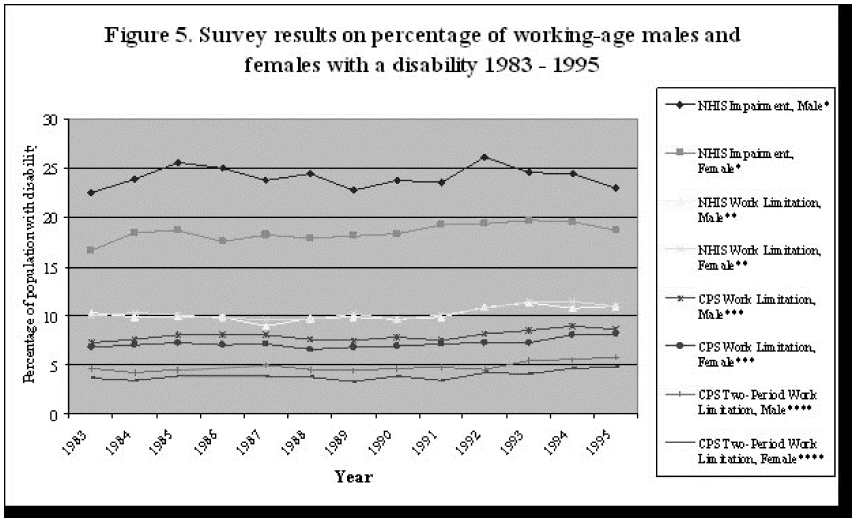
Data source: Social Security Administration, *Social Security Bulletin: Annual Statistical Supplement, 2002*; Table 7.A9

Figure 3 illustrates the significant growth in the Supplemental Security Income program in the years between 1981 and 2001. During that time, the total caseload grew by 66 percent, from a base of just over four million recipients in 1981 to 6.7 million in 2001. The entirety of the growth in the SSI program over this period is attributable to an increase in the number of individuals qualifying under the disabled category. Their numbers grew from 2.3 million in 1981 to 5.3 million by 2001, a growth factor of 230 percent, about 10 times the growth rate in the population in general. Only a decline in the number of aged and disabled individuals on the program kept the total caseload from ballooning even more than it did.

This increase was not produced merely by growth in the size of the U.S. disability population. During the period 1983 through 1995 (but only this period), we have available four different measures of disability based on nationally representative surveys in which the disability questions were asked virtually every year, and were asked using the same wording and overall survey methodology in each year.[1] Thus, year-to-year changes in the number of individuals with disabilities identified in these surveys should represent real changes in the size of the disabled population, along with a small amount of sampling error.

The trend data based on these four surveys are presented in Figure 5. For each survey source, the data are divided between responses given by men and those given by women. Following Figure 5 is a listing of the exact question wording used to determine the results associated with each data series depicted in the chart.

[1] There are two measures available from the National Health Interview Survey and two from the Current Population Survey.



Data source: Richard V. Burkhauser, Andrew J. Houtenville, and David C. Wittenburg, "A User Guide to Current Statistics on the Employment of People with Disabilities," paper prepared for the Conference on "The Persistence of Low Employment Rates of People With Disabilities—Causes and Policy Implications," October 18–19, 2001, Washington, D.C., Appendix Tables 1A and 1B.

Respondents are asked if they have any of the following impairments: "blindness in both eyes; other visual impairments; deafness in both ears; other hearing impairments; stammering and stuttering; other speech impairments; mental retardation; absence of both arms/hands one arm/hand, fingers, one or both legs, feet/toes, kidney, breast, muscle of extremity, tips of fingers, and/or toes; complete paralysis of entire body, one side of body, both legs, other extremity; cerebral palsy; partial paralysis one side of body, legs, other extremity; other complete or partial paralysis; curvature or other deformity of back or spine; orthopedic impairment of the back; spina bifida; deformity/orthopedic impairment of hand, fingers, shoulder(s), other upper extremity; flatfeet; clubfoot; other deformity/orthopedic impairment; and cleft palate."

National Health Interview Survey, Work Limitation. Respondents are asked: "Does any impairment or health problem NOW keep [person] from working at a job or business? Is [person] limited in the kind OR amount of work [person] can do because of any impairment?"

Current Population Survey, Work Limitation. Respondents are asked: "Does anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do? [If so,] who is that? (Anyone else?)"

Current Population Survey, Two-Period Work Limitation. Any person who reports that they have a work limitation in two consecutive CPS interviews one year apart.

If we average the male and female disability rates in each of the four data series in Figure 5, we can calculate the percentage increase in the disabled population in the U.S. between 1983 and 1996, according to each series.[2] The results are as follows:

National Health Interview Survey, Impairment: 7.4 percent increase in the disabled population

National Health Interview Survey, Work Limitation **:** 8.4 percent increase

Current Population Survey, Work Limitation **:** 19.2 percent increase

Current Population Survey, Two-Period Work Limitation **:** 28.3 percent increase

÷Thus, depending on which survey data one looks at, the increase in the actual population of disabled individuals in the United States between 1983 and 1995 ranged from 7.4 percent to 28.3 percent. During the 1983 to 1995 period, however,

[2] Averaging the figures for males and females gives a less accurate estimate than weighting by the survey proportions of males and females. Those proportions are not readily available, however.

the SSI disabled rolls grew by just over 105 percent. In other words, the growth in disabled SSI recipients was larger than the growth in the actual disabled population by a factor of anywhere from four to fourteen. Furthermore, while the SSI rolls grew year after year during the 1983 to 1995 period, there are multi-year periods in the survey data in which actual disability populations are declining. Clearly, we cannot explain the growth in SSI program enrollment in any large part on the basis of growth in the disability rate.

What proportion of the SSI population capable of work, now or in the future?

Very few SSI recipients are engaged in paid employment while receiving benefits. In December of 2001, for example, only about seven percent of working-age, disabled SSI recipients were participating in any sort of paid work.[3] This should not be surprising. Though SSI does provide opportunities and incentives for individuals to return to work, the General Accounting Office has commented that:

Work incentive provisions that are complex, difficult to understand, and poorly implemented—impede return-to-work efforts. Because SSA does not promote them extensively, few beneficiaries are aware that work incentives exist.[4]

What's more, there are no requirements that participants engage in work activities, no rehabilitation plans available through SSI to help them do so, and little expectation that they will.

One result of this is that very few individuals leave SSI for work. While we do not have estimates of this directly from the SSI program, we do have them for its sister program, Social Security Disability Insurance. In that program, no more than 1 in 500 individuals who come on to the rolls ever leave for work.[5] Because employment rates at the onset of disability are two and one-half times higher for SSDI recipients than for SSI recipients, it seems likely that exit rates due to employment would also be much higher for SSDI than SSI.[6] In other words, SSI recipients who leave the program for work are probably much, much less than one percent of individuals who ever come on the program rolls.

An appropriate question to ask at this point, then, is, how many current SSI recipients could conceivably return to work if the program were oriented toward rehabilitation and, ultimately, employment? We are unaware of any study that directly answers this question with respect to SSI recipients. There are, however, copious data on the capacity for work of the disabled population in general. For example:

- 1997 data from the Survey of Income and Program Participation (SIPP) show that employment rates for individuals who can be classified as "disabled" based on their answers to SIPP questions are employed at rates of between 63.9 percent and 82 percent, depending on how one defines "disability." Employment rates are between 24.2 percent and 33.2 percent for the severely disabled, again, depending on how one defines "severely disabled."[7]
- A study of comparative data from the SIPP, the Current Population Survey (CPS), and the National Health Interview Survey (NHIS) shows 1996 employment rates for individuals with a "work limitation," which is defined differently in the three surveys, ranging from around 20 percent for the most severely limited individuals to around 40 percent for the less severely limited.[8]
- A 2000 survey commissioned by the National Organization on Disability found that among adults who reported any disability, only 43 percent said that their

[3] Author calculations based on Social Security Administration, *SSI Annual Statistical Report*, Tables 22 and 28.

[4] General Accounting Office, *Disability Programs Lag*, p.14.

[5] Ibid., p.1.

[6] The figure for comparative rates of employment at the onset of disability is drawn from United States Congressional Budget Office, *Time-limiting Federal Disability Benefits*, February 1997, p.12.

[7] John M. McNeil, "Employment, Earnings, and Disability," paper prepared for the 75th Annual Conference of the Western Economic Association International, June 29–July 3, 2000, Table 1 and p.9. Available on-line at: http://www.census.gov/hhes/www/disable/emperndis.pdf and http://www.census.gov/hhes/www/disable/emperndistbl.pdf. Figures are for the 21 to 64 age group. Employment is defined as having worked at a job or a business any time during the month preceding the interview month.

[8] Richard V. Burkhauser, Andrew J. Houtenville, and David C. Wittenburg, "A User Guide to Current Statistics on the Employment of People with Disabilities," paper prepared for the Conference on "The Persistence of Low Employment Rates of People With Disabilities—Causes and Policy Implications," October 18–19, 2001, Washington, DC, pp.8–11 and Exhibit 4. Figures are for the 25 to 61 age group. Employment in the SIPP and CPS is defined as working more than 52 hours over the preceding year. Employment in the NIHS is defined as having had a job in the previous two weeks.

disability rendered them unable to work. Thirty-two percent of individuals with disabilities said they were employed at the time of the survey.[9]

- A 1989 General Accounting Office study attempted to gauge potential work capabilities within the disabled population by looking at rates of employment among individuals who had applied for SSA disability programs but were denied. These were individuals who apparently believed themselves to be disabled, but who were not determined so by state Disability Determination Services. Thus, their work effort probably reflects the upper limit of what might be expected among SSI and SSDI clients. The GAO study found their rate of employment to be 42 percent.[10]
- Perhaps most to the point point, a 2001 study produced for the Social Security Administration's Office of Research, Evaluation, and Statistics estimated that about 4.4 million people not receiving SSI or SSDI would meet the programs' definition of disabled. Of that group, about 1.4 million had average earnings above the programs' "substantial gainful activity" limit. Thus, about 32 percent of individuals (1.4/4.4) potentially eligible for SSI or SSDI on the basis of disabling conditions are gainfully employed.[11]
- Among individuals with mental disabilities, who constituted the bulk of the SSI disabled caseload, we find that in 1997, 37 percent of such individuals were employed. Even among individuals whose mental disability "seriously interfered" with everyday activities, 29.8 percent were employed.[12]

One should note that estimates such as these probably understate the capacity for work among the disabled. These data enumerate those disabled individuals who are working, but not those who are also looking for work but have not yet found it, nor those individuals who would like to work and are able to but for some reason are not looking. In the year 2000, for example, using the definition of "work-limited" in the Current Population Survey,[13] 25.7 percent of work-limited men between the ages of 25 and 61 indicated that they were working, while another 8.7 percent reported themselves to be looking for work (that is, unemployed). Among women, the comparable figures were 25 percent and 11 percent.[14] NHIS data and SIPP data from earlier years show similar results. Thus, the proportion of the disabled population capable of working is clearly larger than the proportion currently working as detailed above.

Subjectivity in the disability determination process, and its implications

What we learn from the foregoing review is that information on an individual's disability status, or even that status combined with his/her past or present work history, may not tell us much about their capacity for work. According to the U.S. General Accounting Office:

. . . information about a claimant's medical condition and vocational background cannot conclusively demonstrate that he or she cannot work. Except in the case of very severe disabilities and relatively minor disabilities, the current state of knowledge and technology does not enable the quantification of disabilities or the definition of categories of disability which reliably correlate an impairment with a particular individual's capacity to work.[15]

Beyond this, there is also abundant information on the subjectivity and variability inherent in the disability determination process. It is not an exaggeration to say that whether or not an individual is deemed disabled for purposes of the SSI program depends not just on his or her actual mental or physical condition; nor just on the procedures for assessing that condition as specified in law, administrative

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[9] Results available on-line at: http://www.nod.org/content.cfm?id=1076#empl. An individual is considered disabled for purposes of the survey if he/she: "Has a disability or health problem that prevents him or her from participating fully in work, school, or other activities; or reports having a physical disability, a seeing, hearing or speech impairment, an emotional or mental disability, or a learning disability; or considers himself or herself to have a disability or says that other people would consider him or her to be a person with a disability."

[10] Congressional Budget Office, *Time-limiting*, pp.15,6. The reader should note that the data on which this study was based are from 1984.

[11] Debra Dwyer, Jianting Hu, Denton R. Vaughan, and Bernard Wixon, *Counting the Disabled: Using Survey Self-Reports to Estimate Medical Eligibility for Social Security's Disability Programs*, ORES Working Paper Series Number 90, United States Social Security Administration, Office of Policy, Office of Research, Evaluation, and Statistics, Division of Economic Research, January 2001, p.29. Available on-line at: http://www.ssa.gov/policy/docs/workingpapers/wp90.pdf.

[12] McNeil, "Employment, Earnings, and Disability," Table 2.

[13] "Does anyone in this household have a health problem or disability which prevents them from working or which limits the kind or amount of work they can do?"

[14] Burkhauser, Houtenville, and Wittenburg, "A User Guide," Appendix Table 4B.

[15] General Accounting Office, *Social Security: Disability programs lag*, p.13.

rule, and policy; but also on the policy climate in which the decision is being made, the particular adjudicator reviewing the application, the stage of the SSI application process at which the file is being considered, and the geographic location where the application was filed.

This inherent subjectivity has a number of important implications. For our purposes, however, the most important is that there are almost certainly many individuals on the SSI rolls whose disabling condition one might reasonably question. This is not to say that these individuals have engaged in fraud. Though some fraud is inevitable, what is undoubtedly more common is that individuals with borderline disabling conditions, or individuals who believe themselves to be disabled but are not, are admitted to the SSI program due simply to subjectivity across disability examiners and different levels of application review.

The disability determination process occurs in a series of stages that can take place across a number of administrative levels. The first step in the process occurs in the state Disability Determination Service. Here, state DDS personnel develop and review the claimant's medical evidence and make an initial determination. If the applicant is found ineligible for benefits, he or she has 60 days to request a reconsideration. The reconsideration is also conducted by DDS personnel, and may include new evidence.

The next level of appeal is a *de novo* review before an Administrative Law Judge (ALJ). This review typically involves legal representation on the part of the claimant, and again may include new evidence. The ALJ's over turn a large proportion of the initial rejected claims, and yet ALJ's do not usually bring new medical evidence into their decision, nor are they for the most part trained medical practitioners. The Social Security Administration routinely reviews the accuracy of ALJ decisions using a peer review process, and it has recorded a substantial error rate. Beyond the subjectivity of the initial review process, it would appear that the ALJ process adds additional relaxation to eligibility standards without improving the quality of the medical decisions themselves. In 2001, for example, initial applications were approved at a 34.3 percent rate by state DDS offices. When rejected applications were appealed to the SSI hearings process, however, they were approved at a 66.4 percent rate (often based on precisely the same evidence).[16]

Obviously, some of the wide variation in SSI allowance rates is attributable to factors other than error and subjectivity in the disability determination process. Even so, one study found that 28 percent of individuals receiving SSI and SSDI benefits were not disabled, at least as "disability" is defined by the Social Security Administration for program purposes. At the same time, the study found a substantial number of individuals who *were* disabled but had been rejected in the programs' application process.[17]

Some reform considerations

Though one of the assumptions of the SSI program is that individuals receiving benefits cannot work, the data indicate a substantial capacity for work among the disabled population in general. We have also seen the subjectivity and error inherent in the SSI disability determination process. Both of these findings, alongside the data on exploding program enrollment and costs, suggest that the program is ripe for reform.

These are not the only reasons for supporting reform, however. Advocates for the disabled are virtually unanimous in their belief that individuals with disabilities *want* to work, rather than wanting to be freed from the obligation of work. While this logic is reflected in the Americans with Disabilities Act of 1990, SSI continues to focus on *dis* ability, rather than ability. Furthermore, advocates, disability researchers, and knowledgeable policymakers argue that the capacity of the disabled for work depends not just on the specifics of their medical condition, but also on a variety of other factors:

. . . while most medical impairments influence the extent to which an individual is capable of engaging in gainful activity, other factors—vocational, psychological, economic, environmental, and motivational—are often considered to be more important determinants of work capacity.[18]

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[16] Social Security Administration, *Annual Report of the Supplemental Security Income Program*, p.78, Table V.C1.

[17] Hugo Benitez-Silva, Moshe Buchinsky, and John Rust, "How Large are the Classification Errors in the Social Security Disability Award Process?", unpublished manuscript, February 2003, p.3. A comprehensive list of factors that may affect the consistency of disability decision-making appears in Social Security Advisory Board, *Disability Decision Making: Data and Materials*, January 2001, pp.5,6.

[18] General Accounting Office, Social Security: Disability programs lag, p.12.

Again, despite this fact, SSI treats work disability as an all-or-nothing concept based entirely on an applicant's medical condition. The program currently makes no effort to examine or shape any of the other factors cited above—vocational, psychological, economic, environmental, and motivational. Accordingly, departures from the SSI program for employment are not common.

In consequence of the above several program changes have been adopted over the years to encourage the return to work among recipients. These have included assorted work incentives—partial exclusions of earnings and work-related expenses from countable income for program purposes, and the retention of Medicaid benefits among SSI recipients who return to work (in limited circumstances). More recently the Ticket to Work Program has provided vouchers for SSI recipients to use in securing work through qualified providers, although the take-up rate has been very low.

The primary problem with these and related measures, however, is that they are largely voluntary and discretionary. There is no requirement or expectation that SSI adjudicators will develop a return-to-work plan for program participants, and so they do not. There is no requirement or expectation that program participants themselves will return to work, or even participate in the Ticket to Work program, and so in practice, very few do. There is no requirement or expectation that state rehabilitation agencies will accept referrals from the SSI program, and so in practice, few program recipients are referred to those agencies, and fewer are accepted. The net result of all of this is that the SSI program is almost exclusively oriented toward income support, with very little emphasis on employment.

Lessons from TANF

The elementary rule of TANF is that wherever possible the eligibility office should help an applicant find alternatives to program dependency through employment. The same overall objective should inform the SSI system, using the state vocational offices or private agencies as the vehicles for helping individuals explore employment or rehabilitation alternatives.

It is a generally recognized principle of disability research that the more time that passes after the onset of a disability, the greater the challenges in returning a disabled individual to work. Thus, efforts to help individuals return to work should be most aggressively pursued in the early stages after application or enrollment.

For SSI recipients a required individual rehabilitation plan should be adopted, which includes specific milestones and timetables. Just as with the TANF program, requiring participation in self-improvement efforts as a condition of eligibility helps individuals learn to become as self-reliant as possible.

Next, there should be a vocational rehabilitation assignment or limited work requirement keyed to individuals of all capabilities. Rather than screen individuals "in" or "out", all individuals with limited exceptions should be expected to do something to help themselves develop, within their existing capabilities. We learned from TANF that individuals who have been deemed disabled, will work harder at helping themselves recover if they are obligated to participate in some meaningful activity.

Then, the monitoring of individual progress on the rehabilitation plan should be made continuous and intensive. Individuals who fail to participate without just cause should have a portion of their benefits subjected to withholding until they comply with their plan, just as in TANF.

Conclusion

Because of the success of TANF, we know much more about how to set up a system which brings individuals along and up the ladder of self-reliance. We find individuals wherever they are in life, and fashion a self-sufficiency plan which takes their capabilities into account. We provide small achievable steps, while holding the recipients accountable merely for participation rather than for the achievement of a specific uniform personal outcome.

In short, the reform goal of SSI should be to maximize personal self-reliance while providing a minimum level of income assurance. It will require a re-thinking of both policy and program administration.

Mrs. JOHNSON. I thank the panel. I am going to yield, first, to the Ranking Member, Mr. McDermott, to question.

Mr. MCDERMOTT. Thank you, Madam Chairman. If a welfare recipient works 20 hours a week, and goes to community college and carries a full load 20 hours, they don't qualify for cash benefits.

Now, does that make sense to anybody on this panel? That doesn't count toward the work requirement. They get the cash money, but it doesn't count toward the work requirement. What sense do those kinds of rules make?

Dr. HASKINS. I think the answer is, at least from the perspective of taxpayers who pay for their own college, and pay for their children's college, and people who are on scholarships, and so forth, is that welfare is not a program for people to attend college. Welfare is a program for people who are truly destitute. It is true we should help them get off welfare, but we have shown, repeatedly, with good evaluations and now with the experience of the TANF reforms, that the way to do that is to get them a job. We have other programs that support——

Mr. MCDERMOTT. If they are working 20 hours a week——

Dr. HASKINS. Right.

Mr. MCDERMOTT. This bill says they have to work 24 hours or they don't count.

Dr. HASKINS. I have already indicated I would be willing to compromise on provisions like that, but if they work 20 hours a week, we are already going to give them a big subsidy through the earned income tax credit. I would estimate in most cases, it would be about $2,500 a year that they would get through the earned income tax credit that would give them government support, plus, they would be eligible for food stamps, their kids would be covered by Medicaid. They are getting a lot of government support. You have to draw the line somewhere.

Mr. MCDERMOTT. Your testimony was interesting in that you said that there is no evidence that you know of, besides changing the current caseload reduction credit, which produces any benefit for welfare families. What is the point of showing that there is 40 hours a week that everybody is actively involved in.

Dr. HASKINS. The argument that the Administration usually makes, I think the most important argument is that in order for moms to get their families out of welfare or for any single parent that is working a low-wage job, which, overwhelmingly, these mothers are, about $8 an hour, they have to work long hours. They have to work 40 hours. They do not move up the job ladder very quickly. The logic of the Administration is that they need to prepare to work full-time when they get off welfare because that is the way that they are going to get themselves and their children out of poverty. I think that is a good rationale. Many Americans work 40 hours a week. It is a reasonable requirement, but in order to get a bill, I would be willing to compromise on it.

Mr. RECTOR. Yes, I have a little contribution on that, Congressman. We did a study once where we looked at poor families with children and about two-thirds of those families are employed, but, on average, the adults in the family work only about 16 hours a week. It is about 800 hours a year. What we did was simulate the census and said, "Well, let us say we have one adult in there that works a full year, 40 hours a week." Seventy 5 percent of those families are immediately lifted out of poverty; so you have to get the hours of work. Now, I agree with Ron on some flexibility here, but we do have to get more hours of work per week. We also have

to get more recipients that are on TANF doing more activities. We could be a little more——

Mr. MCDERMOTT. Let us take your example just for a second here. Suppose a woman works as a maid in a motel, and she works half-time or works so many hours, she will get health care benefits, but if they can cut her back about 2 hours or 4 hours, she doesn't get any health care benefits. She has got a job where she can't work full time at it. What you are suggesting is we should now push her to go out and get a second job in another motel; is that fair?

Mr. RECTOR. I have heard those stories, and I think there is some validity there, and I would agree with you that that might be a problem and that we ought to try to look at that, if you would agree with me that basically one of the key things we have to do to reduce poverty is get them to work more hours. There are many maybe obstacles to that, but we have to push that up. At 16 hours a week, they are going to stay poor. We have got to find ways to push them up. I think one of the ways of doing it, even though it may not be perfect, is to require a little bit longer participation in the work experience programs that would help get the hours up, wouldn't necessarily work in every case, might not work in the case that you are providing, but I think we could both agree that we need to have more people participating, we shouldn't have over half the TANF caseload idle, and they need to be working somewhat more hours. We don't have to fight to the death over——

Mr. MCDERMOTT. Let me stop you for a second because you have a laid out a suggestion here. You have got two State people here. You have got one from Wisconsin and one from Maryland. Why don't these States do what the Federal government tells them to do? Why do you let people not reach the level that they are supposed to?

Mr. MCGUIRE. Maybe I can address something. There is a difference between, when we engage people, and in Maryland, we are requiring people to be universally engaged, a 40-hour simulated work week, there is a difference between what we report to the Federal government and what actually is going on. We have plenty of people doing plenty of things that don't count.

Mr. MCDERMOTT. What? Wait a minute. Aren't you reporting what is going on? You are making it up?

Mr. MCGUIRE. We have certain requirements that don't count for Federal work participation. That doesn't mean people are not doing something. I will give you an example. If I have a person who is out there on a work experience assignment, and they need to take a day off because something is with the kid, I can't claim that excused day off toward work. If I wind up at the end of the month to make the reporting, and it is not the required numbers, it doesn't count. It is a standard of which you don't get partial credit for it, you get no credit for it. My suggestion is that if I am going to have a simulated work week, I want to recreate what goes on in a work environment as closely as possible, including allowing people to take things off, get excused hours or even earn time off, so that they understand that when they go into a real work environment, this is not something that is going to be alien them.

Now, my experience is that people are moving off for work; that when you engage people, they understand what it is. Sometimes they need a little work, they need a little work-out in an environment that is a safety net that we can catch them if they make mistakes because I don't want people going out and getting fired. My experience is that people are going to work. They are going to work in Maryland for way above the minimum wage at $8 an hour, they are staying employed, they are not coming back, and most importantly, their families are staying together. What I am trying to say is that——

Mr. MCDERMOTT. Your caseloads are still going down.

Mr. MCGUIRE. Yes, I have an idea of universal engagement, where I say everybody does something, I mean that truly with the TANF population. Now, I have people way above what my Federally reported work participation rate, they are doing plenty of things. The problem is, is that States are interpreting the rules sometimes a little bit differently or States are allowed to do things such as having high earned income disregard so you wind up having people that are working getting credit for work participation, but I am going that is not TANF. That sounds like the AFDC program. I do not want to have people go make cash employment and wind up still on public assistance. I want them to make that jump to that $8dollar an hour job because there is a fact, you cannot get an increase in salary unless you already have a job. The information and the studies that I have from the University of Maryland School of Social Work shows that increases over time, and it doesn't increase a little bit. It's been increasing fairly well in the public assistance——

Mr. MCDERMOTT. How many of those $8 dollar an hour jobs have——

Mr. MCGUIRE. That is the average salary.

Mr. MCDERMOTT. Let us take the average. How many $8 dollar an hour jobs have health care benefits tied to them?

Mr. MCGUIRE. Well, we give people transitional benefits for Medicaid for up to a year.

Mr. MCDERMOTT. One year.

Mr. MCGUIRE. The children can get——

Mr. MCDERMOTT. At the end of the year, they are just supposed to kind of never get sick; is that it?

Mr. MCGUIRE. Well, one of the interesting——

Mr. MCDERMOTT. What kind of sense is that?

Mr. MCGUIRE. We have folks in the work environment, I don't know, maybe it is different for Maryland as it is for other States, it is relatively competitive, and people are getting health insurance. I am not seeing people coming back. They are going to work, and they are staying out there.

Mr. MCDERMOTT. Have you got any figures to say that the average worker, making $8 an hour, has health care benefits? Do you have any figures on that?

Mr. MCGUIRE. I will have to find some for you.

Mr. MCDERMOTT. I would love to see some figures like that because I don't believe it.

Dr. HASKINS. Mr. McDermott, there are several studies, and I think they show that roughly about 25 percent of people, it varies

from study to study, but a minority, a distinct minority, actually have some health coverage. As you know, from the Medicaid program, most of the children are covered because of the separate Medicaid coverage for children.

Mr. MCDERMOTT. You mean the CHIP program or whatever.

Dr. HASKINS. No, no. Well, CHIP, too, but Medicaid, there are mandatory coverages under Medicaid that we cut them completely apart from welfare, so most of the kids are covered.

Mr. MCDERMOTT. Then, we are cutting them off in Washington State. Tennessee just cut off 300,000 kids. Yes, that was before, and now is now, and the fact is the States are in worse shape, and the coverage for those kids—I listen to you, and, frankly, I have a lot of trouble with that because it sounds like you have got to choose your parents as being pretty good people. If your parents are kind of, you know, you want to take away the money. That doesn't make sense to me.

Mrs. JOHNSON. First of all, I thank the panel for their input. I want to clarify a little bit about this work requirement that at least was in the last bill we passed. The work portion of it was only 24 hours. That is three full work days. The work portion of it didn't take effect for what would effectively be a quarter of a community college; so you could, on TANF, go to school, get the first quarter of community college under your belt, with day care, and tuition paid and so on. Then, you go to work 3 days a week. You can still go Tuesday and Thursday, you know. You can arrange your classes so you go Tuesday and Thursday, and the State can qualify that as work. There is flexibility to both work and bring to yourself the educational component that will allow you to qualify and advance into full-time employment. Then, Medicaid, I think the point you were making, Dr. Haskins was that Medicaid covers these children. A State may cut down their CHIP expenditures, but I don't think they can cut off children from Medicaid; am I correct or incorrect?

Dr. HASKINS. They have to cover all children under 135 percent of poverty, I think. I could check the rules. They have to cover all children under 18 up to 100 percent of poverty, and then they have options up to something like 185 percent of poverty. There are lots of different coverages——

Mrs. JOHNSON. Anyone working——

Dr. HASKINS. Some of them are mandatory. They cannot cut the kids off.

Mrs. JOHNSON. We will get some clarification on that point, but if you are working two 8 hour days, you are under 100 percent of poverty. Those kids are covered. Then, to your point, Mr. Turner, I thought you were very interesting saying Social Security has become the default welfare program. My own personal view of that is that we have so depleted mental health services for both adults and children that they are the ones that are now finding any place to rest they can, and SSI is one place to rest, and because they are a burden on the welfare systems and the welfare systems are not prepared to deal with them, they sort of encourage that movement into SSI. That is very destructive because, as you say, SSI does not have any component that helps them regain their sense of self or understand their capabilities.

One of the reasons I tend to want to be more prescriptive is that States have got to be more serious about this group of welfare recipients that we are dealing with now about mental health treatment. Even if they are not diagnosed with a major mental health problem, there are lots of people out there not qualifying for institutional care and being ignored—depression, all of the kinds of things that burden you when you really were a failure in high school, never had anybody really love you. These are kids that weren't in foster care, but they have a lot of the problems that someone who has been in lifelong foster care have. I am not real happy about where we are with requiring States to recognize mental health as something that the program covers. You could go to counseling 2 days a week and get an awful lot of help, the same with substance abuse and the support you need after treatment. It is not just a 2 month treatment program. It is a continuum of support until you gain independence.

What I like about the 40-hour requirement is that for the first time people have to think, you know, what am I going to do with 40 hours of my life each week? I can go to school, I can get in counseling, I can do this, I can do that, and States can even qualify participation in after-school programs as qualified work, taking care of your own children. I would like to see people in TANF be part of the professional staff. Obviously, you have to have a child development expert or somebody who is in charge of the program, but after-school programs need more and more adults to mentor, to help, to carry through. Someone with minimal reading skills, still has more reading skills than that 5 year old and can listen to them do their work.

I think we need to be far more imaginative, creative and really enjoy this opportunity, but we have to be dead serious about their resources. If we are going to go down to people with younger children, that is going to cost more because it is vastly more expensive. I think we have to be really serious about that component. If we want to deal with the problems in SSI, we have to make this TANF a much better program for people with mental disabilities or with substance abuse problems.

I just want to close by thanking Mr. Rivera for being here. It is very, very helpful to have you be here, way beyond what you might feel was the value because you are just the kind of young guy who, if you turn yourself around young, and only you can do it—nobody is doing this for you. It is nice you have had people helping you, but they are not doing it, you are doing it—and if we can help you, and help you to help others, your life has changed, so it is very important.

Dr. Johnson, we could not have had testimony when Ron and I were first working on the first fatherhood bill because we did not know anything. All we had were feelings and thoughts; so your work and your being able to report on what the fathers themselves asked is very helpful to us. Frankly, if we had the money, we ought to just open the whole program to the fathers and the women on welfare so everybody got into the job training, the 40-hour thinking, and move forward together. I appreciate your being here today, and we will take very seriously the SSI stuff.

It was very refreshing, Mr. McGuire, to see your accomplishments, and how aggressive you have been in thinking about what people need. Mr. Rector, you are absolutely right, if you can help people, but that is why we have to take more seriously not just marriage, but helping people learn about what is the normal development of a child? What is the normal development of an adult? We just do nothing about that.

I look forward to working with all of you because I hear, Mr. McGuire, you are saying we are rather too rigid. If we increase the work requirements, we ought to be thinking a little bit broader about what it means to work and days off are certainly part of the work pattern. If we could do that, then we could actually reinstate a work requirement, but one that was more that States could meet in a more realistic manner, but still one very profitable for the young people affected. Thank you all for being here. It has gone on rather long. We appreciate your input.

Final panel. Dr. Hansell, chief of staff, the New York City Human Resources Administration, Department of Social Services; Lisalyn Jacobs, Vice President of government Relations for Legal Momentum; Kathleen Curran, policy advisor to the U.S. Conference of Catholic Bishops; Deborah Frank, pediatrician, Boston Medical Center, Boston; peter Goldberg, President and chief executive officer of the Alliance for Children and Families. Thank you for your patience as we have had to vote this afternoon and keep you all waiting, and thank you for your willingness to testify before the Committee. Mr. Hansell?

STATEMENT OF DAVID HANSELL, CHIEF OF STAFF, NEW YORK CITY, HUMAN RESOURCES ADMINISTRATION, DEPARTMENT OF SOCIAL SERVICES, NEW YORK, NEW YORK

Mr. HANSELL. Thank you. Good afternoon, and thank you very much for giving me the opportunity to testify today on behalf of Mayor Michael Bloomberg and Commissioner Vern Eggleston.

Welfare reform is a great success in New York City. In March 1995, there were nearly 1.2 million New York City residents on welfare. Today, the number of people on welfare has dropped by 63.5 percent to the lowest level since 1965. We currently have 193,000 TANF clients, 35-percent fewer than December 2001. To continue this progress, we have intensified our efforts to help all of our welfare clients, including our TANF clients, become employed and leave public assistance.

Over the last 3 years, our welfare clients have found more than 250,000 jobs and a higher proportion of them than ever before are keeping those jobs. Yet, as people have moved into employment and as the caseload has dramatically decreased, those remaining have become more challenging to serve. Slightly more than half of our TANF caseload today has barriers to employment engagement, and many of them require new and more targeted services to achieve and maintain self-sufficiency. Given these realities, New York City's vision for the next phase of welfare reform has three overarching goals:

First, maintaining a strong work focus, supplemented by education and training and providing the services necessary to help those remaining on public assistance achieve the same progress to-

ward self-sufficiency as those who have left; Second, helping those who have successfully left public assistance to retain their foothold in the workforce; Third, preventing the next generation from becoming dependent on public assistance.

Let me discuss our specific recommendations in each of these three areas. We have just implemented an exciting new initiative called, "Wellness Comprehensive Assessment Rehabilitation and Employment" (WeCARE). WeCARE is an intensive program that provides employment-focused services for public assistance clients with medical and mental health problems. WeCARE's program elements include a comprehensive clinical assessment to identify issues that interfere with employability, a comprehensive service plan for each client, monitoring and tracking client compliance with prescribed activities and services, job placement services and retention support, and assistance in obtaining disability benefits for individuals who cannot work.

WeCARE is designed to provide the up front services that clients need, with the goal of ultimately moving them off TANF more quickly. We believe that the kinds of rehabilitative activities that our WeCARE program will provide, when based upon a clinical assessment and provided in a supervised, structured, and monitored fashion, should be fully credited toward a client's core work activities of right length of time they are needed. This will be essential if we are to meet rising TANF work participation rates.

Supporting employment retention and preventing welfare recidivism will require substantially increased funding for child care. New York City is supporting child care for 52,500 children in families on or transitioning off public assistance, as well as 54,000 children mostly from other low-income working families. This is a vital service if we expect these parents to remain in the workforce. We, also, believe that transitional medical assistance is an important retention support and should be allowed for up to 24 months after leaving TANF. Health insurance that allows maintenance of good preventive care and protection against serious and financially catastrophic illness is a sound investment in continued employability.

As we take steps to keep former welfare recipients in the workforce, we must also focus on the next generation—those who may end up in a cycle of welfare and poverty without adequate support. The key to keeping them from needing public assistance is, of course, education, including the practical education that youth gain through exposure to work experiences. It is, also, important to support strong family structures and to reinforce the provision of financial support for children by all responsible parents. We sponsor programs that promote the responsibility of noncustodial parents for the well-being of their children.

We believe that noncustodial parents, with a child on TANF, should be eligible for TANF services, thereby enhancing the ability of both parents to work and support their children because child support can be such an important source of financial assistance to TANF families, we would urge that the Federal government waive its share of child support collections for TANF families up to the level of $400 per month, if a State chooses to pass that support through to the family.

Support for family strengthening is, also, an important prevention intervention. If Congress chooses to designate funding in a reauthorized TANF bill to marriage and family formation, we believe that States and localities should have broad discretion to use that funding to support locally designed programs to strengthen all types of families, through initiatives that include parenting, education and support, family reunification and fatherhood involvement.

The success of welfare reform should not be measured solely by the reduction in caseloads, but, also, by the ability of people to become and remain self-sufficient. We can accomplish these successes by providing States and localities the flexibility to apply resources to meet a range of client work readiness needs, to support employment retention for those people who have succeeded in leaving welfare, and to help young people avoid welfare dependence in the future. We, in New York City, offer our assistance to the Congress in developing a viable, successful framework for the next critical stage of welfare reform. Thank you.

[The prepared statement of Mr. Hansell follows:]

Statement of David Hansell, Chief of Staff, New York City Human Resources Administration, Department of Social Services, New York, New York

Chairman Herger and Members of the Subcommittee:

Good afternoon. My name is David Hansell, and I am the Chief of Staff at the New York City Human Resources Administration/Department of Social Services (HRA), the agency that administers the Temporary Assistance for Needy Families (TANF) program in New York City. I thank Chairman Herger and the Subcommittee on Human Resources for giving me the opportunity to submit testimony on behalf of Mayor Michael Bloomberg and Commissioner Verna Eggleston, offering you our perspective and recommendations on welfare reform reauthorization.

Welfare reform, of which TANF is the key component, is a great success in New York City. In March 1995, there were nearly 1.2 million New York City residents on welfare, of whom 864,000 were TANF recipients, with the remainder in a state and city-funded program. As of January 2005, the total on welfare had dropped to 424,200, a decrease of 63.5 percent, and the lowest level since 1965. Of these, 193,000 were TANF recipients, a decrease of 77.6 percent since March 1995.

When Mayor Bloomberg announced the City's proposals for TANF reauthorization in May 2002, he said: "We remain committed to the original goals of welfare reform. First, federal public assistance should be temporary. If it is not, neither society nor those less fortunate who are receiving benefits will progress. Second, there should be zero tolerance for fraud, so that the few who would cheat the system do not discredit the many who work honorably and hard—And third, since requiring people to work is the best way to help them move to self-sufficiency, everyone who can work, should work if they want to receive public assistance."

In keeping with the Mayor's commitment, we have intensified our efforts to help our TANF clients enter the world of work and leave the world of public assistance. Over the last three years, through an approach matching structured employment activities and strict accountability, more than 250,000 jobs were obtained by our welfare clients, and a higher proportion of them than ever before are keeping these jobs. In 2004, 77% of these welfare recipients were still employed after 6 months on the job.

Yet as people have moved into employment and as the caseload has dramatically decreased, those remaining have become more challenging to serve. Slightly more than half of our TANF population today has substantial barriers to employment—55.7 percent in December 2004 were individuals determined through our assessment process to be fully or partially unable to engage in traditional employment activities. Today's TANF clients, especially those experiencing serious health, mental health, or disability issues, need a broader range of critical services plus adquate time to enable them to overcome the barriers that prevent them from achieving and maintaining self-sufficiency.

Given these realities, New York City's vision for the next phase of welfare reform has three overarching goals:

- Creating the necessary programs and services to help those remaining on public assistance achieve the same progress towards self-sufficiency as those who have left
- Helping those who have successfully left public assistance to retain their foothold in the workforce, and to continue their progress toward self-sufficiency, and
- Preventing the next generation from becoming dependent upon public assistance.

Let me now discuss our specific recommendations in each of these three areas.

Flexibility to Serve Current TANF Recipients

As I indicated, New York City remains firmly committed to the principles that every client has the capacity to do something, and that everyone who can work, should work. To those ends, we believe in engaging every client in activities that will help lead to their maximum level of self-sufficiency. We support the universal engagement and family self-sufficiency plan requirements of HR 240 as tools that would support our efforts in that regard.

At the same time, I mentioned that we are dealing with an increasing number of clients with significant clinical barriers to self-sufficiency. We believe that employment is the appropriate goal for most of these clients also, but we have also learned that they often require a set of interventions to help them overcome employment barriers. Our experience has shown that most public assistance recipients with limitations and disabilities want to work and that, when given services, accommodation, and support, they can succeed in the workplace.

To achieve this goal, we have just implemented an exciting new initiative called the Wellness, Comprehensive Assessment, Rehabilitation and Employment (WeCARE) program. WeCARE is a new, more intensive program model to provide employment-focused services for public assistance clients with physical and mental health challenges. WeCARE's program elements will include:

- Performing a biopsychosocial assessment that includes a comprehensive medical examination and identification of issues that interfere with employability
- Developing a Comprehensive Service Planthat addresses all the client's barriers to employment
- Developing a Wellness/Rehabilitation Plan for each client who has an untreated or unstable medical condition(s)
- Providing intensive case management services, as required, to help clients achieve the goals of the ComprehensiveService Plan
- Performing Diagnostic Vocational Evaluations, as clinically indicated, to assess a client's functional abilities and limitations
- Providing vocational rehabilitation services that enable disabled and disadvantaged individuals to attain their maximum vocational potential
- Monitoring and tracking client compliance with prescribed activities and services
- Providing job placement services and retention support
- Helping eligible individuals who cannot work to obtain disability benefits

WeCARE is designed to provide the up-front services that clients need, with the goal of ultimately moving them more quickly from the TANF caseload either to employment or to a more appropriate disability benefit. For this reason, we believe that the kinds of rehabilitative activities that our WeCARE program will provide—when based upon a clinical assessment and provided in a supervised, structured, and monitored fashion—should be fully credited toward a client's core work activities for the length of time they are needed. We are pleased to see that HR 240 recognizes "qualified activities" that include substance abuse counseling or treatment, and rehabilitation treatment and services, but it does so only for strictly limited periods of time. We recommend that reauthorized TANF legislation give States and localities support for the creation of these programs, which we believe are necessary to enable more and more of our clients to succeed in the workforce and achieve financial independence.

Because of the changing nature of the caseload and the increased cost associated with enhancing the employability of those who remain on welfare, we recommend that the overall work participation rate be retained at 50 percent for all recipients. Any mandated increase in the work participation rate will impose greater programmatic demands on states and localities. Therefore, any increase must be accompanied by substantial and proportionate increases in (1) TANF funding for edu-

cation and training, job placement, and programs to address special population barriers to employment, (2) the Child Care and Development Block Grant (CCDBG), and (3) the Social Services Block Grant.

Currently, for those not otherwise engaged in full-time employment, the City requires most participants to combine work experience with another activity. These clients are required to participate in activities for 35 hours per week, higher than the current TANF requirement. In most cases they are engaged in supervised work activity for three days a week, seven hours per day, and they are also engaged in a work-related activity, such as job search, training, or education, for two days a week, seven hours per day. The three days of work activity, if lunch is included, constitute 24 hours of core work activity. We believe that this is a rigorous and appropriate expectation of our TANF clients, and hope that reauthorized TANF legislation will accommodate it. Under local labor contracts, City supervisors in our work experience program are required to work 7 hours per day, plus one hour for lunch. We cannot require TANF clients to work longer hours without incurring great expense to the City.

As we continue to help people move toward employment, the City supports continuation of the caseload reduction credit and/or the adoption of an employment credit that fully reflects all job placements, whether or not they result in immediate case closing. Credit should also be given for non-custodial parents who are not on public assistance but obtain employment and provide child support for a child receiving TANF support. Qualifying sources for employment counts should include client self-reported, budgeted placements, as well as placements identified through recognized database matches.

Finally, I would note that New York State has just raised its minimum wage above the federal level, ultimately to $7.15 an hour by January 1, 2007. While we support the increase as providing a reasonable wage base for working families, we also note that it complicates our compliance with TANF work participation requirements (as is the case for other states and localities with minimum wage requirements above the federal level). Federal agency guidance has suggested that TANF recipients cannot be required to participate in more hours of work activity than their grants would support, using the higher of the federal or applicable state minimum wage as a standard. We estimate that at $7.15 per hour, this would preclude approximately 28 percent of our TANF clients from participating in core work activities for even the 20 hours per week currently required. We recommend that TANF clients who are working the maximum number of hours permitted under a calculation based on their state's minimum wage should be deemed to be fully participating for TANF purposes.

Retention of Financial Independence

During the first stage of welfare reform, New York City moved thousands of people into the workforce. We must protect that success by helping these people remain in the world of work and enhance their employability, and thereby the self-sufficiency of their families.

Many people have left welfare for low-wage jobs with minimum or no benefits. A medical or other emergency could result in their return to public assistance. Others need transitional supports—child care, transportation, and housing—to remain in the workforce or boost themselves above the poverty line. We must continue the investment thatTANF has made in these newly productive members of the workforce, supporting low-income workers and helping them improve their skills so that they can continue to work and move their families out of poverty. States need more flexibility in using TANF funds to support working families who have left welfare.

We offer the following specific proposals:

- Change the definition of "assistance" so that employed families can receive enhanced transitional support. TANF regulations (not statute) limit the definition of non-assistance to non-recurring, short-term benefits intended to deal with a specific crisis situation or episode of need that will not extend beyond four months. We would recommend a broader definition under which housing support for employed families, for example, would be considered non-assistance and should not be subject to fixed time limits. The inability to pay for housing can be a barrier to family and employment stability, and disruptive to work participation. We recommend that TANF law be reauthorized to permit states to subsidize housing beyond the current limitation of four months.
- Child care and transportation should be treated as non-assistance for both working and non-working families. Child care and transportation enable parents to look for work, to attend training or educational opportunities to prepare for work, and to go to work. Sometimes job search, education, or training activities are full-time, and sometimes they are combined with each other or with

work experience or paid employment. Whatever the combination of activities a person is engaged in and whether or not they are still on welfare, if they have low income they may well need child care and transportation assistance to help them work toward and enhance their self-sufficiency.

- Increase funding of the Child Care and Development Block Grant by a minimum of $6 billion over the next five years. New York City is supporting child care for 52,500 children in families on or transitioning off public assistance where a parent is engaged in work activities, as well as 54,000 children predominantly from other low-income working families. This is a vital service if we expect these parents to remain in the workforce.
- Extend transitional medical assistance for the full duration of a reauthorized TANF program, and allow states to provide transitional Medicaid for up to 24 months. Ensuring continuity of health insurance to allow maintenance of good preventive care for adults and children, and protection against serious and financially catastrophic illness, is a sound investment in continued employability.

Preventing Future Welfare Dependence

As we take steps to keep former welfare recipients in the workplace, we must also focus on the next generation—those who may end up in a cycle of welfare and poverty without adequate support. The key to keeping them from needing public assistance is, of course, education, including the practical education that youth gain through world of work experiences. There can be no long-term, long lasting welfare reform without education reform. The lack of an education and of work-related skills is a major barrier to self-sufficiency. It is also important to support strong family structures, and to reinforce the provision of financial support for children by all responsible parents.

There is a need to develop new programs, such as fatherhood initiatives, that promote the responsibility of non-custodial parents in the life of their children. We support allowing non-custodial working parents with a child on TANF to be included in TANF work activities and to be eligible for TANF services. Research has shown that families are better able to maintain their financial independence when both parents are contributing. By extending TANF resources to both parents of children on welfare, we will enhance the ability of both parents to work and support their children.

In August 2003, Mayor Bloomberg moved New York City's child support program back to the Human Resources Administration, thereby re-integrating the City's TANF and child support activities. Since then, we have undertaken a number of efforts to ensure that non-custodial parents are fulfilling their responsibilities to support their children in harmony with TANF family self-sufficiency objectives. Because child support can be such an important source of financial assistance to TANF families, we would urge that the federal government waive its share of child support collections for TANF families up to the level of $400 per month, if a state chooses to pass the support through to the family.

Support for family strengthening is also an important prevention intervention. If Congress chooses to designate funding in a reauthorized TANF bill to marriage and family formation, we believe that states and localities should have broad discretion to use that funding to support a range of locally-designed programs to strengthen all types of families, through initiatives that include parenting education and support, family reunification, and fatherhood involvement. These should include programs to encourage noncustodial parents to assume greater financial responsibility and involvement in their children's lives.

We also recommend allowing the use of TANF funds by States and localities to develop, enhance or expand programs aimed at high-risk children and youth. As TANF administrators, we need to be in partnership with other service providers serving youth. These programs could, among other things:

- Address developmental issues, including pregnancy prevention, domestic violence prevention, and parenting and relationships skills that will make it less likely that youth will require public assistance
- Offer work-related experiences that introduce youth to the world of work and help them gain both experience and an understanding of the skills they need to succeed
- Support and expand vocational education closely linked to local industries that are creating jobs.

Conclusion

The success of welfare reform should not be measured solely by the reduction in caseloads, but also by the ability of people to become and remain self-sufficient. We can accomplish these successes by providing states and localities the flexibility to

apply resources where needed to meet a range of client work-readiness needs, to support employment retention for those who have succeeded in leaving welfare, and to help young people avoid welfare dependence in the future. We in New York City look forward to working with Congress to develop a viable, successful framework for the next, critical stage of welfare reform.

Thank you.

Mr. ENGLISH. [Presiding.] Thank you, Mr. Hansell. We will next call up Lisalyn Jacobs, Vice President for government Relations of Legal Momentum. Thank you so much for being here.

STATEMENT OF LISALYN R. JACOBS, VICE PRESIDENT FOR GOVERNMENT RELATIONS, LEGAL MOMENTUM

Ms. JACOBS. Thank you, Mr. Chair. Mr. Chairman, Ranking Member McDermott and Members of the Committee, thank you for allowing me to appear here today. I am Lisalyn Jacobs, Vice President for government Relations of Legal Momentum, the new name of the now Legal Defense and Education Fund. We are a leading national organization, with a 35-year history of advocating for women's rights and promoting gender equality. I come before you, as a preacher's kid, a preacher's sister and a person of faith. Please allow me to introduce my mother, Mrs. Lynette G. Jacobs. Regrettably, my father, Reverend Solomon Jacobs, was unable to join us, though he assures me he is praying for me.

[Laughter.]

Ms. JACOBS. I have inherited a lot from both of them, including a strong faith tradition, but more about that in a moment. Our written testimony details our concerns about a number of issues, including expansion of the family violence option and access to public benefits for immigrant victims of domestic violence, sexual assault and trafficking. I commend that to you.

Recently, Chairman Herger has made a number of statements indicating that the welfare system is not working and that welfare recipients face a longer road to independence from welfare. I agree with the Chair, but I, also, submit to you that the Temporary Assistance for Needy Families program should not function merely to help families achieve independence from welfare. More importantly, it should function to help them escape from poverty.

While the number of people receiving TANF declined by 149,000 at the end of the year 2003, the number of people in poverty during that same time rose by 1.3 million. In the last 4 years, 4.3 million more Americans fell into poverty. The overwhelming burden of increased poverty, however, fell on children and their mothers in single-parent households. We encourage this Subcommittee to pursue proven solutions to the problem of rising poverty not measures which will harm children and their mothers. We strongly urge this Subcommittee to pursue policies that invest in the education, training and work supports that empower women to achieve true economic security. In the year 2000, only 1.2 percent of single mothers with a college degree who worked full time lived in poverty. Less than 8 percent of single mothers with some college working full time lived in poverty. This is a clear indication of what strategy will work best in lifting families out of poverty.

Current law allows, but does not require, States to use TANF funds for marriage promotion. When TANF was enacted in 1996, an underlying goal was to give States the flexibility to tailor programs to the needs of their individual TANF populations. To earmark funding for marriage activities, as H.R. 240 does, would hamstring States' abilities to provide their TANF population with what they truly need to gain, an economic foothold and would, also, undermine the basic approach of the TANF program.

When the Senate Finance Committee held marriage promotion hearings last year, even those who supported the program and conceded that we don't yet know what works, Dr. Haskins said, "We know so little about marriage promotion programs, especially with poor and low-income families." Chairman Grassley added, "There is still a great deal of uncertainty around the effectiveness of marriage promotion programs."

Mr. Chair, in these times of fiscal distress, TANF funding must focus exclusively on programs with a proven record of success. Recently, President Bush said, "The important question that needs to be asked for all constituencies is whether or not the programs achieve a certain result." We agree, and because the currently funded marriage programs have not been evaluated for use with low-income, racially diverse families, fiscal responsibility suggests waiting for the results of the programs already funded before allocating more funding. Moreover, recent research supports the concerns that we and others have raised about the increased risk of violence poor women face. Study after study demonstrates that between 15 and 25 percent of current welfare caseloads consist of domestic violence victims. Between half and two-thirds of women on welfare have suffered domestic violence or abuse at some point in their adult lives.

As you consider additional marriage promotion funding, please read Andrew Cherlin's, "Influence of Physical and Sexual Abuse on Marriage and Cohabitation." Dr. Cherlin is at the Johns Hopkins University. The study concludes that physical and sexual abuse are key reasons why many poor women choose not to marry. Marriage promotion programs that fail to recognize and respond to the traumatic and long-term effects of physical and sexual abuse are not only irresponsible, but will fail.

We are, also, concerned that H.R. 240's marriage promotion provisions lack protections for domestic violence victims. At minimum, no program should qualify for marriage promotion money without voluntary participation provisions, collaboration with domestic violence experts and a guarantee that there will be no discrimination against single parents. Most importantly, addressing domestic violence should be an issue on which marriage promotion money can be spent because dealing with domestic violence is often the most important first step for a woman to take before moving on to consider a healthy marriage.

As people of faith, we know that helping the poor is a prime mandate. Jesus said, "If you love me, feed my sheep." When you combine the rising numbers of people in poverty with the fact that the TANF roles continue to decline, you know that we are failing to meet our basic obligation to the people in greatest need. Welfare reauthorization must focus on programs that have a proven record

for lifting people from poverty, while not jeopardizing their well-being. Please support a fiscally responsible TANF bill and one that focuses on the child care funding and education and training opportunities that women and their families so desperately need. Thank you so much, and if I could, respectfully, request, since my oral remarks are mildly different, that they could be included in the record as well. I would appreciate that. Thank you.

[The prepared statement of Ms. Jacobs follows:]

Statement of Lisalyn R. Jacobs, Vice President for Government Relations, Legal Momentum

Legal Momentum (formerly NOW Legal Defense and Education Fund) appreciates the opportunity to submit this testimony on the issue of TANF Reauthorization and building stronger families.[i] We adhere to our long held belief that anti-poverty efforts must focus on initiatives that will empower individuals to become economically self-sufficient and permanently free them from poverty.

Legal Momentum is a leading national not-for-profit civil rights organization with a 35-year history of advocating for women's rights and promoting gender equality. Among Legal Momentum's major goals is securing economic justice for all. Throughout our history, we have used the power of the law to advocate for the rights of poor women. We have appeared before the Supreme Court of the United States in both gender discrimination and welfare cases, and have advocated for protection of reproductive and employment rights, increased access to child care, and reduction of domestic violence and sexual assault. In addition, we address welfare reform issues from the perspective of ending women's poverty. To this end, we have convened the Building Opportunities Beyond Welfare Reform Coalition (BOB Coalition), a national network of local, state, and national groups, including representatives of women's rights, civil rights, anti-poverty, anti-violence, religious and professional organizations.

We appreciate the opportunity to submit this testimony to this Subcommittee on the reauthorization of the Temporary Assistance to Needy Families program. We first submitted testimony to this subcommittee on April 3, 2001 when it first took up the task of reauthorizing the Temporary Assistance for Needy Families program. Much has changed since April 2001 in the life of our nation. What has not changed, however, is the need for a compassionate safety net for our poorest families and work supports to enable poor families to improve their financial situation. What is needed is attention to the particular problems of women with children who are living in poverty, especially the issues of violence in their lives, the need for education and training, the need for child care, and the recognition that children need time and attention from their parents in order to thrive. In the four years since we first submitted testimony, the number of poor Americans has increased. Indeed, every year since 2001, more Americans have sunk into poverty. From 2000 until 2004, 4.3 million additional Americans fell into poverty.[ii] A disproportionate number of those in poverty are women. In fact, women represent 56% of the poor in this country; and 13.5% of all women in America are poor compared with 11.2% of men.[iii] The overwhelming burden of increased poverty, however, fell on children and their mothers in single parent households, the very population the TANF program should be trying to help. We urge this subcommittee to pursue proven solutions to the problem of increasing poverty, not punitive measures designed to hurt children and their mothers.

Marriage Promotion is Not A Solution to Women's Poverty. We would like to begin our testimony by focusing on why government involvement in personal issues of family formation would not reduce poverty, and would create a dangerous precedent for the individual liberty of all Americans. Emphasis on marriage and family formation sidesteps the underlying causes of poverty, particularly the poverty of women and children—such as lack of job training and education, ongoing sex and race discrimination, violence and lack of childcare. At a time of huge budget deficits and high unemployment it is irresponsible to spend over a billion dollars on untest-

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[i] The authors would like to thank Shawn Chang for his invaluable assistance in completing this testimony.

[ii] Center on Budget and Policy Priorities, "Census Data Show Poverty Increased, Income Stagnated and the Number of Uninsured Rose To A Record Level in 2003," Friday, August 27, 2004.

[iii] United States Census Bureau, "We the People: Women and Men in the United States," U.S. Census Special Reports (January, 2005).

ed, unproven marriage promotion programs, which is what the proposed House bill would spend over the next 5 years. Further, government involvement in highly personal decisions such as marriage is a departure from our most basic principles; a threat not just to poor women, but to all citizens who believe that liberty entails making fundamental personal decisions without governmental interference. Critically important is the fact that because of the prevalence of violence among women forced to turn to public assistance, promotion of marriage can raise particular and severe dangers. Nothing in the proposal before this Committee protects women who are victims of domestic violence from being counseled to marry an abuser, or, if the abuser is her husband, stay with him. Without meaningful protections, marriage promotion will put the lives of poor women at risk. Finally, the amount of money currently being spent on marriage promotion by the Department of Health and Human Services is enormous, over $100 million. We agree with President Bush, who in a recent budget meeting with his Cabinet stated, "The important question that needs to be asked for all constituencies is whether or not the programs achieve a certain result." The programs currently being funded have not been reviewed or tested to see if they are useful or successful. Common sense dictates treading cautiously in this area and waiting for the results of the programs already funded before throwing another $1.6 billion at promotion of marriage among the poor.

The staggering prevalence of domestic violence among women on welfare presents an insurmountable challenge to "Healthy Marriage" Promotion within TANF. When considering marriage promotion within the context of TANF, Congress must face the reality that violence is one of the main causes of women's poverty. Domestic violence makes women poor and keeps them poor. Violence is not an exception to the rule for poor women; it is an overwhelming reality. Study after study demonstrates that a large proportion of the welfare caseload (consistently between 15% and 25%) consists of current victims of serious domestic violence.[iv] Between half and two thirds of the women on welfare have suffered domestic violence or abuse at some time in their adult lives.[v] Moreover, by an overwhelming margin, these women's abusers are most often the fathers of their children. For these women and their children, marriage is not the solution to economic insecurity. For them marriage could mean death or serious injury; it will almost undoubtedly mean economic dependence on an abuser. In the population as a whole, many battered women are economically dependent on their abusers; 33–46% of women surveyed in five studies said their partner prevented them from working entirely.[vi] Those who are permitted to work fare little better. Ninety-six percent reported that they had experienced problems at work due to domestic violence, with over 70% having been harassed at work, 50% having lost at least three days of work a month as a result of the abuse, and 25% having lost at least one job due to the domestic violence.[vii] Thus, battered women are overwhelmingly either economically dependent on the abuser or are economically unstable due to the abuse.

Congress should realize that violence is most often the cause of a woman's decision not to marry. Anyone on this subcommittee considering throwing millions of dollars of taxpayer's money at untested marriage promotion programs should read Andrew J. Cherlin, " The Influence of Physical and Sexual Abuse on Marriage and Cohabitation," *American Soc. Rev.* 768 (December, 2004). The authors of this study, which included hundreds of women in three U.S. cities, conclude that physical and sexual abuse are a key factor in why many poor women choose not to marry. Without recognizing the traumatic and long term effect physical and sexual abuse can have on women's attitude toward marriage, any program to promote marriage is doomed.

Those who would promote marriage in every circumstance sometimes claim that marriage decreases domestic violence. This idea ignores many realities of domestic violence. Most importantly, married victims are less likely to report the abuse. In addition, separation and divorce frequently incite batterers to increase the frequency

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[iv] *See* Jody Raphael & Richard M. Tolman, Taylor Inst. and the Univ. of Mich. Research Dev. Ctr. on Poverty, Risk and Mental Health, *Trapped by Poverty, Trapped by Abuse: New Evidence Documenting the Relationship Between Domestic Violence and Welfare,* 12 (1997).

[v] *See* Mary Ann Allard, *et al.*, McCormack Inst., *In Harm's Way? Domestic Violence, AFDC Receipt and Welfare Reform in Mass.*, 12, 14 (1997) (64.9% of 734 women); Ellen L. Bassuck, *et al.*, *The Characteristics and Needs of Sheltered Homeless and Low-Income Housed Mothers*, 276 JAMA 640 at 12, 20 (1996) (61.0% of 220 women); William Curcio, *Passaic County Study of AFDC Recipients in a Welfare-to-Work Program: A Preliminary Analysis*, 12, 14 (1997) (57.3% of 846 women).

[vi] *See* United States General Accounting Office, Report to Congressional Committees, *Domestic Violence: Prevalence and Implications for Employment Among Welfare Recipients*, 7 (1998).

[vii] *See* Joan Zorza, *Woman Battering: High Costs and the State of the Law*, 25 Clearinghouse Rev. 421 (1991).

and level of violence.[viii] The experience of Oklahoma, clearly the leader in spending public dollars for marriage promotion, is instructive. In a survey of Oklahoma families, referred to in testimony by the Director of Public Welfare in that State when testifying before Congress, it was discovered that almost half (44%) of the state's divorced women cited domestic violence as a reason for their divorce.[ix] More than half (57%) of Oklahoma's divorced welfare mothers, the prime target of government marriage promotion efforts, cited domestic violence as a reason for their divorce.[x] Oklahoma is by no means unique. Around the country, in survey after survey, low income women report high double digit domestic violence rates.

Should the government encourage women to get married or stay married to men who abuse them? Certainly, proponents of government marriage promotion do not intend this. But common sense suggests that this will be the inevitable result of a government "get married and do not divorce" message, especially when success is measured by superficial statistics such as the divorce rate. Should Congress ignore the role domestic abuse plays in women's decisions not to marry? Surely, this is precisely what will happen unless the marriage promotion provisions in H.R.240 contain specific protections for women who have been abused during their lives.

Congress itself has repeatedly recognized that domestic violence is a serious national problem and has made efforts to minimize the severe risk to women and children from that violence, most recently by reauthorizing the Violence Against Women Act in 2000. But marriage promotion for TANF recipients ignores the reality of domestic violence. It ignores its pervasiveness: assertions that proponents intend to promote only "healthy marriages" lose credibility in the face of the reality that as many as two-thirds of TANF recipients report incidents of domestic violence. Surveys of low-income women in several cities show that two of the four main reasons for not marrying are fear of domestic violence and fear of a power imbalance.[xi] Requiring marriage promotion programs to consult with domestic and sexual violence experts and child advocates on the development and implementation of policies, procedures, and training necessary to appropriately address domestic and sexual violence and child abuse issues, as was specified in last year's Senate Finance Committee welfare reauthorization bill (PRIDE), but conspicuously absent in H.R. 240, could provide some security. But even those safeguards do not make marriage promotion within TANF safe. In light of the high incidence of violence in the lives of poor women, the complete failure of H.R. 240 to include even the most rudimentary protections for domestic violence victims is a travesty; domestic violence is not mentioned anywhere in the legislation and, therefore, use of marriage promotion dollars to keep women in abusive marriages or to help persuade them to marry their abuser is a very real threat. Finally, our review of current grant applications to HHS for marriage promotion funds indicates that very few programs currently include any consideration of domestic violence issues in their applications, indicating that if such protections are not included in the law, they will not be in the programs.

Those who say that marriage promotion will only be done in relationships where there is no violence are not sufficiently knowledgeable about the dynamic of domestic violence and the very clear truth that most women who are victims of violence are ashamed and afraid and extremely unlikely to offer the reveal the violence in their lives to others. Many victims fear the potential consequences of acknowledging the abuse: the stigma of being a domestic violence victim; the very real possibility of losing their children to child welfare agencies; the possibility that disclosure of violence will escalate the abuse. Marriage promotion programs, no matter how "sensitive" to domestic violence on paper, cannot change the fact that those promoting marriage will probably not know about violence in the relationship they are trying to make legally permanent. Thus, programs that push poor women into marriage with the fathers of their children may inadvertently legitimize abusive situations; similarly, programsthat discourage divorce may increase the already deep shame and social pressure to remain with the abuser that women who are married and are being abused often feel. A government message to poor women who are violence victims that there is something wrong with being unmarried will make it even more difficult for women who are trying to leave an abusive relationship to do so. The complexity of domestic violence and the danger to women who stay in or formalize

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[viii] *See* Einat Peled, *Parenting by Men Who Abuse Women: Issues and Dilemmas*, Brit. J. Soc. Work, Feb. 2000, at 28.

[ix] "Marriage in Oklahoma, 2001 Baseline Survey on Marriage and Divorce," at 16, available at http://www.okmarriage.org/pdf/survey_report.pdf

[x] Private communication to NOW Legal Defense & Education Fund from Oklahoma official; copy available upon request.

[xi] Kathyrn Edin, Joint Center for Poverty Research Working Papers, What Do Low-Income Single Mothers Say About Marriage?, Aug. 9, 2001, *available at* http://www.jcpr.org/wpfiles/edin_WP_ediforweb1-31.pdf.

abusive relationships make any government-sponsored marriage promotion program extremely problematic.

TANF currently includes a Family Violence Option (FVO) allowing states to confidentially screen for domestic violence, refer to services, and modify or waive program requirements that would be unsafe or unfair to victims of domestic violence. While nearly all states have adopted some version of the FVO, unfortunately, not all states have done so. With such an overwhelming correlation between violence and poverty, it is both troubling and illogical that Congress would consider mandating marriage promotion and providing significant financial incentives for states to fund marriage promotion while not requiring states to address domestic violence through the FVO. At a minimum, Congress should require all states to screen for domestic violence, refer individuals to services, and should invest TANF dollars in case worker training, a study of best practices with respect to addressing domestic violence in TANF, and dissemination of those best practices to all states to help them address this very real barrier to economic security. It is also essential that, if indeed, money for marriage promotion is appropriated under TANF, that there be clear protections for women who are victims of violence. No program should get government marriage promotion money unless there is collaboration with domestic violence experts in developing and administering the program. Provisions insuring that all participation in marriage promotion programs will be voluntary and noncoercive are also essential as well as provisions that guarantee that there will be no discrimination against single parents. Most importantly, domestic violence should be an issue on which marriage promotion money can be spent. In so many cases, dealing with domestic violence is the most important first step for a woman to take before moving on to consider a healthy marriage.

HHS is already spending a great deal of money on marriage promotion; more should not be spent unless there is some indication this is an effective way to combat poverty. Current law allows but does not require states to use Temporary Assistance to Needy Families (TANF) funds for marriage promotion and for initiatives aimed at decreasing out of wedlock births. The current House proposal (H.R. 240) includes significant funding for marriage promotion initiatives. Although there is no new TANF funding for economic support in H.R. 240, the bill authorizes $100 million a year in specifically dedicated federal TANF funding for a Marriage Promotioncompetitive grant program. States would be required to match the $100 million and would be allowed to use their basic federal TANF allocation to do so, thus potentially diverting an additional $100 million of TANF funds from economic support to marriage promotion. The bill also authorizes an additional $100 million a year for new TANF demonstration project funding to "be expended primarily" on "Healthy Marriage Promotion Activities." Finally, the bill creates a fatherhood program funded at $20million a year "to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthymarriages."

The House bill also adds new requirements that in order to participate in TANF, states must have a program to "encourage the formation and maintenance of healthy 2-parent married families" and must set "specific, numerical, and measurable performance objectives" for promoting such families. This language suggests that in order to qualify for any TANF funding, states might have to set numerical goals for increasing the state marriage rate and reducing the state divorce rate.

The Department of Health and Human Services (HHS) is already spending a great deal of money on marriage promotion—over $77 million in contracts and over $25 million in grants. Grant money has been taken from appropriations for the Child Support Enforcement Program ($2.4 million),[xii] from the Refugee Resettlement Program ($9 million),[xiii] from Child Welfare Programs ($14 million),[xiv] from the (Native American) Social And Economic Development Strategies Program (SEDS) ($40 million),[xv] from the Assets For Independence Demonstration Program ($16 million),[xvi] and from the Developmental Disabilities Program ($3 million).[xvii]

It is difficult to see why Congress should consider hundreds of millions of dollars in new funding for marriage promotion before the results of the Administration's

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[xii] See HHS 5/9/03 press release "ACF Approves Child Support Demonstrations in Michigan and Idaho," available at http://www.acf.dhhs.gov/acf_news.html); and HHS 7/4/03 press release " ACF Approves Child Support Demonstration In Virginia," available at http://www.acf.dhhs.gov/acf_news.html).

[xiii] 67 Fed. Reg. 45131–45136 (July 8, 2002); 68 Fed. Reg. 34617–34726 (June 10, 2003); 68 Fed. Reg. 43142–47 (July 21, 2003).

[xiv] [xiv] 68 Fed. Reg 34609–34614 (June 10, 2003).

[xv] 67 Fed. Reg. 59736–59746 (Sept. 23, 2002); 69 Fed. Reg. 8266–8288 (Feb. 23, 2004).

[xvi] http://www.acf.hhs.gov/programs/ocs/fy2003ocsfunding/section2a.html

[xvii] 68 Fed. Reg. 41816–41828

evaluation projects are in. It is surely putting the cart before the horse to start a major new social program when the program's potential effects are largely unknown and demonstration projects to identify and evaluate the effects are just getting off the ground. In 2003, the Administration awarded contracts to several prominent national organizations to conduct large marriage promotion test projects with rigorous evaluation methodologies: Mathematica Policy Research, ($19 million over nine years for the Building Strong Families demonstration and random-assignment evaluation project; MDRC (and other secondary contractors) $38.5 million over nine years for the Supporting Healthy Marriages demonstration and random-assignment evaluation project); and RTI International and the Urban Institute ($20.4 million over seven years for evaluation of community wide initiatives to promote healthy marriage).[xviii] Until the results of these projects are known, Congress should not consider marriage promotion funding.

HHS has also issued a "Compendium" of approaches for achieving "marriage promotion" goals, which is a likely indicator of the recommendations it would make to states for spending marriage promotion funds were such spending to be required. This Compendium suggests that states consider completely unproven and coercive methods, such as paying a $2,000 cash bonus to poor couples who marry and reducing welfare payments to poor couples who choose not to marry. ("Strengthening Healthy Marriages: A Compendium of Approaches," U.S. Department of Health and Human Services (August 2002), available at http://www.acf.hhs.gov/programs/region2/index.htm.) The Compendium includes marriage promotion organizations that clearly should not receive large grants of tax dollars. Some of these organizations recommend reducing the divorce rate by restricting the right to divorce. Some teach that the husband should be the leader/breadwinner, and the wife the follower/homemaker. Several are for-profit commercial ventures which claim that they can help couples avoid divorce for a substantial fee. It is irresponsible for legislators to enact a program that threatens to divert government money intended to help the poor to fund the untested programs of such organizations.

When the Senate Finance Committee held marriage promotion hearings last year, even those who spoke in favor of marriage conceded that we don't yet know what works. Ron Haskins, Senior Fellow at the Brookings Institute stated "we know so little about marriage-promotion programs, especially with poor and low-income families." Theodora Ooms of the Center on Law and Social Policy stated, "Given the lack of research on marriage related interventions, policy makers should proceed cautiously. . ." Even Chairman Grassley (R–Iowa) stated, "Do marriage programs effectively reduce dependence and foster a family's well-being? We don't know. There is still a great deal of uncertainty around the effectiveness of marriage promotion programs."

With such a high degree of uncertainty around what works with respect to marriage promotion, with millions and millions of dollars already being spent on marriage promotion programs, why spend billions more of taxpayer dollars on these programs before the results are in on which may give direction to a whether such initiatives are successful and what types of programs work?

As noted above, since 1996, states have been free to use TANF dollars to support marriage and two-parent families, although most states have not done so. States have instituted programs that range from a simple waste of public dollars to outright discrimination against struggling single parent families. These examples demonstrate the risks in pushing states to do more to promote marriage. For example.

In Oklahoma, former Governor Frank Keating earmarked 10% of the state's TANF surplus funds to fund the $10 million Oklahoma Marriage initiative, which includes pre- and post-marital counseling to Oklahoma families, a marriage resource center, a marriage mentor program, and the creation of a Marriage Scholars-in-Residence.[xix] The initiative also contains a specific "religious track" under which the state's religious leaders sign a marriage covenant, thereby committing themselves to encourage pre-marital counseling for couples in their house of worship. A few months after Keating made his proposal, the state hired a pair of "marriage ambassadors" with a $250,000 a year salary to give "relationship rallies" on school campuses as well as meeting with ministers and set up a research project. Last September the state spent $16,000 flying in pro-marriage speakers from around the country for a two-day conference. It also developed a workshop called Prevention

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[xviii] See October 3, 2003 ACF press release "ACF Announces Four New Projects to Study Healthy Marriage," available at http://www.acf.dhhs.gov/news/press/2003/release-101003.htm; Ooms, Bouchet, & Parke, "Beyond Marriage Licenses: Efforts in States to Strengthen Marriage and Two-Parent Families. A State by State Snapshot", Center for Law and Social Policy (April 2004).

[xix] Supra Note 156.

and Relationship Enhancement Program (PREP) that is offered in schools and community centers.[xx] Three years after Oklahoma implemented its marriage promotion programs, the state's divorce rate has remained unchanged.[xxi]

West Virginia's state TANF plan adds a $100 marriage incentive to a family's benefits if there is a legal marriage in a household where both individuals receive welfare assistance payments. Since West Virginia's monthly TANF benefit for a family of three is $328, this $100 per month bonus makes a significant difference in economic support and gives children in poor married families a significant economic advantage over children whose poor single mothers have been unable or unwilling to marry.

Programs such as those described above divert funds from direct support of poor families or provision of services needed to support employment. Programs like that in West Virginia discriminate directly against poor single parent families. Endorsing or increasing funding for such programs is bad public policy.

The American public overwhelmingly rejects governmental involvement in personal decisions about when and whether to marry. According to the PEW Forum on Religion & Public Life opinion poll, there is broad opposition to government programs aimed at encouraging marriage. Nearly eight in ten Americans (79%) want the government to stay out of this area, while just 18% endorse such pro-marriage programs. While those with a high level of religious commitment are more likely to favor these programs, fully two-thirds (66%) in that category do not want the government to get involved.[xxii] The Administration has tried mightily to sway public opinion in this area. They have paid columnists like Maggie Gallagher and Michael McManus thousands of dollars to write columns favorable to the idea of marriage promotion by the government, columns written with no disclosure that the columnists were on the government (read that taxpayer's) payroll.[xxiii] Despite the HHS public relations campaign, there is no evidence that the American public believes that marriage promotion is a good idea.

In addition, Americans also strongly reject any proposal that would divert welfare resources for the poor into marriage promotion programs. A recent poll conducted on behalf of the National Campaign for Jobs and Income Support shows that a mere five percent of those surveyed select marriage promotion as the number-one welfare priority for Congress, while fully 62% cite work support for people moving from welfare to good jobs as the top priority.[xxiv] Similarly, a poll conducted for the Ms. Foundation found that less than three percent of Americans believe the principal goal of the welfare system should be to promote marriage and discourage out-of-wedlock birth.[xxv] By contrast, giving people the skills needed to achieve self-sufficiency received the most support. Most recently, a survey conducted for the Annie E. Casey Foundation also found that proposals to promote marriage through welfare programs do not meet with even superficial public support. A solid 64% of those surveyed reject proposals to provide financial bonuses to mothers on welfare who marry the father of their children, and over 70% believe pushing people to get married is the wrong priority for Congress.[xxvi]

Government coercion of poor women to marry is contrary to our fundamental notion of freedom. The American public overwhelmingly rejects governmental involvement in personal decisions about when and wether to marry. The Supreme Court has long recognized an individual's right to privacy regarding decisions to marry and reproduce as "one of the basic civil rights of man, fundamental to our very existence and survival."[xxvii] Significantly, this constitutional right equally protects the choice not to marry.[xxviii] Reproductive privacy, initially honored as a right

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[xx] Tyre, Peg. "Oklahoma is fighting its sky-high divorce rate with controversial, state-funded "marriage ambassadors." Newsweek, Feb. 18, 2002, U.S. Edition.

[xxi] Ross, Bobby Jr. "Divorce rate stays steady, study shows" The Daily Oklahoman (2/10/2002). Citing that for every 100 marriage licenses issued in 2001, the state granted 76 divorce petitions.

[xxii] The PEW Research Center for the People & the Press and the PEW Forum on Religion & Public Life, "American Struggle with Religion's Role at Home and Abroad," News Release, March 20, 2002. at 3.

[xxiii] http://www.salon.com/news/feature/2005/01/27/mcmanus/print.html; http://www.washingtonpost.com/ac2/wp-dyn/A36545-2005Jan25?language=printer

[xxiv] Peter D. Hart Research Associates. "TANF/Welfare Survey Findings." National Campaign for Jobs and Income Support Memo, April 12, 2002, at 1.

[xxv] Ms. Foundation for Women. "Americans Say Welfare Should Provide Self-Sufficiency Skills, Move People Out of Poverty—Not Promote Marriage." (February 6, 2002) at 1.

[xxvi] Peter D. Hart Research Associates, Inc. "Memorandum to Advocates for Low-Income Families."

[xxvii] Skinner v. Oklahoma *ex rel.* Williamson, 316 U.S. 535, 541 (1942).

[xxviii] Loving v. Virginia, 388 U.S. 1, 12 (1967).

of marital privacy,[xxix] has been firmly established as a protected right of the individual, irrespective of marital status.[xxx] According to the Supreme Court, "if the right of privacy means anything, it is the right of the individual, married or single, to be free from unwarranted governmental intrusion into matters so fundamentally affecting a person as the decision whether to bear or beget a child.[xxxi] Furthermore, the U.S. Supreme Court has specifically rejected the use of the welfare system to try to influence the marriage decisions of a child's parents. In National Welfare Rights Organization v. Cahill, 411 U.S. 619 (1973), a New Jersey welfare provision that limited benefits to families where there were two adults "ceremonially married to each other" was struck down as a violation of the Constitution's Equal Protection Clause. The Court held that penalizing children by restricting welfare benefits to them because of the marital decisions of their parents "is illogical and unjust."

Government programs promoting marriage may invade this right to privacy and may encourage the kind of differential treatment of children in non-marital families that the Supreme Court condemned in *NWRO v. Cahill*. They certainly pose concerns regarding voluntariness and coercion. It is critical that if Congress funds these programs with tax dollars, that they neither require nor encourage incentives for states to coerce low-income women into trading away their fundamental rights to marry or not to marry. As such, federal mandates on states to set numerical goals are not appropriate. There are currently no clear protections in the House bill with respect to voluntariness or non-coercion. Those protections are essential, although it is hard to conceive of provisions that would genuinely protect voluntariness in a program that supplies a lifeline to desperate families in need of help in supporting their children. Along the same lines, states must not be permitted to discriminate based on marital status or family formation. To that end, TANF reauthorization should include language that prohibits states from treating equally needy families differently based on marital status or family formation. This will correct discriminatory policies and practices against married families, without swinging the pendulum to permit discrimination against single or cohabitating families.

Marriage does not address the causes of women's poverty and is not a solution. Common sense tells us that two incomes are better than one and thus more likely to move people off of welfare. But a closer look at the facts shows that marriage is not the simple solution to poverty that it is made out to be.

First, forming a two-parent family does not guarantee economic security. Forty percent of all families living in poverty are two-parent families. Thus, two-parent families are not immune to poverty or the economic stresses single parent families face.

Second, due to death and divorce, marriage does not ensure women's economic security. Approximately 40% of marriages end in divorce[xxxii] and 12% end due to the husband's death.[xxxiii] Among women currently on welfare, about 40% are married or were married at one time: 18.4% are married; 12.3% are separated; 8.3% are divorced; and about 1% are widows. A significant number of divorces and separations are due to domestic violence. In these cases it is futile to claim that marriage would provide security, economic or otherwise. Indeed, there is no simple causal relationship between single motherhood and poverty.

The reasons that women, more than men, experience an economic downfall outside of marriage include: primary care giving responsibility for children which—without attendant employment protections and due to lack of quality, affordable, accessible child care—makes unemployment or underemployment inevitable; discrimination in the labor market; and domestic violence. Without addressing the factors that keep women from being economically self-sufficient, marriage and family formation advocates are merely proposing to shift women's "dependence" from the welfare system to marriage. That certainly does not promote individual responsibility, nor is it a policy solution for genuine, reliable, economic security.

On the other hand, a policy that invests in education, training and work supports empowers women to achieve true economic security. In 2000, only 1.2% of single mothers with a college degree who worked full-time year round lived in poverty. Less than eight percent of single mothers with some college working full-time lived

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[xxix] Griswold v. Connecticut, 381 U.S. 479, 495 (1965).

[xxx] Eisenstadt v. Baird 405 U.S. 438, 453–54 (1972).

[xxxi] *Id*. at 453.

[xxxii] The National Marriage Project, *Annual Report: the State of Our Unions: the Social Health of Marriage in America, 2000* (June 2000), *available at* http://marriage.rutgers.edu/NMPAR2000.pdf.

[xxxiii] United States Census Bureau, Current Population Reports, Series No. P20–514, *Marriage Status and Living Arrangements: March 1998 (Update)* (2000), *available at* http://www.census.gov/prod/99pubs/p20-514u.pdf.

in poverty.[xxxiv] This is by far the best poverty reduction statistic; a clear indication of what strategy will work best in lifting families out of poverty.

In fact, the approach to marriage advocated by H.R. 240 has it backwards. Economic security is more likely to lead to successful marriage than is marriage likely to lead to economic security. The outcomes of the Minnesota Family Investment Program (MFIP) support this conclusion. MFIP reached welfare-eligible single and two-parent families and focused on participation in employment services for long-term welfare recipients combined with financial incentives to encourage and support work. These work supports include child care, medical care, and rewarding work by helping the family to develop enough earning power to survive financially without cash assistance before cutting off their benefits. A study comparingthe economic progress of those in the standard AFDC welfare program with MFIP participants found that only 14% of AFDC recipients compared with 25% of families in the MFIP program were out of poverty within 2¼ years and the MFIP families had on average $1400 more in annual income. After 36 months MFIP participants were 40% more likely to be married than participants in the standard AFDC program, and nearly 50% less likely to be divorced after five years. The MFIP program shows that allowing families to combine welfare and work, and providing work supports to help individuals become economically secure, are approaches that will strengthen marriage and reduce divorce.[xxxv]

Investments in education, training and work supports can both empower women to achieve economic security (thereby economically empowering couples as well) and strengthen marriages. If Congress takes this approach it can enable individuals to achieve their own goals, without invading their privacy or endangering their families.

Work Hours Should Not Be Increased for TANF Recipients, and Job Training Oppertunities And Education Should Be Recognized As Work. Job discrimination is a factor in placement of TANF recipients in jobs that pay wages that can lift a family out of poverty. Many jobs in which women are poorly represented, such as jobs in the skilled trades, technology, law enforcement and the computer industry, to name just a few examples, pay good wages with benefits and provide opportunities for career advancement.

The importance of nontraditional jobs for women is highlighted by the wage gap. In 1999, women earned only 72% of what men earned.[xxxvi] Median weekly earnings for full-time wage and salary workers in 1999 were $473 for women and $618 for men.[xxxvii] Nationwide, working families lose $200 billion of income annually to the wage gap. This amounts to an average loss of more than $4,000 each for working women's families every year because of unequal pay, even after accounting for differences in education, age, location and the number of hours worked.[xxxviii] The wage gap is even more pronounced for women of color. African-American women are paid 65% of the salaries averaged by white men, while Latinas receive a mere 52%.[xxxix]

Welfare reform has further exacerbated the effects of the wage gap. The average disposable income of the bottom fifth of single-mother families increased between 1993 and 1995, but declined between 1995 and 1997 just as welfare reform was being implemented.[xl] For welfare recipients who have found jobs, occupational segregation by gender relegates women to low-paying jobs that provide no way out of poverty. One study by Mathematica Policy Research, Inc., found that 62.6 percent of welfare recipients were employed in female-dominated service sector or clerical jobs, with wages averaging $6.50 an hour.[xli]

Recognizing the disadvantages women face entering the workforce solely because of their gender, Congress should be aware of the benefits of nontraditional employment for women. Numerous studies have documented the success of nontraditional

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[xxxiv] Neil G. Bennett, *et. al.*, National Center for Children in Poverty, *Young Children in Poverty: A Statistical Update*, June 17, 1999, *available at* http://cpmcnet.columbia.edu/dept/nccp/99uptext.html.

[xxxv] Manpower Demonstration Research Corp. (MDRC), chap. 6, available at http://www.mdrc.org/Reports2000/MFIP/MFIP-Vol-1-Adult.pdf.

[xxxvi] Nat'l Comm. on Pay Equity, "The Wage Gap: 1999."

[xxxvii] 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

[xxxviii] AFL–CIO fact sheets, available at: http://www.aflcio.org/women/equalpay.htm and http://www.aflcio.org/women/exec99.ht

[xxxix] Nat'l Comm. on Pay Equity, "Advocates Take Action for Fair Pay," press release (Mar. 13, 2001).

[xl] Center on Budget and Policy Priorities, "The Initial Impacts of Welfare Reform on the Incomes of Single-Mother Families," 9 (Aug. 1999).

[xli] Rangarajan, Anu et al., "Employment Experiences of Welfare Recipients Who Find Jobs: Is Targeting Possible?" Mathematica Pol'y Res., Inc. (1998).

job training programs in placing women in higher paying jobs. For example, a study by Wider Opportunities for Women found that women who received training for nontraditional jobs earned between $8 and $9 an hour.[xlii] By contrast, in 1997 the average welfare recipient moving from welfare to work earned between $5.60 and $6.60 an hour.[xliii] Not only do nontraditional jobs provide higher entry-level wages, but they also provide career ladders to higher wages. For instance, an operating engineer could start by earning $9 per hour and eventually earn $24 per hour.[xliv] Nontraditional jobs also provide women with increased access to a full range of benefits, such as health, family leave, sick leave, retirement plans, and paid vacation. Finally, nontraditional jobs can provide women with tremendous job satisfaction. Women in nontraditional jobs may gain confidence in performing physical labor and take pride in learning new and technical skills.

The good news is that job availability is growing in many nontraditional fields, including service sector jobs in computer and data processing, and blue-collar jobs such as law enforcement, construction, and motor vehicle operation.[xlv] At the same time, recent reports have detailed a shortage of workers in nontraditional fields.[xlvi] Due to demographic and economic changes, the traditional labor supply for the building industry (men between the ages of 18 and 24) can no longer fill the demand for such jobs. Thus, for instance, the Home Builder's Institute has identified women as holding "tremendous promise for helping alleviate the labor shortage."[xlvii] In short, significant job opportunities await women who gain access to training in nontraditional fields.

The current proposal for TANF reauthorization before this subcommittee increases work hours but decreases flexibility for states to implement education and training programs that can lead to higher wages. Congress should instead eliminate the current restrictions on education and training and encourage states to implement programs that will lead to placement of former recipients in jobs that pay a living wage.

Lack of Child Care is A Serious Barrier to Work for TANF Recipients And Leavers. Both state and federal law recognize the importance of child care to parents in welfare-to-work programs by providing parents with certain rights and options. Federal TANF law includes an exemption from sanctions if a parent cannot work due to lack of child care.[xlviii] In addition, TANF requires that information about the sanction prohibition be given to parents so they are not coerced into using unsuitable care.[xlix] In all states, Child Care Development Block Grant (CCDBG) money is available for TANF recipients and those moving off of welfare into work. Under the CCDBG, states must insure parental choice for families with child care subsidies.

Despite these legal protections, however, the "work first" initiatives of some states have made the sanction protection ineffective. Many poor women are either sanctioned for failing to cooperate with work requirements when they cannot find child care for their children or are forced to use inadequate child care so that they can meet work requirements and avoid sanctions. In New York City, for example, a survey conducted by Legal Momentum found that 79% of respondents had not received written information about their child care rights, as mandated by the state and city's most recent policy directives; 95% of respondents were not informed by their caseworkers that they could not besanctioned if they were unable to work due to lack of child care; 46% of respondents were threatened with sanctions if they were unable to work even if the reason was lack of child care.[1]

Misinformation and threats of sanctions mean that parents may be effectively coerced into placing their children in inappropriate child care arrangements in order

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[xlii] Roberta Spalter-Roth *et al.,* "Welfare That Works: The Working Lives of AFDC Recipients, A Report to the Ford Foundation" (1995), *cited in* Inst. for Women's Policy Research, Welfare Reform Network News 8 (Aug./Sept. 1997).

[xliii] U.S. General Accounting Office, "Welfare Reform: States and Restructuring Programs to Reduce Welfare Dependence," 107 (June 1998).

[xliv] Wider Opportunities for Women, Women and Nontraditional Work (June 1998) (*citing* U.S. Dep't of Labor, Bureau of Labor Statistics, and the U.S. General Accounting Office).

[xlv] U.S. Dep't of Labor, Bureau of Labor Statistics (1999) (projecting an average annual growth rate of 7.6% for computer and data processing services, and projecting that law enforcement positions will grow 30.8% from 1998 to 2008, that construction jobs will grow 8.4%, and that motor vehicle operation jobs will grow 15.6%.

[xlvi] Dirk Johnson, "Facing Shortage, Building and Labor Court Workers," N.Y. Times, Mar. 13, 1999, at A1.

[xlvii] Home Builder's Inst., "Nontraditional Labor: Other Sources of Workers" and "Nontraditional Labor: NAHB Women's Council and HBI Opening New Doors Guide," available at: http://www.hbi.org/ls/index.htm

[xlviii] 42 U.S.C. § 607(e)(2) (2000); N.Y. Soc. Serv. Law § 342(1) (2000).

[xlix] 45 C.F.R. § 261.56 (2000); 45 C.F.R. § 98.33 (2000).

to comply with work requirements. For example, in New York, TANF recipients are given only 10 days to find child care for their children. It is not surprising with so little time to find care that 89% of parents on TANF in New York City use informal care—in contrast to only 2% of non-TANF low income families who receive child care from the City. This powerfully suggests that parents on TANF are being pressured into using unregulated, informal care—or no care at all—because they wrongly fear losing their benefits.

At the same time, more money is needed to insure that subsidies will get to more than a fraction of the families eligible for them. This is a particularly serious problem for women leaving welfare for work. A recent HHS study found that only 10% of those eligible for child care subsidies receive them.[li] There are long waiting lists for child care in most states. In New York City alone, over 38,000 children are on waiting lists for subsidized care; in California, nearly 200,000.[lii] Lack of child care for welfare leavers virtually assures they will not be able to retain employment or that their children will go uncared for. In particular, in light of the acknowledged scarcity of quality care for very young children, the proposal to raise the work requirement hours for women with infants and toddlers that is contained in H.R. 240 isunconscionable. The work hours for single parents with pre-school age children should not be raised.

Domestic Violence Is A Factor in the Lives of Many Poor Women and the Needs of Violence Victims Must Be Better Addressed in the TANF Program. As discussed above, domestic violence is a prevalent factor in the lives of TANF recipients and, in turn, can pose a significant barrier when an individual tries to leave welfare for work. Many abusers actively sabotage their partners' job or job prospects by verbally abusing their partners before interviews, by inflicting injuries before important work events or by refusing child care at the last minute.[liii] They may stalk, harass or even assault their partners at their work placements or new jobs.[liv] In addition, individuals experiencing domestic violence may need to take time during business hours to seek legal, medical or other assistance. Unfortunately, unless the underlying violence is addressed, individuals who do succeed in leaving welfare may end up losing their new jobs because of the violence. Studies indicate that up to one-half of employees who have experienced domestic violence have lost a job due to that violence.[lv] For example, in a recent Wisconsin study of current and former welfare recipients who had experienced domestic violence, 30% had lost a job due to violence and 58.7% were threatened so much that they were afraid to work or go to school.[lvi]

In 1996, Congress recognized that the new welfare work requirements and time limits might unfairly penalize families attempting to leave violent relationships when it attached the Wellstone/Murray Amendment to the TANF statute. This amendment, popularly known as the Family Violence Option (FVO), permits States to provide temporary waivers of TANF program requirements.[lvii] The goal of the FVO is to permit individuals to engage in activities other than work that will help them escape from violence in the long run, such as attending counseling or seeking legal assistance, and to give extra time to families to become self-sufficient so that they are not forced to rely on batterers for financial assistance. Specifically, a state that adopts the FVO must create a mechanism to screen for domestic violence; refer recipients who screen for domestic violence to services; and may waive any TANF requirement that "would make it more difficult for individuals receiving assistance... to escape domestic violence or unfairly penalize such individuals."[lviii]

Since 1996, a majority of states have adopted the FVO or have made some provision for domestic violence in their state policies or procedures.[lix] Unfortunately, im-

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[li] U.S. Dept. of Health and Human Services, *Access to Child Care for Low Income Working Families,* www.acf.dhhs.gov/programs/ccb/reports/ccreport.htm

[lii] Child Care, Inc., *A Child Care Primer, Key Facts About Child Care and Early Education Services in New York City,* 2000, i.

[iii] *See* U.S. Gen. Acct. Office, Domestic Violence Prevalence and Implications For Employment Among Welfare Recipients 7 (Nov. 1998);Thomas Moore and Vicky Selkowe, Institute for Wisconsin's Future, *Domestic Violence Victims in Transition from Welfare to Work: Barriers to Self-Sufficiency and the W–2 Response* 6 (1999); Jody Raphael, Taylor Institute, *Prisoners of Abuse: Domestic Violence and Welfare Receipt* 6–10 (1996).

[liv] Studies indicate that between 35 and 56% of employed battered women surveyed were harassed at work by their abusive partner. *See* U.S. Gen. Acct. Office, Domestic Violence Prevalence and Implications For Employment Among Welfare Recipients 19 (Nov. 1998) (summarizing the results of 3 studies).

[lv] *See* U.S. Gen. Acct. Office, *supra* note 8, at 19.

[lvi] Moore & Selkowe, *supra* note 7, at 5–6.

[lvii] 42 U.S.C. § 602 (a)(7).

[lviii] *Id.*

[lix] See generally, Jody Raphael and Sheila Haennicke, Taylor Institute, Keeping Battered Women Safe Through the Welfare-to-Work Journey: How Are We Doing? A Report on the Imple-

plementation of the FVO continues to lag. Experience with the FVO has indicated that caseworker training is desperately needed so that caseworkers will understand how to talk to women who are victims of violence and that better screening techniques are needed. A mandatory FVO would both add violence protection for women who are victims and also enable oversight of the way in which the FVO is implemented.

Acess to Public Benefits for Immigrant Victims of Domestic Violence, Sexual Assault and Trafficking. Like many other immigrants who entered the country after August 22, 1996, immigrant victims of domestic violence, sexual assault, trafficking, and other crimes, face restrictions to essential safety net services, including TANF. These services are critical in assisting victims' escape from family violence. Although current laws make allowances for some of these women, gaping holes in eligibility remain.

We know that the level of economic resources available to an abused woman is the best indicator of whether a victim permanently escapes domestic violence. Many immigrants who are victims of domestic violence, sexual assault, and trafficking are economically, culturally, and socially isolated. They are more likely to have limited English-speaking skills, lack education or employment skills, and be totally dependent on their abuser for support. In fact, many immigrant victims stay trapped in violent and abusive relationships for years because there is no way for them to support themselves or their children economically. Without access to public benefits, too many immigrant victims of crimes against women cannot adequately feed, clothe, or care for their children. These crime victims and their children often lack health care or live in substandard housing, and some even become homeless.

To remedy these problems, we support inclusion of the Women Immigrant Safe Harbor (WISH) Act in TANF Reauthorization. WISH would ensure that no five-year bar to accessing services will apply to cases of immigrant victims of domestic violence, trafficking, and sexual assault and would provide direct access to public benefits for these victims. Additionally, WISH would ensure that all immigrant victims of violence would have the full protection of VAWA confidentiality provisions and would be able to start violence-free and self-sufficient lives for themselves and for their children.

Mothers' Care Giving Is Work and Does Have Value. The idea that a mothers' care giving work has no value is central to the welfare reform debate. It is repeated over and over again that reform aims to move recipients "from welfare to work," as if only mothers with paid employment are working. Rising employment for TANF recipients is said to show success in inculcating the work ethic, as if recipient mothers have been idling away their time in activities with no social value. This notion that mothers' care giving work is valueless is false and pernicious.[lx]

As indicated in the discussion of child care, mothers who receive public assistance and former recipients of assistance are likely to be single and more likely than other low income women to have small children.[lxi] It is outrageous to claim that these women caring for their pre-school children have no exposure to a work ethic. Mothers were well acquainted with "24–7" eons before there were dot coms and e-commerce. Mothers have been obligated to work from the first instant of a child's life long before "work first" became a slogan for denying women the opportunity to participate in education and training programs.

Perhaps mothers' care giving work is ignored and dismissed because it is not paid, and therefore is not included in our Gross National (Domestic) Product. But our economicsystem's failure to properly account for unpaid care giving should not blind us to care giving's fundamental importance. Indeed, probably never before in human history has care giving been more important or essential to social and economic well being. Today, human capital is an even more important component of a nation's riches then natural capital or physical capital. The quality of early care is one of the most important determinants of human intellectual and emotional development. Care and guidance of the young child lays the essential groundwork for the formation of knowledge and skills. Where valuing of care has been done, the value has been found to be high. In Canada, the 1996 census for the first time measured unpaid care giving work done at home. The value placed on that work—two thirds of

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mentation of Policies for Battered Women in State Temporary Assistance for Needy Families (TANF) Programs 4 (1999)

[lx] Fathers also give care, but even when fathers are present, mothers still typically perform the bulk of the care giving work. Ann Crittenden, *The Price of Motherhood* at 24–25 (2001).

[lxi] *See* n. 20, *supra.*

which was done by women—came to between $221 and 324 billion.[lxii] Those advocating this valuation stated that they did not expect actual payment, but their goal was to have this work "counted and recognized when formulating public policy." Policy debates in the United States must also start counting and recognizing the valuable work that all mothers—including poor single mothers—perform when they care for their young children.

Indeed the dollar cost to the nation of providing quality care for poor young children while their mother works outside the home is potentially greater than the cost of income maintenance for that mother to care for her own child. Child care monthly reimbursement rates under the CCDBG, uniformly seen as inadequate, are still higher for a single infant in a licensed care facility in 40 states than is the monthly income maintenance grant for a family of 3 under TANF in those states.[lxiii]

While it is important that TANF maintain a focus on providing pathways to good jobs for poor families, it is also important that the value of the work done by women caring for young children be recognized and valued. Particularly in the absence of affordable child care for very young children, Congress should ask the question whether it might not be better, more moral and, indeed, more economical, to allow poor women who wish to do so to care for their young children in their own homes rather than insisting that the only valuable work to be performed is that which is done outside the home.[lxiv] At a minimum, however, the work requirements for single parents with young pre-school children should not be raised from what they currently are under the TANF program and efforts to do so under H.R. 240 should be rejected.

Mr. ENGLISH. Certainly, that is by unanimous consent. The Chair will now recognize Kathleen Curran, policy advisor for the U.S. Conference of Catholic Bishops. Welcome.

STATEMENT OF KATHLEEN A. CURRAN, POLICY ADVISOR, THE U.S. CONFERENCE OF CATHOLIC BISHOPS

Ms. CURRAN. Thank you very much. I want to thank Chairman Herger, and the Ranking Member, Mr. McDermott, and all of the Committee Members for the opportunity to be here today to share with you the views of the Bishops Conference on TANF reauthorization.

The Conference views TANF reauthorization as both an opportunity and a challenge to sharpen our Nation's focus on the persistent problem of poverty and the tragedy of so many families living without dignity and hope. The moral measure of our society is how we treat the least among us, and the goals of national welfare policy should be to reduce poverty and to improve the lives of our children.

In a recent statement, A Place at the Table, the bishops observed that in order to address poverty effectively, four institutions in our society must work together according to their respective roles and responsibilities: First, families and individuals must work for and respect their own dignity and rights and those of others. Community organizations and faith-based institutions have a role to play in helping families make good choices and assisting them with material needs. The private sector contributes to the common good through production and the creation of jobs. Finally, government.

[lxii] Robin Harvey, "Women Want Value Placed on Unpaid Work in the Home," TORONTO STAR (February 5, 1998) B5, available 1998 WL 17792562.

[lxiii] National Child Care Information Center, *Child Care and Development Block Grant* (HHS, March 1998), 63–67; *compare with* GREEN BOOK, n. 4, *supra,* Table 7–10, pp. 389–390.

[lxiv] For an excellent portrait of a welfare "success story," and the enormous costs to both children and mothers when working outside the home is the paramount goal, see Katherine Boo, "After Welfare," *The New Yorker* (April 9, 2000), pp. 93–107.

Government serves the common good by providing a safety net for the vulnerable and addressing problems that are beyond the capacity of the individual or communities to address.

One problem I see in the poverty debate sometimes and in the TANF debate is that many focus on just one of these institutions and ignore the important roles of the others. We believe all four are essential to effectively address poverty. The Bishops Conference have developed criteria for welfare reform, which I would like to share with you now, and they are based upon both Catholic social doctrine and our church's experience in serving the poor among us. The criteria call for welfare policies that will protect human life and human dignity, strengthen family life, encourage and reward work, preserve a safety net for the vulnerable, build public-private partnerships working to overcome poverty and invest in human dignity.

With those criteria in mind, TANF policy should seek to reduce poverty through a three part strategy of supporting work, strengthening family life and marriage and sustaining the needy and vulnerable among us, especially our children, and, of course, we need to ensure adequate resources to accomplish these goals. My written testimony goes into more detail in each of these three areas, but I will just make a few points right now. First, the conference agrees that TANF should support and encourage efforts by recipients to work. Work is the ordinary means by which individuals support themselves and their families and contribute to the common good.

The TANF program should provide participants with the support they need to get and keep productive work, with wages and benefits, so they and their families can leave welfare and poverty behind for good. In this area, we urge Congress to consider giving States more flexibility to consider serious efforts of education and job training toward the work requirements, for example, by letting education and training count for more than the current 12 months allowed under the law. We, also, urge you to make sure that working parents have access to safe, affordable child care at the hours that they need it for different shifts that they might work.

Second, on marriage. 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. Our Nation should make appropriate efforts to support healthy marriages by assisting single parents considering marriage and helping married parents stay together.

Unfortunately, domestic violence, destructive behavior, and the widespread tragedy of divorce are realities for far too many families, leaving many single parents struggling to support children on their own. It is essential to do three things: to develop appropriate policies and programs to support and strengthen marriage; to assist and protect families threatened by domestic violence; and to enable all parents, married or single, to meet the needs of their families.

Third, on the eligibility of legal immigrants for public benefits, 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. Immigrants who come here and play by the rules, and work and pay taxes and make significant contributions to our economy with their labor, when they are in need, as a matter of justice, they should have access to the public programs, especially the children in the families who are paying taxes. They should have access to the public programs in need. In conclusion, I would just like to say that welfare policy should not be a choice between encouraging greater individual responsibility or greater social responsibility. Both are necessary to help families overcome poverty.

Welfare policy should not be a choice between investing, on the one hand, in work, child care or education and training or, on the other hand, 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 by the policies of their government. Thank you very much for the opportunity today to share the Bishops' views. We are grateful for the Subcommittee's hard work over the last 3 years on TANF reauthorization, and we hope our comments prove helpful as you return to the task this year.

[The prepared statement of Ms. Curran follows:]

Statement of Kathleen A. Curran, Policy Advisor, The U.S. Conference of Catholic Bishops

Chairman Herger and Members of the Subcommittee, my name is Kathleen A. Curran and I am a policy advisor on health and welfare issues with the United States Conference of Catholic Bishops. I welcome this opportunity to share with you the views of the Bishop's Conference as you consider proposals for reauthorization of the Temporary Assistance for Needy Families block grant program (TANF). This testimony reflects the criteria for welfare reform adopted by the Administrative Committee of the Conference.

When considering proposals for TANF reauthorization, the Bishops' Conference turns to both Catholic social doctrine and experience in serving the poor. The Bishops are guided by consistent Catholic moral principles and 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.

The Bishops' Conference also draws upon the Church's experience living with, serving, and welcoming as members the poor among us. The poor are our neighbors and our parishioners. The Catholic community is the largest nongovernmental provider of human services to poor families. We meet the poor in our soup kitchens, shelters and Catholic Charities agencies. The Catholic community has lived with the realities of welfare reform, encouraging and helping people to make the transition from welfare to work. Some are moving ahead and we welcome and celebrate their progress. 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. Refining our policy to help "the least of this" is the unfinished task for our nation, pledged to Aliberty and justice for all.

As the Bishops wrote in their statement, ***A Place at the Table***, our efforts to serve and stand with the poor recognize and build on the essential roles and responsibilities of four institutions. *Families and individuals* must work for and respect their own dignity and rights and those of others. *Community organizations and faith-based institutions* help families by helping them make good choices, assisting with material needs and working to overcome discrimination and injustice. *The private sector*—the marketplace and institutions of business, labor and commerce—contributes to the common good through production and the creation of jobs, and should do so in a way that reflects our society's values and priorities. A key measure of the marketplace is whether it provides decent work and wages, especially for those on the margins of economic life. Finally, *government* has an essential role and responsibility in serving the common good, providing a safety net for the vulnerable, helping to overcome injustice and addressing problems beyond the capacity of indi-

vidual or community efforts. One problem in the poverty debate is that many focus on one of these institutions and ignore the importance of the others.

With these themes and our everyday experiences in mind, our Conference applies six principles, first articulated by the Administrative Board of the Bishops Conference in 1995, in evaluating proposals for changes during TANF reauthorization. The Conference urges lawmakers to enact policies 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. Our nation must protect the lives and dignity of all children, both born and unborn, and develop policies that safeguard children and discourage inappropriate or morally destructive behavior.

Strengthen family life: 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. Our society should strive to keep marriages strong and families together, and, when that is not possible, to keep both mothers and fathers involved in the lives of their children in a healthy and constructive manner.

Encourage and reward work: Work is the means by which individuals support themselves and their families, *and* participate in Gods creation, express their dignity, and contribute to the common good of society. Those who can work, should work. 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 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. Our nation must bring together the roles and responsibilities of the federal and state governments, private entities, and faith-based institutions and community organizations in fighting poverty. While the active role of states and of faith-based and community groups is crucial, their efforts cannot replace the essential responsibility of the federal government, on behalf of our entire society, to establish just public policy and to commit sufficient national resources to insure that the basic needs of the American people are met.

Invest in human dignity: The commitment and effort of individuals seeking to leave welfare for work, poverty for self-sufficiency, must be met by continued public commitment to provide jobs, training, education, child care, health care, transportation and other supports necessary to make that transition successfully and to help families live in dignity.

In pursuing these principles, the Bishops' Conference believes welfare policy should not be a choice between encouraging greater responsibility or promoting greater social responsibility B both are necessary to help families overcome poverty. Welfare policy should not be a choice between investing in work, child care, and education and training, or recognizing the importance of healthy marriages and responsible parenthood B both are necessary to improve childrens lives. Childrens 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.

In considering how to amend TANF, Congress must keep in mind the real families, real individuals, and real children whose lives will be deeply affected by the changes that will be made in TANF. TANF reauthorization is both an opportunity and a challenge. Congress must sharpen its focus on the persistent problem of poverty and the tragedy of so many families living without dignity and hope in our nation. The goals of national welfare policy should be to reduce poverty in this, the most prosperous of nations, and to improve the lives of our children.

To accomplish this, TANF policy should seek to reduce poverty through a three-part strategy of (1) supporting work, (2) strengthening family life and marriage, and (3) sustaining the needy and vulnerable among us, especially our children, and it should ensure adequate resources to accomplish these goals. The Bishops' Conference is grateful that over the past two years Congress has remained committed to maintaining the current TANF block grant funding level, and we urge you to continue that commitment.

The Bishops' Conference advocates several specific policy directions in each of these three areas, some of which have been included in bills considered by this subcommittee over the past two years.

Supporting Work

The Bishops' Conference strongly supports continuing the emphasis of TANF on work. Work is the ordinary means by which individuals support themselves and their families and contribute to the common good. Our nations policies should support productive work with wages and benefits that permit families to leave welfare and poverty behind and to live in dignity and self-sufficiency. Many who leave welfare, even those who leave for jobs, are still living in poverty. The TANF program must be improved to provide participants with the support they need to get, and keep, a job that will take them out of poverty. Policies that would continue the work-first focus of TANF while supporting family life include:

Expanding the definition of work: TANF recipients need more than just any job B they need a pathway out of poverty, and for many that means access to education and job training, and in some cases, treatment for substance abuse or mental or physical disability, as well as a job. Serious efforts at education, job training or overcoming addiction are hard work and should be recognized as such. States should have greater flexibility to count genuine job training, vocational and post-secondary education as work. Currently, states may only allow individuals to count such activities as work for 12 months; the Bishops' Conference supports increasing that to 24 months. The Conference also supports allowing states to count serious treatment for substance abuse, mental or physical disabilities, and domestic violence toward core work requirements, for a length of time sufficient to complete effective treatment programs.

Sensible and fair work requirements: Under TANF, states are evaluated on the basis of the proportion of families receiving TANF who are engaged in work activities (the work participation rate) for a minimum number of hours per week. The caseload reduction credit rewards states for reducing their caseloads with a reduction in the work participation rate they must satisfy. Many of the proposals considered over the past two years have called for increases in the work participation rate, the minimum weekly work requirement, or both, as well as changes in the caseload reduction credit.

The combined effect of any changes in these policies should not unfairly burden either states or families on TANF. Our welfare policy should have sensible and fair work requirements that will allow parents on welfare to meet their obligations to their families while working. The Congress should also be wary of limiting state flexibility by imposing "one size fits all" rules that would hinder states' ability to continue or create programs that will effectively help TANF families move from welfare to achieving self-sufficiency through work.

The Bishops' Conference has previously expressed our deep concerns about bills that have come before the House of Representatives that would both increase the work participation rate for all states to 70% and raise the minimum weekly work requirement to 40 hours—for all parents, including those with children under six years old. We would urge Congress to maintain the current weekly hours requirement, and to continue to require fewer hours of parents with young children. The Conference also suggests that Congress consider replacing the caseload reduction credit with a mechanism that rewards states for placing TANF recipients in stable jobs with adequate wages. Finally, any increase in the work participation rate should focus on encouraging states to improve their own current efforts, instead of imposing a uniform requirement on all states.

Work supports: child care, Medicaid and food stamps: 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 work at times when child care is particularly hard to find. All working parents, including those who must work weekend or night shifts, must have access to safe, affordable child care at the times they need it by increasing funding for federal child care assistance.

As welfare recipients make the transition from cash assistance to relying on their wages alone, access to noncash benefits such as food stamps and Medicaid can mean the difference between success or failure, hunger and illness or progress. The law should ensure that those leaving welfare automatically receive transitional Medicaid and food stamps for a full year after they leave TANF.

Because of our concern that parents struggling to leave welfare receive these and other work supports, the Bishops' Conference has expressed concern with two aspects of bills previously approved by the Subcommittee: the provisions to allow some states to block grant food stamps, and to all Cabinet agencies to grant cross-departmental waivers in several programs. We urge you to reconsider these proposals to

make sure that families leaving welfare are guaranteed access to the supporting benefits they need, such as food stamps for example, to successfully leave welfare behind.

Strengthening Family Life and Marriage

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. Our nation should make appropriate efforts to encourage abstinence before marriage, to assist single parents considering marriage and to help married parents to stay together. Unfortunately domestic violence, destructive behavior and the widespread tragedy of divorce are realities for far too many families, leaving many single parents struggling to support children on their own. These families deserve our help, too.

It is essential to provide the resources necessary to enable all parents, married or single, to meet the needs of their families; to develop appropriate policies to support and strengthen marriage; and to assist and protect families threatened by domestic violence.

Remove barriers and disincentives to two-parent families. Many states continue to implement 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 familys income is below the poverty level. Congress should require states to discontinue policies 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. The Conference was grateful that the bills previously approved by this Subcommittee encouraged states to treat two-parent families equitably.

Help States Do More to Support Effective Marriage Programs: States should be encouraged to assist low-income married couples who would benefit from marital counseling or marriage-skills programs. The Conference supports efforts to provide new funding, in addition to the block grant, for grants to states to help low-income parents who are married, or who seek to marry, gain access to services they otherwise 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, there is still much to learn about what strategies are most effective in addressing specific problems. Research and demonstration programs can help to identify and share effective and appropriate marriage and family formation programs. The Conference was pleased that several reauthorization proposals, including bills previously approved by the Subcommittee, would create funding for these purposes.

Involve non-custodial fathers in their childrens lives. When parents are not married, our welfare policy should 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 also amended so that child support paid by non-custodial fathers actually goes to support their children on TANF. This is another area where, the Conference is pleased to note, the bill approved by the Subcommittee last Congress took promising steps forward.

Sustaining the Needy and Vulnerable

Restore benefit eligibility to legal immigrants: The 1996 welfare reform law treated legal immigrants harshly, categorically barring them from public benefits programs. The Bishops' Conference has worked to change the law, and are grateful for improvements that have restored eligibility for some legal immigrants. But most legal immigrants are still ineligible for public benefits such as food stamps, Medicaid and TANF unless they have been here for more than five years. 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. 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 family's taxes.

End state family cap laws: The U.S. Conference of Catholic Bishops has long opposed policies that restrict or deny additional cash benefits when a TANF familys size increases because of the birth of a baby. The Conference is deeply concerned

about their impact on the well-being of children, both born and unborn. We urge Congress to amend TANF to ban state family cap policies on both 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. Policies that penalize families for having a new child by denying them additional TANF resources cannot be seen as pro-family or pro-life

Allow TANF recipients to care for young children and disabled family members: Young children, the sick and the disabled are among our societys 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. 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.

Ameliorate harsh sanction policies: It is not easy to develop welfare policy that ensures assistance for the needy without enabling the dependency of those who can and should support themselves. We must continue to demand responsibility and hard work from all those who can work, 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. The nation's goal must be to ensure that no one falls through the cracks of federal or state bureaucracies. To that end, the Bishops' Conference urges Congress to take a careful look at TANF sanction polices, and to consider 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 by positive action by a recipient.

Thank you for the opportunity to share the Bishops Conferences principles and policies on TANF reauthorization. As a nation we must strive to create an effective and flexible system of accountability and incentives for both individuals and states, a system that 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 At the least among us.. The Bishops Conference is grateful for the Subcommittee's hard work and efforts over the past two years to address TANF reauthorization, and we hope our comments prove helpful as you take up the task again this year. The Bishops Conference looks forward to working with this Subcommittee and Congress on the moral imperative of overcoming poverty in our land.

Mr. ENGLISH. Thank you. The Chair will now recognize Dr. Deborah Frank, pediatrician of Boston Medical Center. Thank you for joining us.

STATEMENT OF DEBORAH A. FRANK, M.D., PEDIATRICIAN, BOSTON MEDICAL CENTER, BOSTON, MASSACHUSETTS

Dr. FRANK. Thank you for having me. I am a pediatric clinician. Yesterday, our program treated, within the past day-and-a-half, about 20 malnourished children, and it is to those children that I dedicate this testimony. I am, also, one of the principal investigators of the Children's Sentinel Nutritional Assessment Program or C–SNAP, which has been monitoring the well-being of very young children under the age of three since 1998 around the country. I imagine that you don't spend a lot of time reading medical journals, but before you vote on H.R. 240, you need to know the published and peer-reviewed medical evidence, suggesting that this measure entails unintended, but grave risks, for the health of your youngest constituents.

Our research has found that little children in working poor families and those with stable TANF benefits already suffer unaccept-

able levels of food insecurity, but that this health risk increases 50 percent for children under three and families who experience welfare sanction, whether full family or partial, including simply having a child subject to the family tax. Now, why are we so worried about "food insecurity"? Well, because food insecurity is a serious health problem. Inadequate nutrition impairs the body's ability to heal and decreases immune function, causing anyone, but particularly children who are already immunologically immature, to be more susceptible to illness.

It is important to notice that you don't have to have reported hunger to have an effect on health. After considering a lot of family background characteristics, we have found that young children in food-insecure families, whether or not they are TANF participants, are 30-percent more likely than their peers in food-secure families to be hospitalized before the age of three. As you would expect, what they tend to be hospitalized for are severe respiratory and gastrointestinal infections. Those of you who, as parents or grandparents, have sat long hours by the bed of a hospitalized baby or child can readily imagine the suffering that this entails for parents and their children.

Food insecurity during the period of most rapid growth of body and brain in the early life, also, has lasting effects, even if the family's economic situation eventually improves to the point where they are no longer food insecure. Children are not only at risk for increased infections, but persistent and lasting deficits in cognitive development and for behavioral and emotional problems that impede their future success in school and their later productivity as adults in the workforce.

Now, if what I have just told you is true for otherwise normal young children, what about kids who are chronically ill? That doesn't have to be chronically ill enough to qualify for SSI, but children with things like asthma, sickle cell, things that require a lot of active management to keep the child functioning. Seventy 5 percent, about one in four children on welfare, as 1998, were chronically ill. Seventy 5 percent of children who are chronically ill find the child's illness is a substantial barrier to finding and keeping a job. Yesterday, I saw a malnourished child whose mother came to clinic because he wasn't doing well, and he had asthma and food allergies, but she was told she would lose her job if she came, and she was told that Protective Service would be called if she didn't come. That is an impossible choice.

Also, chronically ill children who experience hardship such as food insecurity are much more likely than other chronically ill kids to have to be hospitalized, and that has been shown longitudinally. We, actually, had a child die in our hospital, a little girl who became septic while left in the care of an older child, an adolescent. It was perfectly legal. Her mother tried to comply with welfare reform. I anticipate that the increased work requirements in H.R. 240 will lead to similar, preventable tragedies, but also a lot less dramatic deteriorations in the well-being of infants and children.

I think H.R. 240, as proposed, is a treatment that has an unacceptable risk-benefit ratio. It may help some families, but will hurt many more. If there is a medical treatment which possibly helps some people and, predictably, irreversibly injured others, we would

be very careful as doctors as to evaluate each person individually before instituting the therapy. We would, then, follow up to make sure that the ones that we had administered the therapy to were doing okay.

I cannot imagine that the distinguished Members of this Committee really intend to make America's babies hungrier and sicker; you know now the medical data that suggests that if you pass a bill that triggers a sanctions epidemic by having unrealistic work requirements, hungrier and sicker children will incur more health care costs in the short term and be less likely in the long term to succeed in school and participate in the future workforce. The lives of these children are in your hands as much as if you stood over them with a surgical scalpel. I urge you, as we always tell our new doctors, first of all, do no harm. Thank you.

[The prepared statement of Dr. Frank follows:]

Statement of Deborah A. Frank, M.D., Pediatrician, Boston Medical Center, Boston, Massachusetts

Distinguished chairman and members of the committee, I am here today on behalf of my young patients and my colleagues. I am one of many pediatric clinicians who daily treat sick and hungry children in America. I am also one of the Principal Investigators with other pediatric researchers in the Children's Sentinel Nutrition Assessment Program (C–SNAP) initially funded by a grant from the W.K. Kellogg Foundation and other private donors. Since 1998 we have monitored the impact of current public policies and economic conditions on the nutritional and health status of low income children less than 3 years old in six medical institutions serving Baltimore, Boston, Little Rock, Los Angeles, Minneapolis and Washington DC. As busy policy makers you probably do not have time to peruse the pediatric and nutrition journals, but before you vote on H.R. 240, the Personal Responsibility, Work, and Family Promotion Act of 2005, you need to know that the medical evidence suggests that this measure entails unintended but grave risks to the health of your youngest constituents. The special needs of infants, toddlers, and chronically ill children are not, as far as I know, reflected in any of the non-medical evaluations of welfare reform to which the committee website refers. I would like to dedicate this testimony to the children I treat for malnutrition at BostonMedicalCenter, many of whom are from families who have experienced welfare sanctions.

We and researchers in other disciplines have found that, except for white, non-Hispanics, the number of American children who experience food insecurity has increased since the start of the 21st century. As you know, food insecurity is defined by the federal government as limited or uncertain availability of nutritionally adequate safe foods or limited or uncertain ability to acquire acceptable foods in socially acceptable ways. While we have found that little children in working poor families and those with stable TANF benefits experience unacceptable levels of food insecurity, it is particularly concerning that this health risk is increased a further 50% for young children in families who experienced welfare sanctions, whether full family or partial, including simply having a child subject to the child exclusion (family cap) provision. Even without sanctions, the risk of food insecurity is increased 37% for families whose benefits are reduced for purely administrative reasons. Dr. John Cook and the rest of our C–SNAP team initially published this finding in an article in the 2002 *Archives of Pediatric and Adolescent Medicine* (information on accessing this article appears at the end of this testimony). These data were based on results from 2,718 children evaluated from August 1998–December 2000. We more recently reassessed these findings among 4,430 infants and toddlers seen through mid-2004 and the magnitude of increased risk was identical.

Why are we as pediatricians so deeply concerned about increasing "food insecurity" among these families whose welfare benefits are sanctioned or reduced? Because food insecurity is a serious health problem!Food insecure children are prone to the infection-malnutrition cycle increasing their risk of severe illness and hospitalization. A lack of essential nutrients impairs the body's ability to heal and decreases immune function causing a child to be more susceptible to illness. With any acute illness, most children lose weight and need, after recovery, to eat more than usual to regain lost weight and resume normal weight gain. Because food insecure families cannot provide the extra food children require to regain weight after an ill-

ness, the child becomes more malnourished and more susceptible to the next infection. It is this infection-malnutrition cycle which in settings without adequate medical care leads to the death of malnourished children. In this country the cycle often manifests in preventable recurrent illness and a need for costly therapeutic health resources.

It is important to note that food insecurity even in the absence of outright hunger injures children's health. C–SNAP data show that young children in food insecure households *with hunger* are 2.3 times more likely to be in fair or poor health than children in food secure households. Children in food insecure households *without hunger* are still 1.7 times more likely to be in fair or poor health than children in food secure households. We have consistently found that after considering background family characteristics, young children in food insecure families (whether or not they have a history of TANF participation) are 30% more likely than their peers in food secure families to be hospitalized before the age of 3 years. As would be expected from the physiology of food insecurity that I just outlined, these children from food insecure families are more likely than their peers to be hospitalized for severe respiratory and gastrointestinal infections. Those of you who as parents or grandparents have sat long hours by the bed of a hospitalized baby or child can readily imagine the suffering this entails for parents and their children. What you may not realize is how very expensive such excess hospitalizations are for us all as taxpayers—the average cost of a brief 3–4 day pediatric hospitalization is more than $11,000.

Food insecurity during the period of most rapid growth of body and brain in early life can also have lasting effects, even if the families' economic situation eventually improves to the point where they are no longer food insecure. Children in food insecure households are at increased risk not only for short term infections but for persistent deficits in cognitive development, and behavioral and emotional problems that can impede their future success in school and their later productivity as adults in the workforce.

Paradoxically, food insecurity may also place older children at risk for being overweight or obese. In order to prevent hunger, food insecure families often sacrifice the quality of the food they eat to get enough quantity to prevent the sensation of hunger, particularly in their children. Low nutrient quality cheap foods with high calories and fat content will prevent a child from experiencing painful pangs of hunger, but they do not protect the child from nutrient deficiencies that put the child at risk for being overweight.

While I reflect pediatricians' special concerns about infants and toddlers, other colleagues have reported deeply troubling data about the potential impact of increased work requirements on caregivers of chronically ill children of any age. Families on welfare are more likely than other poor families to have children with chronic illness. These children miss more days of school and have more scheduled and urgent doctor visits, emergency department visits and hospitalizations than other children. Their home medical regimens require substantial parental involvement to keep them healthy. When chronically ill children get sick, their primary caregivers have the experience and expertise to care for them. The primary caregivers know their complete medical histories, are able to recognize subtle early signs of illness, know how their illness episode should be managed at home and when to seek urgent medical care. Substitute caregivers will likely not have the necessary experience, expertise or inclination to care for these children when they are ill.

Low-income families whose children are chronically ill face substantial challenges in finding appropriate day care for their children. In a study of current and former welfare recipients with chronically ill children, my colleague Dr. Lauren Smith found that 40% of current welfare recipients had difficulty finding appropriate child care because of their child's condition and 34% indicate that difficulty in finding adequate day care for their children is a substantial barrier to employment. She and her co-authors have also found that 60% of current recipients and 80% of former recipients have missed work due to their child's illness, and 75% of these parents report that their child's illness is a substantial barrier to finding and keeping a job. Her team also found that over time, chronically ill children experiencing household hardships, such as food insecurity, utility disconnections and housing problems were found to have increases in subsequent emergency department visits and hospitalizations.

I am aware of a distressing case from Boston Medical Center where I work of a chronically ill little girl who died while in the care of an adolescent sibling while her mother was out of the home trying to work to avoid welfare sanctions. I anticipate that the proposed increased work requirements in bill H.R. 240 will lead to other similar preventable tragedies as well as less obvious but serious deterioration in the well-being of infants, toddlers, and chronically ill children. These particularly

vulnerable children would then consume even more medical resources, experience further preventable disability, and experience more difficulties functioning in school and in the workplace.

Knowing this medical information, you can understand why pediatricians around the country are so gravely concerned about the prospect of inflicting food insecurity upon more families with young and chronically ill children via mandated full-family sanctions if parents cannot meet the more stringent work requirements outlined in H.R. 240.

To use a medical analogy, H.R. 240 proposes a "treatment" for America's most impoverished families that has an unacceptable risk benefit profile. Requiring more families to participate in work activities and imposing longer work hours may result in mitigating deprivation for a few children whose parents are lucky enough to succeed in finding and keeping adequately paid work. However, many more families, particularly those with young or chronically ill children, or with parents burdened with poor mental and physical health, cognitive impairments, or sequelae of physical and sexual abuse will lose all income for their survival needs. The side effects of H.R. 240's increased and unrealistic work requirements are predictably the exposure of more families and children to mandated full family sanctions and thus to food insecurity, ill health, and excess hospitalizations.

If there was a medical treatment, which possibly helped some patients and predictably and possibly irreversibly injured others, we as physicians would be bound to do an extremely careful and individualized assessment of each patient before applying the treatment. If the treatment were to be applied, we would use the lowest possible dose, and closely follow up and monitor those who received the treatment to try to reverse it if harm emerged. I would urge you to take a similarly thoughtful approach to issues of welfare reform, with avoidance of unrealistic work requirements on families suffering barriers to meaningful employment, particularly those with young or chronically ill children. Clearly full family sanctions should be avoided, since our data show even partial sanctions, like the family cap, have adverse effects on young children. Just as a hazardous cancer treatment must first be reviewed by a tumor board before being undertaken, any proposed sanctions could be reviewed by a third party and a sanction avoidance plan devised to help families to overcome barriers to compliance. If a family does experience sanctions, repeated follow-up and assessment of the safety and well being of affected families and their children should be mandatory.

In closing, I cannot imagine that the distinguished members of this committee really intend to make America's babies hungrier and sicker. You now know the medical data that demonstrate declining welfare caseloads do not automatically indicate an improvement in the well-being of American children. On the contrary, families who leave welfare because of sanctions or who have their benefits reduced before they have reached family stability are more likely to have hungry, sick children.

H.R. 240 will inevitably increase the number of children exposed to sanctions. If you pass a bill that triggers a "sanctions epidemic," hungrier and sicker children will incur more health care costs in the short term and be less likely in the long term to succeed in school and participate productively in the future workforce. The lives of these children are in your hands as much as if you stood over them with a surgical scalpel, and I urge you, as we always urge new doctors, "primo no nocere!" (First do no harm!).

Mr. ENGLISH. Thank you. The Chair will now recognize Mr. Peter Goldberg, President and chief executive officer of The Alliance for Children and Families. Welcome.

STATEMENT OF PETER GOLDBERG, PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE ALLIANCE FOR CHILDREN AND FAMILIES

Mr. GOLDBERG. Thank you, Mr. Chairman and, Mr. McDermott. Thank you very much. I am here today on behalf of The Alliance for Children and Families, a nonprofit Membership association, representing 320 child and family serving organizations in North America. Our Member organizations provide an array of community-based programs and services for all genera-

tions and serve close to 8 million people each year in more than 6,700 communities.

The debate over the reauthorization of TANF has been extensive in recent years and proposed reforms to the current welfare system have been widely discussed. At this point, we hope we do not lose sight of the ultimate goal of welfare reform, moving children and families out of poverty. Central to our testimony today is the notion that TANF must continue to protect the well-being of children while transitioning their parents into the workforce. It is quite clear from the research in the field that family economic success is critically important to the well-being of children, that the more families we are able to move out of poverty, the more likely it is they can contribute to child well-being.

Therefore, the workforce development aspects of TANF are a means to a very important end, but not an end in and of themselves, and we trust that our testimony reflects our utmost concern for child well-being. In 2002, The Alliance for Children and Families partnered with the Community Service Society of New York to publish "Faces of Change," which provides the personal experiences of welfare reform in America from over 200 former welfare recipients, detailing their experiences in six primary areas: employment, child care, public benefits, health care, job training and transportation.

Based on that analysis, we believe that the following five topics and strategies need to be incorporated in discussions that lead to the framing of meaningful welfare reform reauthorization. First, the establishment of a system of worker supports, particularly adequate child care options. As the testimonies of working and nonworking participants in our study reveal, finding jobs, sustaining employment and advancing in the labor market do not occur in a vacuum. These goals are mediated by the level of family and work supports that may or may not be in place to meet vital needs such as child care and transportation. The vast majority of transitioning workers and TANF recipients do not have these supports readily available to them.

We recommend preserving and increasing funding for the Child Care and Development Block grant to ensure that working families have access to safe and reliable child care. We must recognize that child care is an essential ingredient critical to helping parents get and keep the jobs they need to lift themselves out of poverty and, thus, improve their potential to realize long-term self-sufficiency and well-being for their children.

Second, choosing between parenting and wages, and this is just such a profound issue. Given the low wages, poor benefits and limited opportunities in the labor market, many participants in our study were faced with the choice between meeting their parental responsibilities and working. Although all parents have difficulty balancing work and family, those working low-wage jobs are less able than more affluent parents to rely on employer-based provisions, such as vacation and sick leave, to cover time missed to care for a sick child or manage a day care conflict without the fear of a loss of income or a loss of job. We believe that promoting a family friendly work environment should be a national priority, offering tax incentives to employers who offer flexible work schedules for

parents, on-site day care, health benefits and other forms of family leave would be beneficial to all employees, but would provide critical assistance and support the transitional workers struggling to balance work and family life.

Third, emphasizing education and job skills training. TANF recipients often discover that participating in educational and vocational training programs that would best prepare them for the workforce means they cannot meet TANF's work requirements. As a result, they must either give up their education or rely on family and other sources of help, such as student financial aid to complete their studies or training programs. We recommend giving States more flexibility to determine which activities count toward mandatory work requirements, especially allowing full-time college attendance and permitting recipients to participate in vocational education for up to 24 months.

Fourth, is reducing barriers to employment. Many of the unemployed individuals participating in our study had to contend with multiple barriers, which limit their education and work experience. These hardest-to-serve families with something barriers increasingly make up the bulk of welfare recipients remaining on caseloads. To overcome their multiple barriers, this group needs to be differentiated so at the appropriate time an array of supports can be tailored and made accessible to them. Any determination about TANF must reconsider or must consider varied strategies that address the needs of individuals with multiple barriers and ensure a TANF safety net for these families.

Fifth and finally, improving accessibility of jobs. Transportation is one of the main challenges facing lower income people, including those making the transition from welfare to work. Without a vehicle, many jobs and child care centers are inaccessible, especially in rural areas or locations where there is no reliable public transportation. Many workers may not have the credit or employment history to qualify for traditional car loans. Innovative programs to provide loans to purchase a car, such as Ways to Work, one of our affiliates and other programs that help transitioning workers gain access to private transportation provide an effective strategy to help families manage the competing demands of work and family, as well as promoting self-sufficiency. Thank you.

[The prepared statement of Mr. Goldberg follows:]

Statement of Peter Goldberg, President and Chief Executive Officer, The Alliance for Children and Families

Mr. Chairman, distinguished members of the Subcommittee, I am testifying here today on behalf of the Alliance for Children and Families, a nonprofit membership association representing 320 child and family serving organizations in North America. Our member organizations provide an array of community-based programs and services to all generations, and serve close to 8 million people each year in more than 6,700 communities. Motivated by a vision of a healthy society and strong communities for all children and families, the Alliance's mission is to strengthen the capacities of North America's nonprofit child and family serving organizations to serve and to advocate for children, families and communities.

By holding this hearing, the Subcommittee has taken up a timely topic that merits our collective attention. Debate over the reauthorization of Temporary Assistance for Needy Families has been extensive over the past years, and proposed reforms to the current welfare system have been widely discussed. I understand that HR 240, the TANF reauthorization bill introduced in the 109th Congress is very similar to HR 4 which was passed by the House by a vote of 230–192 in February of 2003.

Contentious disagreements still remain but it is necessary to muster the political will to tackle this important unfinished business.

In the past years since 2002, the Alliance for Children and Families partnered with the Community Service Society of New York to publish important and innovative research on the experience of individuals affected by welfare reform. *Faces of Change: Personal Experiences of Welfare Reform in America* contains first-hand accounts from over 200 former welfare recipients detailing their experience in six primary areas: employment, child care, public benefits, health care, job training, and transportation. Based on the trends identified in the *Faces of Change* testimonies, the Alliance believes that the following major topics need to be addressed in discussions that lead to the framing of meaningful welfare reform reauthorization:

Reducing Barriers to Employment—Many of the unemployed individuals participating in the *Faces of Change* study had to contend with a significant single barrier or multiple barriers to work. These barriers ranged from chronic health problems to drug addiction, mental health limitations to domestic abuse, limited education and work experience. These "hardest to serve" families with significant barriers increasingly make up the bulk of welfare recipients remaining on caseloads. To overcome their multiple barriers, this group needs more time and access to an extensive array of supports. Any discussion of TANF reform must consider strategies that address the needs of individuals with multiple barriers and that ensure a TANF safety net for these families.

Improving Accessibility to Jobs—Transportation is one of the main challenges facing lower income people, including those making the transition from welfare to work. Without a vehicle, many jobs are inaccessible, especially in rural areas, or locations where there is no reliable public transportation. Access to a car was deemed an important factor in the group of success stories collected through the *Faces of Change study.* Innovative programs that provide loans to purchase a car, such as Ways to Work, an affiliate organization created by the Alliance, and other programs that help transitioning workers gain access to private transportation are likely to be an effective strategy to help families manage the competing demands of work and family as well as promoting self-sufficiency.

Emphasizing Education and Job Skills Training—Individuals engaged full-time in job training or education programs. While limited space is available in job readiness programs through TANF, individuals who are pursuing educational classes or vocational training have often been terminated from receiving TANF assistance. As a result they must rely on family and other sources of help such as student financial aid to complete their studies or training programs, thereby decreasing their potential for self-sufficiency after they graduate.

Choosing Between Parenting and Wages—Given the low wages, poor benefits, and limited opportunities in the labor market, many participants in Faces of Change were faced with a choice between meeting their parental responsibilities or working. Although all parents have difficulty balancing work and family, most parents are able to rely on employer-based provisions such as vacation and sick leave to cover time missed to care for a sick child or a daycare conflict without fear of a loss of income or loss of job. Parents who participated in Faces of Change frequently acknowledged their limited employment options, and identified clearly the trade-offs that working in certain jobs present for their families. Many transitioning workers accept unfavorable employment and pursue jobs with long hours and/or work multiple jobs to compensate for absences due to familial obligations.

Establish System of Worker Support, Particularly Adequate Child Care Options—As the testimonies of working and nonworking participants reveal, finding jobs, sustaining employment, and advancing in the labor market do not occur in a vacuum. These goals are mediated by the level of family and worker supports that may or may not be in place to meet such vital needs such as child care, transportation, and health care. The vast majority of transitioning workers and TANF recipients do not have these supports readily available to them. The need for child care assistance and greater access to quality child care programs is a monumental barrier to securing and sustaining full-time employment. Increasing the available funding for the Child Care and Development Block Grant would increase the ability of families to access affordable, quality child care—increasing their potential to realize self-sufficiency.

Recommendations

The Alliance for Children and Families recommends incorporating the following policies and strategies into welfare reform reauthorization legislation:

Increase significantly funding for the Child Care and Development Block Grant, recognizing that child care is an essential work support. Without subsidized, accessible childcare services, the employment efforts of TANF recipients are undermined.

Ensuring safe and reliable child care to working families is essential so parents can get and keep the jobs they need to lift them out of poverty.

Give states more flexibility to determine what counts as meeting the work requirement, especially allowing full-time college attendance and permitting recipients to participate in vocational education for up to 24 months, instead of the current 12 month maximum.

Adopt a "balanced work first" approach that acknowledges that the current standardized system of job readiness with an emphasis on immediate employment is not appropriate for the majority of welfare recipients. This would require a reevaluation of the definition of work to include activities such as job training and post-secondary education and an easing of the federal work participation requirements for individuals facing multiple barriers to employment.

Make it a national goal to promote a family-friendly work environment. Provide tax incentives to employers who offer flexible work scheduling for families, on-site daycare, health care, and other provisions and forms of leave. TANF funds can be used in various ways to provide these incentives to employers who hire TANF recipients.

Ask the states to keep track of their former recipients and provide follow-up job assistance, supports, and assessments to ensure that the workers and their families are on the path to leaving poverty, not just off the welfare rolls.

Increase support for innovative programs, such as Ways to Work that provide car loans to parents transitioning from welfare to work who are unable to qualify for traditional loans but must have a car for job and/or child care accessibility.

Establish new temporary waivers that "stop the clock" for recipients who cannot meet work or looking-for-work mandates due to chronic physical and mental health conditions of recipients and their children; childcare, domestic violence, housing or transportation emergencies; or when unemployment is high or when available jobs require advanced skills that the welfare recipient does not possess.

Conclusion

On behalf of the Alliance's 320 nonprofit child and family serving agencies and more than 50 Ways to Work programs nationwide, I can tell you from experience that the nonprofit sector takes very seriously our mission to provide supports and services to all people in need. Through job training provision, increasing availability of private transportation to working families, and supporting families through community-based programs and services, the Alliance stands ready to be a full partner with you, the state, and our communities to enact effective, responsible reforms to the welfare system to ensure self-sufficiency and dignity for individuals and families receiving TANF.

The Alliance for Children and Families would welcome the continuing opportunity to share the voices of America's service providers with the Subcommittee as it further explores welfare reform reauthorization proposals.

I would like to thank the Subcommittee for giving me the opportunity to testify, and would be happy to answer any questions at this time

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Mr. ENGLISH. Thank you very much. Again, I would like to thank this panel. I have a couple of questions, and then I would like to yield to my colleague, Mr. McDermott, as well. Going over the testimony, in preparing for this, I noted that, in 2003, Rebecca Blank, one of President Clinton's former economic advisers, co-authored a study that looked at changes in family income over the 1990s. The report found that incomes increased the most among poor children's families following welfare reform. It, also, found that contrary to the dire predictions that this Subcommittee heard from reform opponents at the time, sanctions for failure to work and meaningful time limits on benefits were associated with higher income gains, and here I quote, "States with strict or moderate penalties for not working consistently show higher income gains among poor children throughout the income distribution than do States with lenient penalties."

This is perhaps surprising, since many had predicted that strong penalties would lead to greater impoverishment among those who

lose their eligibility for welfare, but are unable to replace benefits with earnings. Instead, it is the more lenient States with softer penalties where children's income seemed to grow the least. Now, Dr. Frank, as I was listening to your testimony, this seems inconsistent with the findings you report from your study. If you could, I would, also, like you to explain an aspect of your study, in which you note that your—and here I have a quote—"Your sample is not random or nationally representative and the extent to which these findings can be generalized is limited." Given that, how much weight can we apply to your study?

Dr. FRANK. Well, let us start with that first question, which is a very good one. It is what is called a sentinel sample, which means that when you are looking for a serious problem, like bioterrorism or drug overdose, you don't go door to door, you sit where those problems are likely most to show up, and that is exactly what we did, which is we sat in hospital settings and emergency rooms where children are most likely to show up who are in difficulties. You cannot do a calculation fully, but we found, in fact, that our sample is very similar to low-income children, in general, when we look at the demographics compared to the census. You are right, it is a sentinel sample, the same way you monitor for anthrax. You don't go door to door. You sit in the ER, and you see what shows up.

Mr. ENGLISH. I realize that, and, also, I used to be an internal auditor, and I, also, understood sampling and how it can be useful statistically. Let me jump to your July 2002 report says, and I quote, "The sample is not random or nationally representative, and the extent to which these findings," I had mentioned that. Further, "possible selection bias and the lack of a specified a priori temporal sequencing of events, longitudinal data and random assignment of children to different benefit categories preclude drawing inferences about causal relationships." Isn't that a something point?

Dr. FRANK. Well, the problem is that nobody is—you are right. It is not a perfect study, but why has the Federal government not been looking at what happened to babies when they got cut off welfare? The Manpower thing, for example, only looked at kids in preschool and older. In fact, you don't know because you don't look. I agree that there needs to be better work done, nationally representative, but it hasn't been, and you are going to go forward without any data, except this, which is imperfect, but if it was anthrax cases I was reporting, you would take it pretty seriously.

Mr. ENGLISH. Mr. Goldberg, I noted your suggestion that "immediate employment is not appropriate for the majority of welfare recipients." If I could, I would like to insert into the record a copy of the National Evaluation of Welfare to Work Strategies, which found that work or work in combination with education and training is the most promising path to independence and financial stability for welfare recipients. Do you have a comment on that study?

Mr. GOLDBERG. I can't recall the study off the top of my head, but I think that I would just only comment there that while we really do promote and applaud increases in earnings potential and employment, I just keep picturing back to so many low-income women that we have met in our agencies who are just struggling to balance those competing demands of being a responsible worker,

climbing up the scale of wages and the employment ladder, at the same time trying to fulfill on the demands of being the good parent who faces the needs of a child who is ill or a day care provider who doesn't show up and those kinds of things. My only point there is that, while income, and earnings, and employment are so preciously important to this entire thing, the balancing act that has to be placed to enable a low-income parent to meet those twin demands of increasing income and being a good parent are profound.

Mr. ENGLISH. Thank you. I have a couple more questions, but I would like now to yield to my colleague, Mr. McDermott, to inquire.

Mr. MCDERMOTT. Thank you, Mr. Chairman. I want to thank all the Members of this panel. I am a little puzzled about how to extract from you what I want. This bill that we are considering, is it going to make it better for you? Is it going to make it better for the people that you are representing?

Ms. CURRAN. No.

Mr. GOLDBERG. No, I think——

Mr. MCDERMOTT. Do the Bishops endorse it?

Ms. CURRAN. The Bishops, we haven't taken a position on 240. We did not support the bill last time mostly because of concerns over the combined effect of the work requirements, the three prongs of the work requirements—how food stamps would be treated and a couple other issues.

Mr. MCDERMOTT. As I look at it, I keep asking myself, if you put people off welfare, and you wind up with 700,000 more children in poverty, how is that considered a success? What is the success that is being measured—just getting people off welfare; is that the——

Mr. GOLDBERG. No, sir. No, sir. At least in our estimation, it really has to do with a more comprehensive set of child well-being indicators, that we are able to enable low-income people who are struggling to make that move from public assistance to the world of work to also be good parents. This is still a very important issue. Family economic success is linked to having a good home, to a certain extent, but not totally, and we have to build in those supports with employability that enable these parents to succeed as parents, as well as just income earners.

Mr. MCDERMOTT. The use of the money that is put in here for marriage promotion, you would like to see it more open, to be used for a variety of things?

Mr. GOLDBERG. I think so. I represent an organization that does a lot of family counseling. What is family counseling? Family counseling, in some ways, can be marriage promotion, but we approach it with the view in mind of what is best—our counselors would view it in mind of what is best for that family and what is best for those children.

Mr. MCDERMOTT. Under the bill, $300 million is set aside each year for this marriage-promotion business. Are the States interpreting that as if you are dealing with abused situations or whatever is going on in a situation or mental illness? Is that all part of marriage promotion? Can money be used for that?

Ms. JACOBS. Mr. Ranking Member, marriage promotion is currently something that States can pursue under the way that TANF

is set up at the moment. It was an option under TANF. I think it is fairly instructive that probably only about seven States have chosen to do it because, for the reasons that have been discussed today, States do not have the money. States are focused on the kinds of programs that they know are successful and will help to get folks from welfare to work or to education or other things.

You were asking where—I think there were a number of people asking where the $2 billion was that Dr. Horn was talking about. I can't claim to have an answer to that question, utility I can tell you that the illegitimacy bonus has been identified as a source where one could find this $1.5 billion for marriage promotion. I think everybody fairly readily acknowledges that there needs to be more child care funding, for instance, and that that is a known support which will help people make a good transition.

Part of what I was discussing earlier was this whole incidence of domestic violence. Poor women, as that Hopkins study will demonstrate—I am happy to make it available to the Committee—poor women are victimized as children when they witness violence in their homes. Sometimes they are victimized as victims themselves. They grow older and sometimes do not make wise decisions about the partners they have, and they are victimized at that point as well, and that has dire impacts on their, but perhaps it is a reflection of sanity. They make choices based on the violence they have experienced in their past or in their present about whether or not they wish to get married, and it is a very dangerous thing for the government, however well-intentioned, to decide that they want to encourage people to get married because they are not aware of the past violence, sexual and intimate partner violence and violence people may have witnessed. They are not aware of that level of violence.

I listened to Robert Rector sort of talking about the low incidence of violence and the fact that the folks at Princeton had asked women about whether or not they were domestic violence victims. If you read the Cherlin study, you will note that it took women a long time to disclose about whether or not they were victims of domestic violence because it is a very intimate and personal thing. The fact that they chose not to tell the researchers, with whom I am going to guess they interacted perhaps once, is in no way reflective of the violence that folks have suffered and the danger that would be visited upon some of these folks if people, however well-intentioned, pursued this kind of programming without coordinating with folks who work on domestic violence and with domestic violence advocates on a daily basis in trying to pursue this in the most wise manner possible.

Dr. FRANK. I was just going to say that the devastating effects of exposure to violence start very young and that we have found that exposure to violence increases suicidal ideation in children as young as nine. We are talking about, again, the mental health of the next generation if we force people to stay in situations where they are exposed, and the fact that they get to adulthood very traumatized is also absolute here.

Ms. CURRAN. I may be the lone voice on the panel, but I do just want to say that the Bishops Conference does believe that it is appropriate to help low-income families struggling, either couples try-

ing to decide whether to get married or couples who are married, to help them to build healthy marriages because that is important for the well-being of themselves, and their children, and our society. We absolutely agree that domestic violence is a terrible problem and that any program just be sensitive to the concerns of domestic violence, must have the appropriate resources to counsel people who are victims of domestic violence, know the signs so they can figure out when violence might be about to occur and, in fact, prevent those marriages from happening.

I just want to reiterate what I said in my opening remarks, which is we don't see this as a help between helping strengthen families and marriage and providing work supports, and cash benefits, and other TANF benefits. We think we need to address both of these things and are very pleased that the basic block grant has remained steady. We hope that that will continue, that commitment to that level of funding, and I think additional——

Mr. MCDERMOTT. You wouldn't like it to go up?

Ms. CURRAN. We would love to go—yes.

[Laughter.]

We do believe in miracles, so we would ask for it to go up.

[Laughter.]

An appropriate amount of money targeted to helping low-income families get the kinds of counseling and assistance that they can't get because they can't pay for it—middle-income families can—I think is appropriate, if done well.

Mr. ENGLISH. The gentlemen's time has expired, but, fortunately, the line of questioning he opened up was what I was going to pursue.

Ms. Curran, I noted in your testimony your support for marriage promotion efforts included in H.R. 240. Do you want to any further elaborate on why you think those efforts are important?

Ms. CURRAN. I go into it a little bit more in the testimony. As I said, I think I would just reiterate that we need to help folks on TANF on all of the different areas that their families are struggling. We need to help them support their families and strengthen their families. We need to help them get out of poverty, and I think healthy marriage is part of that. It is important for the well-being of the economic, and the emotional, and the spiritual well-being of the children and families. I think it is appropriate. Low-income families can get assistance in how to be a better parent through programs, and I think it is appropriate that they get assistance in learning how to be a better marriage partner, which will help them to be a better parent and help them to support their children.

Mr. ENGLISH. On that point, Ms. Jacobs, I am very grateful to you for your focus on domestic violence in your testimony. My wife serves on the board of one of our local domestic violence shelters, and I admire the work that is done there with extremely limited resources. In their case, they have had to struggle with some of the State budget cuts in Pennsylvania. An earlier witness noted that domestic violence is more likely to occur among couples that are cohabitating than married couples. I realize it is difficult to generalize, comparing couples that way, but do you agree with that assessment?

Ms. JACOBS. I think you are taking me all the way back to my days of statistics because we are dealing with questions of, you know, on the one hand causality and sort of correlation and things of that nature. I think that part of what you are looking at—and I would have to look at that particular study, and I would be happy to—part of the problem is that there is a self-selecting process there. Again, what you will see in that Hopkins study is that women who are victimized as adults by intimate partner violence make a decision not to marry. They are not in the cadre of people who marry. Sometimes the folks who get married are more stable. In the Hopkins study, you will see there are a vast majority, there were probably maybe about 40 percent of the people who were in the study who were married, and there was a much lower incidence of violence.

I don't think that one could assume that marriage is some sort of amazing, you know, if you will, you touch it with a magic wand. You are not married today. You are in an abusive situation, and you get married tomorrow and that stops. That, I think when that kind of data is put forward in a way that is not sufficiently unpacked is the impression that you are left with, but it is an erroneous one. I think there is a different question of causality there that needs to be explored.

Mr. ENGLISH. I think that is a point very well made. I guess, finally, I would like to say I think your basic point that may be consistent with the flexibility we have tried to introduce into the welfare system under TANF, if we can use this reauthorization to promote better linkages between welfare services and access to domestic violence services, I think that could have a very substantial benefit.

Ms. JACOBS. That would be tremendous. As you may be aware, the Violence Against Women Act is due to be reauthorized later this year, and we would look forward to working with you on that as well.

Mr. ENGLISH. Very good, and I look forward——

Ms. JACOBS. This commercial has been brought to you by——

[Laughter.]

Mr. ENGLISH. I look forward to working with you, and I am grateful for your time. I want to thank all of the panel Members for bringing their expertise and their perspective to this debate, which will be very helpful. I thank, also, the distinguished Ranking Member of the Subcommittee, the gentleman whom I know is going to make a big contribution to this debate on reauthorization as well. I want to thank all of you, and I will yield to the gentlemen.

Mr. MCDERMOTT. I just want to ask unanimous consent to put into the record testimony from a number of groups, my State and others, who have submitted testimony, but did not have the opportunity to come and testify today.

Mr. ENGLISH. By unanimous consent, that will be included in the record.

Mr. MCDERMOTT. Thank you.

Mr. ENGLISH. I thank the gentlemen.

[The information was not received at time of printing.]

I thank you all for coming. This hearing is adjourned.

[Whereupon, at 4:47 p.m., the hearing was adjourned.]

[Submissions for the record follow:]

Statement of Andrew Robert Klein, Ph.D., Advocates for Human Potential, Inc., Sudbury, Massachusetts

H.R. 240, "The Personal Responsibility, Work, and Family Promotion Act of 2005" seeks to promote laudable goals. However, it will not, cannot achieve those goals. To the extent it succeeds to encourage "family formation and healthy marriage," it will fail to make these families' lives better, it will make things worse. It will increase the suffering and victimization of tens of thousands of poor women and their children. It will endanger lives.

I am talking about the tens of thousands of poor women and their children who disproportionately receive temporary cash assistance to support themselves, not because they lack a spouse but because they have a spouse or partner who is abusive. A significant proportion of women and children on TANF rely on TANF to help them escape their abuse.

Leaving abusive relationships is almost always tremendously difficult for abused women. It takes incredible courage and fortitude. It can be extremely risky, even lethal for abused women and their children. The majority of domestic homicides, including the murder of the abused women's children, occur when women attempt to leave their abusers.

Abused women should be encouraged and assisted in that effort, not pushed back for more abuse. That is why there are over 1,600 domestic violence shelters in every state of the nation. The shelters, and related services, help abused women and their children safely leave, so they are not faced with the horrible dilemma, remain and suffer or be forced to fight back as best they can.

And it's working. The homicide of male intimates by their female partners has plummeted over the last several decades, way below the national decline in all homicides during the same period. According to the Justice Department Bureau of Justice Statistics, from 1976 to 2002, the number of men murdered by their partners dropped 71%. It is easier for women to flee their abusers, not fight back.

Unfortunately, the homicide of women by their male intimate partners has not fallen as dramatically, declining far less than the overall decline in the rate for non-domestic homicides. The number of women killed by their partners declined between 1976 and 2002 by only 25%.

The reason we haven't been as successful in regard to reduction in the homicides of women by their male intimate partners is because we have failed to appreciate the true danger and intransigence of abusers.

The kind of positive things envisioned by this Act, the promotion of anger management, communication skills, conflict resolution, budget counseling, etc. are not remedies for domestic violence. To think that several thousand women and their children are killed every year and tens of thousands hospitalized by their intimate partners because of inadequate financial management and temper tantrums tragically trivializes their deaths.

Domestic violence is not about relationships, good or bad, sanctified by marriage vows or not. It is about abusers and their use of violence. Domestic violence is instrumental, not accidental violence; purposeful, not incidental violence; premeditated, not spontaneous violence. Abusers do not strike their partners because they are out of control. They strike their partners to maintain control over them, humiliate and debase them, isolate them, or punish them for asserting their independence.

Bank robbers do not rob banks because they have relationship problems with the banks or an inability to control their anger over capitalism. They rob banks because, as Willie Sutton aptly explained, that is where the money is. The same applies to abusers and why they abuse.

The studies are clear. Domestic violence cannot be wished away as much as we would like it to be by a 26 week anger management program or the like, no matter how well-intentioned. Batterers cannot become nurturing parents after completing a 52-week batterer intervention program.

To improve the outcomes for children as specified in the Act, we must nurture the relationship and circumstances between the child and the non-abusive parent. Studies demonstrate that the adverse effects of children being exposed to domestic violence can be mitigated by the existence of a strong, nurturing non-abusive parent.[1]

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[1] Schecter, S. & Edelson, J. (2000). *Domestic Violence and Children: Creating a Public Response*, New York, NY: Center on Crime, Communities & Culture of the Open Society Institute, 2000.

The goal should be safety and security for the non-abusive parent and children, not marriage formation. Marriage, marked by spousal abuse, is a dangerous sham. The research is clear that it will promote the opposite effects in children the Act desires. It will increase juvenile delinquency, school failure, adult criminality and all the other problems associated with being raised in families with an abusive parent.

Earlier, we said domestic violence did not have to do with relationships. That may sound counter-intuitive. It involves intimate couples, therefore it must be about relationships. Right?

Wrong. Because the fact is that research conclusively demonstrates that if deprived of his victim, the abuser will go on to abuse another. It has little to do with the victim, or the quality of the relationship; it has all to do with the abuser.

Massachusetts was the first state in the union to computerized its domestic violence registry. As a result, it was able to track a very large sample of more than a thousand abusers who had restraining orders taken out against them in 1992 for the next six years. It found that one quarter of those restrained in 1992 went on to have as many as eight new court orders taken out against them by as many different victims.[2]

A more recent state study followed over 2,000 charged with violating a court restraining order in 1998 through 2004. It found that 43% had more than one victim. 16% had three or more victims.[3]

A study I am currently completing in collaboration with the American Probation and Parole Association, funded by the National Institute of Justice, documents that these findings are not unique to Massachusetts. We found among the 40% of offenders on probation for domestic violence who were arrested for re-abuse, the only difference between these abusers who repeatedly abused the same woman or went on to abuse different women was the available of the initial victim.[4]

Who are these abusers?

Study after study refute the assumptions underlying this Act. Abusers are not otherwise like every other person except they happen to have some cognitive and skill deficiencies and poor relationships with their partners.

Again, the research is clear. The vast majority of abusers, identified as abusers by their partners or the criminal justice system, sport extensive criminal records for a wide variety of crimes of violence, substance abuse, drunk driving, as well as other crimes.

In 1990, when I was a probation officer in the Quincy Court in Massachusetts, I looked at the 664 men who had restraining orders taken out against them by their female partners. At the time, it was one of the first studies to think to examine the prior criminal careers of abusers. Although these men were brought to court by their wives and girlfriends, not the police, 80% had prior criminal histories, averaging 13 criminal complaints that had resulted in half a dozen different court arraignments. Almost half had prior assaults, mostly against men. 54% had prior arrests for drunk driving and drug abuse.[5]

And my research was just the first. Study after study has followed confirming these findings. Most recently, a study of 1,982 domestic violence misdemeanor cases filed in the Toledo, Ohio Municipal Court between April 2000 and March 2001 documented that 89% had a prior history of at least one arrest. More than a quarter, 26.4%, had at least one prior violent felony offense and half had at least one nonviolent felony charge on their record.[6]

These men have records like criminals, behave like criminals, and recidivate like criminals. To the extent this Act includes these abusers, it would more aptly be named the "Criminal Offender/Victim Marriage and Father Promotion Act."

Further, their crimes of domestic violence are not isolated incidents, but part of chronic criminal campaigns. This too is widely documented. A study in Lincoln, Nebraska, for example, reveals that of 1,217 domestic violence arrests in 2002, 16 per-

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[2] Adams, S. (December 1999). *Serial Batterers: Probation Research Bulletin*. Boston, MA: Office of the Commissioner of Probation.

[3] Bocko, S., Cicchetti, C., Lempicki, L. & Powell, A. (November 2004). *Restraining Order Violators, Corrective Programming and Recidivism*. Boston, MA: Office of the Commissioner of Probation.

[4] Klein, A., Wilson, D., Crowe, A. (2005 Draft). *Evaluation of Rhode Island's Specialized Domestic Violence Probation Supervision Unit*. Lexington, KY: American Probation and Parole Association & BOTEC Analysis Corporation.

[5] Klein, A. (1996). *Re-Abuse in a population of court-restrained male batterers.* In E. Buzawa & C. Buzawa (Eds.) *Do Arrests and Restraining Orders Work?*: Thousand Oaks, CA: Sage,192–214.

[6] Ventura, L. & Davis, G. (October 2004). *Domestic Violence: Court Case Conviction and Recidivism in Toledo*. Toledo, OH: Urban Affairs Center, University of Toledo.

cent involved the same abuser arrested multiple times, including 8 who were arrested four or more times that year for domestic violence.[7] Similarly, I just collaborated with the Rhode Island Supreme Court's Domestic Violence Unit on an analysis of 18,000 domestic violence incident reports filed by police from 2002–2004 in that state. Just shy of 20% of the reported abusers, almost 3,000, were cited multiple times—up to 13 times—generally within a 12 month period or less.[8]

Research is also clear about something else. Anger management, batterer treatment, probation supervision is only marginally effective at best in stopping abusers and their effect is limited to low risk abusers to begin with. A recent meta-analysis of all batterer treatment research with any claim of scientific reliability concludes these programs have minuscule if any treatment effect.[9]

The same recent Massachusetts study cited earlier found that the results of anger management were even less encouraging. The research revealed that the re-abuse rates for those who completed the anger management programs, generally 12 to 20 week programs, were not statistically significantly lower from those who were assigned anger management but failed to complete the program!

And the majority of offenders (55.7%) who completed anger management were arrested for a subsequent crime, 42.6% for a violent crime. Eighteen percent were arrested for a violation of their restraining order.[10]

Nor is there any evidence that these programs make abusive fathers better, even safe parents.

That is why the Justice Department's Office of Violence Against Women, under the leadership of Diane Stuart, a former shelter director, won't fund these programs. A recent study based on victim assessments of their partners' participation in state-mandated batterer programs found these programs did not improve batterers as fathers, their relationships with their children or their children's mothers.[11]

Other studies have found that arrests, restraining orders, prosecution, intensive supervision, even short term incarceration fail to deter a significant portion of abusers.[12] As mentioned, our current evaluation for the National Institute of Justice of Rhode Islands model domestic violence probation supervision program has found a 38% re-arrest rate specifically for domestic violence within 18 months, almost 60% for all crimes despite intensive supervision.[13]

That is why over half of the states, including Iowa and Montana, have amended their criminal domestic violence laws to enhance penalties, making repeat simple misdemeanor domestic assaults felonies with minimum mandatory sentences of up to five years in prison.[14]

If all these efforts don't stop abusers, do we really expect marriage and fatherhood promotion programs to protect their victims?

Congress has done so much to stop domestic violence, including passage and funding of VAWA, community oriented policing; enactment of federal firearm prohibitions for court-restrained or convicted domestic assaulters, inclusion of the Family Violence Option for TANF recipients. To abruptly reverse course at this time would be a huge mistake.

I am currently completing an evaluation of the RI Family Violence Option Advocacy Program. As a result of universal screening for domestic violence completed by that state's Department of Human Services, state officials have waived child support requirements for hundreds of recipients deemed to be victims of domestic violence. It is not that state officials don't care about collecting child support reimbursement from abusers, they don't demand the women to cooperate in its collection because they realize it is too dangerous to ask them to do so.

Are these the same abusers we want to focus on to promote family formation and healthy marriages?

The money proposed to support this Act should go for increased prosecution of chronic abusers, more transitional housing programs for victims and their families

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[7] *LMEF–Family Violence Council 2002 Domestic Violence Report* (2003). Lincoln, NB: Family Violence Council.

[8] Dubois, J. & Klein, A. (2005). *Rhode Island Domestic Violence Recidivists, 2002–2004*, Wakefield, RI: Domestic Violence Training and Monitoring Unit, R.I. Supreme Court.

[9] Babcock, J., Green, C., & Robie, C. (In press). *Does Batterer's Treatment Work? A Meta-analytic review of Domestic Violence Outcome Research*, *Journal of Family Psychology, 13*, 46–59.

[10] Bocko, S. (2004). *Op. cit.* 7.

[11] Klein, A. (2004). *Victim Views of Batterer Intervention Programs*. Waltham, MA: BOTEC Analysis Corporation (Study commissioned by the Rhode Island Justice Commission.)

[12] See, Klein, A. (2004). *The Criminal Justice Response to Domestic Violence*. Belmont, CA: Thomson Learning/Wadsworth.

[13] The specialized program does significantly reduce re-abuse and all other arrests among lower risk abusers representing 52% of the domestic violence caseload.

[14] See, e.g., Mississippi Code Ann. § 97-3-7(30); Minnesota Stat. Ann. § 609.2242.

who are forced to flee their abusers and for better TANF screening and service programs for victims of family violence and their children.

Thank you.

Statement of Lisa Maatz, American Association of University Women

Introduction

Enacted in 1996, the Personal Responsibility and Work Opportunity Reconciliation Act dramatically altered the way the federal government provides financial assistance to needy families. This act created Temporary Assistance for Needy Families (TANF), which limited assistance to 60 months and required recipients to work. TANF, however, failed to contain sufficient provisions for education and job training. As Congress reauthorizes the 1996 act, AAUW believes that welfare programs should end the cycle of poverty and promote self-sufficiency through the proven methods of education and job training to help ensure that women are not locked into low-wage, low-benefit jobs.

The success of current law must be based on the number of people no longer living in poverty—not on the number of people no longer receiving assistance. Current law seeks only to reduce the number of people on welfare by promoting job search and early employment rather than increasing earnings for welfare recipients through education and job training. By failing to provide roads to permanent self-sufficiency, the law has failed to significantly lift women and families out of poverty.

- While welfare rolls dropped 22 percent between 1995 and 1997, poverty among families headed by single mothers dropped by only 5 percent.[1]
- In 1999, 28 percent of TANF recipients worked for substandard pay while still qualifying for aid, compared to just 8 percent in 1994.[2]
- People leaving welfare earn about $6.61 an hour[3] or $8,000 to $12,000 annually.[4]

As a result of the drastic increase in families working without a significant increase in earnings, working poverty has replaced welfare. Further, while poverty has declined overall, statistics show that poor people are poorer and more working families are living in poverty.[5] Of the 2.1 million adults who left welfare between 1995 and 1997, 29 percent had returned by 1997.[6]

During the 108th Congress, the House completed action on the Personal Responsibility, Work, and Family Promotion Act of 2003 (H.R. 4) to reauthorize the Personal Responsibility and Work Opportunity Act (PRWORA—PL 104–193). AAUW opposed H.R. 4 because it lacked the necessary access to education and training, increased work requirements without providing adequate childcare provisions, included $300 per year for experimental marriage programs, and reauthorized $50 million in funding for abstinence-only education programs. AAUW has reservations about the welfare reform proposal introduced January 4, 2005 by Rep. Deborah Pryce (R–OH), the Personal Responsibility, Work, and Family Promotion Act of 2005 (H.R. 240) but we remain hopeful that improvements can be made before its consideration by the full House.

Education and Training: The Proven Path Out of Poverty

The focus on work first and the federally-imposed limitations on how states can use their TANF funds have shaped the way states implemented current law. The law does not allow welfare recipients adequate time to attain a degree or worthwhile job training and arbitrarily tells states how many welfare recipients can be in such programs at any given time. TANF gives states limited options in helping welfare recipients find and retain jobs that pay a livable wage and get families out of poverty and off welfare permanently. These limitations on states have resulted in significant declines in welfare recipients engaged in education and training—2.7 per-

[1] Carnevale, A.P. and Reich, K. (2000). *A Piece of the Puzzle: How States Can Use Education to Make Work Pay for Welfare Recipients.* p. 14. Princeton: Education Testing Service.

[2] Patel, N. (2001). *Workforce Development: Employment Retention and Advancement Under TANF.* Nov. 28, 2001. http://www.clasp.org/pubs/jobseducation/technical%20paper.pdf.

[3] Carnevale 13.

[4] Patel.

[5] Boushey, H. and Gundersen, B. (2001). *When Work Just Isn't Enough: Measuring Hardships Faced by Families After Moving From Welfare to Work.* Nov. 28, 2001. http://www.epinet.org.

[6] Carnevale 14.

cent in 1999, down from 5.8 percent in 1996.[7] In fact, in 1999, 44 percent of adults receiving TANF benefits reported having less than a high school diploma.[8] AAUW believes that education and training must complement work to best serve the needs of the local job market and individuals with varying levels of work experience.

Because statistics prove that educational access is inextricably linked to economic security (see below), AAUW believes that women and girls must have access to education and job training to achieve economic security. Only by improving their employability through education and job training can women attain jobs that pay a livable wage and stay off public assistance permanently. States must also have the flexibility to target recipients with job search, education, and job and skills training to respond to the needs of the local labor markets. Education and training programs must not be viewed as separate from work but as part of a continuum of activities that result in work.

Education and training make a critical difference in employability, earnings, and job retention. Single female heads of households with a high school diploma are 60 percent more likely to have jobs than those without a high school diploma or GED, and those with an associate's degree are 95 percent more likely to be employed.[9] In 1999 average earnings for someone with a high school diploma was 50 percent higher than those with no diploma.[10] Further, the U.S. Bureau of Labor Statistics found that people in jobs requiring the least education will experience the lowest professional growth over the next 10 years, while the jobs requiring at least an associate's degree will experience a job growth rate of 31 percent.

To increase earning potential, women should also be trained in nontraditional jobs—defined as employment in which women comprise 25 percent or less of total workers. Women make up the majority of low-wage workers, 57.5 percent of employees earning $5.15 to $6.14 an hour, and part-time workers. In contrast, women working in nontraditional jobs can earn between $8 and $9 an hour. For example, the average yearly income for auto mechanics and repair persons, a nontraditional field, is $26,718, whereas the median annual salary for full-time workers in service occupations, traditionally female jobs, is just over $15,000.

The Inescapable Link Between Violence and Women's Poverty

Survivors of violence must overcome many hurdles to escape abuse and access needed services. Unfortunately, poverty is among the most formidable barrier of all. There is an undeniable link between poverty and violence against women. In fact, as many as 60 percent of women receiving welfare have been victims of domestic violence as adults (compared to 22 percent of women in the general population), and as many as 30% reported abuse within the last year.[11]

The Family Violence Option (FVO) is an important provision that gives states the option to flex program requirements for victims of domestic violence when those requirements could put them and/or their families in danger. The FVO is a crucial tool for helping poor women achieve economic self-sufficiency by proactively addressing violence in their lives. However, not all states have adopted this critical option, and implementation is uneven. TANF reauthorization should require states to uniformly implement the FVO and provide incentives designed to ensure successful implementation.

TANF Reauthorization Proposals

AAUW believes the following changes must be made during reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act:

- Eliminate the 12-month limit on vocational education or job training.
- Eliminate the 30 percent cap on the number of families participating in vocational education or on teen parents pursuing a high school diploma in a state's caseload that can be counted toward federal work participation rates.
- Allow education leading to a diploma, GED, certificate, associate's degree, bachelor's degree, or postsecondary degree to count toward federal work participation rates.

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[7] Strawn, J., Greenberg, M., and Savner, S. (2001). *Improving Employment Outcomes Under TANF.* Retrieved Nov. 28, 2001. http://www.clasp.org/pubs/jobseducation/BlankHaskinsFebruaryFinal.htm.

[8] Zedlewski, S. (2001). *Do Families on Welfare in the Post TANF Era Differ From Their Pre TANF Counterparts?* October 9, 2001. http://newfederalism.urban.org/pdf/discussion01-03.pdf

[9] Buck, E. (2001). *The Impact of Postsecondary Education on Poverty, Employment and Labor Force Participation Among Single Female Heads of Household With Children.* San Diego, CA: San Diego State University.

[10] Trends in College Pricing. (2001). Washington, DC: The College Board.

[11] NOW Legal Defense and Education Fund. "Welfare and Poverty: Domestic and Sexual Violence," http://www.nowldef.org/html/issues/wel/violence.shtml.

- Extend the Family Violence Option (FVO) to all 50 states.

Conclusion

Despite some signs of improvement in last year's labor market, wages still fell, job growth lagged, and unemployment spells remained long. With the nation in a recession, people must be given the option of improving their employability through gaining new skills and advancing their education without the threat of losing federal assistance. In this way women and families can achieve self-sufficiency and get off welfare permanently.

Statement of Laura W. Murphy, American Civil Liberties Union

The ACLU is a nationwide, non-partisan organization of nearly 400,000 members, dedicated to protecting the individual liberties and rights guaranteed by the Constitution and laws of the United States. Through its Women's Rights Project and Reproductive Freedom Project, the ACLU has long focused on the needs of women, especially those low-income women and women of color who make up the majority of adult recipients of Temporary Assistance for Needy Families (TANF). In addition, through its Immigrants Rights Project, the ACLU has committed itself to preserving the rights of immigrants—a group treated particularly harshly under the TANF program. We believe that reauthorization must ensure that TANF operates fairly and offers meaningful paths out of poverty for families. We appreciate the opportunity to submit this statement for the record to the Subcommittee on Human Resources describing the changes necessary to guarantee that the TANF program operates effectively and consistently with constitutional principles.

TANF MUST NOT ARBITRARILY DENY ASSISTANCE TO DISFAVORED GROUPS OF NEEDY INDIVIDUALS

The purpose of TANF is to provide assistance to needy families and children and to promote job preparation and work.[1] Yet the program provides assistance only to some needy families while arbitrarily denying benefits to others equally in need.

Legal Immigrants and Their Children

Perhaps the most egregious provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was its bar on immigrant eligibility for many federal programs. PRWORA prohibited most legal immigrants from receiving Food Stamps and Supplemental Security Income (SSI) until they had worked in the U.S. for at least ten years. It barred new immigrants from receiving TANF, Medicaid, or assistance from the Child Health Insurance Program for five years, and states were given the option of extending that bar. Thus, legal immigrants were deprived of the very services their tax dollars support. Even when these time-bars expire, new "sponsor deeming" rules created by PRWORA continue to render most legal immigrants ineligible for federal assistance. Even more harshly, "unqualified" immigrants, which include not only undocumented aliens but also other groups permitted to remain in the United States without permanent residence, were flatly barred from receiving any federal public benefits at all. While some minor adjustments have been made to these discriminatory rules since 1996, as a result of PRWORA most immigrants continue to be denied the federal benefits extended to other similarly needy individuals.

Not only is the law cruelly discriminatory in its treatment of immigrants, it has hurt many citizens as well. According to the Urban Institute, 78% percent of children with immigrant parents are themselves eligible for welfare assistance.[2] Because of confusion or fear, many non-citizen parents do not seek the benefits for which their citizen children are eligible, and thus these children do not receive the vital services they need for survival.[3] Reauthorizing legislation should permit legal immigrants to receive public assistance, repeal PRWORA's deeming rules, and require states to perform outreach to non-citizen-headed families, informing them of their children's eligibility for benefits.

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[1] 42 U.S.C. § 601(a).

[2] See Randy Capps, Urban Institute, Hardship Among Children of Immigrants: Findings from the 1999 National Survey of American's Families, (2001).

[3] See generally Michael Fix and Wendy Zimmerman, Urban Institute, All Under One Roof: Mixed-Status Families in an Era of Reform (1999).

Drug Offenders Who Have Paid Their Debt to Society

Federal law currently prohibits individuals who have been convicted of a drug-related felony from receiving TANF or Food Stamps. Even when a person has completed a prison sentence or a drug treatment program and is making every effort to turn her life around, she is still ineligible for federal aid. The intent of PRWORA was to promote personal responsibility, but permanent denial of federal assistance erects new barriers that prevent people who have previously made mistakes from taking responsibility for their lives and starting fresh to become productive citizens. Reauthorization should remedy this discrimination.

Children Born Into Needy Families

For the first time, PRWORA allowed states to refuse to provide benefits to a child conceived and born while a parent was receiving TANF assistance. When reauthorized, TANF should prohibit such child exclusion rules (also known as family caps) as these exclusions discriminate against children based on the circumstances of their birth and punish the child for the poverty of his or her parents. Such a policy is akin to laws that denied children benefits because their parents were not married or because their parents were not legal residents, laws which have been held unconstitutional because of their basic unfairness to the child.[4] The child exclusion is no less cruel and is in tension with fundamental principles of equal protection. In addition, child exclusion laws interfere with a woman's fundamental right to bear a child. By withholding dollars from newborns (and thus reducing the total income available to TANF families), the exclusion creates a government incentive for TANF recipients to end their pregnancies. A law designed to aid needy families should not turn its back on poor children, leaving them to swell the ranks of children in poverty in this country.

TANF REAUTHORIZATION MUST PROTECT AGAINST DISCRIMINATION AND PROMOTE EQUAL OPPORTUNITY

Since PRWORA, states have too often failed to provide services to all TANF applicants and recipients without discrimination. Reports indicate that TANF recipients of color face barriers in moving from welfare to self-sufficiency because they receive fewer supportive services and are more likely to be sanctioned for non-compliance with program rules than their white counterparts. States also have often failed to accommodate the needs of recipients with limited English proficiency, disabilities, and other barriers to employment. In addition, states have tended to push women into low-paying, traditionally female jobs rather than training them for higher wage, nontraditional work.

End Discrimination Against Racial and Ethnic Minorities

Studies show that people of color receive harsher treatment than white TANF recipients under welfare reform. Researchers have found that TANF recipients of color are less likely than white TANF recipients to be referred to important services such as educational programs, transportation assistance, and child care and are less likely to access vital work supports such as Medicaid and Food Stamps.[5] As a result, recipients of color have been less likely to leave welfare for work than white recipients.[6] In addition, higher percentages of black recipients have been disqualified from TANF because of punitive sanctions than white participants.[7] Finally, welfare recipients in many states have reported discriminatory and insulting treatment by both caseworkers and employers based on their race, ethnicity, or gender.[8]

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[4] See, e.g., Plyler v. Doe, 457 U.S. 202 (1982) ("Even if the State found it expedient to control the conduct of adults by acting against their children, legislation directing the onus of a parent's misconduct against his children does not comport with fundamental conceptions of justice."); see also Weber v. Aetna Casualty & Surety, 406 U.S. 164 (1972).

[5] Bonnie Thornon Dill et al., *Racial, Ethnic and Gender Disparities in Access to Jobs, Education and Training Under Welfare Reform* at 16 (2004); Applied Research Center, *Race and Recession: A Special Report Examining How Changes in the Economy Affect People of Color* at 15–16 (2002); W.K. Kellogg Foundation, *Racial and Ethnic Disparities in TANF: Barriers to the Viability of Low Income Families* (2001); Susan T. Gooden, "All Things Not Being Equal: Differences in Caseworker Support Toward Black and White Welfare Clients," *Harvard Journal of African American Public Policy*, Vol. 4 (1998).

[6] Dill, *supra* note 5 at 5 (2004); Elizabeth Lower-Basch, *"Leavers" and Diversion Studies: Preliminary Analysis of Racial Differences in Caseload Trends and Leaver Outcomes*, Office of Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services (2000); Sarah Karp, "Minorities Off Welfare Get Few Jobs," *Chicago Reporter*, January 2000.

[7] Lower-Basch, *supra* note 6.

[8] Applied Research Center, *Race and Recession: A Special Report Examining How Changes in the Economy Affect People of Color* at 13 (2002); Equal Rights Advocates, *The Broken Promise:*

This kind of discrimination cannot be tolerated, as racially disparate treatment shuts down opportunities for women of color and their children and creates a two-tiered welfare system that traps African-American and Hispanic families in poverty. To address these racial disparities, at a minimum, reauthorizing legislation must clarify that labor and civil rights laws protect TANF recipients. Further, states should be required to set out procedures for handling civil rights complaints in the state plans required for receipt of TANF funds.

The only true method of measuring progress in civil rights compliance within TANF, however, is data collection. Without this information it is difficult to identify parity problems and patterns in states' administration of the TANF program. States must be required to collect data by race and ethnicity reflecting diversion of potential applicants, benefits and services provided to recipients, sanction rates, and recipient outcomes. States should also be required to aggregate information to detect racial disparities and to take meaningful action to address these disparities. Just as the No Child Left Behind Act holds schools accountable for improving the performance of students of *all* races, so should TANF reauthorization hold state welfare programs accountable for helping welfare recipients of *all* races move out of poverty and reward those states that achieve equitable outcomes.

Accommodate Recipients with Special Needs

Many states have failed to make TANF programs accessible to individuals with special needs, including those who speak little or no English and those with disabilities. Reauthorization must require that states provide interpreters and materials in languages other than English, and that states accurately assess the disability status of applicants and recipients and take any disability into account in imposing program requirements. Before attempting to find job placements for TANF applicants, states should be required to conduct an initial assessment of each individual in order to determine what support services may be necessary to address any employment barriers, such as limited English proficiency, domestic violence, disability, mental illness, or substance abuse, that may exist. States' current failure to conduct such assessments and to take special needs into account often leads to inappropriate sanctions reducing or eliminating a family's benefit and thrusting the family into a dire situation.

While recipients facing these barriers may be less likely to find employment and leave the TANF rolls prior to the five-year federal time limit, under PRWORA, states are only permitted to exempt 20 percent of their average monthly caseload from the time limit. This arbitrary cap ignores the fact that far more than 20 percent of caseloads may face substantial barriers to employment and self-sufficiency. Thus, without accommodation of their special needs, many recipients facing significant barriers to employment are likely to be left without support when they reach the five-year lifetime limit on receipt of benefits. Reauthorization should permit states to accommodate TANF recipients with special needs by abolishing the 20 percent cap on the hardship exemption.

Open Doors to Opportunity for Women

Many jobs held by TANF recipients, the vast majority of whom are women, will never lift a family out of poverty because the wages from these jobs are simply insufficient to support recipients' families. Studies indicate that caseworkers typically steer TANF recipients into jobs traditionally held by women, which generally pay the lowest wages and that low-income single mothers primarily work in traditionally female occupations.[9] In contrast, nontraditional jobs for women, such as carpentry, drafting, electrical work, firefighting, or driving a taxi or bus, pay a sustainable wage. Such occupational segregation is a primary cause of the wage gap between men and women. Indeed, poverty rates for single mothers would fall by half if they received wages equal to those received by men with similar qualifications.

Welfare Reform Two Years Later (San Francisco, CA: 2000); Urban Justice Center, Human Rights Project, *Assessing the Intersection of Race and Welfare Reform for New York City Households* (New York City Welfare Reform and Human Rights Documentation Project, 2001); Rebecca Gordon, *Cruel and Unusual: How Welfare "Reform" Punishes Poor People* (Applied Research Center, 2001).

[9] See Institute for Women's Policy Research, A Report to the NOW Legal Defense and Education Fund, Working First But Working Poor: The Need for Education and Training Following Welfare Reform, Executive Summary (October 2001); Janice Peterson et al., Life After Welfare Reform: Low-Income Single Parent Families Pre- and Post-TANF (Research-in-Brief) (May 22, 2002).

[10] Nontraditional jobs also are more likely to provide opportunity for advancement and benefits such as health insurance and sick leave. TANF recipients should be given these opportunities to support their families and achieve independence.

Access to education and training, however, is both effective and essential for TANF recipients to move out of low-wage, gender-segregated jobs into this higher-wage employment with career advancement potential.[11] Yet PRWORA limited the education and training that could be counted toward federal work participation requirements and set quotas on the percentage of recipients who could engage in certain education and training programs. As a result, the percentage of TANF recipients engaged in education or training has fallen dramatically since PRWORA.[12] Taking the wrong lesson from welfare reform, H.R. 240 further restricts states' flexibility to implement education and training programs for recipients, while simultaneously increasing the hours recipients are required to work, thus increasing the likelihood that recipients will be pushed into dead-end, low-wage, "women's jobs." This is the wrong choice for women and their families. Reauthorizing legislation should instead eliminate arbitrary restrictions on the length of time that TANF participants may participate in education and training and expand the types of educational programs in which recipients may permissibly engage. It should also stop the clock for recipients in education and training programs, so that choices regarding education and training are not artificially restricted by the five-year lifetime limit. Finally, reauthorization should ensure that all programs that provide funding for education and training, including TANF, encourage women's access to training for non-traditional jobs and include safeguards eliminating gender discrimination.

TANF REAUTHORIZATION MUST PROTECT THE RELIGIOUS FREEDOM OF RECIPIENTS

The "charitable choice" language adopted in PRWORA allows federal funds to flow directly to religious organizations, thus permitting government-sponsored religion in violation of the First Amendment. Although the Supreme Court has allowed religiously affiliated organizations to provide government-funded services in a secular manner, it has never allowed religious institutions themselves to receive direct government aid. Unless the statute is amended through reauthorization, this provision may allow sectarian religious organizations, including houses of worship, to contract with a state to administer a welfare program (by determining eligibility, giving out monthly checks, providing counseling, etc.) in an environment replete with religious symbols and activity. In such a setting, recipients undoubtedly will be threatened with religious discrimination and can reasonably interpret the relationship between the state TANF agency and the religious organization as government endorsement of a particular religion.

TANF recipients do not concede their First Amendment rights simply because they are in need of assistance. Yet religious organizations administering TANF programs will potentially discourage recipients from exercising their own religious beliefs, because, from a religious institution's perspective, a recipient's right to express his or her religious beliefs may endanger the effectiveness of the social service program, particularly in a group setting. Recipients' rights to exercise their own religions, however, are protected by the Free Exercise Clause of the First Amendment.

The "charitable choice" provision also threatens to undermine the fundamental civil rights principle—now more than 60 years old—that federal dollars should not fund employment discrimination. TANF provides that a religious organization's receipt of TANF funds does not restrict it from preferring members of its own religion in employment. Allowing federal funds to go to organizations that discriminate based on religion would be a sharp break with a long civil rights history. The "real life" impact this could have on individuals cannot be overstated. Applicants for jobs with federally funded religious TANF administrators may have to answer such questions as: What is your religion? Are you married or divorced? Was your marriage annulled? Is your spouse the same race as you? What does your church teach about sexual orientation? Such questions have no place in the federally funded workplace. Reauthorization must make clear that religious providers cannot engage in religious employment discrimination with TANF funds or include sectarian worship, instruction, or proselytization in a program funded by TANF.

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[10] Institute for Women's Policy Research, *Equal Pay for Working Women (Research—in-Brief)* (June 1999).

[11] See Dill, supra note 5, at 23–26 (2004).

[12] Center for Law and Social Policy, *Improving Employment Outcomes Under TANF* (2001).

TANF REAUTHORIZATION MUST NOT ENDANGER THE LIVES OF YOUNG PEOPLE BY REQUIRING EDUCATION PROGRAMS TO FOCUS EXCLUSIVELY ON ABSTINENCE

While discussion of abstinence is an important component of any educational program about human sexuality, programs such as those authorized under PRWORA, which focus exclusively on abstinence, endanger young people's health by censoring other valuable information that can help young people make responsible and safe decisions about sexual activity and reproduction. Moreover, these programs create a hostile environment for lesbian and gay youth, and dangerously entangle the government with religion, as a successful court challenge by the ACLU in Louisiana shows.

Under PRWORA, federally funded programs must offer curricula that have as their "exclusive purpose" teaching the benefits of abstinence. Programs may not provide adolescents with any information that is inconsistent with this message in the same setting as the abstinence program. Consequently, programs funded under PRWORA may not advocate contraceptive use or teach contraceptive methods except to emphasize their failure rates. This constitutes a gag order that censors the transmission of vitally needed information. These programs thus infringe on constitutional rights of free expression by censoring the transmission of vitally needed information about human sexuality and reproduction, either omitting any mention of topics such as contraception, abortion, homosexuality, and AIDS or presenting these subjects in a nonscientific, inaccurate fashion.

A growing body of evidence shows that most abstinence-only programs do not help teens delay having sex. As an independent, federally-funded evaluation of the abstinence-only education programs authorized under PWORA concluded, there is "no definitive research [linking] the abstinence education legislation with" the downward trend in "the percentage of teens reporting that they have had sex."[13] More troubling, some programs show evidence of *increasing* risk-taking behaviors among sexually active teens.[14] On the other hand, evidence shows that comprehensive programs that provide information about abstinence and effective use of contraception can help delay the start of sexual activity and increase condom use among sexually active teens.[15]

Abstinence-only programs also entangle the government with religion. Many abstinence-only curricula contain religious prescriptions for proper behavior and values, in violation of First Amendment guarantees. A popular abstinence-only curriculum called "Sex Respect," for example, was originally designed for parochial school use and retains strong religious undertones, citing religious publications as its reference sources. This is an inappropriate and unnecessary entanglement of government with religion. In 2002, the ACLU challenged the use of taxpayer dollars to support religious activities in the Louisiana Governor's Program (GPA) on Abstinence, a program funded under PRWORA. A federal district court found that GPA funds were being used to convey religious messages and advance religion, in violation of the Constitution's requirement of separation of church and state.

Reauthorizing legislation should eliminate or significantly reduce funding for abstinence-only-unless-married education and should instead appropriate funds for comprehensive sexuality education that would *both* teach abstinence and provide young people with the tools necessary to make responsible choices about sexual activity and reproduction.

TANF REAUTHORIZATION MUST PROTECT THE DUE PROCESS RIGHTS OF PROGRAM PARTICIPANTS

PRWORA demanded personal responsibility from TANF applicants and recipients as a key to accessing benefits. As administrators of the TANF program, states have a corresponding public obligation to treat applicants and recipients fairly. Since PRWORA was enacted, too often the broad discretion granted the states and the emphasis on caseload reduction above all else have eclipsed the commitment to fairness. The result has been arbitrary and inconsistent treatment of applicants and recipients; widespread misinformation about program requirements; and an absence of meaningful review of administrative decisions. Such due process failures have a

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[13] Barbara Devaney et al., Mathematica Policy Research, Inc., The Evaluation of Abstinence Education Programs Funded Under Title V Section 510: Interim Report 1 (2002).

[14] See Peter S. Bearman & Hannah Bruckner, Columbia Univ. Inst. for Social & Econ. Theory & Research, Promising the Future: Virginity Pledges as they Affect Transition to First Intercourse 35 (2000).

[15] See Douglas Kirby, The Nat'l Campaign to Prevent Teen Pregnancy, Emerging Answers: Research Findings on Programs to Reduce Teen Pregnancy, Summary 16 (2001).

serious impact on low-income parents as they simultaneously attempt to negotiate program requirements, fulfill work obligations, and raise their children and can push families out of the social safety net and into dire need. The next wave of welfare reform must hold states accountable for providing procedural fairness to applicants and recipients.

Provide Complete and Accurate Information to Recipients

PRWORA communicated a clear message to states: reduce your welfare rolls. Heeding this message, many states adopted TANF programs that emphasized "diverting" potential applicants by dissuading them from filing applications. Reports from advocates and court cases demonstrate that in some states, one result of this emphasis on diversion was a widespread failure to provide individuals seeking assistance with accurate, complete information about the assistance available and the requirements for obtaining it.[16] Some programs mislead individuals regarding the effects of the federal time limit on their benefits, fail to provide individuals with information about child care assistance, and fail to inform recipients that they cannot be sanctioned for a failure to comply with work requirements based an inability to find appropriate child care.[17] In one woman's account, "One social worker told a friend of mine, ?It's not our responsibility to tell you [about these programs]. If you ask me about a program, I have to tell you. But if you don't ask me [then I won't tell you.]"[18] A failure to provide information means that families often do not gain access to the support they need to move toward independence.

Reauthorization must make explicit that TANF applicants and recipients have a right to receive accurate information about available benefits and eligibility requirements from the moment they seek assistance. States should be required to set out their methods of providing comprehensive and accurate information in their state plans and held accountable for failures to abide by these plans.

In addition, reauthorization should encourage states to provide complete and accurate information by making clear that poverty reduction, rather than caseload reduction, is the goal of TANF. One method of doing this is by measuring states' performance by and allotting bonuses based on success in reducing poverty. If states are held accountable for their success in moving applicants and recipients out of poverty, rather than just off the rolls, they will have new incentives to provide applicants and recipients with good information.

End Arbitrary and Inconsistent Program Practices

PRWORA sought to maximize state flexibility and experimentation by providing welfare monies through block grants with comparatively few restraints on the design of state programs for distributing these funds to needy families. This new flexibility radically increased states' discretion in administering TANF programs. In most instances, TANF also meant that caseworkers and individual administrators exercised far more discretion. Such a broad grant of discretion increases the potential for arbitrary, inconsistent, and discriminatory treatment of TANF applicants and recipients. And indeed, advocates and researchers report numerous examples of such problems under TANF. For example, advocates in Wisconsin report that the degree of supportive services offered to recipients and the leniency shown when rules are violated varies significantly from region to region and caseworker to caseworker.[19] When the decision whether to provide particular information or access to particular programs lies entirely within a caseworker's discretion, the potential for differential treatment for recipients and applicants of different races or ethnicities (discussed above) is also magnified.

Arbitrary and inconsistent treatment results in real harm to poor families, causing applicants to be denied benefits or recipients to lose benefits without cause. Bureaucratic whim should not cause families to go hungry or lose their housing. Reauthorization must balance the flexibility created by TANF with basic requirements that states administer their programs according to consistent, written rules regarding eligibility, sanctioning, provision of supportive services, and screening for barriers to employment that all individual administrators or caseworkers are obligated to follow. States that fail to follow their own rules (or to ensure that private, county, or city administrators follow state rules) should be subject to penalty.

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[16] E.g., Reynolds v. Giuliani, 35 F. Supp. 2d 331 (S.D.N.Y. 1999).

[17] The Association of the Bar of the City of New York, Committee on Social Welfare Law, *Welfare Reform in New York City: The Measure of Success*, 56 The Record 322, 331–332 (Summer 2001).

[18] See Doris Y. Ng and Ana J. Matosantos, Equal Rights Advocates, The Broken Promise: Welfare Reform Two Years Later (2000).

[19] See Welfare Law Center, Due Process and Fundamental Fairness in the Aftermath of Welfare Reform, Welfare News (September 1998).

Provide Fair Notice and Hearings

Fundamental fairness requires that recipients be given notice of the rules governing their behavior before they can be held liable for violating them. Fundamental fairness also demands that TANF recipients whose benefits are being reduced or cut off be given written notice of the reasons for this action prior to the reduction or termination, as well as a meaningful opportunity to contest the adverse action. Such procedural safeguards aid in accurate decisionmaking, as they help ensure that states will not base sanctions or other benefit reductions on erroneous information. They also help protect needy families from losing benefits and being thrust into dire financial circumstances as the result of errors, misunderstandings, or misinterpretations of program rules.

TANF reauthorization should require that as a condition of receipt of funds states institute essential procedural safeguards, including provision of clear and adequate notice (with appropriate modifications for limited English proficiency recipients or disabled recipients) of an adverse action and provision of an opportunity to challenge such actions through a fair hearing prior to the discontinuation of benefits.

End Full Family Sanctions

Under PRWORA, many states have taken the option of punishing adult TANF recipients' failure to comply with program and work requirements through termination of all cash assistance to the family, including assistance allotted to children. Punishing individuals for the actions of others outside of their control violates core due process principles, and the violation is even more egregious when the individuals being punished are children. Reauthorizing legislation must reject H.R. 240's proposal to make full family sanctions mandatory and instead forbid states from instituting full family sanctions.

TANF REAUTHORIZATION MUST NOT ALLOW WAIVER OF CRUCIAL PROTECTIONS UNDER FEDERAL LAW

Various reauthorization proposals include a demonstration project provision, referred to as a "superwaiver," that would grant broad discretion to federal cabinet secretaries to allow states to waive a host of statutory and regulatory requirements relating to programs serving low-income individuals. Granting such authority to the Executive without Congressional oversight or any means for independent evaluation greatly undermines the separation of powers between the Legislative and Executive branches of government because the Executive could freely waive laws enacted by Congress.

While the language of such superwaiver provisions is vague, we believe the superwaiver poses serious dangers to a broad cross-section of federal programs and the people they serve. It would allow the transfer of substantial resources from one program to another, undermining congressional appropriations. For example, the Secretary of Education could waive any rules related to federal education funding, including formulas that direct resources to low-income children. More significantly, the superwaiver could permit the elimination of important protections for people served by federal programs (i.e. public housing programs, programs for the homeless, food stamp programs, adult education programs, child care and development programs, etc.), with no opportunity for input or oversight on the part of affected communities.

In conclusion, while welfare caseloads have fallen precipitously since passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, poverty rates have steadily risen in recent years. The most current Census data show the largest jump in child poverty in a decade and women's poverty increasing at a faster rate than men's. In addition, a growing proportion of poor people are living in extreme poverty, with incomes of less than half of poverty level—more than at any time since 1975.[20] In recent years, employment rates for single mothers, the group primarily served by TANF, have also fallen, with black single mothers faring the worst.[21] TANF reauthorization must focus on changing these trends by lifting women and children out of poverty, rather than simply shuttling them off the welfare rolls. Making the changes outlined above will help ensure that states ad-

[20] See Center on Budget and Policy Priorities, Census Data Show Poverty Increased, Income Stagnated, and the Number of Uninsured Rose to a Record Level in 2003 (August 27, 2004); National Women's Law Center, NWLC Analysis of New Census Data Finds Poverty of Women and Children Increases for Third Straight Year (August 26, 2004).

[21] See Center on Budget and Policy Priorities, Employment Rates for Single Mothers Fell Substantially During Recent Period of Labor Market Weakness (June 22, 2004).

dress themselves to the problem of poverty and do so in a way that respects the fundamental rights of those they serve.

Thank you for the opportunity to provide this written statement for the hearing record on welfare reform.

Statement of Jon Hobbs, American Institute for Full Employment, Klamath Falls, Oregon

My name is Deborah Chassman, and I am providing comments on behalf of the American Institute for Full Employment (AIFE), on the work and self-sufficiency provisions contained in the House TANF reauthorization legislation. As a consultant to the American Institute for Full Employment, I am frequently called upon to advise and assist states to operate programs that are more effective in moving individuals toward self-sufficiency. In addition to consulting activities with AIFE, I work directly with state and local governments, assisting them to plan, implement, and refine welfare reform initiatives. I also teach a seminar in Welfare Law and Policy at the George Mason University Law School.

The American Institute for Full Employment firmly believes that, with the right kinds of help, most adults can provide for their families without welfare cash assistance. AIFE supports programs that encourage employment and assist individuals to attain the work-related skills that they need to obtain and retain unsubsidized jobs in our economy.

AIFE's experience working with states reinforces the findings in the evaluation literature that direct work activities are successful in moving individuals from welfare to self-sufficiency. Frequently what welfare clients lack is familiarity with the basic requirements of the world of work. These individuals cannot obtain jobs because they do not know how to conduct themselves at job interviews or to describe the personal strengths and abilities they would utilize to perform well if hired; they cannot retain jobs because they are not familiar with the basic rules of workplace behavior. Short workshops providing a job readiness curriculum can familiarize individuals with the basic skills employers are seeking in new hires. A daily or weekly combination of job readiness training and actual work experience can provide individuals with all the necessary skills they need to obtain jobs. Additional assistance can be provided, where needed, through case management and mentoring, to assist new workers to retain their employment. And educational advancements can be supported by state welfare agencies and employers once a job is obtained.

AIFE is not opposed to providing job specific training. But in most cases, this training does not require years of education. In fact, the JOBS Plus subsidized work program we assisted the state of Oregon to implement, was a successful on-the-job training program, where the training period and the subsidy generally lasted only four to six months. During this period, employers provided some direct training but also, where needed, sponsored individuals attending skill-specific training on a part-time basis. Even though Oregon selected individuals for subsidized positions who were unable to obtain jobs without the subsidy, over 80% of the subsidized workers obtained good unsubsidized jobs either with their subsidized employer or another local business.

AIFE is now in the process of assisting the state of Hawaii to institute a similar subsidized work program and employer response has been extremely encouraging. They are listing good jobs with Hawaii's Supporting Employment Empowerment (SEE) program and have expressed willingness to hire and train individuals who lack previous work experience.

AIFE reviewed a New York City program that contained requirements very similar to the work requirements proposed by the legislation introduced in the House of Representatives. Participants in New York City were required to combine training and/or education with actual work. New York City's 35 hour a week participation design permitted contractors to utilize different models to combine work experience and classroom training or education. Although the most usual model was a mix of three days a week of work experience and two days a week of classroom training, New York permitted providers to vary the exact structure as long as the program basically maintained the same relationship between work and training hours, and a contextual mix of training and work or work experience. Whatever the exact design of the mixed training/work experience model, workers interviewed by AIFE felt that it was important to direct both the training and the work experience toward the individual's chosen employment area.

Both the Oregon and the New York City programs recognize the importance of contextual learning, particularly valuable for the TANF population. The combination of skill-specific training with actual work in the area of the training is a very powerful design mechanism. Contextual training, as was provided in the New York program is an excellent tool for assisting individuals to obtain good jobs and the time limited nature of TANF makes such programs quite sensible. TANF is a program that limits benefits to only 60 months in the whole lifetime of the individual. Even if permitted, this does not provide enough time for most high school drop-outs to obtain the remedial education they need to enter a post-secondary program and to complete a college degree. However, TANF does permit states to continue to provide individuals with educational and training assistance once they leave welfare, and AIFE supports state action to do this.

Moreover, although I as a part-time educator am reluctant to admit this, many individuals on welfare do not benefit very much from non-contextual basic education programs provided prior to beginning employment. One reason why this is so is few individuals who lack basic educational skills are able to achieve GED certificates. A University study I reviewed reported that in one state only 6 percent of welfare clients who entered a basic education program with very low skills passed the GED, while about 30 percent of those who entered without a high school diploma but strong reading and math skills were able to pass the exam. Based on these findings, the University study indicated that a key policy question was whether some TANF participants would be more productive in activities other than basic education.

MDRC reported overall GED achievement of only 16.5 percent over a five-year period in the NEWWS evaluation sites, and noted that those who achieved this credential were likely to be individuals who entered the program with literacy skills at or close to the high school level. Furthermore, both MDRC and the above cited University study question whether obtaining a GED increases employment and earnings. It appears that employment and earnings gains are only achieved if an individual receives vocational training after passing the GED and, unfortunately, very few welfare participants complete this sequence.

AIFE also supports the requirements in the legislation for more immediate work entry. In fact, ideally individuals should test the labor market before they become dependent on welfare. Thus, AIFE supports state efforts to provide employment assistance services to divert work-ready applicants from welfare, and we have encouraged states to establish up-front work programs that individuals enter when they first apply for TANF. Diversion programs can provide individuals with jobs and prevent dependence on welfare.

New York City's diversion program utilized vendors under contract with the City to provide employment-related services to applicants, and applicants had to participate in the program to become eligible for TANF.

We are currently assisting the state of Hawaii to implement their work diversion program. In Hawaii individuals applying for TANF are first sent to register with an employment provider. They spend up to four months in a 32 hour saturation program receiving work readiness training, and assistance with job search. Very short-term contextual computer skill training is being added to the curriculum, because many individuals have no familiarity at all with computer functions, and Hawaii's contractor believes it will be able to widen the scope of available jobs if individuals are able to demonstrate basic keyboard competency. Individuals who do not quickly obtain an unsubsidized job are placed in subsidized work or in short-term work experience assignments to prepare them for employment.

Some individuals obtain full-time employment during the four month period and are earning enough so that they never enter into the TANF cash program. These families can obtain assistance from Hawaii with child care and health care. Individuals who obtain only part-time employment or are unable to obtain unsubsidized work during the four months are entered into the time-limited TANF program and immediately placed with a "First to Work" employment counselor to continue to pursue self-sufficiency activities. Hawaii believes that the lack of success in the four months of up-front employment-related activities provides counselors with valuable assessment information, and that the up-front program will make counselors better able to design activities that support employment entry.

Although Hawaii has embraced the diversion program, the state has expressed concern that it will not receive full credit for families which it diverts from TANF. For example, although individuals participate full-time in the New York City and Hawaii diversion programs, since they are not welfare recipients neither jurisdiction can claim their participation to help them meet TANF work participation requirements. This is because the family will never be entered into the TANF program and so will not directly show up as a family that has left the caseload. AIFE hopes that reauthorization legislation will provide incentives for other states to join Hawaii in

sponsoring up-front work diversion, by finding a way to more fully credit states for diverting individuals and their families from dependence on welfare.

Although AIFE supports strong work requirements, we are concerned that the difficulty in obtaining full-time work participation for 70% of all recipients may produce perverse incentives. For example, under the current program, 23 states have created "separate state programs" using maintenance of effort (MOE) rather than TANF money to pay two-parent families, to avoid the extremely difficult to meet 90% two-parent work participation requirements.

In addition, states also provide benefits under separate state programs to other populations which are difficult to serve to avoid time limits and work participation requirements for these hard-to-serve groups. For the most part the states then ignore individuals placed in such programs, recognizing that they are more costly to serve and that if served the success rate will probably be less robust than for more work-ready welfare recipients. The trend to shunt aside hard-to-serve population is likely to intensify with a 70% all-family participation requirement. Yet it is the hard-to-serve clients who most need the services that states can provide. AIFE would like to see reauthorization legislation eliminate disincentives to serve those who most need help and instead offer incentives for states to provide services to those who need them most.

Our reviews of state programs provide support for the House provision requiring states to implement full-family sanctions. We have been struck by the frustration of workers in partial sanction states, who find themselves unable to assist so-called "happily sanctioned" adults to obtain employment services. While forcing their families to live on sanction-reduced grants, partial sanctions make it easy for these individuals to avoid work participation. But how do the children fare when the family has less money for food and rent; and what happens to the children when the five years that the family can receive welfare benefits runs out, and their parents still lack work skills and work experience?

In our reviews we have seen no instance where states deliberately utilize full family sanctions harshly, to penalize clients for failure to participate. Rather, the workers we have interviewed in full-family sanction states advise that they use such sanctions as useful tools to motivate individuals to comply with participation requirements. Although full-family sanctions can be used effectively to motivate participation in self-sufficiency activities, workers in full-family sanction states do point out that full-family sanctions that they are required to continue for a minimum number of months limit their ability to immediately return to work participation activities individuals who have become willing to comply. Welfare clients like the rest of us are rational economic actors and so are unlikely to resume compliance when doing so will not restore their family's benefits.

In summary the American Institute for Full Employment supports many of the work-related provisions in the pending legislation, since they encourage work and self-sufficiency.

Statement of Lori Valencia Greene, American Psychological Association

The American Psychological Association (APA) maintain that in order for welfare reform efforts to be successful, critically needed mental health and substance abuse services must be readily available and accessible to help women to overcome barriers to work and achieve economic self-Sufficiency.

Since enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), there have been dramatic decreases in the numbers of families who receive Temporary Assistance to Needy Families (TANF) block grant funds. However, women who face multiple barriers to obtaining and maintaining employment have been the least likely to achieve economic self-sufficiency. According to the 2000 University of Michigan's Women's Employment Study, barriers to employment for these women include mental health and/or substance abuse problems, the lack of a high school diploma, transportation difficulties, health concerns (theirs and/or their children's), and domestic violence. Following are some of APA's most significant recommendations for provisions to be included in TANF reauthorization legislation:

1. Provide screening and treatment for mental health and substance abuse problem.

Rationale: Mental health and substance abuse problems represent significant obstacles to employment and economic self-sufficiency for women receiving TANF benefits. TANF clients with mental health problems, if not identified and treated, are more likely to continue to require public assistance over a long period of time. A 1998 Department of Health and Human Services (DHHS) study reports national estimates of up to 28% of TANF clients with mental health problems, and state and local estimates of up to 39%. Major depression is the most common mental health problem among TANF clients, followed by posttraumatic stress disorder (PTSD) and generalized anxiety. Mental health and substance abuse problems can affect employment directly through absenteeism, illness, injury, reduced capacity, and lost productivity, or indirectly through lowered self esteem and self concept. TANF recipients may be especially reluctant to disclose mental health and substance abuse problems for fear they will lose their children, their TANF benefits, or both.

Recommendation: States should develop a plan to ensure that standards and procedures are in place to address the needs of individuals who face barriers to work such as, but not limited to, a mental health problem (including learning disabilities), substance abuse problem, physical impairment, and/or have been subjected to domestic or sexual violence. The state plan must ensure that:

- Trained caseworkers or qualified professionals conduct a preliminary screening and assessment of each TANF client. If the client is identified as experiencing a barrier to work, the caseworker or professional must refer, at the client's option, the client and her family for appropriate mental health or substance abuse treatment, counseling, vocational rehabilitation, and/or job training. Such services must be individualized and appropriate for families, gender-specific, and culturally competent. Support services, such as child care and transportation, must also be offered to help ensure accessibility to the other services.
- For those clients for whom treatment or services are unavailable, the five-year benefits clock must stop until the treatment or services are available.
- The caseworker or qualified professional assigned to the client's case must collaborate with employment case managers, with the client's consent, to ensure that the client receives integrated, comprehensive services.

2. Repeal the lifetime ban on cash assistance and food stamps for individuals convicted of a state or federal felony offense involving the use or sale of drugs.

Rationale: This ban undermines the efforts of mothers to overcome addiction, develop essential marketable skills, become more productive members of their communities, attain economic self-sufficiency, and provide a safe and healthy environment for their children. As women return to their communities, it is counterproductive to endanger their access to food, housing, and clothing for themselves and their children while they are trying to enter or complete substance abuse treatment programs or maintain recovery for addiction.

Recommendation: The ban should be repealed so that women with substance abuse problems can be referred for treatment and obtain vital TANF and food stamps.

3. Urge states to adopt the Family Violence Option (FVO)

Rationale: The FVO allows states to screen recipients for domestic violence victimization, provide referrals to specialized services, and provide good cause waivers from the five-year lifetime limit on TANF assistance and mandatory work requirements. Only 36 states and the District of Columbia have adopted all or part of the option, and two states have authorized at the county level. Women who have experienced intimate violence, either as children or in their adult lives, frequently suffer from low self esteem, PTSD, substance abuse, and homelessness. They are more likely to be unemployed and exhibit high rates of job turnover. Failure to identify and address issues of violence leaves victims at greater risk both for more violence and for long-term poverty. Because disclosing violence in their lives is risky for low-income women, accurate assessment of the prevalence of violence is difficult to obtain. A report for DHHS provides estimates that up to 65% of TANF clients have experienced intimate violence in their lives.

Recommendation: DHHS should create incentives for states to adopt the FVO. In addition, states should provide exemptions to, and extensions of, time limits to all women identified as victims of past, recent, and/or current abuse.

4. Include mandatory state and federal data collection, evaluation, and reporting provisions of referrals and services, especially those regarding mental health and/or substance abuse.

Rationale: Although there have been studies of how individual states have addressed the needs of TANF clients with substance abuse and/or mental health problems, states do not routinely report this information. Therefore, it is difficult to determine whether or not TANF clients are receiving the necessary services to overcome barriers to economic self-sufficiency.

Recommendation: The reauthorization of TANF should include state and federal mandatory data collection, evaluation, and reporting provisions for referrals and services, especially those regarding mental health and substance abuse. The DHHS Secretary should:

- review programs receiving funding from the TANF block grant or funded with maintenance of efforts funds to determine the amount of funds spent on services, including, but not limited to, mental health services, substance abuse treatment, domestic violence counseling, and rehabilitation for people with physical disabilities; and
- Evaluate the process of referral, such as, but not limited to, whether recipients received referrals and services, and how such services affected their economic status.

Statement of Douglas W. Nelson, Annie E. Casey Foundation, Baltimore, Maryland

Thank you for this opportunity to submit written testimony to the Human Resources Subcommittee of the Committee on Ways and Means of the U.S. House of Representatives, regarding the "Personal Responsibility, Work, and Family Promotion Act of 2005" (H.R. 240), which would reauthorize the Temporary Assistance for Needy Families (TANF) block grant.

I am Douglas W. Nelson, President of the Annie E. Casey Foundation of Baltimore, Maryland, a national philanthropy devoted to improving the circumstances and life outcomes for disadvantaged children and families. This testimony is submitted on behalf of the Casey Foundation and a consortium of other national funders interested in the well-being of the nation's children and families and how TANF can contribute to their well-being.

Our testimony focuses narrowly on one provision of H.R. 240: *section 116(a)(1)(a), which* would *authorize $10 million annually for the* Bureau of the Census to:

> implement or enhance a longitudinal survey of program participation, . . . to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, . . . and, *to the extent possible*, shall provide State representative samples. The content of the survey should include such information as may be necessary to examine the issues of out-of-wedlock childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children. (emphasis added)

Under H.R. 240, the overarching goal of TANF would be to increase the flexibility *of states* in operating a program designed to improve child well-being. We applaud that goal and believe that b*etter state-level data on TANF and other devolved safety net programs are needed, both for managing the programs and for monitoring their consequences and outcomes, especially with regard to the well-being of our nation's most vulnerable children and families.* Yet H.R. 240 would devote the $10 million not for data useful to all of the states administering fifty TANF programs with widely varying policies, characteristics, and environments, but rather to a research survey designed for analysis at the national level, with state-representative samples **in only a dozen or so of the largest states.**

As national philanthropies, we believe in and are working toward the promising possibility of a "joint funding" opportunity between our institutions and the federal government regarding the child well-being survey provisions of H.R. 240. Specifically, we think that timely and reliable state-level data would be so valuable that if the bill were to provide funding for a **state-level cross-sectional survey on child and family well-being** we would be prepared to commit **in excess of $1**

million annually in the analysis and dissemination of the data under section 116(a)(1)(a), as part of a significant private/public partnership.

The survey we propose would allow the provision and dissemination of important data and information relative to the implications of TANF for the well-being of children and families **in each and every state, rather than just the dozen or so feasible in the current provision.** As representatives of several of the nation's largest private philanthropies, we approach this issue from the perspective of wanting to ensure that state policy-makers have the tools they need to implement, manage and monitor key elements of TANF and other health and social programs that have devolved to the state level. Our organizations invest many millions of dollars annually in this effort, and we want it to be as effective as possible.

A state-level cross-sectional survey would ensure sample sizes of at least 2,000 households with children **in each and every state**, providing states with an invaluable resource to everyone concerned about the well-being of children and families. By contrast, under the current provision, sample sizes in more than half the states would be so small as to preclude state-level analyses on low-income children and families. Only a handful of states—California, Texas, New York, Florida, and Illinois—would have sample sizes close to 2,000 or larger. Disproportionately represented among the states with inadequate sample sizes under SIPP would be the nation's less-populated and relatively rural states, including Alabama, Alaska, Arkansas, Hawaii, Idaho, Iowa, Kansas, Louisiana, Maine, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Vermont, West Virginia, and Wyoming. Moreover, data from a cross-sectional survey would be available to state policy-makers on a far more timely basis than those of a national longitudinal study, a matter of months instead of years.

We do recognize the value of a national-level longitudinal survey—one that would provide national scholars and think tank researchers with very detailed data for a few states and the nation as a whole. Better national data on TANF and other devolved safety net programs are unquestionably important, both for managing the programs and for evaluating their consequences and outcomes, especially with regard to the well-being of disadvantaged children and families. The ideal situation would be to make resources available to support **both** types of surveys. If, however, funds are available for only one, we believe it is critically important to ensure that hard-pressed policy-makers, TANF administrators, the media, and the public **in all fifty states** have timely and reliable state-specific data to inform their on-going management and monitoring of TANF and related programs. This point is further reinforced to the extent that additional federal-to-state devolution of health and social programs affecting child and family well-being occurs. As program responsibility devolves, so should the data.

Just one example will show how important state level data is to furthering the goals of this legislation. H.R. 240 contains numerous provisions intended to encourage and facilitate the formation and sustenance of healthy marriages and intact two-parent families, as well as the avoidance of non-marital and teenage pregnancies, as important ways to improve the well-being of children. Recognizing that we lack reliable data about how best to achieve those goals, the proposed bill would encourage states to adopt a variety of different approaches and initiatives. Yet, the national level survey funded under H.R. 240 would be virtually worthless in helping state TANF administrators to either manage their healthy marriage and family formation programs or to assess the degree to which their efforts are succeeding. By definition, a national-level survey cannot provide state-specific outcome data on this or any other aspect of the TANF program the way a state-level survey can.

That is why we are prepared to step up and jointly fund this effort and to discuss with you what such a jointly funded program would look like. We are willing to make this $1 million commitment because we believe in the critical importance of state-specific data designed to help state-level TANF managers and policy-makers.

We hope that this analysis is helpful to you. Our effort is to inform you of pertinent facts and the results of different outcomes. We are mindful of the federal lobbying restrictions on private foundations and express no opinion on the merits of any particular bill. We do believe, however, the exception for jointly funded projects—at § 53.4945–2(a)(3)—provides us an opportunity to testify on this important issue.

If you or your staff have any questions or wish to discuss this further, please do not hesitate to contact any of us at your convenience. Again, thank you for this opportunity to submit testimony on this important matter.

Statement of Deborah A. Frank, Boston Medical Center, Boston, Massachusetts

Distinguished chairman and members of the committee, I write on behalf of my young patients and my colleagues. I am one of many pediatric clinicians who daily treat sick and hungry children in America. I am also one of the Principal Investigators with other pediatric researchers in the Children's Sentinel Nutrition Assessment Program (C–SNAP) initially funded by a grant from the W.K. Kellogg Foundation and other private donors. Since 1998 we have monitored the impact of current public policies and economic conditions on the nutritional and health status of low income children less than 3 years old in six medical institutions serving Baltimore, Boston, Little Rock, Los Angeles, Minneapolis and Washington DC. As busy policy makers you probably do not have time to peruse the pediatric and nutrition journals, but before you vote on H.R. 240, the Personal Responsibility, Work, and Family Promotion Act of 2005, you need to know that the medical evidence suggests that this measure entails unintended but grave risks to the health of your youngest constituents. The special needs of infants, toddlers, and chronically ill children are not, as far as I know, reflected in any of the non-medical evaluations of welfare reform to which the committee web site refers. I would like to dedicate this testimony to the children I treat for malnutrition at Boston Medical Center, many of whom are from families who have experienced welfare sanctions.

We and researchers in other disciplines have found that, except for white, non-Hispanics, the number of American children who experience food insecurity has increased since the start of the 21st century. As you know, food insecurity is defined by the federal government as limited or uncertain availability of nutritionally adequate safe foods or limited or uncertain ability to acquire acceptable foods in socially acceptable ways. While we have found that little children in working poor families and those with stable TANF benefits experience unacceptable levels of food insecurity, it is particularly concerning that this health risk is increased a further 50% for young children in families who experienced welfare sanctions, whether full family or partial, including simply having a child subject to the child exclusion (family cap) provision. Even without sanctions, the risk of food insecurity is increased 37% for families whose benefits are reduced for purely administrative reasons. Dr. John Cook and the rest of our C–SNAP team initially published this finding in an article in the 2002 *Archives of Pediatric and Adolescent Medicine,* which I would request to insert in the record. These data were based on results from 2,718 children evaluated from August 1998–December 2000. We more recently reassessed these findings among 4,430 infants and toddlers seen through mid-2004 and the magnitude of increased risk was identical.

Why are we as pediatricians so deeply concerned about increasing "food insecurity" among these families whose welfare benefits are sanctioned or reduced? Because food insecurity is a serious health problem! Food insecure children are prone to the infection-malnutrition cycle increasing their risk of severe illness and hospitalization. A lack of essential nutrients impairs the body's ability to heal and decreases immune function causing a child to be more susceptible to illness. With any acute illness, most children lose weight and need, after recovery, to eat more than usual to regain lost weight and resume normal weight gain. Because food insecure families cannot provide the extra food children require to regain weight after an illness, the child becomes more malnourished and more susceptible to the next infection. It is this infection-malnutrition cycle which in settings without adequate medical care leads to the death of malnourished children. In this country the cycle often manifests in preventable recurrent illness and a need for costly therapeutic health resources.

It is important to note that food insecurity even in the absence of outright hunger injures children's health. C–SNAP data show that young children in food insecure households *with hunger* are 2.3 times more likely to be in fair or poor health than children in food secure households. Children in food insecure households *without hunger* are still 1.7 times more likely to be in fair or poor health than children in food secure households. We have consistently found that after considering background family characteristics, young children in food insecure families (whether or not they have a history of TANF participation) are 30% more likely than their peers in food secure families to be hospitalized before the age of 3 years. As would be expected from the physiology of food insecurity that I just outlined, these children from food insecure families are more likely than their peers to be hospitalized for severe respiratory and gastrointestinal infections. Those of you who as parents or grandparents have sat long hours by the bed of a hospitalized baby or child can readily imagine the suffering this entails for parents and their children. What you may not realize is how very expensive such excess hospitalizations are for us all as

taxpayers—the average cost of a brief 3–4 day pediatric hospitalization is more than $11,000.

Food insecurity during the period of most rapid growth of body and brain in early life can also have lasting effects, even if the families' economic situation eventually improves to the point where they are no longer food insecure. Children in food insecure households are at increased risk not only for short term infections but for persistent deficits in cognitive development, and behavioral and emotional problems that can impede their future success in school and their later productivity as adults in the workforce.

Paradoxically, food insecurity may also place older children at risk for being overweight or obese. In order to prevent hunger, food insecure families often sacrifice the quality of the food they eat to get enough quantity to prevent the sensation of hunger, particularly in their children. Low nutrient quality cheap foods with high calories and fat content will prevent a child from experiencing painful pangs of hunger, but they do not protect the child from nutrient deficiencies that put the child at risk for being overweight.

While I reflect pediatricians' special concerns about infants and toddlers, other colleagues have reported deeply troubling data about the potential impact of increased work requirements on caregivers of chronically ill children of any age. Families on welfare are more likely than other poor families to have children with chronic illness. These children miss more days of school and have more scheduled and urgent doctor visits, emergency department visits and hospitalizations than other children. Their home medical regimens require substantial parental involvement to keep them healthy. When chronically ill children get sick, their primary caregivers have the experience and expertise to care for them. The primary caregivers know their complete medical histories, are able to recognize subtle early signs of illness, know how their illness episode should be managed at home and when to seek urgent medical care. Substitute caregivers will likely not have the necessary experience, expertise or inclination to care for these children when they are ill.

Low-income families whose children are chronically ill face substantial challenges in finding appropriate day care for their children. In a study of current and former welfare recipients with chronically ill children, my colleague Dr. Lauren Smith found that 40% of current welfare recipients had difficulty finding appropriate child care because of their child's condition and 34% indicate that difficulty in finding adequate day care for their children is a substantial barrier to employment. She and her co-authors have also found that 60% of current recipients and 80% of former recipients have missed work due to their child's illness, and 75% of these parents report that their child's illness is a substantial barrier to finding and keeping a job. Her team also found that over time, chronically ill children experiencing household hardships, such as food insecurity, utility disconnections and housing problems were found to have increases in subsequent emergency department visits and hospitalizations.

I am aware of a distressing case from Boston Medical Center where I work of a chronically ill little girl who died while in the care of an adolescent sibling while her mother was out of the home trying to work to avoid welfare sanctions. I anticipate that the proposed increased work requirements in bill H.R. 240 will lead to other similar preventable tragedies as well as less obvious but serious deterioration in the well-being of infants, toddlers, and chronically ill children. These particularly vulnerable children would then consume even more medical resources, experience further preventable disability, and experience more difficulties functioning in school and in the workplace.

Knowing this medical information, you can understand why pediatricians around the country are so gravely concerned about the prospect of inflicting food insecurity upon more families with young and chronically ill children via mandated full-family sanctions if parents cannot meet the more stringent work requirements outlined in H.R. 240.

To use a medical analogy, H.R. 240 proposes a "treatment" for America's most impoverished families that has an unacceptable risk benefit profile. Requiring more families to participate in work activities and imposing longer work hours may result in mitigating deprivation for a few children whose parents are lucky enough to succeed in finding and keeping adequately paid work. However, many more families, particularly those with young or chronically ill children, or with parents burdened with poor mental and physical health, cognitive impairments, or sequelae of physical and sexual abuse will lose all income for their survival needs. The side effects of H.R. 240's increased and unrealistic work requirements are predictably the exposure of more families and children to mandated full family sanctions and thus to food insecurity, ill health, and excess hospitalizations.

If there was a medical treatment, which possibly helped some patients and predictably and possibly irreversibly injured others, we as physicians would be bound to do an extremely careful and individualized assessment of each patient before applying the treatment. If the treatment were to be applied, we would use the lowest possible dose, and closely follow up and monitor those who received the treatment to try to reverse it if harm emerged. I would urge you to take a similarly thoughtful approach to issues of welfare reform, with avoidance of unrealistic work requirements on families suffering barriers to meaningful employment, particularly those with young or chronically ill children. Clearly full family sanctions should be avoided, since our data show even partial sanctions, like the family cap, have adverse effects on young children. Just as a hazardous cancer treatment must first be reviewed by a tumor board before being undertaken, any proposed sanctions could be reviewed by a third party and a sanction avoidance plan devised to help families to overcome barriers to compliance. If a family does experience sanctions, repeated follow-up and assessment of the safety and well being of affected families and their children should be mandatory.

In closing, I cannot imagine that the distinguished members of this committee really intend to make America's babies hungrier and sicker. You now know the medical data that demonstrate declining welfare caseloads do not automatically indicate an improvement in the well-being of American children. On the contrary, families who leave welfare because of sanctions or who have their benefits reduced before they have reached family stability are more likely to have hungry, sick children.

H.R. 240 will inevitably increase the number of children exposed to sanctions. If you pass a bill that triggers a "sanctions epidemic," hungrier and sicker children will incur more health care costs in the short term and be less likely in the long term to succeed in school and participate productively in the future workforce. The lives of these children are in your hands as much as if you stood over them with a surgical scalpel, and I urge you, as we always urge new doctors, "primo no nocere!" (First do no harm!).

Statement of Fred Burg, West Long Branch, New Jersey

Honorable Chair and Members of the Committee:

I submit this statement on behalf of no specific individual or entity other than myself but please recognize that what I say below affects many people in the same or similar situation. All of what I say below is based on personal experience.

The situation is one of being a father with two great children and an ex-wife. My concerns have nothing to do with them but with a system that works fine most of the time. But when it doesn't work, it is very hard to fix. As is said, "the devil's in the details."

I live in New Jersey but would suspect that the issues I address are not local to the Garden State. As a result of my divorce, I have a child support order to fulfill; my alimony obligation no longer exists since my ex-wife was remarried about five years ago. However, my comments relate to the process surrounding both child support and alimony. I have worked with my New Jersey legislators with regard to some of these issues and they have introduced legislation to address them. In doing so, I worked with the New Jersey Office of Legislative Services (OLS). I was told that they believe they are constrained in what they can do because of Federal statutes. Therefore, I have also worked with Congressman Holt and Former Senator Toricelli on this in 2002. At the time, the opportunity to effect changes was fleeting and passed before anything could be done. Therefore, I appreciate the opportunity to provide these comments at this time to get the details right.

As a result of looking at the web site of the Ways and Means Committee, I have directed my comments against H.R. 3734 and P.L. 104–193. My comments are nevertheless applicable to whatever appropriate legislation is being considered that addresses the issues concerning the process of wage garnishments to cover support obligations. In H.R. 3734, the corresponding legislation is found in Title III.

The details I speak of fall into the following categories:

1. Wage Garnishment Process Between Obligor's Employer and a State Disbursement Agency:

When a wage garnishment is set up between an obligor's employer and a state disbursement agency, one would expect that the process should operate correctly. In fact, I count on it and appreciate being relieved of the burden of having to remember

to send a check to the state disbursement agency and from dealing with my ex-wife if she doesn't receive the check.

But it is not inconceivable that something might go awry between the obligor's employer and the state disbursement agency. It happened to me not once but twice (what are the odds). All I knew at the time was that my paycheck was garnished for the correct amount and I was counting on my employer and the state disbursement agency to make sure that the funds got to the right place. I had no proof that this actually happened. It turns out that both times the check from my employer to the state disbursement agency was unduly delayed. In turn, the state disbursement agency came after me.

Since Title III of H.R. 3734 describes a process in which a wage garnishment can be set up between an obligor's employer and a state disbursement agency to ensure payment of a child support obligation, I am asking that the legislation contain wording that removes an obligor from any responsibility of ensuring that the process of sending funds is actually working and from being called on to pay twice when it is not working. What can an obligor do to make the process work, especially if they don't even know it's broken? Even if an obligor wanted to, it would be too late to affect some of the penalties that a state disbursement agency can invoke for late payments. Further, the "stock" answer of "pay it twice and sort out the details later" is not feasible—for one thing, an obligor may not be in a very good financial position to pay it twice.

Specifically, the wording should suspend the ability of a state disbursement agency to invoke any and all penalties of an obligor (e.g., those listed in Subtitle G of Title III of H.R. 3734) or even suggesting there are arrearages while a valid wage garnishment is in place and funds have been flowing from an obligor's employer to the state disbursement agency. It should be the responsibility of the state disbursement agency to deal with the obligor's employer to determine the problem and fix it. It should be required to inform the obligor that such a problem exists and to let him/her know that the state disbursement agency is working with the obligor's employer to fix it but that no further action is needed by the obligor. Of course, the state disbursement agency should also inform the obligor when the problem is resolved.

I have heard it said that an employer and employee/obligor may be in "cahoots" to thwart a child support obligation—this being a reason for not removing the obligation from an obligor even when a valid wage garnishment is in place. I can't speak to that. I worked for a very large corporation which would not do that and I wouldn't have known how to begin to enter into such subterfuge even if I had wanted to. However, that is penalizing many of us because of the few bad apples. There is already language in Title III of H.R. 3734 (see Section 313) that penalizes an employer for not providing information about new employees to the State Directory of New Hires. I would ask that those penalties be widened to cover any cases where an employer purposely works to thwart the process of providing validly garnished funds based on a court support order to the state disbursement agency. Do not penalize the rest of us when the process breaks.

Since the flow of funds between an obligor's employer and a state disbursement agency may very well be across state lines and/or involve employees of the U.S. government, I feel this is an appropriate concern to be addressed by Federal legislation.

2. Interactions Between a State Disbursement Agency and Credit Bureaus:

There are several areas under this heading that must be addressed. In dealing with the NJ OLS, this was an area that it felt particularly constrained to legislate because of the national nature of Credit Bureaus.

(A) Reporting Arrearages to a Credit Bureau:

Reporting obligor's arrearages is one of the penalties that can be invoked per Subtitle G of Title III of H.R. 3734 (see Section 367). I have no problem with this but again the devil is in the details.

As already mentioned, all penalties for non-payment of a child support order should be suspended if a valid garnishment is in place. However, a state disbursement agency needs to put in place some additional details to make this work in practice. For example, is a warning issued to the obligor? Is the warning one-time or on a per non-payment basis?

In the case of New Jersey, its state disbursement agency instituted a policy that an obligor got one warning—period. In my case, the warning, which I did not even recognize as such, came when the account was first being set up and neither my employer nor I could send funds directly to the state before the account was established. In the interim (a period of about 2–3 months), I sent checks directly to my ex-wife. My ex-wife did inform the state disbursement agency that she had received

the checks and there were no arrearages. However, according to the state disbursement agency, the warning that it sent me during this establishment period was my one and only "lifetime" warning. Therefore, when the process problems mentioned earlier occurred, they immediately informed the credit bureaus that I was in arrears of child support.

Therefore, I would ask that wording be added to Section 367 to protect against this type of event. The wording could state that a state disbursement agency must inform an obligor that it will report arrearages to a credit bureau and provide due process for contesting this. Further, such informing must occur on each instance of arrearage. It would be satisfactory if arrearages occurring over several consecutive payments were treated as one occurrence. In my case, the two occurrences of a problem happened years apart, yet I had used up my one "lifetime" warning even before the first occurrence!

(B) Other Interactions Between a State Disbursement Agency and a Credit Bureau:

Section 352 of H.R. 3734 also provides the ability for the head of a state disbursement agency (or his/her designate) to obtain a credit report about the obligor from a credit bureau. Again, I have no problems with this but the devil is in the details.

Let me mention that a state disbursement agency may also make an enquiry of an obligor's account at a credit bureau. That is, they may look at the account for various purposes. In my case, the state disbursement agency looked at my account in an attempt to remove its report of arrearages as noted above. This just compounded the problem. I recall the head of the agency telling me he had good news and bad news: the good news was that he had seen the erroneous report of arrearages and was going to send a letter to the credit bureau to remove that since there were no arrearages; the bad news was that in looking at my credit account, the very action had created an entry that a "state disbursement agency was looking at the account." In interacting with both the state disbursement agency and the credit bureau, they both attempted to downplay this by saying the enquiry would "only" remain on my account for three years, that it was for my protection, and that I could put an explanation in the record. However, the damage was done. There was now an entry on my credit report with a warning that "there are accounts listed that contain adverse information which may be interpreted negatively by a credit grantor." Listed there was the state disbursement agency based on just looking at my account in an attempt to ascertain and correct its problems as already described.

Therefore, I would ask that any interactions, other than the reporting of arrearages, between a state disbursement agency and a credit bureau be prohibited from being added to an obligor's credit report. At a minimum, they should not be visible to others who look at the account. Further, the state disbursement agency must inform the obligor ahead of time of each instance, including the reason, of any interactions between it and a credit bureau to give the obligor an opportunity to contest the need for such interaction.

3. Termination of Support Obligation:

At some point in time, an obligor's support obligation will be terminated. In the case of child support, this occurs at emancipation of the child. I am not going to talk about the events that result in emancipation but just say that it does occur.

However, it is noted that Section 362 of H.R. 3734 does not require a variation of pay cycles to meet a support obligation of a Federal employee. States recognize this also. In doing so, an employer may continue to operate its payroll system on its regular cycle and forward funds to the state disbursement agency when the payroll system normally runs. So, for example, a monthly paid obligor has a month worth of obligations garnished when the payroll system runs even if the support order is on a weekly basis. Usually, the support order stipulates that the funds are due ahead of time (e.g., funds for the month of February are due on February 1 and, therefore, the garnishment occurs when the obligor is paid for January).

The problem here is that the child may be emancipated in February, say February 3. By the time a state disbursement agency has "turned off" the garnishment, the January funds for February have already been sent to the obligee. Further, additional pay cycles may pass before the garnishment is "turned off." The latter issue (additional pay cycles passing) may be addressable if the state disbursement agency agrees to freeze the account; it may not be so addressable. In the mean time, an obligor has paid support for an emancipated child. One may argue that the obligor should not have a problem supporting a child even beyond emancipation. That is true but it should be the choice of the obligor to do so.

The issue to be addressed is the payment of funds for a child that has been emancipated. If emancipation occurs, say, February 3, then 25 days of support have been paid based on the garnishment in place on January 31 that are not owned. If there

is another child for whom support is being paid, then the 25 days of support paid for the emancipated child should go as a credit for the unemancipated child and the obligor should have a method to recover any excess funds directly from the state disbursement agency. But even this is not to be taken for granted since the state disbursement agency may say that it does not "pro-rate" support. I feel this to be unreasonable.

What if the emancipated child was the last child? The state disbursement agency has already sent a check to the obligee. In my case, they tell me they are not a bank; once the funds are sent to my ex-wife, they have no funds to reimburse me for any overpayment. They even go further as to suggest that they do not pro-rate support anyway, as mentioned. Even if my child was emancipated on February 3, they consider that the funds were payable for the entire month. If the pay cycle is on a weekly basis and the support order is also on a weekly basis, this may not be so bad. But the longer the pay cycle is relative to the support order, the more "exposure" an obligor has to overpayment once a child is emancipated.

Therefore, the solution is simple. If overpayment has occurred as described above and such overpayment can be credited to support of an unemancipated child, then this should be done. Recovery of any excess due to the former garnishment (based on the now emancipated child) still being in place can and should be handled between the state disbursement agency and the obligor but pro-rating of the support must be required. If overpayment can *not* be credited against an unemancipated child because there are no longer such children, then it becomes the requirement of the obligee, who may no longer live in the same state as the obligor, to make such a refund to the obligor. Any and all penalties, (e.g., withholding of licenses, reporting to credit bureaus, etc.) mentioned in Sections 367–370 of H.R. 3734 with respect to an obligor should now be applicable to an obligee in this instance.

In a related scenario, there may be several state disbursement agencies involved in a garnishment if a family has moved across state boundaries. For example, an order is entered in NJ; after a time, the custodial parent moves with the children to Pennsylvania while the non-custodial parent moves to NY. For some amount of time, there may be a garnishment in NJ based on the original order while NY sets up its own garnishment. Hopefully, this will work out and I recognize there is language in Section 322 of H.R. 3734 that deals with multiple state disbursement agencies for the same obligor and child. However, this is leaving it to chance and, as demonstrated, the devil is in the details. Further, the obligor has multiple wage garnishments in place for the same child and may not be able to afford such. I would not count on multiple state disbursement agencies working cooperatively to quickly resolve this. Therefore, the same crediting process and obligee refund requirement as stated above should apply to this scenario as well. Other language to require the applicable state disbursement agencies to resolve the overpayment in an expedited process would be useful.

4. Time Frame For Responding to State Disbursement Agency Notices:

Although this may seem minor, the consequences are very significant.

In various parts of H.R. 3734, there are time periods that apply for various actions. For example, there is a 30-day period to contest a triennial (or more frequent) Cost of Living Adjustment (Section 351). There is also a period of "at least 10 days" for notice that a state disbursement agency must inform an obligor of requesting a credit report (Section 352). I am not aware of any reason for why one period should be different than the other but do recognize the benefit of providing guidance to the states by specifying some number.

The problem is with specifying a number that is too small. Imagine coming home from a two-week vacation and opening mail saying you have 10 days to respond to this notice and it is dated the day after you left for vacation. Therefore, I would suggest that all notices provide a response period of at least 30 days. The chances of most people taking vacation for such a lengthy time are quite small compared to the chances of taking 10 day vacations (and even those are shrinking in this work climate, which is another subject for another day for Human Resources). But this almost occurred to me—I received a notice with a 10-day response period from my state disbursement agency about two days before leaving on a 17-day vacation.

Statement of Yonce Shelton, Call to Renewal

Mr. Chairman and Members of the Committee,

Call to Renewal (CTR) is a national network of churches, faith-based organizations, and individuals working to overcome poverty in America. Through local, regional and national partnerships with groups from across the theological and political spectrum, CTR convenes the broadest table of Christians focused on anti-poverty efforts. CTR is the only national faith-based organization addressing poverty-related public policy whose coalition brings together Evangelicals, Catholics, Mainline Protestants, Historic Black Churches, Peace Churches and Asian and Hispanic Churches. We 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 (an appropriate mix of increased wages, low-income tax credits, healthcare, housing, nutrition, educational opportunity, and child care), safe neighborhoods, strengthening families, and renewing an ethic of personal and community responsibility.

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 debate regarding reauthorization of TANF continues, 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 caseload 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 2005 is not what it was in 1996, and certainly not what it will be by 2010. Although continuing flat funding is actually a significant cut in funding, we recognize the current fiscal constraints of the federal government. Therefore, we ask simply that funding for the TANF block grant not be reduced. Further, we urge that this amount not be reduced in the name of deficit reduction. The costs of deficit reduction should not be borne by the poor, who are not to blame and can least afford it.
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 child care 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. $1 billion in additional funds, as approved by the House last year, is not sufficient to meet needs. Even though the national deficit is growing and the president has made its reduction a priority, failing to provide for child care needs is not the right way to do this. The discussion about funding levels should begin closer to the $6billion amount approved as an amendment during last year's full Senate debate. Only 1 in 7 children eligible for child care currently receive the assistance they deserve. Further, the number of children in poverty has risen over the past year to 12.9 million. This should set child care funding apart from the usual budgetary constraint arguments for reduction. 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. *Health insurance.* While improvements have been made in past 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.

c. *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. *Work Hours.* The current 30 hours per week work requirement should be maintained. Proposals to increase the requirement to 40 hours per week are not realistic. The states have stated that an increase in work hours is a requirement they do not want *and cannot handle.* Increasing such a requirement would probably force workers into "workfare" type jobs, which often require workers to take dead-end jobs instead of pursuing education and training. This approach will not help build the skills necessary to develop productive members of the labor force and foster stable work patterns.

4. *Time limits.* While the five-year lifetime assistance limit may have aided in moving people from welfare to work, the reauthorization process should re-examine 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 care giving.* 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. We encourage the Committee to consider proposals such as Maine's "Parents as Scholars" program supported by Senator Snowe. This type of effort improves access to formative education, thereby helping people escape poverty.

c. *Waivers in areas of high unemployment.* States should be required to suspend the practice of limiting benefits 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. Sanctioning an entire family, for example, due to the failure of one member to meet a requirement should not occur.

5. *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.

6. *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.

7. *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. pilot programs 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.

8. *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 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 addition to TANF, we urge Congress to support working families by applying the framework of a *"living family income"* to approach social policy. Living family income is not just about minimum wage or living wage—it's about income *and* the supplements families need to be economically stable. Working families should not be poor—if people play by the rules they should not lack economic stability. Political leaders should recognize this and work toward common ground solutions that honor work, family, security, fairness. Fostering a living family income includes striving to:

- **Make work work,** so that it provides a true pathway out of poverty;
- **Make work pay,** so that families can earn benefits and build assets;Help families make good decisions through better financial and consumer education; Make neighborhood and community markets work to promote choice and competition;
- **Help families to help themselves** through savings, assets and home ownership; and
- **Protect families from fraudulent stripping** of their savings, assets, homes, reputation and dignity.

Reducing poverty, rewarding work, 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.

Statement of Jenifer Zeigler, Cato Institute

My name is Jenifer Zeigler and I am a welfare policy analyst at the Cato Institute. I want to thank the committee for allowing me to submit testimony on welfare reform reauthorization proposals. In this statement I will summarize my findings outlined in greater detail in *Cato Policy Analysis no. 529*, "Implementing Welfare Reform: A State Report Card," (available at http://www.cato.org/pubs/pas/pa529.pdf) and address current reauthorization proposals.

In summary, Congress should:

- look to the states and evaluate how welfare reform has worked and how it can improve;
- reauthorize the Personal Responsibility and Work Opportunity Reconciliation Act;
- strengthen welfare reform's work requirements;
- avoid federal funding of private charities;
- avoid federal marriage programs; and
- ultimately, replace welfare with private charity.

In the early 1990s, welfare caseloads were at an historic high and out-of-wedlock births were skyrocketing. States decided to take action and applied for waivers from the federal welfare program, seeking flexibility to serve their neediest citizens in a different way. Based on success at the state level, Congress recognized it was time to overhaul welfare on the federal level. Looking to the states for examples of successful reform, in 1996 the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was signed into law, and the nation waited to see if welfare reform would truly "end welfare as we know it." Block grant funding and administrative devolution gave the states a chance to move beyond pilot programs and prove that they could transition people off welfare more efficiently and effectively than the federal government. As a result, caseloads have dropped by more than half.

Since 2002, Congress has been debating the reauthorization of PRWORA, and there are a variety of perspectives on the direction welfare reform should now take. Once again, the federal government needs to look to the states to see what has worked, and what has not. "Implementing Welfare Reform: A State Report Card" emphasizes the positive policy choices made by states regarding welfare reform implementation—choices that encourage personal responsibility and self-sufficiency.

Strong structural reforms in a state's welfare system—including time limits, sanctions, and narrow definitions of work activity—lay the foundation for successful reorganization. Pilot programs, waivers, and the flexible guidelines of the block grant system allow states to experiment with programs and make policy decisions that best serve their citizens. It is important for Congress to review and compare the structural reforms that states have implemented and the quantitative results those programs have produced.

Looking at Where WE Have Been

Welfare reform has allowed states the flexibility to spend money and implement programs that will help recipients escape welfare's "cycle of dependence." The idea behind welfare reform was to provide recipients with job experience for a better transition into the job market, rather than to give them cash handouts for doing nothing. With job skills and an incentive to hurry off the rolls (time limits), families have been leaving welfare in record numbers.

The report card grades each state on program and performance measures. It is just as important to evaluate the programs a state has instituted (structural reforms) as it is the results of those reforms (quantitative results). It is necessary that states reduce caseloads and poverty rates, but if they are not establishing sound welfare policies that will sustain self-sufficiency, many recipients will never completely escape the system.

The states with the highest grade ranked in the top third of the states in both structural reforms and quantitative measures. Those states recognized that it is important to reduce rolls and rates in the short term (high quantitative results score) as well as prepare for the long term by implementing strong work policies, time limits, sanctions, and family caps (high structural reforms score).

It is not surprising to see Wisconsin receive an "A" (along with Idaho, Ohio, and Wyoming), since much of PRWORA was modeled on the Wisconsin Works (W2) system, one of the first innovations in state welfare reform in the 1990s. Seven states earn a "B," there are 20 "C" states, and 11 "D" grades. Nine states receive failing grades for their implementation of welfare reform. The jurisdictions receiving "F"s are the District of Columbia, Maine, Missouri, Nebraska, New Hampshire, North Dakota, Rhode Island, Utah, and Vermont (which received the lowest of the failing grades, including the lowest grade on implementation of structural reforms required for a successful state welfare program).

Structural Reform

Family Caps

PRWORA authorized states to impose a family cap, which would deny increased TANF benefits to women on welfare who have additional children. Twenty-three

states have established such caps.[1] Family caps show recipients that welfare is a temporary safety net, not a subsidy for a life of dependency. If a family is not making it on its own, creating another mouth to feed is not the path to self-sufficiency.

Because a family cap is an elective policy, states can decide whether or how best to implement it. Family cap policies vary from states that do not give any cash increase for an additional child, to states that do not halt incremental cash adjustments, but reduce the level, to states that technically have a family cap policy, but rather than reduce the incremented benefit, issue payment in the form of a voucher or to a third party payee.

Teens at Home

PRWORA requires unmarried mothers under the age of 18 to remain in school and live with an adult. That was a priority in welfare reform since, by the early 1990s, half of unwed teen mothers would go on welfare within one year of the birth of their first child and an additional 25 percent are on welfare within five years.[2] Nearly 55 percent of welfare expenditures are attributable to families that begin with a teen birth.[3]

High school dropouts are roughly three times more likely to end up in poverty than are those who obtain at least a high school education.[4] If dropouts do find jobs, their wages are likely to be low. Wages for high school dropouts have declined (in inflation-adjusted terms) by 23 percent during the past 30 years.[5] And the economic impact is intergenerational. Children whose parents have not completed high school are far more likely to live in poverty than children whose parents are more educated. Simply put, more education equals less poverty.[6]

TANF allows high school attendance to fulfill the work requirement for minor teen mothers, who are supposed to remain in a parent's home while finishing school. All states are required to implement this policy, but the specific guidelines are at the discretion of the each state. Unfortunately, many states have created broad definitions and extensive exceptions that make the federal law ineffective. Examples include 17 states that exempt a teen who has lived away from her family for a year or is "successfully living on her own."[7] Just how "successful" is a teenager living on her own if she has an out-of-wedlock pregnancy and needs welfare assistance?

Work Policy

Getting a job as a solution to poverty may seem like common sense. Granted, not every job pays a wage that will catapult a family into the middle class. However, every job provides job experience, and that leads to a better job. Maybe today's minimum-wage, service industry employee is not on a track for management. But he is showing that he is a reliable worker who can learn and perform duties, something a future employer will value.

PRWORA's addition of work requirements to TANF benefits was one of the most substantial changes to the welfare system. Work experience is the most effective way to move recipients off of welfare and into the job market, and at a lower cost than education or job-training programs.[8]

By 2002, half of each state's eligible caseload had to be engaged in "work-related" activities at least 30 hours per week. The Department of Health and Human Services (HHS) divides jobs that qualify for work participation credit into 14 categories for reporting purposes. Of those allowable work activity categories under TANF, only half are activities in which the recipient is actually working: subsidized and unsubsidized employment (public and private), community service, on-the-job train-

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[1] U.S. Department of Health and Human Services, *TANF Fifth Annual Report to Congress*, February 2003, sec. II, "Trends in Caseloads and Expenditures," p. II–5.

[2] G. Adams and R. C. Williams, *Sources of Support for Adolescent Mothers* (Washington: Congressional Budget Office, 1990), pp. 49–51.

[3] Richard Wertheimer and Kristin Moore, "Childbearing by Teens: Links to Welfare Reform," Urban Institute, *New Federalism Issues and Options for the States*, Series A, no. A–24, August 1998.

[4] U.S. Census Bureau, unpublished tabulations from the Survey of Income and Program Participation, 2000, http://www.census.gov/hhes/poverty/povdynam/pov93t5.html.

[5] Lawrence Mishel, Jared Bernstein, and John Schmitt, *The State of WorkingAmerica, 2000–2001* (Ithaca, NY: Cornell University Press, 2001), p. 153.

[6] Uri Bronfenbrenner et al., *The State of Americans* (New York: Free Press, 1996), pp. 176–77.

[7] Sources: State Policy Documentation Project, "Minor Living Arrangement: Eligibility and Exemptions," February 1999, www.spdp.org/mla/laexempt.htm; and 07 Alaska Administrative Code 45.227 "Assistance to a Minor Parent," 2003.

[8] U.S. Department of Health and Human Services, "HHS Releases Evaluation of Welfare-to-Work Strategies," November 7, 2001. The press release summarizes 26 separate studies. A complete list of those studies can be found at aspe.hhs.gov/hsp/NEWWS.

ing, and work experience. Unfortunately, states permit too much participation under the remaining activities: job search, job skills training, adult basic education/English as a Second Language (ESL) classes, education directly related to employment, and vocational training. These should not be considered actual work activities because they are educational and do not provide actual work experience.

Additionally, caseload-reduction credits essentially released states from their participation rate obligations. Without credits, only three states would have met their single-parent participation requirements. Through credits, 19 states were able to reduce their work requirement to zero. Absent waivers, exemptions, and credits, the national participation rate for recipients in actual work activities is less than 30 percent.[9]

States have made it very hard on themselves by not striving to meet the work requirement guidelines, regardless of credits. With weakened economies and tighter budgets, states must scramble to figure out how to create jobs for welfare recipients to meet work requirements, and how to fund the administrative oversight such regulations require.

Diversion

Since PRWORA eliminated the welfare entitlement, states have been free to put conditions on the receipt of benefits. Thirty-four states and the District of Columbia have used this authority to establish diversion programs that prevent potential welfare recipients, particularly those considered able to work or who have another potential source of income, from ever entering the system.[10]

Generally, diversion programs fall into one of three categories. Most common are diversion programs that provide "lump sum payments" in lieu of welfare benefits.[11] Those programs assist families facing an immediate financial crisis or short-term need. The family is given a single cash payment in the hope that the immediate problem can be taken care of without the need to go on welfare. In fact, a family is usually precluded from going on welfare for a period of time, after accepting a diversion payment.

Most states do not restrict how lump sum payments may be used; they have been used to pay off back debts, as well as for childcare, car repairs, medical bills, rent, clothing, and utility bills. Recipients may also use lump sum payments toward work-related expenses, such as purchasing tools, uniforms, and business licenses. A few states restrict the use of lump sum payments to job-related needs, although that definition can be interpreted broadly. For example, even moving expenses for a new job may qualify.[12]

Another common diversion approach is a "mandatory applicant job search," used by 27 states. Under this approach, welfare applicants are required to seek employment before they become eligible for benefits. In most cases, the state will assist with the job search by providing job contacts and leads, access to a "resource room" where applicants can prepare resumes and conduct job searches, or classes in job search skills. The state may also provide childcare and transportation assistance.

Finally, eight states have programs designed to encourage welfare applicants to use "alternative resources" before receiving TANF benefits. Those programs generally do not have specific guidelines but amount to caseworkers encouraging would-be applicants to seek help from family, private charity, or other government programs.[13] Even in states with alternative resource referral programs, this approach is the least used, possibly because it is poorly understood by potential recipients and requires extensive caseworker involvement.

In Utah and Virginia, the states that have the most extensive diversion-tracking information, between 81 and 85 percent of those initially diverted do not subse-

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[9] U.S. Department of Heath and Human Services, "Temporary Assistance for Needy Families Program Information Memorandum," TANF–ACF–IM–2004–03, December 27, 2004.

[10] Kathleen A. Maloy et al., "A Description and Assessment of State Approaches to Diversion Programs and Activities under Welfare Reform," GeorgeWashingtonUniversityCenter for Health Policy Research, August 1998, Table I–1.

[11] Although more states have authorized lump sum payments than any other type of diversion program, the U.S. Department of Health and Human Services reports that those programs are rarely used in practice. Kathleen Maloy et al., "Diversion as a Work-Oriented Welfare Reform Strategy and Its Effect on Access to Medicaid: An Examination of the Experience of Five Local Communities," U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, March 1999, pp. 8–9. Utah, Virginia, and Montana appear to have the most extensive experience with the concept.

[12] U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, "A Description and Assessment of State Approaches to Diversion Programs and Activities," August 1998, chap. 2, http://aspe.hhs.gov/hsp/isp/diverzn/chpttwo.htm.

[13] Ibid., chap. 3, http://aspe.hhs.gov/hsp/isp/diverzn/chptthree.htm.

quently reapply for TANF.[14] HHS should consider a method of awarding states credit for participating in diversion programs. If states are being rewarded for moving recipients off the roles, then they should similarly be encouraged to keep people from ever entering the system.

Time Limits

Before welfare reform, pride and self-determination were the main forces driving recipients off welfare. Unfortunately, many were comfortable with the lifestyle that welfare benefits provided and saw no need to work their way out of the system. They had been told welfare benefits were an entitlement, and with no end in sight, some dependents made welfare a way of life.

In an effort to deter such "career recipients," PRWORA set limits to how long someone can receive welfare. The federal TANF program imposes a lifetime limit of 60 months (5 years). States can reduce that period or continue to support recipients after that time with their Maintenance of Effort (MOE) money or other state funds. Because caseloads include on-again-off-again recipients, many are just now reaching the overall five-year moratorium on aid. As recipients begin to hit the federal time limit, states are struggling with the decision to kick families off the rolls or continue benefits out of scarce state funds. Eighteen states have been spared the dilemma as they were granted waivers before PRWORA that allow for the exclusion of all or part of their caseloads from time limits. Many states have implemented categorical exemptions for various recipients, choosing to continue funding with their own money.[15]

Sanctions

Obviously, it is not enough for states to just promulgate new welfare policies—those policies must be enforced. If welfare recipients fail to meet work requirements or violate other areas of a state's welfare policy, penalties must be imposed. Modest sanctions tend to deduct only the adult portion of the TANF benefit, sparing any children in the household and thereby only minimally reducing the benefit. States with the most stringent sanctions withhold the entire TANF benefit upon the first violation. Then there are sanction policies that fall along the spectrum, allowing multiple violations as benefits are gradually reduced or withheld.[16]

Michael New, postdoctoral fellow at the Harvard-MIT data center, evaluated the effectiveness of sanctions in a Cato Institute Policy Analysis entitled "Welfare Reform That Works." New found that a state's sanction policy could affect caseload decline by as much as 20 percent, through both the indirect effect of encouraging recipients off the rolls and the direct effect of ending their eligibility.[17] Not only is there a relationship between state sanction policy and caseload decline, New found, but that relationship is constant over several years.[18]

Sanctions are not successful because they throw recipients off welfare; rather they serve as a threat of actual consequences for failing to meet requirements or reaching time limits. Only about six percent of those leaving welfare have done so due to sanction enforcement.[19] However, there is a wide variation among states as to the percentage of their caseloads affected by sanctions. For example, in an average month in 1998, almost 30 percent of case closures in North Carolina were due to sanctions, while less than 1 percent of closures in California, Oklahoma, and Nebraska were related to sanctions.[20]

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[14] U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, "A Description and Assessment of State Approaches to Diversion Programs and Activities," August 1998, chap. 2, http://aspe.hhs.gov/hsp/isp/diverzn/chpttwo.htm.

[15] Forty-six states have put in place exemptions for parents or caretakers of children with disabilities and others caring for a disabled family member. Forty-two states exempt women in cases of domestic abuse, and 26 states exempt elderly recipients. Other states grant exemptions for individuals making a "good-faith" effort to find work (23 states), parents with young children (22 states), recipients engaged in "work activities" (22 states), recipients enrolled in educational or training programs (21 states), and families in areas of high unemployment (19 states). General Accounting Office, "Welfare Reform: With TANF Flexibility States Vary in How They Implement Work Requirements and Time Limits," pp. 16–18.

[16] General Accounting Office, "Welfare Reform: State Sanction Policies and Number of Families Affected," March 2000, pp. 44–47.

[17] Michael New, "Welfare Reform That Works: Explaining the Welfare Caseload Decline, 1996–2000," Cato Institute Policy Analysis no. 435, May 7, 2002, p. 8.

[18] Ibid., p. 6.

[19] An additional 16 percent have left as a result of "state policies," which could include time limits or other administrative regulations. U.S. Department of Health and Human Services, "Characteristics and Financial Circumstances of TANF Recipients, FY 1998," http://www.acf.hhs.gov/programs/opre/characteristics/fy98/sum.htm.

[20] General Accounting Office, "Welfare Reform: State Sanction Policies and Number of Families Affected," pp. 52–53.

Quantitative Results

Caseload Reductions

The greatest decline in welfare rolls occurred in the first two years following the enactment of welfare reform. Caseloads began to level out in most states by 1998, and some states that experienced the most significant initial declines began to see caseloads inch back up. New Mexico, for example, reduced its rolls by almost half in the first two years following reform, and then had a nearly 25 percent increase in 1999. Delaware, Tennessee, and Wisconsin also saw their caseloads increase after initial declines.[21] As the economy began to slow in 2001 and 2002, the era of declining caseloads came to a close. In 2002, 26 states experienced higher caseloads than the year before, although all state caseloads remained significantly below prereform levels.[22]

Poverty Rate and Child Poverty Rate

Poverty rates mirrored the success of caseload reductions as national poverty rates declined every year after reform until 2001. Even though 2002's slow economy caused a minor uptick in poverty rates, they continue to remain well below prereform rates.[23] Most significant, poverty rates declined for women, children, and minorities, groups that were thought to be most at risk. Many critics of welfare reform issued dire predictions, forecasting at the time PRWORA was passed that more than a million children would be thrown into poverty.[24] Instead, child poverty rates declined from 20.5 percent in 1996 to 16.2 percent in 2000, the lowest level in more than 20 years.[25]

Teen Birth Rate

For many women, having a child out of wedlock leads to a lifetime of poverty. Once on welfare, single mothers often find it very difficult to escape. Although the average recipient remains on welfare for less than two years,[26] by the early 1990s almost 40 percent of all never-married mothers on welfare remained on the rolls for 10 years or longer.[27]

Teen mothers now account for roughly 29 percent of all out-of-wedlock births. That figure, however, may understate the severity of the problem. Women who give birth out of wedlock as teens frequently go on to have additional children out of wedlock. More than a third of all out-of-wedlock births to mothers aged twenty and over are to women who had their first child as unwed teenager.[28]

Teenage birth rates peaked nationally at 61.8 in 1991 and have fallen by 27 percent in the past decade.[29] It is essential that states continue to reduce teenage pregnancy if there is to be any hope of ending welfare dependence. If states can dissuade young women from giving birth out of wedlock in their teenage years, more women will complete school and have a better chance for a self-sufficient future. Reduction in births to teenagers is an important measure because it shows whether states are laying the groundwork to break the cycle of welfare dependence.

Looking at Where We Are Going

The greatest result welfare reform could produce would be the elimination of the welfare system. Colonial America had only a modest government safety net. Church-

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[21] U.S. Department of Health and Human Services, *TANF Fifth Annual Report to Congress*, sec. II, "Trends in Caseloads and Expenditures," Table 2:2:c, p. II–34.

[22] U.S. Department of Health and Human Services, "Change in TANF Caseloads"; U.S. Department of Health and Human Services, "TANF: Average Monthly Number of Recipients—Fiscal Year 2001," February 2002, http://www.acf.dhhs.gov/news/stats/recipientsL.htm; and U.S. Department of Health and Human Services, "TANF Total Number of Families and Recipients January–March 2002," November 2002, http://www.acf.dhhs.gov/news/stats/jan-mar2002_rev.htm.

[23] U.S. Census Bureau, "Poverty in the United States: 2002," September 2003, p. 1–3, http://www.census.gov/prod/2003pubs/p60-222.pdf.

[24] See, for example, Sheila Zedlewski, "Potential Effects of Congressional Welfare Reform Legislation on Family Incomes," Urban Institute, 1996, http://www.urban.org/url.cfm?ID=406622.

[25] U.S. Census Bureau, "Poverty Status of People by Age, Race, and Hispanic Origin: 1959–2000," www.census.gov/hhes/poverty/histpov/hstpov3.html.

[26] U.S. Department of Health and Human Services, *Indicators of Welfare Dependence: Annual Report to Congress 2004*, June 2004. p. II–31.

[27] Barbara DaFoe Whitehead, "Dan Quayle Was Right," *Atlantic Monthly*, April 1993, pp. 47–84.

[28] Elizabeth Terry-Humen et al., "Births Outside of Marriage: Perceptions vs. Reality," *Child Trends Research Brief*, Washington, April 2001, p. 2.

[29] "Revised Birth and Fertility Rates for the 1990s and New Rates for Hispanic Populations, 2000 and 2001: United States," *National Vital Statistics Reports* 51, no. 12 (August 4, 2003): 4.

es, charities, and the community—known as "civil society"—took the lead in providing assistance to those in need. These entities had the freedom to distinguish between the "deserving" and "undeserving" poor. The deserving poor included those who, although normally self-sufficient, had experienced temporary setbacks due to sickness, accident, or loss of employment during a recession. The deserving poor also included those incapable of self-sufficiency, such as the elderly and orphans. The undeserving poor were those who could be self-sufficient but elected not to work, or who made poor choices that were an obstacle to employment.[30]

Early U.S. welfare law was modeled after English Poor Law. That law established four basic principles for government charity: (1) care for the poor was a public responsibility; (2) care for the poor was a local matter; (3) public relief was denied to individuals who could be cared for by their families; and (4) children of the poor could be apprenticed to farmers and artisans who would care for them in exchange for work.[31] As with civil society's assistance, the themes were personal responsibility and self-sufficiency. If you were able-bodied, you should be working. If you could not work, then assistance was best delivered on the local level to ensure effectiveness and accountability.

Unfortunately, the United States did not maintain its modest safety net. Politicians learned that the promise of social programs wins elections, and the economic repercussions of such programs are for the *next* president to worry about. As each president attempted to shower more "compassion" on those in need, the number of needy continued to rise. For many, the satisfaction of earning a salary was vanquished by the temptation to draw a check for doing nothing.

Welfare reform is a step in the right direction, attempting to reverse the growth of a federal welfare state that had been expanding for decades. PRWORA removed the entitlement to cash assistance and now sends the message that welfare is meant to be temporary, not a way of life. As welfare administration continues to devolve from the federal government to the states, and eventually to more local levels, communities will effectively assume responsibility for the welfare system. Those localities, held accountable by local residents and voters, will begin to find innovative ways to meet the needs of the poor, using charitable organizations and encouraging civil-society solutions rather than relying on government.

Corrupting Charity

Just because something is a good idea does not mean it should be a government program. In the case of faith-based organizations, government involvement can easily kill the very entity it is trying to nurture. During the past decade, the federal government has recognized the successful results that come from social services delivered by civil society, including religious organizations. It is the charity's autonomy and flexibility that allows for its success, yet these characteristics are threatened by the red tape and liability that come with government funding.

Many faith-based organizations lack the manpower, financial resources, and technical knowledge to deal with mountains of paperwork, much less sorting out all of the new rules and regulations.[32] Religious entities succeed because of their focus on the individuals they are serving; their strength lies in their care for others, not their careful reading of the *Federal Register*.

Faith-based initiative money is certainly a temptation for those serving the needy. If they are serving many now, how many more could they serve with more funding? Unfortunately, federal funding is not reliable, and faith-based organizations are susceptible to mission creep—following the subsidies and rewriting their mission to fit whatever grant is popular that year.[33] Essentially, through funding, the government can kill a successful charity, forcing it to change from whatever service it was successfully offering or to shut down due to lack of funding. Faith-based organizations are crucial members of civil society that need to *replace* the federal welfare system, not be *dependent* on it.

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[30] Marvin Olasky, *The Tragedy of American Compassion* (Washington: Regnery, 1992), pp. 6–24.

[31] Michael B. Katz, *In the Shadow of the Poor House: A Social History of Welfare in America* (New York: Basic Books, 1986), pp. 13–14.

[32] The average church in the United States has a congregation of only 75 members. Less than 1 percent of churches have congregations of more than 900, and less than 10 percent have congregations exceeding 250 people. The average annual church budget is only $55,000. Mark Chaves, "Religious Congregations and Welfare Reform," *Social Science and Modern Society* 38 (January-February 2001): 26.

[33] Stanley Carlson-Thies, "Faith-Based Institutions Cooperating with Public Welfare: The Promise of the Charitable Choice Provision," in *Welfare Reform and Faith-Based Organizations*, ed. D. Davis and B Hankins (Houston, TX: Baylor University, 1999), p. 38.

Federal Marriage Programs

Another area where Congress should resist the urge to "do good" is the marriage initiative. We all agree that marriage is a good idea. Social science shows that marriage is good for society. But as I previously mentioned, not every good idea should be federally funded. Often what is good for society needs to be promoted privately, not forced onto society by the government.

Additionally, promoting marriage as a solution to poverty is an insult to those who are struggling to escape poverty. Who, exactly, are these women supposed to marry? In areas of high poverty (and accompanying crime and unemployment), there are relatively few marriageable men.[34] Studies show that the fathers of children born out of wedlock are not men who will lift single mothers out of poverty—more than a third lacked a high school diploma, 28 percent were unemployed, and another 20 percent had incomes of less than $6,000 per year. In addition, roughly 38 percent had criminal records.[35]

If Congress wants to encourage marriage, it should start by removing the *disincentives* to marriage. The current welfare system, as well as our tax code, erect barriers to marriage by reducing benefits and/or increasing tax liability if a couple weds. Before the government starts spending new money on *incentives*, it should fix current programs to reflect its pro-marriage agenda. Additionally, research shows that financial difficulty is one of the leading causes of divorce. Congress should focus its resources on encouraging a dynamic economy, through lower taxes and less regulation of business. Job security, higher wages, and a lighter tax burden would go a long way toward securing marital stability.

Conclusion

Congress needs once again to look to the states and evaluate what has worked under welfare reform. We need to keep moving in the direction of devolution and innovation, placing more control in the hands of local government and encouraging civil society to play a bigger role in helping the neediest members of the community. Congress can help the states with their own dependency problem by weaning states off federal funding. Without the strings that come with federal dollars, states would have even greater flexibility to be innovative and efficient. Partnering with local nonprofits and community organizations, states could encourage a shift in the safety net back to civil society, where it belongs.

Center for Community Change
Washington, DC 20007
February 24, 2005

Subcommittee on Human Resources of the
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Herger and members of the Subcommittee:

We, the undersigned organizations and individuals, write to submit the following statement for the record of the hearing on reauthorization of the Temporary Assistance to Needy Families (TANF) program, held February 10, 2005. We urge the Subcommittee on Human Resources to focus on the plight of the roughly 36 million Americans living in poverty as it considers proposals to reauthorize welfare reform.

Reducing poverty should be the standard by which we measure the success of the welfare reforms of the mid-1990s. Unfortunately, by this measure, we still have considerable work to do. The number of poor Americans has climbed steadily in recent years, and we are now essentially back where we started in 1996, when 36.5 million people were poor.

We should also focus on the economic well-being of our children when evaluating the success of TANF. Sadly, the number of children in poverty increased to nearly 13 million in 2003, and the number of children in extreme poverty (in families with incomes of one-half of the poverty level or lower) grew at almost twice the rate of increase for child poverty overall from 2002 to 2003 (11.5 percent compared to 6.0 percent). Rising poverty, particularly the growth in extreme child poverty, is evi-

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[34] Kathryn Edin, "Few Good Men: Why Poor Mothers Don't Marry or Remarry," *American Prospect*, June 2, 2000.

[35] Sara McLanahan et al., "The Fragile Families and Child Well-Being National Baseline Report," Princeton University, 2001; and Irwin Garfinkle et al., *Fathers under Fire: The Revolution in Child-Support Payments* (New York: Russell Sage Foundation, 1998).

dence of the inherent failure of the TANF program to help protect low-income families from the hardships of the last recession, and represents a collapse of the social safety net in general.

The primary conceit of welfare reform was that a job, any job, would lift workers and their families out of poverty. The economic downturn in recent years has revealed the fundamental shortsightedness of this theory. The employment boom of the late 1990s is officially over. Our nation has come out of the recession of 2001 with a jobless recovery that has left 12 million people unemployed or underemployed.

Even for those people fortunate enough to have work, a job does not guarantee the most basic standard of living for workers and their families: almost three out of four poor children lived in families with full-time year-round workers in 2003.

In the debate over TANF reauthorization, many policymakers have avoided looking at what is really happening to families struggling to make ends meet instead focusing on reports of declining TANF caseloads. But caseload decline should not be our measure of success.

To determine whether we're meeting our goals and develop a meaningful reauthorization response, lawmakers must do some additional accounting of program results.

Why is the TANF caseload declining while poverty is rising? Why are so many working families still living below the poverty line? With child poverty on the rise, does it really make sense to cut funding for proven programs like quality child care, nutrition assistance, health insurance, and other critical work supports?

These questions and others will not be answered by partisan finger pointing. Nor will the answers be found in technical debates about work hours and participation rates. Instead, we need to use the opportunity provided by TANF reauthorization to examine the entire range of work and family supports needed by all who call this nation home.

Right now, we see one in ten families falling into poverty because our safety net is inadequate and unraveling. America must live up to its promise and provide a comprehensive net of diverse services so that hard-working, tax-paying families can bounce back when they suffer a temporary financial set-back.

Sincerely,

Sean Thomas-Breitfeld

[Other signatories:]

American Friends Service; Committee Americans for Democratic Action; Legal Momentum; National Association of Social Workers; National Partnership for Women & Families; National Welfare Engine; NETWORK, a National Catholic Social Justice Lobby; 9to5, National Association of Working Women; Stop Family Violence; Welfare Law Center; Wider Opportunities for Women; YWCA USA; American Federation of Government Employees Local 1151, NY; Canal Human and Economic Development Association; Center for Civil Justice, MI; Colorado Women's Agenda; Connecticut Nonprofit Human Services Cabinet; Food Bank Council of Michigan; Legal Assistance Resource Center of Connecticut; Missouri Association for Social Welfare; Office of Kentucky Legal Services Programs; Oregon Food Bank; Progressive Leadership Alliance of Nevada; Protecting Arizona's Family Coalition; Protestants for the Common Good, IL; Rhode Island Parents for Progress; Tennessee Health Care Campaign; The Advocacy for the Poor, Inc., NC; The Partnership for the Homeless, NY; West Midwest Justice Committee, Sisters of Mercy of the Americas, MI; West Virginia Chapter of the National Association of Social Workers; YMCA Neighborhood Place, Puna, HI; YWCA, McKeesport, PA; Wendy Alfsen, CA; Ruth Almen, MI; Natalie Ambrose, CA; Neil Amos, CA; Lee Anderson, WA; Maggie Bagon, OR; Zachariah Baker, NY; Roxann Barnard, OK; Susan Barrow, NY; Sara Barwinski, MO; Teresa Bathgate, MD; Kristine Beirne, NJ; Eileen Bell, WV; Mary Bennett, IL; Liana Berger, NY; Nancy Berlin, CA; Tanya Blair, OK; Joseph Blaszak, MI; Jeff Boldt, WI; Cassidy Boulan, MI; John Bouman, IL; Robert Bowen, NY; Lila Braine, NY; Nancy Brandt, IL; Ruth Brandwein, NY; Deana Brickles, IA; Ginny Britt, NC; Kristin Brown, NY; Johnnie Brown, MO; Shirley Bryant, MD; Nancy Burton, TX; Debra Burton-Ibarra, TX; Melanie Bush, TX; Nadine Byrd, OK; Stuart Campbell, TX; Janice Carson, OH; Merrrill A. Carter, CO; Cat Chen, CA; Bonnie Clark, OK; Terry Cluse-Tolar, OH; Barbara Coates, CA; Michel Coconis, OH; Linda Cohen, MA; John Colgan, IL; Sister Faith Colligan, NY; Jean Colman, WA; John Cook, MD; Mimma Cook, WA; Deborah Cooper, CA; Holly Copeland-Lasley, IL; Laura Corbett, CA; Julia Covert, OR; Sarah Craft, DC; Bruce Davidson, NJ; Alysia Davis, GA; Adiel DePano, CA; Ron Deutsch, NY; Karen Donahue, MI; Evelyn Dortch, WV; Jessica Dreistadt, PA; Linda Drye, VA; Ora Dugar, DC; Katherine Dutton; Maria Echavarria, CA; Dumar Echols, NY; Stanley Eder, CA; Marilu Eder, CA; Roseanna Ellis, OK; Scarlett Emerson; Maurice Emsellem, CA; Robert Evans,

MI; Daniel Ezenyilimba, NY; Patricia Fero, WI; John Flick, CA; Antonio Flores, CA; Katherine Franger, CA; Henry Freedman, NY; Barbara Fuller, CA; Cassandra Garrison, OR; Frances Geteles, NY; Jan Gilbert, NV; Pat Gowens, WI; Ed Graham, CA; Rachel Gragg, DC; Jennifer Grayson, DC; Lana Greene, WA; Lynn Greenwood, DC; Sarah Gripper, IL; Sarah Grisham, NM; Mark Hallinan, NY; Robin Hanke, CT; Dixie Hanson, CA; Jim Harlin, NM; Emma Hartwell and family, WA; Cora Hayes, VA; Roy Hayter, CA; Janet Hayter, CA; Katy Heins, OH; Eve Hershcopf, CA; Virginia Hevern, MN; Mike Hodge, TN; Noelle Holcomb; Erika Horino, DC; Rebecca Hoven, DC; Denise Howington, VA; Lacinda, Hummel, IL; Terry Hunn, MO; Eva Imhoff, OK; Elizabeth Ironhawk, OK; Zarina Jackson, OR; Rochelle Jackson, PA; James James, CA; Kathryn Jeffrey, WA; Brock Johnson, AR; Cindy Johnston, MO; Rose Karasti, IL; Kelci Karl, WA; Crystal Karr, MO; Patti Ann Kasper, MN; Sheila Katz, CA; Jan Kay, IL; John Kefalas, CO; Terry Kiely, NJ; Rea Kleeman, MO; Frank X. Kleshinski, PA; Jeanne Koster, SD; Billye Kouns, TX; Frank La Pietra, MO; Walter Langley, OK; Terese Lawinski, NY; Carmah Lawler, CO; Robert Levine, NY; Barbara Liles, CA; Donna Lindsey, CA; Sheila Long, OK; Mayzabeth Lopez, NY; Camella Martian, CA; Amanda McCall, OK; Nina McCoy; Wayne McCroskey, OR; Jane McNichol, CT; Natalia Mejia, CA; Pemala Mejia, CA; Linda Meric, CO; Heidi Millen, NY; J. Robert Miller, TX; Mary-Margaret Miller, NY; Marti Miracle, OH; Dianna Moore, MO; Tirso Moreno, FL; Maria Muentes, NY; Suzette Murrell, DC; Meara Nigro, NJ; Shannon North; Carlotta Oberzut, IL; Patti O'Callaghan, IN; Sarah Osmer, DC; Alyssa Pakulski, MI; Rev. Carolyn R. Palmer, OR; Lecia Papadopoulos, CO; Bettina Pearl, PA; Lillah Pedi, CA; Jeffrey Perkins, MO; Bich Ha Pham, NY; William Pittz, WA; Brian Polejes, CA; Wendy Pollack, IL; Beth Poteet, WA; Sean Power, WA; Riley Price, OR; Amanda Pyron, MD; Myra Radinsky, MO; Stephen Radinsky, MO; Judi Rath; Sunni Reed, CA; Anita Rees, CA; Betsy Rice, MI; Roberta Richardson, FL; Mark Rochon, CA; Judith Rodriguez, NC; Rachel Rogness, MN; Mary Lou Rosales, AZ; Amy Samelson, CA; Terri Sammarco, FL; Tyletha Samuels, NY; Sierra Sanchez, CA; Ann Sand; Lois Schoenhorn, CT; Macie Schriner, MI; Nadine Schrodt, MO; Deborah Schwartz, MA; Robert Schwartz, NY; Lillian Scott, TN; Shirley Seibert, DE; Laurie Sheridan, MA; Jill Shinn, MO; Jill A. Shuey, NY; Melissa Silver; Brenan Smith, IL; Renee Sneitzer, IA; Peter Snoad, MA; Lois Snyder, IL; Derrick Span, DC; Rose Spears, OR; Susan Spector, CA; Marguerite Spencer, MO; Judith Stadtman, NH; Schaunel Steinnagel, PA; Sharifa Stewart; Susan Stouffer, CA; Kristine Stroad Moore, WA; Nancy Strohl, CA; C.S. Sullivan; Kaleema Annie Sumareh, MI; Riki Summers, WV; Edie Swihart; Mary Switzer, NJ; Marilyn Thomas, MO; Vincent G Thomas, IL; George Thompson, OH; Bill Tibbitts, UT; Robbie Tibbs-Visnicky, TN; Allan Timke, IL; Jane Tondettar, NJ; Richard Troxell, TX; Royce Truex, CA; Dan Vachon, NH; Jane VanSant, MO; Kim McCoy Wade, CA; Kevin Walsh, NY; Michelle Webb, NJ; Leslie Weinberg, CT; Irene Weiser, NY; Janet Williams, CA; Leslie Wolfe, DC; Theresa Wood, WI; Robert Wordlaw, IL; Cynthia Young, MO; Jeanette Young; Phyllis Zoon, NJ

Statement of Heather Boushey, Center for Economic and Policy Research

Chairman Herger, thank you for calling a February 10, 2005, hearing of the House Ways and Means Subcommittee on Human Resources on the important and timely subject of reauthorization for the welfare reform law. Your leadership in promoting dialogue on this crucial policy topic is appreciated.

As a labor market economist with the Center for Economic and Policy Research and formerly with the Economic Policy Institute, I have extensively researched how the labor market combines with government policies to affect low-income working women, precisely that segment of the population most impacted by welfare reform. Most recently, my work has focused on the central role that public work supports, especially child care subsidies and Medicaid, play in the lives of women seeking to retain jobs and become self-sufficient.

This research has real implications for how we as a nation think about work supports, which continue to be an essential component of welfare reform. Wages have not risen for low-income workers over the last several years even as health costs are rising rapidly, making it harder for families to become self-sufficient. If work supports quit too early on these families, many of which are headed by single mothers, the research tells us that they are far more likely to fall out of the workforce and, quite possibly, return to welfare programs.

I will touch on two issues during my testimony. First, the lack of sustained job creation has lowered the economic well-being of low-income families in the labor

market. Although the low-wage labor market was robust when welfare reform passed in the mid-1990s, this is no longer the case and it is increasingly difficult for low-wage workers to support their families. Critically, it has become more difficult for them to access employer-provided health insurance for their children.

Second, the lack of sustained work supports—health insurance and child care—limits the chances that mothers will be able to stay employed. If welfare is meant to be structured in a way that allows mothers to transition to work, then sufficient subsidies for child care is an essential part of the program. Otherwise, many mothers will find it impossible to balance their work and family responsibilities and will fall out of the workforce.

A factual issue must also be addressed. The latest numbers show that there were 1.3 million more people in poverty in 2003 and the poverty rate, which rose by 0.4 percentage points in 2003, now stands at 12.5 percent—increasing for the third year in a row. If the welfare roles are shrinking, it is not because low-income families are doing better economically. Rather, it appears that many are losing welfare without the promise of better outcomes in the private sector.

Recession

The recession of the early 2000s has been hard on working families, and especially low-income and welfare families. Since the mid-1990s when welfare reform was enacted, former welfare recipients found jobs in a small number of industries, many of which saw higher job gains and stronger wage growth than the economy overall in the late 1990s. However, during the economic recession of 2001 and the recent recovery, these same industries have not performed as well. Over the recovery, of the eight private-sector industries with a high proportion of former welfare recipients, three have seen greater job losses than the private sector overall. Wage growth has been slower than the average for the private sector overall for workers in retail trade, food services and drinking places, temporary help, nursing and residential care, and child day care services.

With jobs scare and wage growth slow to negative in the industries that former welfare recipients found employment in, increasing work hour requirements above the existing 30 hours would not create jobs, but make life harder for those already struggling to find a job. Mandating more work hours from the people hardest hit from the recession would not help to increase employment; rather, what welfare reform needs is robust job growth.

Work Supports

Mothers on welfare and other low-income mothers are often eligible for Medicaid and child care subsidies, but as they move up the job ladder, they lose eligibility. Losing Medicaid subsidies has a significant effect on employment: Mothers who move from Medicaid to no employer-provided health insurance are nine times more likely to drop out of the labor market than are mothers who leave Medicaid and gain employer-provided health insurance.

Few mothers have made the transition from Medicaid to employer-provided health insurance. Between the beginning of 1997 and the end of 1998, 41.5 percent of those on Medicaid left the program but less than one third of those who left (27.7 percent) gained employer-provided health insurance. Similarly, between the beginning of 2002 and the end of 2003, 37.2 percent of those on Medicaid left the program, but fewer than a quarter (23.4 percent) of those who left gained employer-provided health insurance.

The problem is not necessarily that Medicaid leavers lacked employment, but that they did not find jobs that offered employer-provided health insurance. Among mothers who left Medicaid in the late 1990s, the share moving from a job without employer-provided health insurance to one with insurance was just under one third (28.7 percent). This rate fell by 14.0 percentage points, down to 14.7 percent, by the early 2000s. This significant decline in the rate of finding a new job with insurance was unique to mothers who had been on Medicaid and left. There was not a comparable decline in the share of mothers overall who moved from a job without employer-provided health insurance to one offering insurance. In the late 1990s, one-in-five (18.3 percent) of all mothers made this transition. In the early 2000s, this share fell only slightly (by 1.6 percentage points) to 16.7 percent.

Access to safe and affordable child care is also critical for working mothers. Mothers who have stable child care are more likely to stay employed and are able to focus on their jobs, knowing that their children are well-cared for while they are at work. Thus, child care is an important part of the TANF program.

- ***Most mothers of young children work outside the home and most use child care.*** In 2002, over half of mothers of children under the age of six were

employed—over three-quarters working more than 30 hours per week—and nearly all—over 90 percent—reported using some kind of child care.

- ***Child care, especially formal day care, which often provides more educational activities than other kinds of care, is expensive.*** Mothers in lower-income households spend a much higher share of their total income on child care than do higher-income households. In 2002, mothers at the bottom 40th percentile or below who paid for formal daycare spend an average of 16 percent of their total income on child care, compared to only 6 percent among mothers in the highest quintile.
- ***Many families rely on informal child care arrangements.*** Among working mothers who use child care, about one-third rely on relatives and another one-third use a formal day care setting. However, working mothers who use formal day care tend to be wealthier and better educated than other mothers, indicating that those who rely on informal care may be doing so not out of choice, but of necessity. Mothers in lower-income households use parental care more and are less likely to use formal day care centers.
- ***Child care assistance is critical for families struggling with the high cost of child care.*** Between 1997 and 2002, more working mothers received assistance with child care payments, including government assistance. Working mothers in the bottom 40th percentile of households received more government child care assistance in 2002, compared to 1997. Even so, research has found that many children eligible for child care subsidies do not receive them. Only about 15 percent of children eligible for federal child care assistance actually receive any funds.
- ***Child care is an issue that all working mother struggle with, however, for lower income mothers, the problems are even worse.*** H.R. 4 from the 108th Congress, as passed by the House of Representatives, would have added only an additional $2 billion to the currently allocated $4.8 billion for child care subsidies. This might sound like a great deal of money, but it represents less than 0.005 percent of the total budget. It means that in 2002, the average subsidy for each child under age 15 living in poverty was a little over $700 for the year. Including additional resources for child care in the TANF reauthorization bill would be an investment that would pay off by enabling low-income working mothers to stay off welfare and those currently receiving TANF to move toward self-sufficiency.

Thank you again for the opportunity to provide testimony, Mr. Chairman. I hope that you will be informed about the importance of work supports as you work with your colleagues on TANF reauthorization. I would be happy to provide more information to any Members working on this issue.

Statement of Joseph T. Jones, Jr., Center for Fathers, Families and Workforce Development, Baltimore, Maryland

Thank you for giving me the opportunity to provide comment for the record. My name is Joe Jones. I am President and CEO for the Center for Fathers, Families and Workforce Development (CFWD) a community based nonprofit organization established in 1999 that provides workforce development, responsible fatherhood and family services to the residents of Baltimore City.

Twelve years ago when I began my work with low-income fathers in Baltimore City there were few resources to support responsible fatherhood. My fledgling staff and I worked tirelessly, threading together services to meet the diverse and challenging needs of the low-income father population. Together, with the men we engaged, the program became a success. With the achievements of the fathers as a soapbox we told any and everyone about the importance of involving fathers in the lives of their children and families. Men's Services like their counterparts in other low-income communities helped fathers become models for their children, breadwinners, and responsible citizens. By doing this we increased attention not just for our programs but also for low-income fathers and families across the nation.

Men's Services operated as a part of the Baltimore City Healthy Start maternal and child health program. I created Men's Services because too many children in my community lived under circumstances that would predispose them to poverty and broken families. Our work with low-income fathers was somewhat on the periphery not necessarily receiving the level of resources needed to help fathers contribute to the development of their unborn and infant children. While there was a

firm belief that our work helped fathers and improved child outcomes this belief did not result in increased resources.

However, in 1996 with the enactment of Welfare Reform much of that changed. The sweeping changes brought to the Aid to Families with Dependent Children's Program allowed low-income fathers to be engaged by the social welfare system. With that engagement came funding from both private and public resources. Foundations across the country partnered with government and community organizations to create responsible fatherhood programs. Practitioners on all levels formed associations to share best practices and advocate on behalf of low-income fathers and their families. During this time a fledgling field gained momentum and stability. With few resources the field of responsible fatherhood took on complex issues such as domestic violence and child support.

After welfare reform there were a number of legislative proposals that would have provided public funding for responsible fatherhood programs, while none were realized the support from both sides of the aisle reflected our nation's general concern with fatherless households. However, concern has not meant increased resources and most foundations have disinvested from this work, the most notable exception is the Annie E. Casey Foundation, the Harry and Jeanette Weinberg Foundation and other small community and family foundations.

Almost immediately after the enactment of Welfare Reform, the reauthorization conversation began and with it the focus on marriage. Although responsible fatherhood still figured prominently it shared the stage with marriage. Many on opposites of the ideological spectrum offered the two as competing interests; however, I hold firmly that the two are natural compliments. Study after study has shown that when both parents are actively involved in a child's life children fare much, much better. And we all know that those outcomes are the best when the parents are married.

But is it just marriage that helps children? Or is it the benefits children get when parents are married and work together on their behalf. I believe its marriage and being active in a child's life. Active means changing diapers, reading bedtime stories, helping with homework, providing financially and supporting emotionally. In short, being responsible. So, in order for parents, no matter the income, cultural background or social standing to have a prosperous healthy marriage the man must be a responsible father. Men who understand and are able to fulfill their roles as fathers will also be able to be good partners. My experience has been that many of the men we serve have a strong desire to be good fathers and good partners. But, simply, don't know how. Many have never had their own fathers in lives and have been raised in homes without a fathering example.

Prior to welfare reform men were ignored by social policy and the consequences are evident in the number of children who live in poverty, increased incarceration rates, and uncollected child support. So in the next evolution of Welfare Reform we must take the opportunity to "marry" responsible fatherhood and marriage. Bringing the two together is in the best interest of low-income families, children and communities. It is my firm belief that the field of responsible fatherhood can contribute to the creation of healthy marriages; however, it requires resources, resources that are currently unavailable.

Currently, there is legislation in both the House of Representatives and the Senate that would reauthorize the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Each contains authorized funding for responsible fatherhood. This is not enough. We must ensure that low-income fathers have the opportunity to support their families and become viable potential marriage partners and co-parents, I urge you to appropriate funding for responsible fatherhood.

Providing a funding stream for responsible fatherhood will provide low-income children with access to a breadwinner, nurturer and provider. Moreover, it will create the opportunity for men to not only accept the obligations of fatherhood but also the commitment of marriage, this in the long term will benefit low-income children and families.

Statement of Vicki Anne Turetsky, Mark H. Greenberg, Nisha Patel, and Hedieh Rahmanou, Center for Law and Social Policy

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to submit written testimony. The Center for Law and Social Policy (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 implementation of the Personal Responsi-

bility and Work Opportunity Reconciliation Act. This submission will discuss work-related provisions in Temporary Assistance for Needy Families (TANF) reauthorization, with particular attention to H.R. 240, the Personal Responsibility, Work and Family Promotion Act of 2005.

The Context for Reauthorization

H.R. 240, is very similar to bills previously approved by the House in 2002 and 2003. However, in the three years since the Subcommittee first acted in 2002, there have been significant developments affecting the context for reauthorization.

Starting in the mid-1990s, there was a historically unprecedented increase in employment among single parents. The growth began before enactment of the 1996 welfare law, but continued after that time. The employment rate for single mothers grew from 57.3 percent in 1993 to 63.5 percent in 1996, and then rose to 73 percent by 2001.[1] Many factors likely contributed to this employment growth, including the strong economy, state and federal welfare reforms, the large expansion of the Earned Income Tax Credit in 1993, increased child care spending, increases in the minimum wage in 1996 and 1997, broadening of access to health care outside of welfare, and a stronger child support enforcement system.

During this period, both the TANF assistance caseload and the nation's child poverty rate fell. Welfare caseloads fell from 5 million in 1994 to 4.4 million by the time the 1996 law was enacted, and then to 2 million by 2001. Child poverty fell from 22.7 percent in 1993 to 16.2 percent in 2000. Welfare participation fell much more than did child poverty, with the share of poor children receiving assistance falling from 62 percent in 1994 to 35 percent in 2001.[2]

Numerous studies found that most families leaving welfare (in the range of 50 to 60 percent) were working, but typically in low-wage jobs without access to benefits, such as employer-sponsored health insurance and paid vacation/sick leave.[3] The families still receiving assistance were a heterogeneous group, but generally had more serious barriers to employment (e.g., health and mental health issues, domestic violence, substance abuse, limited English proficiency, severe basic skills deficits) than those who had left assistance. And, some of the families that left welfare without finding employment were among those with the most severe barriers to employment, with weaker work histories, less education, and higher rates of disabilities.

During this early period, declining welfare caseloads freed up resources for states. States were able to use TANF funds to broaden services for working families outside the traditional welfare system. In the first years after enactment of the law, the single biggest redirection of TANF funds was to increase child care for working families. In 2000, states committed $4 billion of TANF funds to child care.[4]

Thus, there was much that was positive in the early TANF experience, but there were also areas of clear concern. There had been a dramatic growth in employment and decline in child poverty, but many of the families who had left welfare for work were still poor, and many of the families with the most significant barriers had left welfare without finding work.

During the last three years, several key indicators have become less positive. The economy entered into a recession, after which initial job growth was slow. States entered into a period of large budget deficits, placing strains on TANF funds and other state resources, and forcing cutbacks in child care and other services. The pressures resulting from the economy and state budget crises are apparent in indicators of employment, child poverty, and welfare caseloads.

Since 2001, employment has declined among single and married mothers. Employment among single mothers fell from 73 percent in 2001 to 69.7 percent in 2004. Employment among married mothers showed a similar decline (from 68 percent to 65.3 percent) during the same period. Single mothers are still more likely to be employed than married mothers and much more likely to be employed than

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[1] Burke, V. et al. (December 2004). *Children in Poverty: Profiles, Trends, and Issues.* Table A–3. Washington, DC: Congressional Research Service.

[2] U.S. Department of Health and Human Services. (2004). *Indicators of Welfare Dependence: Annual Report to Congress, Table TANF 2*. Washington, DC: Author. Available at: http://aspe.hhs.gov/hsp/indicators04/

[3] Richer, E. et al. (November 2001). Frequently Asked Questions about Working Welfare Leavers. Washington, DC: Center for Law and Social Policy. Available at: http://www.clasp.org/publications/faq_about_working_welfare.pdf

[4] Administration for Children and Families. (2001). *Fiscal Year 2000 TANF Financial Data*. Washington, DC: U.S. Department of Health and Human Services. Available at: http://www.acf.dhhs.gov/programs/ofs/data/tanf-2000.html

before the 1996 law.[5] Since the recession, the industries most likely to employ welfare recipients and large proportions of single mothers have either lost jobs or are experiencing slower job-growth.[6] Thus, there is little reason to attribute the downturn-related decline in employment to state TANF performance. The decline in employment during this period has meant that a smaller share of families leaving welfare is employed: The Urban Institute has reported that employment among welfare leavers fell from 50 percent in 1999 to 42 percent in 2002.[7] Similarly, the share of families engaged in employment for enough hours to meet the work rates dropped from 22.3 percent in 2001 to 18.0 percent in 2003 (while the share of families participating in other activities remained relatively unchanged).

The decline in employment has not resulted in increased welfare caseloads. Instead, the nation's welfare caseload has declined, while child poverty has risen. Between 2001 and the 2003, the number of families receiving assistance (including those in separate state programs) rose in 31 states, but the national caseload fell by 0.5 percent.[8] This caseload decline occurred despite the fact that child poverty increased from 16.2 percent in 2000 to 17.6 percent in 2003.[9] The fact that employment has fallen and child poverty has increased while TANF caseloads have remained flat or declining raises significant concerns that the program has not been sufficiently responsive to increased needs. The share of poor children receiving TANF assistance has continued to fall, dropping to 33 percent in 2002.[10]

The share of families without welfare or work has grown. Research from the Urban Institute indicates that the share of all families that have left welfare, but are not employed, do not have an employed partner, and are not receiving income from Supplemental Security Income (SSI) rose between 1999 and 2002, from 10 percent to 14 percent.[11]

For the last three years, state spending levels have exceeded annual block grants, and state reserves have fallen sharply. As long as welfare caseloads were falling rapidly, TANF was, in effect, a source for "new" funds each year. Once caseload decline slowed or stopped, states have increasingly faced the pressures resulting from a block grant set at mid-1990s funding levels and not adjusted for inflation. In each of the last three years, states' use of TANF funds has exceeded their basic block grants, and states have increasingly resorted to drawing down carryover (reserve) funds to pay for current services. In Fiscal Year 2003, states used $1.8 billion more than they received. Between the end of 2002 and the end of 2003, the amount of carryover TANF funds dropped by one-third, to $3.9 billion. This represented the lowest level for carry-over funds since 1997, the first year of TANF implementation.[12] Some states now have no carryover funds, andfor most states, the amount of carry-over funds represents less than one-quarter of the state's annual block grant funding level.

The number of families receiving child assistance has fallen. The Administration estimates that the number of children receiving subsidy assistance was 2.5 million in 2003, and will fall to 2.3 million 2005. Federal child care funding has been flat since 2002, and the use of TANF for child care peaked in 2000, and has now stayed at or near $3.5 billion for the last three years.[13] Child care curtailments have particularly hurt working families not receiving welfare: In April 2003, the

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[5] Burke, V. et al. (December 2004). *Children in Poverty: Profiles, Trends, and Issues.* Table A–3. Washington, DC: Congressional Research Service.

[6] Boushey, H., and Rosnick, D. (April 2004). *For Welfare Reform to Work, Jobs Must be Available.* Washington, DC: Center for Economic and Policy Research. Available at: http://www.cepr.net/labor_markets/welfarejobshit-2004april01.htm

[7] Loprest, P. (August 2003). *Fewer Welfare Leavers Employed in Weak Economy*, Snapshots of America's Families III, No. 5. Washington, DC: The Urban Institute. Available at: http://www.urban.org/url.cfm?ID=310837

[8] Falk, G. (March 2004). *Caseload Trends.* Washington, DC: Congressional Research Service.

[9] U.S. Census Bureau. (August 2004). *Income, Poverty, and Health Insurance Coverage in the United States: 2003 (P60–226).* Table 3. Washington, DC: Author. Available at: http://www.census.gov/prod/2004pubs/p60-226.pdf

[10] U.S. Department of Health and Human Services. (2004). *Indicators of Welfare Dependence: Annual Report to Congress, Table TANF 2*. Washington, DC: Author. Available at: http://aspe.hhs.gov/hsp/indicators04/

[11] Loprest, P. (August 2003). *Disconnected Welfare Leavers Face Serious Risk*. Snapshots of America's Families III, No. 7. Washington, DC: The Urban Institute. Available at: http://www.urban.org/url.cfm?ID=310839

[12] Greenberg, M. and Rahmanou, H. (February 2005). *TANF Spending in 2003.* Washington, DC: Center for Law and Social Policy. Available at: http://www.clasp.org/publications/fy2003_tanf_spending.pdf

[13] Matthews, H. & Ewen, D. (2005). *President's Budget Projects 300,000 Low-Income Children to Lose Child Care By 2010*. Washington, DC: Center for Law and Social Policy. Available at: http://www.clasp.org/publications/cc_2006_budget.pdf

GAO reported that, since January 2001, nearly half the states (23) had made policy changes that reduce the availability of child care subsidies for low-income working families, and 11 states were proposing policy changes to decrease child care funding.[14]

Implications for Reauthorization

As the above discussion outlines, there has been dramatic growth in single parent employment since 1996, but much of the employment has been in low wage jobs without employer provided benefits. Many families still receiving assistance have serious employment barriers, and a group of families with serious barriers is now not in work and not receiving welfare. A well-functioning TANF program would assist needy families while connecting those who are able to work with sustainable employment: however, there are clear indications that the current program makes it difficult for needy families to receive assistance, and serves a steadily declining share of poor children. The expansion of supports for working families outside welfare has been a critical contributor to the employment growth, but those supports are increasingly at risk because TANF and child care funding have remained flat. The sharp decline in reserve funds underscores that at current funding levels, states will find it difficult or impossible to sustain current service levels over the coming years.

In this context, CLASP has urged that the work-related provisions of reauthorization focus on efforts to improve job quality, encourage a stronger focus on employment retention and advancement, expand child care and other supports for working families outside welfare, and ensure that states have incentives to work with, rather than terminate assistance to, families with the most serious employment barriers.

Much of the reauthorization debate has centered around the mechanics of the participation rate calculation for families receiving TANF assistance. Based on the experience since 1996, there is little reason to believe that this should have been the central issue in reauthorization: a large share of TANF resources is now used for families outside the traditional welfare system, and participation rates measure engagement in activities among families receiving assistance, not the effectiveness of programs in promoting employment.

In the following paragraphs, we address key work-related provisions of H.R. 240, and recommend modifications. We share the belief that promoting and supporting work should be central to state welfare reform efforts, but believe that several provisions of H.R. 240 will make it harder for states to run effective programs to connect families with jobs, and will encourage states to terminate assistance to families rather than working with them to help them find sustainable employment.

On a number of key provisions, the approach taken by the Senate Finance Committee in 2003, and the child care amendment adopted on the Senate floor in 2004, represent more reasonable, balanced approaches. While we continue to urge improvements in the Senate bill, we think the Senate provisions reflect efforts to be responsive to the principal goals of the Administration's proposal, while still allowing states significant flexibility in designing effective work programs.

We also urge the Subcommittee to give serious consideration to the provisions of H.R. 751, the Work, Family and Opportuity Act, introduced by Rep. McDermott.

Reauthorization should encourage states to focus on employment and job quality, and should not reward caseload reduction in itself. H.R. 240's caseload reduction credit creates incentives to terminate assistance rather than help families find jobs. We recommend replacing it with an employment-based credit.

The ultimate goal of the work provisions of any TANF bill should be to improve employment outcomes. While participation rates measure the share of families involved in activities while receiving assistance, they do not capture the outcome of greatest concern: the number of families getting jobs and earning enough that they no longer need assistance.

CLASP has urged that states be given the option to be held accountable for employment outcomes in lieu of participation rates, so that they can be measured based on outcomes, not process. Last year, a bipartisan group of Senators (Alexander, Voinovich, Carper, and Nelson (of Nebraska)) proposed an amendment to allow up to ten states to be accountable for outcomes relating to employment; success in activities designed to improve employment and related outcomes; job retention; entry earnings and earnings gains; and child well-being. H.R. 751 would allow

[14] U.S. General Accounting Office. (2003). *Child Care: Recent State Policy Changes Affecting the Availability of Assistance for Low-Income Families*. Washington, DC: Author. Available at: http://www.gao.gov/new.items/d03588.pdf

states to be accountable for improvements in job entries and jobs with higher earnings. We recommend that the Subcommittee consider approaches such as these.

In the participation rate structure, it is important that a state not be disadvantaged when a family gets a job and leaves welfare. This can happen under current rules, because as long as the parent is receiving assistance and participating in an activity, the family counts toward the rates, but if the parent gets a job and leaves assistance, the family stops counting.

Under current law, rates are adjusted downward by a caseload reduction credit, in which the state's required rate is reduced by the number of percentage points reflecting the percentage decline in the state's caseload since 1995 for reasons other than changes in eligibility rules. The current structure has been criticized for lowering effective participation rates to zero for many states. The other problem, however, is that it rewards a states if its caseload falls, whether or not families are working, and even if the decline occurred simply because the state has made it harder to receive assistance.

H.R. 240 would not address this underlying problem, but would provide for continuing modification of the "base year" for the caseload reduction credit, so that states only get "credit" for recent caseload declines. Thus, there would be a strong incentive to cut caseloads, whether or not families entered or sustained employment. Moreover, under the Subcommittee's "superachiever" credit, a group of states are arbitrarily rewarded for having had large caseload declines between 1995 and 2001, without regard to employment or other outcomes.

In 2002, the Administration recommended eliminating the caseload reduction credit, and providing instead that families leaving assistance due to employment could count as participants for 90 days. The 2003 Senate Finance bill used an "employment credit" instead of a caseload reduction credit, providing adjustments based on the numbers of families leaving assistance due to employment, the number leaving with higher earnings, the number of families working after receiving diversion assistance, and the number of families receiving TANF-funded child care and transportation benefits. H.R. 751 also provides for an employment credit.

A credit or adjustor for employment would communicate the importance of focusing on whether families leaving assistance are working, and communicate to states that the goal is the promotion of employment, not simply cutting caseloads.

Raising the number of hours needed to count as a participant to 40 will make it harder for states to run effective programs to connect families with employment. It would be better to maintain current law hourly requirements.

Under current law, single parents with children under age 6 can count toward TANF participation rates through 20 hours a week of countable activities; all other families must meet a 30 hour requirement. H.R. 240 would raise the requirement to 40 hours for all families. The 2003 Senate Finance bill would raise the requirements to 24 hours for single parents with children under six, 34 for other single-parent families, and 39 hours for two-parent families. H.R. 751 would maintain the hourly requirements of current law.

In our view, it is unfortunate that much time over the last three years has been devoted to arguments about the "right" number of hours to require for participation, because there is no evidence that increasing hours of participation beyond current law requirements would lead to more effective programs. The welfare-to-work research consistently finds that the most effective programs provide a mixed menu of activities, combining job search, training, and other work-related activities, but these programs do not typically combine multiple activities for the same individual at the same time.[15] None of the highest-impact programs routinely imposed 40-hour requirements. Nothing in the research suggests that restructuring programs to make them require 40 hours instead of 30 hours would make them more effective.

Moreover, raising the hourly requirement to 40 runs the risk of resulting in *less* effective programs, for three reasons. First, it creates the danger that program administrators will need to shift their focus from efforts to promote employment to efforts to "manage" 40 hours of participation. Second, the need to generate activities,

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[15] Martinson, K., & Strawn, J. (May 2002). *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform.* Washington, DC: Center for Law and Social Policy and the National Council of State Directors of Adult Education. Available at: http://www.clasp.org/publications/BTL_report.pdf; Michalopoulos, C., Schwartz, C., with Adams-Ciardullo, D. (August 2000). *National Evaluation of Welfare-to-Work Strategies, What Works Best for Whom: Impacts of 20 Welfare-to-Work Programs by Subgroup*. New York: Manpower Demonstration Research Corporation. Available at: http://aspe.hhs.gov/hsp/NEWWS/synthesis-es00/index.htm; Strawn, J., Greenberg, M., & Savner, S. (February 2001). *Improving Employment Outcomes Under TANF.* Washington, DC: Center for Law and Social Policy. Available at: http://www.clasp.org/publications/improving_employment_outcomes_under_tanf.pdf

even low-cost ones, and pay attendant child care costs, will force a misallocation of scarce resources at a time when states are struggling to sustain current services. Third, many observers have recognized the need to do more to engage families with the most serious employment barriers. These families are likely to have the greatest difficulties in meeting 40-hour requirements. If any individual who has difficulty consistently participating at a 40-hour level will become a "drag" on the state's ability to meet participation rates, there will be an increased risk that such families are sanctioned and terminated from assistance rather than provided needed assistance to move toward employment.

While the Senate's approach to hours is more moderate, the best resolution here would be to maintain current law. Every state would be free to increase hourly requirements if it wished to do so. But, there is no reason to compel all states to adopt an approach that has no basis in research, and that is contrary to the best judgment of many program administrators.

The list of countable activities should give states flexibility to make their own judgments about effective ways to promote employment. States should be free to use education and training and barrier removal activities, and not be complelled to use unpaid work experience.

H.R. 240 sharply limits the activities that can count toward the first 24 hours of participation each week. After a three to four month period, the only activities that could count for adults would be unsubsidized or subsidized work, or unpaid work experience or community service. Thus, the bill would make it impossible to count being in full-time education or training for more than four months, and would impose similar restrictions on participation in barrier removal and rehabilitative services. Given the costs of subsidized employment, the bill would, in effect, create strong pressure on states to use unpaid work experience or community service for those individuals unable to get unsubsidized jobs within four months.

The H.R. 240 approach is not consistent with relevant research findings. There is encouraging non-experimental evidence from transitional jobs programs that provide highly structured, paid subsidized employment experiences for individuals with multiple employment barriers,[16] and other research suggests favorable impacts for on-the-job training programs.[17] However, the available research has not suggested strong effects on employment and earnings for unpaid work experience programs. There is only limited recent research on the employment impacts of unpaid work experience; however, in a review of research conducted in the 1980s, the Manpower Demonstration Research Corporation (MDRC) concluded, "there is little evidence that unpaid work experience leads to consistent employment or earnings effects."[18]

From the welfare-to-work research, the clearest guidance is that states should avoid the extremes of focusing exclusively on job search or on adult basic education unconnected to employment. Instead, the most effective welfare-to-work programs use a "mixed strategy"—focusing on employment; including job search, education, job skills training among program activities; and structuring activities on an individualized basis.[19] There is clear evidence that a strong skills training component can lead to improved employment outcomes, and that postsecondary education is increasingly crucial in efforts to improve earnings.[20]

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[16] Kirby, G. et al. (April 2002). *Transitional Jobs: Stepping Stones to Unsubsidized Employment.* Princeton, NJ: Mathematica Policy Research.

[17] Orr, L. et al. (1996). *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study* Washington, DC: Urban Institute Press; Plimpton, L. and Nightingale, D. S. *Welfare Employment Programs: Impacts and Cost-Effectiveness of Employment and Training Activities*, unpublished paper; U.S. Department of Labor. (January 1995). *What's Working (and what's not).* Washington, DC.

[18] Thomas, B., Butler, D., and Long, D. (September 1993). *Unpaid Work Experience for Welfare Recipients: Findings and Lessons from MDRC Research..* New York: Manpower Demonstration Research Corporation,

[19] See, for example, Gueron, J. & Hamilton, G. (April 2002*). The Role of Education and Training in Welfare Reform.* Policy Brief No. 20. Washington, DC: The Brookings Institution. Available at: http://www.brookings.edu/dybdocroot/wrb/publications/pb/pb20.htm; Martinson, K., & Strawn, J. (April 2003). *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*. Washington, DC: Center for Law and Social Policy. Available at: http://www.clasp.org/publications/BTL_report.pdf; Mathur, A. et al. (May 2004). *From Jobs to Careers: How California Community College Credentials Pay Off for Welfare Participants.* Washington, DC: Center for Law and Social Policy. Available at: http://www.clasp.org/publications/Jobs_Careers.pdf

[20] *From Jobs to Careers: How California Community College Credentials Pay Off for Welfare Participants.* Washington, DC: Center for Law and Social Policy; see also, Duke, A. "Provide Post-Secondary Education and Training to Low-Income Parents." in McNichol, L. & Springer, J. (December 2004). State Policies to Assist Working Poor Families. Washington, DC: Center on Budget and Policy Priorities. Available at: http://www.cbpp.org/12-10-04sfp.pdf

The approach taken in the 2003 Senate Finance bill was more balanced than that in H.R. 240, though still restrictive in certain ways. The 2003 Finance bill maintained the current law 12-month restriction on counting vocational educational training toward core participation hours, while creating a new option for states to count participants in postsecondary education under certain circumstances. The Finance bill also allowed participation in certain rehabilitative services to count for up to six months, which while less restrictive than H.R. 240, still prevents individualized determinations of when additional time is needed.

H.R. 751 would also broaden the countability of a set of activities, allowing for increased participation in education and training, and counting up to 18 months in rehabilitative services, if the last 12 months are combined with work.

Our principal recommendation here is that federal law should not seek to narrowly restrict which activities can and cannot count toward participation rates. In the TANF fiscal structure, a state has no incentive to place individuals in activities unless the state believes the activities are likely to be effective, and state perspectives on effective activities will continue to evolve over time based on research and experience. Thus, we hope that the final bill does not compel states to use unpaid work experience, does not restrict the ability of states to use education and training, and allows for individualized determinations about participation in rehabilitative and barrier removal activities.

Reauthorization should provide states with enough child care funding to sustain current service levels, meet new work requirements, and make progress in addressing access and quality in the next five years. The current House bill would accomplish none of these goals. We recommend increasing child care funding.

In the initial years after enactment of the 1996 welfare law, states made dramatic progress in expanding child care assistance for low-income families, for two principal reasons: First, the 1996 law provided for steadily increasing amounts of dedicated child care funding through 2002. Second, when TANF caseloads declined, states were able to redirect TANF funding to child care. In 2000, states redirected $4 billion in TANF funds to child care, an amount larger than the entire child care block grant. However, child care funding through TANF has fallen to about $3.5 billion in each of the last three years, and it is doubtful that states will be able to sustain this funding level, in light of the fact that states are currently spending TANF funds at a level above their block grants and drawing down reserve funds to pay for current service levels.

It has been suggested that reauthorization could "unlock" as much as $2 billion in unobligated prior-year TANF funds, which can currently only be used for "assistance," but which could be used for any allowable TANF purpose under the pending bill. We support the proposal to broaden allowable uses of reserve funds, but enacting this proposal will not free up significant new resources for child care, for two reasons:

First, the vast majority of states can *already* effectively use their unobligated funds for child care by rearranging how current and carryover funds are spent (i.e., spend prior year funds for assistance to free up current year funds to spend for child care. Based on 2003 spending data, forty-seven states could already, in effect, spend every penny of their unobligated funds on child care this year, but if they did so, they would have no reserve funds for the future. The remaining four states could, in effect, spend all of their carryover funds for child care within two or three years, if they wished to exhaust their reserve funds.

Second, as noted above, for the last three years, states have spent more for TANF-funded benefits and services than they have received in their annual block grants, and have drawn down prior year funds to help pay for current service levels. This strategy cannot be sustained indefinitely; reserves for most states are likely to be depleted within a few years unless states make significant cuts in *current levels of services.* Thus, most states cannot simply use reserve funds to expand child care services without creating deeper deficits for future years.

When child care funding was expanding, it resulted in dramatic improvements in the availability of child care assistance for low-income families. The number of children receiving child care assistance grew from about 1 million in 1996 to an estimated 2.5 million in 2003. For many states, a key part of the strategy to promote work and reduce the numbers of families receiving TANF assistance was expansion of child care outside welfare. In recent years, as child care funding has been flat or declining, it has become increasingly difficult or impossible to provide continued access for working families that are not receiving or leaving TANF assistance. The Administration now estimates that the number of children receiving child care will fall to 2.3 million in 2005, and will further fall to 2 million by 2009.

The Administration has proposed no increase in mandatory child care funding for the next five years; H.R. 240 provides for $1 billion; last year, the Senate voted, 78–20, to provide for $7 billion in child care funding over five years. H.R. 751 would increase mandatory funding by $11 billion over five years. How do these amounts compare to need?

Congressional Budget Office (CBO) staff has preliminarily estimated that $4.8 billion in total funding (federal and state) would be needed to sustain 2005 service levels over the next five years. CBO has also estimated that the combined work and child care costs of meeting the House work requirements through increased participation would be $8.3 billion. After allowing for overlap, the resulting preliminary estimate is that the additional cost of sustaining current service levels and paying for the work and child care costs would be $12.5 billion. Even this figure would not provide for access to child care for additional working families outside welfare or for expanding quality investments.

We understand the difficulties in urging additional child care funding at a time when there is a need to address the federal deficit. However, child care funding is an essential support for work and a crucial way of addressing the well-being and developmental needs of children in working families. Providing for increased funding will be crucial to sustain progress in the coming years.

Reauthorization should ensure that states have incentives to work with families with serious employment barriers, rather than incentives to cut off assistance to these families. Accordingly, the Bill should build safegaurds into the sanction process, and not mandate full-family sanctions.

Under federal law, states must reduce or terminate assistance when a family does not comply with program rules without good cause. There are essentially no safeguards in current federal law beyond a provision saying that states may not terminate assistance to a single parent of a child under six who fails to participate due to lack of needed child care. While sanctions have not been the principal reason for caseload decline, it is also clear that they are used very extensively in some states. Research confirms that families with the most barriers to employment and the most difficulty succeeding in the labor market are the most likely to be sanctioned. Moreover, families who leave the caseload due to sanctions are less likely to be employed and more likely to return to welfare than families who leave for other reasons.[21] Testimony submitted to this Committee by Dr. Deborah Frank of the C–SNAP project describes the harm that can occur to children in sanctioned families.[22]

H.R. 240 would require all states to use full-family sanctions (i.e., terminate all TANF assistance for failing to meet program requirements). We urge the Subcommittee to drop this provision. There is no research evidence that programs that cut off all assistance are more effective in moving families to employment or economic independence, and, as noted, there is clear evidence of potential harm. Moreover, in the context of high participation rates and scarce resources, there is considerable risk that when a parent with employment barriers is unable to meet program requirements, states will perceive a much stronger incentive to terminate assistance than to actively work with the family to resolve barriers to participation.

The 2003 Senate Finance bill did not mandate full-family sanctions. It contained a provision requiring that, prior to imposing sanctions, states should, to the extent determined appropriate, review the family's plan and make a good faith effort to consult with the family. A provision such as this, and additional safeguards, could help communicate that the goal of federal policy is to work with families to promote employment, not simply terminate assistance. H.R. 751 would not require full-family sanctions, and would provide for new safeguards in the sanction process.

Conclusion

While we urge a number of changes in the Subcommittee bill, we share the view that it is important for Congress to resolve outstanding issues and complete TANF reauthorization. During the last three years, there has been a significant cost to the uncertainty and instability resulting from lack of reauthorization and repeated

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[21] See: Pavetti, L. et al. (April 2004). *The Use of TANF Work-Oriented Sanctions in Illinois, New Jersey, and South Carolina.* Washington, DC: Mathematica Policy Research. Available at: http://aspe.hhs.gov/hsp/TANF-Sanctions04/; Wu, C. et al. (June 2004) *How Do Welfare Sanctions Work? Institute for Research on Poverty.* Discussion Paper No. 1282–04. Madison, WI: Institute of Research on Poverty. Available at: Available at: http://www.ssc.wisc.edu/irp/pubs/dp128204.pdf; For a summary of earlier research, see: Goldberg, H. & Schott, L. (October 2000). *A Compliance-Oriented Approach to Sanctions in State and CountyTANF Programs.* Washington, DC: Center on Budget and Policy Priorities. Available at: http://www.cbpp.org/10-1-00sliip.htm.

[22] See Statement of Dr. Deborah A. Frank, Boston Medical Center (February 10, 2005) available at: http://waysandmeans.house.gov/hearings.asp?formmode=printfriendly&id=2498

short-term extensions. We urge the Subcommittee to work for enactment of a final bill that is responsive to the need for state flexibility and that addresses issues of better jobs, employment retention and advancement, helping families with the most serious barriers, and providing adequate resources to help working families both on and outside welfare.

Statement of Molly K. Olson, Center for Parental Responsibility, Roseville, Minnesota

This written testimony is a **BUDGET SAVINGS IDEA** applicable to federal Title IV welfare reform, with a potential to save taxpayers nationwide as much as $88 billion a year.

The Title IV–D program is unnecessarily costing taxpayers (federal, state, local) as much as $88 billion in *direct* and *indirect* costs because of the misapplication of federal law resulting in an overreach of authority by the state's IV–D agency, *under the direction* of the Federal Office of Child Support Enforcement (OCSE), a division of the U.S. Department of Health and Human Services (DHHS), which take their instruction from Congress and the President.

Title IV–D of the Social Security Act is a federal program that states are mandated to implement if they voluntarily participate in and want federal funding for Title IV–A (TANF). Title IV–D is a federal program that is administered by the state or a local agency within the state. All Title IV programs are meant for the needy and most vulnerable families. We need to continue to protect this class and promote independence from government.

My concerns are particular to Minnesota, but the issues are identical in all other states that implement their IV–D program void of any eligibility standards and means testing.

ISSUE: The OCSE has directed the state IV–D agencies to exceed their authority through their unwarranted practices, which are contrary to congressional intent, defying the purpose of the Title IV program, and unnecessarily costing taxpayers billions. **This program must be restrained to protect the public purse and protect the privacy and independence of our families.** The program has become over-inclusive because of the misapplication of the law, creating an **excessive burden to the taxpayers.** The program is violating individual rights because of an unlawful overreach of IV–D authority into private domestic relations matters, which are reserved to the states. Absent a determination of financial need prior to approval of the IV–D application, there is no pecuniary or protectable interest for the government to provide Title IV–D services.

LAW/RULE: A change or clarification of the law or regulation, or a clarification to the states from the OSCE are needed to restore the program to its intended purpose and stop unwarranted government intrusion of the Title IV–D program into non-needy families nationwide. According to the congressional record Title IV–D requires:

1. First, Title IV as a whole, is limited to "needy" families who have become **"dependent"** on the government for financial support.
2. Title IV–D requires an **"absent parent"** and a **"needy" family.** The congressional record indicates the definition of the term "absent parent," for the purpose of Title IV, includes those parents who were not at all involved with their children, who abandoned the family to public assistance, and who are not fulfilling their responsibility to raise the children, thereby resulting in a "needy" family.
3. The congressional intent of Title IV–D clearly limits the class of IV–D recipients to two:
   a. *those on welfare,* then IV–D becomes a cost recovery program, to save taxpayer money by collecting money through IV–D to reimburse the IV–A agency, and
   b. *those at risk of falling on welfare* (former and never welfare recipients), to protect those who would become "needy" if they don't receive their support payment privately, to ensure payments as a cost **avoidance** measure.

Currently, loving, involved, responsible, regular paying non-custodial parents (good parents) are unnecessarily falling under the control of the government IV–D program even when their children are fully taken care of and at no risk of becoming part of a "needy" deprived family. Private domestic relations family matters are being unnecessarily drawn into the IV–D program even when: 1) there is no support

problem and the non custodial parent has a history of consistently paying, and 2) the custodial parent (IV–D applicant) is financially well off (earning as much as $100,000 a year) and has never been on public assistance, is not likely to ever need public assistance, and could afford to take care of all collection privately—so in effect, self-sufficient and even affluent people are using IV–D services because they get the services free or substantially subsidized by the taxpayer. State and local agencies encourage ALL divorced people to participate in the IV–D program regardless of need or circumstance, because the MORE people that are in the program, the MORE federal funding the state/local agency receives. The IV–D agency is growing on the backs of good people who have no need for the government program, but who are encouraged (even erroneously ordered) to use it, just because it is available. **Larger IV–D agencies may be good for the agency, but it is not good for our families**, and it does not promote efficient government.

Unfortunately, nationwide, the practices under IV–D have exceeded the law and defeat the purpose of the program, using scare public resources to provide services to a class Congress did not intend to serve. Testimony, as far back as 1997, has warned of this problem created by perverse incentives to the states.

Responsible Public Servants Warned Congress of the Problem

Ms. Frye, Chief, Office of Child Support in CA

She states:

"As we understand it, the proposal goes far beyond the Congressional intent to develop an incentive system that rewards good outcomes and in fact ***encourages*** *states to* ***recruit middle class*** *families,* ***never dependent*** *on public assistance and* ***never likely*** *to be so, into their programs* ***in order to maximize federal child support incentives****".* She goes on to say, *"And my colleagues across the country have already informed me how I can* ***win at this system****; recruit the middle class, bring those higher orders into your system and that way you will be able to benefit like some of the other states from the cap removal on the never-welfare population".*

As an "agent" of the federal government, for the purpose of delivering IV–D services, the Minnesota State Department of Human Services shows their misunderstanding of the program, as they falsely inform our state legislators and judicial officers that IV–D is an "entitlement" program. The MN DHS has also declared to the other branches of government that: 1) IV–D is a stand alone program, and 2) that the federal government requires the state to provide all the IV–D services to *anyone* and *everyone* who applies. The U.S. Supreme Court decision, Blessing v Freestone, made it clear that IV–D is NOT an "entitlement" program.

Title IV–D is NOT an "entitlement" Program

U.S. Supreme Court

Blessing v Freestone, 520 U.S. 329 (1997)

"Title IV–D was not intended to benefit individual children and custodial parents, and therefore it ***does not*** *constitute a federal right.* ***Far from creating an individual entitlement*** *to services, the standard is simply a yardstick for the Secretary to measure the system-wide performance of the State's Title IV–D program. Thus, the Secretary must look to the aggregate services provided by the State, not whether the need of any particular person have been satisfied . . . As such,* ***it does not give rise to individual rights****."*

The intended beneficiary of the IV–D program is not an individual, it is the government.

TITLE IV–D PROGRAM IMPLEMENTATION: The state and federal OCSE is mis-interpreting 42 USC 654 (4)(A)(ii), and using the phrase "any other child" to swallow up every child in the country, when an IV–D application is filled out. Because of the federal incentives to the state, the local IV–D agencies are encouraging everyone to apply. Currently, there are only two criteria for an applicant to enter the IV–D program and receive IV–D services. In Minnesota and other states, the two step need determination assessment process for IV–D services is limited to: 1) did one parent fill out an application and sign it, and 2) are the two parents living in different households. Subsequently, even the upper middle class are being added to the program, absent a finding of financial need. There is nothing on the congressional record to support this over-inclusive eligibility standard—or lack thereof. Serving the affluent is contrary to congressional intent of Title IV and outside the scope of Title IV–D, which is to provide services to financially "needy" families only,

which is clear limitation of all Title IV programs. This over-inclusive practice leads to a violation of many individual rights because the loving, involved, responsible, regular paying non-applicant parent is not provided an opportunity to object to the delivery of IV–D services in their private domestic relations case.

The IV–D program was designed to recapture money from legal "deadbeats," not dads who involuntarily moved out, but relocated down the block so they could stay involved and see the children 3–4 days a week and maintain a strong record of regular support. However, once under the snares of the administrative IV–D agency, all non custodial parents find they have no individual rights and are assumed to be deadbeats, which increases conflict between the parents, which negatively impacts the children. The stated goal of the state IV–D system is to "maximize federal funding." It's not about the children. The system doesn't have the best interest of children in mind, because the state is primarily after their own financial interest—that is, the federal funding. Loving, involved, responsible, regular paying dads do have their children's best interest in mind, and these efforts are often thwarted and discounted by the IV–D agency. Many non-needy middle-class custodial parents ignorantly sign up for full IV–D services just for the wage-withholding service, because they are misled to do so by the local IV–D agency and told "IV–D is the easiest form of wage-withholding." With modern technology, private domestic relations cases have many private banking options for wage-withholding and direct deposit, and all divorced people do not need the IV–D program.

The state IV–D agency and the federal OCSE are misinterpreting 42 USC 654(4)(A)(ii), 45 CFR 302.33, and 45 CFR 303.2 to mean the federal government requires the states to "provide" full IV–D services to *anyone* and *everyone* who applies regardless of need or circumstance. On its face, the regulation merely states the services "must be made available." Clearly "made available" is very different than "provide." A ballpark is "made available" to everyone, but that doesn't mean everyone is "provided" entry on the day of a game or a seat of their choice, unless they meet certain requirements.

By allowing everyone and anyone into the IV–D program, when they simply fill out an application, ***we are creating a welfare program for the affluent.*** The IV–D program is ***making self-sufficient people dependent on the government,*** contrary to our welfare program objectives. This defies logic and common sense, and is unsupported by the record. (see attachment, with statement from GAO report).

Wade Horn, Assistant Secretary, Administration for Children and Families, U.S. DHHS provided testimony to the U.S. House Ways and Means Committee on February 10, 2005 (before the subcommittee on Human Resources). In his testimony, he indicated that the purpose of "these programs" (*referring to Title IV programs*) is "to improve the lives of ***families who otherwise would become dependent on welfare."*** As many as 40–60% of all current IV–D cases nationwide would not be eligible for services using the congressional purpose to limit the program to applicants: 1) on welfare, and 2) at risk of falling on welfare. Mr. Horn further testified that the next steps are to make ***"economic independence*** within the reach of America's ***neediest families."*** People earning $80,000–$100,000 a year do not fit that focus or achieve the goals established by Congress for the IV–D program. Providing services to this class of people must stop or the whole system will eventually crash and go bankrupt (see attachment, with statement by former Secretary DHHS).

Congress may not be opposed to providing IV–D welfare service funding to the wealthy. However, if the states are opposed to this practice and want to limit IV–D services to the "needy," consistent with congressional intent, it seems that Congress should make it clear that the states are allowed to limit IV–D services based on an assessment of "need" and be assured they can do this without being in violation of any federal law, regulation, or the State Plan.

Is this a federal question or a state question? The Minnesota Department of Human Services claims the authority to determine who is provided IV–D services is "a federal issue" further claiming "the feds make us do it" (i.e. provide IV–D to the wealthy families who are receiving their support with no problem, but apply for IV–D). If providing IV–D services to the non-needy and even affluent families is not a federal requirement, but rather, a choice the state can make or not make, and still be in compliance with IV–D, this must be made clear throughout the entire IV–D system nationwide.

CONCLUSION/SOLUTION/WHAT CONGRESS CAN DO: Minnesota citizens and state legislators want to change state law to clarify that IV–D services are limited to those "needy" families Congress intended to serve: 1) those on welfare, and 2) those at risk of falling on welfare if they don't receive their private support payments. State taxpayers nationwide need to know the delivery of IV–D services must

be limited to "needy" families. The MN DHS claims the **Federal government WILL NOT ALLOW MINNESOTA to limit IV–D services to needy families,** and that the state must provide services to everyone and anyone who applies. This means Minnesota (and all other states) are providing IV–D welfare services to the non-needy, who have never been on public assistance, display no evidence they are ever likely to need public assistance, and have never experienced a support collection problem. To provide clarity to the states, if this is not the position of Congress, please dispel the notion that the Secretary of DHHS can require that the states "must provide" services to the non-needy who are outside the scope of the purpose of the Title IV–D program and beyond the stated intent of Congress.

BOTTOM LINE: Minnesota has ***wide bi-partisan support*** for a ***deficit reducing measure*** that would limit the non-public assistance IV–D services to the "needy." We are assured other states would follow. The Minnesota state legislative body is seeking documentation from the federal government that would ensure:

1) Minnesota will not be out of compliance with the Title IV–D State Plan or federal law, if we enacted a state law that would limit IV–D services as Congress intended to: 1) those on welfare, and 2) those at risk of falling on welfare if they didn't receive their support privately.

Please help solve this problem of the over-reach of authority by the IV–D agency, resulting in unwarrated intrusion by the government, impacting the privacy rights of non-needy families, and causing an ***excess burden to taxpayers*** at all levels: federal, state, and local. I represent a 100% volunteer organization, and we have no paid lobbyists, and "we the people" need your help. We have been seeking an answer from Congress on this issue for more than two years; 201 Minnnesota legislators are waiting for a response. The awareness of this misapplication of the IV–D program is spreading over the internet and emails are being forwarded nationwide to expose the problem.

WE WANT OUR FAMILY AUTONOMY BACK. We expect fiscal responsibility with our tax dollars. Congress and federal and state agencies are charged with the task of allocating limited funds across a range of needy families. Private domestic relations matters should remain private absent a compelling state interest. When there is no pecuniary interest for the government, nor a need to invoke parens patriae powers to protect the child, the government should not be involved in the family. Putting loving, involved, responsible, regular paying non-custodial parents and high earning custodial parents into the Title IV–D program unnecessarily increases conflict, destroys what little is left of the fractured family, thereby harming children, and is nothing short of a fraud upon the taxpayer. We have 7 people on our research team with 38 years of cumulative experience researching Title IV–D. We would appreciate the opportunity to share more of our research with you, and answer any questions at anytime.

The GAO has already figured out this problem.

Why has this report has been largely ignored?

June 13, 1995 "Opportunity to Reduce Federal and State Costs"

Report # GAO/T–HEHS–95–181

By Jane L. Ross, Director, Income Security Issues

"*. . . many non-AFDC clients may not be within the population the Congress envisioned serving*." p. 6

According to the Bureau of Census 1991 data, "*about 65% of these reported incomes, excluding any child support received, exceeding 150% of the federal poverty level*." p. 6

"*. . . about 45 percent reported incomes exceeding 200 percent of the poverty level and 27% reported incomes exceeding 300 percent*." p. 6

"*. . . the rate at which child support services are being subsidized appear inappropriate for a population that Congress may not have originally envisioned serving*." p. 5–6

"*The non-AFDC child support program . . . many are not within the low-income population to which Congress envisioned providing child support enforcement services*." p. 3

The U.S. DHHS has made a strong policy statement

Why has OSCE policy changed to require that a full range of services be provided to all applicants?

U.S. Supreme Court Case—Blessing v Freestone, 520 U.S. 329 (1997)

Silver's Reply Brief (page 5) to the Eleventh Circuit Court

Policy Statement From Donna Shalala, U.S. Secretary DHHS:
". . . a guarantee . . . of the full range of . . . child support enforcement services . . . for all individual cases . . . would bankrupt IV–D agencies across the country."

Statement of Leslie R. Wolfe, Center for Women Policy Studies

Thank you for the opportunity to submit this testimony on the reauthorization of the Temporary Assistance for Needy Families (TANF) Act. The Center for Women Policy Studies was founded in 1972 as the nation's first feminist policy analysis and research institution. From the start, the Center has focused its research and analyses on social and economic policies that support moving women from poverty to economic self-sufficiency and independence, whether the concern has been creating equal credit opportunity, as it was in the early years, ending violence against women, ensuring educational equity or reducing poverty by reforming welfare.

Since 1988, a major focus of the Center's welfare reform efforts has been on the issue of postsecondary education as an effective route to economic self-sufficiency for a large percentage of women now receiving TANF, formerly Aid to Families with Dependent Children (AFDC). We operate on certain premises when it comes to ending poverty for women and their children. First, we believe that our goal must NOT be just one of moving women from welfare to work, but instead, we must look for policy options that put a dent into women's poverty over the long term. Real welfare reform should offer women an effective and permanent route out of poverty to economic independence. We have evidence that, for many women, that route is through postsecondary education. A college education has always been a route for people to achieve economic self-sufficiency and social mobility—witness the success of the GI bill, which brought scores of men into college and the middle class after World War II. This path to a life of economic independence should be available to low income women and their children; they need no less.

Today, a college education is required more often than not to succeed in our economy (Carnevale and Desrochers, 2002). But, you ask, if college is a realistic and affordable option for state and federal policymakers to consider. The answer is yes. Fully 59 percent of women receiving public assistance are high school graduates or have earned GEDs, or have attended some college (Loprest and Zedlewski, 1999). Many of the women are ready and eager to earn a two- or four-year college degree.

The importance of postsecondary education in poverty reduction cannot be overestimated. Among people living below the federal poverty level, one third (33 percent) have a high school diploma and only 9.3 percent have a college degree (U.S. Department of Commerce, Census Bureau, 2001). In fact, even one year of postsecondary education makes a difference for women of all racial and ethnic backgrounds. The poverty rate for African American women with one year of postsecondary education is 21 percent—less than half of the poverty rate (51 percent) for those who have completed 12 years of school. Among Latinas, the change is equally dramatic, as poverty rates drop from 41 to 18.6 percent with one year of postsecondary education. And the poverty rates for white women with one year of postsecondary education drop from 22 to 13 percent (Census Bureau Population Survey, as cited in Sherman, 1990).

While there is a paucity of research on the impact of postsecondary education on welfare recipients (Mayfield, 2001), there is growing and persuasive evidence that this population group benefits greatly from college. An earlier study of women on welfare who graduated from Massachusetts colleges showed that most found mid-level professional jobs and 79 percent earned between $20,000 and $35,000 a year—incomes that meant that economic self-sufficiency had become a reality (Kates, 1991).

More recent studies of former TANF recipients who obtained college degrees in Maine, California, Maryland and Washington show workers who substantially increased their earning power, were employed in salaried positions rather than as hourly workers, and reported such benefits as health insurance, paid sick and vaca-

tion leave, life insurance, disability insurance and compensatory time (Smith, Deprez, and Butler, 2002; Mathur, Reichle, Wiseley, and Strawn, 2002; Family Welfare Research and Training Group, 2002; Karier, 1998).

It is significant to note that the entire family wins from a woman's postsecondary education experience. We know that postsecondary education not only increases women's income and job security, it also improves their self-esteem, gives them greater self-confidence and feelings of well being, increases their children's educational ambitions, enriches their personal and family lives and improves their parenting (Gittell, Gross, and Holdaway, 1993; Kates, 1999, 1991; Kahn and Polakow, 2000; Center for Women Policy Studies, 2001; Lewis, Schacher, and Simon, 2002; Smith, Deprez, and Butler, 2002).

Now more than ever, welfare recipients need postsecondary education to obtain the skills needed to compete for jobs that pay a living wage. If the goal of TANF really is to move women from welfare to work, then all of us must confront the growing scarcity of jobs in the low skill sector of the labor market in which most former welfare recipients work. Nationally, these low skill industries were hit harder by the 2001 recession than the average industry, and have not performed as well as other industries during the recent recovery (Boushey and Rosnick, 2004). Indeed, while employment opportunities for low income and poorly educated women have always been meager, now they are even worse. And women who leave the welfare rolls for these low paying, dead-end jobs likely still will earn wages that are below the federal poverty line. Hence, we simply will move women from the ranks of the welfare poor to the working poor—with little provision for their children—a future generation of American workers.

States have long recognized the importance of postsecondary education in helping women break the cycle of poverty and move into economic independence. Like TANF, the Family Support Act of 1988 was designed as a welfare reform law that would make welfare a temporary system. But unlike TANF, the Family Support Act explicitly promoted education and training for long term economic self-sufficiency. Under the law's Job Opportunities and Basic Skills (JOBS) program, states could offer postsecondary education to welfare recipients as a job training option and also could adopt a two-year or four-year college option.

Every state took advantage of this option. Two thirds of the states allowed AFDC recipients to pursue four-year college degrees and some states even developed strategies to actively encourage recipients to enroll in college; the remaining states permitted recipients the choice of a two-year degree (Gittell, Vandersall, Holdaway, and Newman, 1996). This short-lived federal program and the college option came to an end with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which brought about TANF.

As we know, the final TANF implementation regulations promulgated by the U.S. Department of Health and Human Services (DHHS) in April of 1999 left states the flexibility and discretion to define each of the work activities allowed. Indeed, the state level policy makers and their constituents—again in their great wisdom—recognized the importance of postsecondary education to low income women striving for self-sufficiency, as 49 states and the District of Columbia currently allow some form of postsecondary education for TANF recipients. Of these, 11 states count postsecondary education as a work activity for 12 months; 15 states count it as a work activity for 24 months; and 19 states and the District of Columbia count it as a work activity for longer than 24 months. It is important to note that the majority of the states require that TANF recipients' education be linked directly to employment and self-sufficiency (Center for Women Policy Studies, 2002).

The TANF reauthorization bill introduced in January as the Personal Responsibility, Work and Family Promotion Act of 2005 (H.R. 240) ignores the TANF experiences of policy leaders in these states that have resoundingly rejected any attempts to bar welfare recipients from college campuses.

This Congress now finds that TANF has been a success and resulted in a dramatic increase in employment of current and former welfare recipients. But, let us remind you that these changes have occurred in an environment where the college option has been in place since the late 1980s in most states, with the exception of some initial confusion about access to postsecondary education after the passage of TANF in 1996. In fact, Maine's successful Parents As Scholars (PAS) program has served as a model, as at least four other states—Iowa, New Mexico, Vermont, and Wyoming—and the District of Columbia use their Maintenance of Effort (MOE) funds to provide relatively supportive environments for TANF recipients who are enrolled in postsecondary education programs (Center for Women Policy Studies, 2002). Additionally, in 2003 Senator Olympia Snowe (R–ME) introduced the PAS model at the federal level in an amendment to the Senate's welfare reform bill and in the "Pathways to Self-Sufficiency Act"—unfortunately, the Act did not pass.

Whether policy makers seek to reform welfare in order to cut government spending for the poor and quiet taxpayers' concerns, or to move women from welfare to economic self-sufficiency and to strengthen their families, providing TANF recipients with access to higher education achieves both objectives.

Therefore, we urge you not to repeal the states' flexibility to allow TANF recipients access to postsecondary education by limiting their ability to include education and training activities as "countable hours" to only four months once every two years, and by increasing their work participation requirements from 50 to 70 percent. Instead, we urge you to follow the lead of the majority of states that already allow postsecondary education to count as work, specifically those states that allow education and training activities to count for up to 48 months. We commend Senators Carl Levin (D–MI) and James Jeffords (I–VT) for their initiative (S. 141) to allow up to 24 months of vocational educational training to be counted as work activity, and recommend that Congress expand upon their colleagues' effort and extend the limit for all educational and training activities to 48 months.

We can only hope and trust that the members of Congress will reconsider the destructive nature of the proposed policy, which would curtail participation in postsecondary education for TANF recipients and deny millions of women and children the "American dream" of economic prosperity.

Thank you.

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Statement of Robert E. Wordlaw and Rose Karasti, Chicago Jobs Council, Chicago, Illinois

The Chicago Jobs Council (CJC) and its 100+ members; community-based organizations, advocates, and concerned individuals, work to ensure access to employment and career advancement opportunities for people in poverty. We submit this testimony on TANF reauthorization and the importance of education and skills training to employment and family success.

CJC has a twenty-four year history of advocacy and collaboration with the Mayor's Office in Chicago; with Illinois' Departments of Human Services, Employment Security, and Commerce and Economic Opportunity; with legislators at the state and federal level, and with state and national partners like Women Employed and The Workforce Alliance, to shape policies and programs that promote local labor market employment for low-income individuals. CJC believes that living wage employment is the quintessential anti-poverty strategy. The pathway to family-sustaining jobs must be paved with education and training opportunities throughout one's lifetime which prepare workers for real employment opportunities in a changing labor market. When the traditional educational system fails to engage or prepare young people for careers, particularly in poor communities, or cannot accommodate the needs of special populations, other avenues to skills development are essential and must be available.

In 1996 and again in 2002, federal decision-makers purported to be interested in family well-being and family independence when they passed welfare legislation which tied government assistance for needy families to work mandates and marriage goals. The success of the new Temporary Assistance for Needy Families (TANF) program has largely been measured by caseload reduction and earnings growth among single heads of household. By these measures Illinois is ranked near the top among states. But Illinois' huge reduction in caseload does not mean families who left the rolls have jobs to sustain them. In fact, the fourth annual report of the Illinois Families Study documents that 43% of this sample population of TANF recipients is neither working nor receiving TANF.[1] Another Illinois study of the TANF caseload revealed that only 30% found or retained thirty or more hours of work.[2] And what do we know about wages? Ninety percent of those working live *below* the federal poverty level. Only six percent have good jobs (jobs that pay $8 or more/hr., offer benefits, and are day shift and not temporary or seasonal).[3]

Indeed, there is an urgency to take welfare reform to a next stage. Previous proposals from the Bush Administration and House Republicans, however, undermine the most effective state strategies to transition individuals from welfare to work and to keep them working. Moreover, the legislation ignores the reams of research which identifies the characteristics and needs of the remaining TANF and low-income population, and the realities of state and local economies. The House of Representatives must do better and prevail in passage of welfare legislation that ensures basic family well-being and promotes real employment success. The remainder of our testimony will provide details on the TANF population's workforce potential, the importance and benefit of education and skills training, and the misguided mandate for a 40 hour work requirement.

Disadvantaged Workers and the Labor Market

The Aspen Institute reports that the projected growth of the native-born workforce over the next 20 years will be zero percent, and that immigrants must fill this worker void. In this same period, the projected gains of workers with post-high

[1] Lewis, Dan A., Laura B. Amsden, Emily Collins. 2004. *The Two Worlds of Welfare Reform in Illinois.* Illinois Families Study, Fourth Annual Report. University Consortium on Welfare Reform. July.

[2] Fraker, Thomas, Kirby, Gretchen, Kovac, Martha, Pavetti, LaDonna. 2003. "Families on TANF in Illinois: Employment Assets and Liabilities" Washington, D.C. Mathematica Policy Research, Inc. June.

[3] Ibid.

school education will be 4% compared to the previous growth level of 19% for the last 20 years.[4] Yet, by 2013, more than 80% of the new jobs created in the United States will require some postsecondary education.[5] Understanding these trends is essential to recognizing that we can have a skilled worker shortage at the same time as a national unemployment rate of 5.2% and an Illinois unemployment rate of 5.8 %.[6] States like Illinois have learned that adherence to a "work first" TANF program and work incentives like childcare and an earnings disregard program, cannot alone produce employment. Advances in technology, the changing labor market, the economic recession and slow recovery dictate what jobs are available. In Illinois, our state longitudinal study of TANF families reveals that the number of individuals in the sample population currently working is 48%, down from the 54% peak in the fourth quarter of 2001.[7] In our state, nearly 1.4 million individuals and 484,000 children live below the poverty level.[8]

Researchers Julie Strawn and Karin Martinson contend that those who remain on TANF, those who leave TANF without finding employment, and those who leave TANF and return to the rolls have low education and skill levels.[9] In fact, research conducted by the Center for the Study of Adult Learning and Literacy revealed that 76% of TANF recipients tested in the lowest two levels of literacy and 35% scored in the lowest level.[10] In Illinois, 44% of the TANF caseload lacks a high school diploma.[11] The authors of the United States Department of Health and Human Services 2001 report *Indicators of Welfare Dependence* write, "individuals with less than a high school education have the lowest amount of human capital and are at the greatest risk of becoming poor, *despite their work effort.* "[12]

Welfare research attests to welfare recipients' desire to work. It's skills that are needed. In the midst of a slow-growing economy and in the face of increasing competency levels demanded by vital employers in local and national economies, it falls to policy-makers to craft legislation that prepares TANF recipients to join the skilled workforce and ensure work supports like child care, transportation, medical insurance, and affordable housing to guarantee family and job stability. House Resolution 240 ignores the research and the recommendations of groups like the Welfare to Work Partnership, the National Governors' Association, The Workforce Alliance, and the Chicago Jobs Council when it promotes higher participation rates, narrower definitions of work activity, arbitrary restrictions on education and training, and the continuing exclusion of immigrants from TANF services.

A House TANF bill must:

- **encourage a "mixed strategy" approach to family independence that combines education and work,**
- **include a broad definition of allowable work activities to satisfy work requirements and prepare all job-seekers to meet local labor demands, and**
- **invest substantially in work supports to realize lasting family and program success.**

Skills Training Does Work

In 2002 the Workforce Alliance published *Skills Training Works: Examining the Evidence.* This document challenges interpretations of the research frequently used to defend a work first (and only) policy and discusses research policy-makers may also find informative. Authors of this report contend that a more comprehensive look at existing research, including the three government-sponsored studies often cited, show that: 1) training programs serving low-income adults document earnings impacts of 10 to 156% beyond what similar job seekers gained without training or with

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[4] The Aspen Institute Domestic Strategy Group. 2002. *Grow Faster Together. Or Grow Slowly Apart: How Will America Work in the 21st Century?*

[5] Center for Workforce Preparation. *Rising to the Challenge: Business Voices on the Public Workforce Development System.* Spring 2003.

[6] Illinois Department of Employment Security statistic, January 2005.

[7] Lewis et al. 2004.

[8] United States Bureau of the Census. *Census 2003.*

[9] Martinson, Karin, and Julie Strawn. 2002. "Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform." Washington, D.C.: Center for Law and Social Policy and the National Council of State Directors of Adult Education. May.

[10] Levenson, Alec R., Elaine Reardon, and Stefanie R. Schmidt. 1999. "Welfare, Jobs and Basic Skills: The Employment Prospects of Welfare Recipients in the Most Populous U.S. Counties." *NCSALL Reports #10B.* Boston: National Center for the Study of Adult Learning and Literacy. April.

[11] Fraker et al. 2003

[12] U. S. Department of Health and Human Services. 2001. *Indicators of Welfare Dependence*: *Annual Report to Congress.* CJC underline.

job search services only, 2) low-income participants in skills training programs are more likely to access jobs with greater employer-provided benefits than non-participants, and 3) those who graduate from training programs work more regularly than they did prior to training, and more consistently than those who do not receive training.[13] In fact, 60 % of the *California Greater Avenues to Independence (GAIN)* evaluation participants from its most successful site, Riverside County, received education and training prior to entering the labor market.[14] And the most successful site in the *National Evaluation of Welfare-to-Work Strategies (NEWWS)* study, Portland JOBS, engaged almost half of their participants in education and training activities achieving significant acquisition rates of trade licenses or certificates, and post-secondary education credentials in addition to GED attainment.[15]

Communities with a vision for their workforce and commitment to the most disadvantaged job seekers have developed other successful education and training programs. Research on transitional jobs programs, which combine support, vocational training, and work and target hard-to-place populations, show strong results. Eighty-one to 94 percent of program completers have been placed in unsubsidized jobs.[16] And "bridge" programs, like those at Chicago's Westside Technological Institute and the Instituto del Progreso Latino, create education and training pathways linking individuals with low literacy or English proficiency to basic skills, vocational training and advanced certification programs.[17]

Education and skills training is a proven anti-poverty strategy. The U. S. Census Bureau reported that every level of educational attainment produces earnings gains of $2000 to $45,000 dollars.[18] Additionally, research demonstrates that "the higher a family's income, the better children will do on ability measures and achievement scores and the more likely they are to finish high school."[19] Even if our only interest is reducing family dependence on government assistance, we are frugal to make education and skills training available to TANF recipients. But if we keenly understand that job skills are essential to family well-being and community economies then a commitment to policies that provide opportunities and resources for education and skills training is wise, far-sighted, and financially responsible. With increases in participation rates and work hours, even narrower restrictions on allowable work activities, and unrealistic limits on education and skills training H. R. 240 forces states to dismantle welfare-to-work strategies of greatest impact.

A House TANF bill must:

- **eliminate arbitrary time limits on education and training activities,**
- **eliminate the 30% cap on the number of recipients engaged in education and skills training,**
- **allow a broad range of education and skills training to count as work activities, and**
- **offer incentives and rewards to states which develop transitional jobs programs and skills training for low-income job seekers targeted to labor market needs and higher wage placements.**

Misguided Mandates

The Center for Law and Social Policy has determined that 40 states currently allow postsecondary training or education services that would not be countable

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[13] Smith, Whitney, Jenny Wittner, Robin Spence, and Andy Van Kleunen. 2002. *Skills Training Works: Examining the Evidence*. The Workforce Alliance. September.

[14] Ibid.

[15] Hamilton, Gayle, Stephen Freedman, Lisa Gennetian, Charles Michalopoulos, Johanna Walter, Diana Adams-Ciardullo, Anna Gassman-Pines. 2001. *National Evaluation of Welfare-to-Work Strategies.* Washington, D.C. Manpower Demonstration Resource Corporation for the U. S. Department of Health and Human Services and the U. S. Department of Education.

[16] Hill, Heather, Gretchen Kirby, and LaDonna Pavetti. 2001. "Transitional Jobs Programs: Stepping Stones to Unsubsidized Employment." Mathematica Policy Research, Inc.

[17] Braza, Mark. 2001. "Employment Outcomes of Chicago Manufacturing Technology Bridge Graduates." Submitted to the Great Cities Institute, University of Illinois, Chicago. January.

[18] Day, Jennifer Cheeseman and Eric C. Newburger. 2002. "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings." *Current Population Reports*. U. S. Census Bureau. July.

[19] Lyter, Deanna. 2002. citing Mary C. Corcoran, 1995. "Rags to Riches: Poverty and Mobility in the United States." *Annual Review of Sociology 21:237–267* and Greg J. Duncan, W. Jean Yeung, Jeanne Brooks-Gunn, and Judith R. Smith. 1998. "How Much Does Childhood Poverty Affect the Life Chances of Children?" *American Sociological Review 63 (June): 406–423.* "Education and Job Training Build Strong Families." *IWPR Publication* # B238. Institute for Women's Policy Research. April.

under H.R. 4, a previous welfare bill similar to the recently proposed H.R. 240.[20] Additionally, it is expected that states will have to cut these most innovative and effective services and redirect resources to create and monitor ten additional hours of activity for the 52% of TANF recipients who were engaged in work-related activities that would not meet the new federal threshold.[21] The increased work requirement, in addition to higher participation rates, place families with significant barriers to work far down the priority list for state services and renders them targets of diversion, sanction, termination, and destitution. A study of TANF applicants in Illinois revealed that 35% of those who could not comply with work requirements were not working, not living with an employed adult, and not receiving TANF benefits.[22] These are families that need our services and our commitment most.

Administration-backed proposals like H.R. 240 purport flexibility and an awareness of the need for barrier remediation with allowances of 16 hours per week for other activities and a 3 month time frame for job-related education and training. The Chicago Jobs Council completed a simple analysis of Workforce Investment Act (WIA) certified training programs in three Illinois cities: Dixon, Aurora, and Chicago, to shed some light on the misconceptions upon which these mandates are built.[23] Welfare recipients and other low-income job seekers in these Illinois cities cannot readily get the education and training they need in hours outside the proposed 24 hours of priority work activity or within a 3 month time frame recommended by the House bill. Our findings show:

1) Few 3-month(or less) training programs are available.

In Dixon only 14% of the training programs available could be completed in three months or less. In Aurora, a mere 5.7% could be completed in 3 months or less. In Chicago less than half (49.3%) could be completed within that time frame. It is important to note that those that require less than three months to complete are often one-week courses that will not provide adequate training leading toward family-sustaining employment.

2) Even fewer training programs are accessible to low-skilled TANF recipients.

Of 120 WIA-certified training programs in Aurora and Dixon, *none* would accept a welfare recipient with a 6th grade proficiency level in reading. In Chicago, only 9% of training programs would accept someone with a 6th grade proficiency level in reading, and only 33% would accept someone with 9th grade reading ability. As previously stated, three, or even six months, of remedial education will not be all that is needed for low-skilled TANF recipients to secure and advance in employment.

3) Low-wage jobs don't accommodate education/training schedules.

Most training programs in Dixon and Aurora offer part-time study options. In Chicago, however, nearly half (40%) of training programs do not offer part-time hours. It is important to note that working welfare recipients are most often employed in low-wage service industry jobs that do not offer consistent hours or the flexibility required to engage in a defined part-time training program. Service industry employees are increasingly dependent on a schedule that may change weekly, both in days worked and the number and sequence of hours employers demand for round-the-clock, peak season, profit-making operations.[24] While many low-income workers would be interested in combining work and training in order to make a better life for their families, it is not always possible to do so.

In 2003, U. S. Department of Health and Human Services Secretary Tommy Thompson testified before the Senate Finance Committee that the next phase of welfare reform must "help more welfare recipients achieve independence through work, promote strong families, empower States to seek new and imaginative solutions to help welfare recipients achieve independence, and show compassion to those

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[20] Center for Law and Social Policy. 2002. "Forty States Likely to Cut Access to Postsecondary Training or Education Under House-Passed Bill." Washington, D.C. June.

[21] The National Governors Association and the American Public Human Services Association. 2002. *Welfare Reform Reauthorization: State Impact of Proposed Changes in Work Requirements, April 2002 Survey Results.* Washington, D.C. April.

[22] Maximus, Inc. 2002. *Illinois TANF Applicant Study.* Reston, VA. Prepared for the State of Illinois Department of Human Services. May.

[23] Review of IDES data, 2003.

[24] Lambert, Susan, Waxman, E, Haley-Lock, A. 2002. "Against the Odds: A Study of Instability in Lower-Skilled Jobs." Working Paper of the Project on he Public Economy of Work. University of Chicago. January.

in need."[25] H. R. 240's mandates for more work hours, arbitrary restrictions on education and skills training, and unrealistic and uninformed work/advancement/parenting expectations for low-skilled job seekers jeopardize the successes of states and welfare reform, and deny poor families access to living-wage work and greater family well-being.

- **maintain current work hour requirements,**
- **include a broad definition of allowable work activities to satisfy work requirements and prepare all job-seekers, including immigrants, to meet local labor demands,**
- **encourage a "mixed strategy" approach to family independence that combines education and work,**
- **eliminate arbitrary time limits and the cap on education and training activities,**
- **offer incentives and rewards to states which develop transitional jobs programs, "bridge" programs, and skills training for low-income job seekers targeted to labor market needs and higher wage placements, and**
- **invest substantially in work supports (child care, transportation, medical insurance, food stamps, affordable housing) to realize lasting family and program success.**

Statement of Carolyn Wylie, Children's Defense Fund

Mr. Chairman and Members of the Subcommittee:

The Children's Defense Fund (CDF) appreciates the opportunity to submit this testimony on H.R. 240. CDF is a private, non-profit organization with a more than 30 year history of advocating for children, particularly poor and minority children and those with disabilities. The mission of CDF is to Leave No Child Behind® and to ensure that every child has a Healthy Start, a Head Start, a Fair Start, a Safe Start, and a Moral Start in life as well as successful passage to adulthood with the help of caring families and communities.

The issue of welfare reform is of vital interest to CDF because of its importance as a social safety net for millions of American families with children. We believe Temporary Assistance to Needy Families (TANF) can be a potent force for enhancing child well-being in the lives of the millions of children who are currently living in poverty in America today. However, research clearly demonstrates that the best way to achieve this goal is through significant investments in work supports such as childcare, job training and education, and screening and treatment for barriers to employment. Therefore, we support:

- Increasing funding for child care so that all eligible families receive the child care for which they are eligible.
- Setting work requirements that allow maximum flexibility to achieve the job skills and training necessary to find and maintain well-paying jobs, and differentiates work hours for families with children under 6 years of age.
- Allowing states to use TANF funds to assist all legal immigrant families regardless of when they came into the state.
- Requiring states to uniformly screen for barriers to work and assess child well-being.
- Refraining from adopting a superwaiver policy as a way to achieve flexibility. Adopting sanctioning policies that acknowledge families' good faith efforts to meet requirements.
- Using the funds in the TANF block grant to meet the employment, child care and educational needs of families, rather than using it for unproven family formation and marriage promotion programs.

We oppose diverting funding for essential services proven to lift families out poverty and utilizing those funds for untested marriage promotion initiatives.

Child Care/CCDBG

For millions of parents, receiving child care assistance is essential for staying employed. For families receiving TANF benefits, child care assistance is critical in

[25] Thompson, Tommy. 2003. Statement before the Committee on Finance, United States Senate, by Tommy Thompson, Secretary, Department of Health and Human Services, on "Welfare Reform: Building on Success." March.I77**A House TANF bill must:**

making the transition from welfare to employment. In order to effectively support these families and to help them remain in the workforce, the Child Care Development Block Grant (CCDBG) must be adequately funded to provide reliable, affordable, safe, high-quality care for children. Nationally, only one out of every seven eligible children is receiving child care assistance. It is extremely difficult for low-income parents to find child care options that are affordable and flexible enough to accommodate their employment. Thus, it is essential for states to have adequate federal funding to fulfill this crucial need and to meet the underlying purposes of this legislation—moving families from welfare into work, helping them to stay employed and improving child well-being.

However, H.R. 240 adds only $1 billion in additional mandatory child care funding over the next five years and to $2.4 billion in discretionary funding, which is subject to the appropriations process. The mandatory funding is particularly low given that last year there was bipartisan support for the Senate Snowe/Dodd amendment which provided an additional $6 billion in mandatory child care funding. In fact the Senate vote was 78 to 20 including the support of 31 Republican senators. Because the discretionary child care program must compete on an annual basis for increasingly scarce federal money it is at risk of not being fully funded. Overall, the funding falls short of what is needed to ensure that states can meet the needs of both welfare recipients making the transition to work and low-income working families who are not receiving welfare.

The Congressional Budget Office (CBO) has estimated that it would require $4.5 billion in child care funding over five years simply to compensate for the effects of inflation on the major child care funding streams and avoid a reduction in child care services. In addition, the CBO also estimated that the additional cost to states of meeting the work requirements in H.R. 240 would reach $2.9 billion in 2010 and total $8.3 billion over the 2006–2010 period.[1] The current bill does not address the growing costs of child care related to inflation, nor the proposed cost increases in work requirements.

Most states have already reduced child care assistance for working families over the past few years due to tight budgets and the depletion or exhaustion of many states' surplus TANF funds. Both the Office of Management and Budget (OMB) and the CBO project that overall TANF spending by states will decrease over the next five years because states have been relying on the ever decreasing TANF reserves accumulated in prior years.[2] According to the Government Accountability Office (GAO), states have already taken a variety of actions affecting their child care programs such as reducing income eligibility limits, instituting waiting lists, increasing the co-payments for low-income families, reducing provider payments, and reducing funding dedicated to improving the quality of childcare.[3]

By imposing increased work requirements, without adequate child care funding, states will be forced to make even deeper cuts in child care programs that will have profound effects on low-income families. These effects will be as extreme for many families as forcing them to choose between leaving their jobs and leaving their children in unsafe environments. It is unacceptable to put families in that position—we must not force families to make a choice between employment and the safety or well-being of their children. Federal policy should safeguard both the long-term self-sufficiency and employment of parents and the well-being of their children. Work requirements become punitive and counterproductive when there is inadequate child care funding to assist families in meeting those requirements, especially for single parents with children under six who are required by H.R. 240 to double their hours worked from twenty to forty hours per week.

One change H.R. 240 makes is to give states authority to transfer more TANF funds to CCDBG, up to 50 percent from the current level of 30 percent. This change will not help fill the gap created by inadequately funding this bill. Allowing states to transfer more money from an already inadequate source of funds will not fulfill the need for more child care funding. In fact, states can already spend TANF funds directly on child care and this bill reduces the barriers to direct expenditures. Currently, when states spend TANF money directly on child care for non-recipient families those funds are counted as TANF assistance with all the limitations associated

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[1] Congressional Budget Office, Letter to the Honorable Jim McDermott regarding the potential additional costs that states could incur to implement the work participation requirements specified in H.R. 240 for those receiving Temporary Assistance for Needy Families (TANF). February 9, 2005.

[2] Fremstad, S. *State Fiscal Relief Funds Do Not Address the Need for Substantial Increases in Child Care Funding*. Center on Budget and Policy Priorities, July 28, 2003.

[3] General Accounting Office, "CHILD CARE: Recent State Policy Changes Affecting the Availability of Assistance for Low-Income Families," GAO–03–588, May 2003.

with TANF. This bill removes that restriction by clarifying that TANF funds spent directly on child care do not count as TANF assistance. Because this bill will allow states to freely and directly spend TANF funds on child care, the ability to transfer more TANF funds to CCDBG is not an opportunity for more child care funding but is really just another empty promise for our children.

Despite the $1 billion increase in mandatory child care funding in H.R. 240, hundreds of thousands of children in working families would lose access to child care because added work requirements will only increase the need. Ironically, low-income working families not receiving TANF but rely on support from CCDBG may be forced to turn to TANF because of the overall lack of child care funding.

Work Requirements

Hours/Week and Participation Rates

H.R. 240 proposes to increase work requirements for families now required to work 30 hours per week to 40 hours per week. Single parents with children under six now required to work 20 hours per week would also be required to work 40 hours. Families must fulfill at least 24 of the 40 hours per week by engaging in one of the specified direct work activities and 16hours in other state defined activities. This bill also makes the participation rate uniform for all families and increases it by 5% each year from 50% currently up to 70% for fiscal year 2010 and for each year thereafter. These requirements raise serious concerns as the welfare policies proven to improve child well-being are those that raise income and promote work by making work pay. Mandating across the board increases in work hours without commensurate increases in work supports simply increases the burden on families without providing them the necessary tools to meet the requirements.

Research has shown that children do best when welfare to work programs provide a mix of services including cash supplements, job training and placement services, and supports like child care, job retention services, and transportation assistance.[4] Helping parents overcome barriers can increase their chances of earning their way out of poverty and achieving greater independence. Increasing work requirements without adequate supports or services will not benefit parents, children, or society and will ultimately undermine the goal of moving people from welfare to work. CDF urges Congress not to increase work requirements to 40 hours, particularly without a significant increase in work supports.

We are particularly concerned that under H.R. 240 single parents with children under six will no longer have a reduced work requirement. Recent research shows negative effects when mothers work during their child's first year of life, including lower Bracken School Readiness scores.[5] In addition, negative effects for children are more pronounced when mothers worked 30 hours or more per week.[6] Therefore, the proposed increase in work requirements poses significant risks to young children, especially when coupled with inadequate child care funding in the bill. Unless parents are able to find affordable, quality child care, single-mothers with young children will likely be forced to make difficult choices between working and obtaining quality care for their children.

Work Activities that Count Toward Federal Work Participation Rate

States have used the flexibility provided by the caseload reduction credit and waiver provisions of current law to engage individuals with disabilities, mental impairments, substance abuse problems and other challenges in a set of rehabilitative activities that help move these individuals towards work and greater independence. H.R. 240 would limit states' ability to help families in this way.

H.R. 240 only enables states to count rehabilitative activities towards the work requirements for three months. After three months, such activities count only if the person first engages in 24 hours of core work activities, defined as: subsidized or

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[4] Hamilton, G., et al. (2001) "Impacts of the Well-Being of All Children." How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs. Washington, D.C.: Department of Health and Human Services, Administration for Children and Families; Brooks-Gunn, J., Han, W., and Waldfogel, J. (2002) "Maternal Employment and Child Cognitive Outcomes in the First Three Years of Life: The NICHD Study of Early Child Care." Child Development 73(4): 1052–1072.

[5] Brooks-Gunn, J., Han, W., and Waldfogel, J. (2002) "Maternal Employment and Child Cognitive Outcomes in the First Three Years of Life: The NICHD Study of Early Child Care." Child Development 73(4): 1052–1072; Morris, P., Duncan, G.J., and Clark-Kauffman, E.(2003) "Child well-being in an era of welfare reform: The sensitivity of transitions in development to policy change." New York, NY: Manpower Demonstration Research Corporation; Paxson, C., and Waldfogel, J. (2002) "Work, Welfare, and Child Maltreatment." *Journal of Labor Economics* 20(3): 435–474.

[6] Brooks-Gunn and Waldfogel, 2002

unsubsidized public or private employment, supervised work experience, supervised community experience, and on-the-job training. Many individuals with disabilities, mental impairments and substance abuse problems, especially those with multiple challenges, are unlikely to be to participate in 24 hours of core work activities after only three months of rehabilitative services. Unless states are provided more flexibility in determining what activities count towards the participation rate, it will be difficult for them to provide needed services.

For example, the Vermont Vocational Rehabilitation Agency, working in conjunction with the state's TANF agency, recently assisted 109 recipients with disabilities in achieving successful employment (defined as stable employment for 90 days). Less than 10 of these 109 TANF recipients achieved successful employment within 3 months. Thus, if H.R. 240 were in effect, Vermont would have risked penalties offering these individuals services beyond three months and more than more than 100 of the 109 TANF recipients would have been unlikely to receive the services they needed to become successfully employed.

Similarly, drug and alcohol treatment programs that serve women with children, including women receiving TANF assistance, frequently require more than three months of services. Successful programs often combine job training, parenting classes, education, and life skills training in their substance abuse treatment plans. These programs also include employment as part of the treatment plan to the extent a particular individual is ready to engage in work. Allowing individuals time to complete treatment is critical. An Oregon study showed that those who completed drug treatment received wages 65 percent higher than those who did not.

The goal should be to help parents with disabilities, mental impairments, substance abuse problems and other challenges, obtain the help they need—for however long they need, as determined by the state and local agencies working together—to help them successfully move from welfare to work. Allowing states to receive credit for only a limited number of months of rehabilitative services will mean that some parents do not get the intensive help they need to succeed.

CDF is also quite concerned that many of the families who are unable to obtain the services they need will end up in the child welfare system. Those families at greatest risk have challenges such as disabilities, mental impairments or problems with substance abuse.

To truly help families move towards work and greater independence and to avoid harm to children, we encourage you to adopt the approach proposed by Senators Smith (R–OR) and Jeffords (I–VT) in the Pathways to Independence Act (S. 456).

Immigrant Eligibility

Despite continuing bipartisan support in Congress for restoring legal immigrants' access to benefits, this bill retains its discriminatory restrictions on their eligibility for TANF programs. In 2004, the Senate Finance Committee passed reauthorization bill had strong bipartisan support and provided states with the option of using TANF funds to assist legal immigrant families regardless of entry date. Proponents of this bill have repeatedly stated their intention to provide states flexibility in structuring their TANF programs, yet it is denying states the most basic flexibility to structure its program as it chooses by giving all its residents equal access to benefits. We urge you to restore benefits to all legal immigrants or to at least allow states the option to use TANF funds to assist legal immigrant families in their states regardless of entry date.

Waivers

H.R.240 includes a proposal to establish a new, broad authority for the executive branch to grant states waivers of statutory and regulatory requirements for specified programs in order to create new demonstration projects to coordinate multiple public assistance, workforce development and other service delivery programs. Although we support the goal of improving coordination of low-income programs and making them more accessible, we disagree that this "superwaiver" is the most sensible or safe mechanism to achieve that goal. There are multiple risks involved in giving this authority to the executive branch and to states.

One important risk of the "superwaiver" is that it would allow the executive branch and the states to make fundamental changes to the structure of low-income programs, including how funds are spent by these programs, without the input of Congress and outside of the normal legislative process. The "superwaiver" lacks the protections to prevent alterations in programs that could have far-reaching, detrimental consequences for the low-income population, especially children. Another risk is that the "superwaiver" could be used to undercut Congressional requirements about the level of state investment in federal-state programs.

Superwaivers take away Congressional power, especially the power of authorizing committees like Ways and Means, by letting the Administration change the rules of programs on its own. The overall funding for low-income programs could decline because states could use "superwaivers" to shift federal resources into areas previously funded with state resources thus allowing states to withdraw their funds from low-income programs. This supplantation could have dramatic ripple effects for low-income families and children.

The "superwaiver" goes far beyond what is needed to address coordination problems among various low-income programs and we strongly urge you to seek other approaches that will not put low-income programs at risk.

Screening for Barriers to Employment

H.R. 240 eliminates the current law requirement for states to conduct initial assessments of recipients' skills, prior work experience, and employability and makes those assessments optional for states. The approach proposed by the Senate Finance Committee in 2003 and 2004 would strengthen current law by adding screening for employment barriers and assessments of child well-being to the currently required initial assessments to allow a better understanding of the needs and capabilities of each family to help move them to self-sufficiency. However, H.R. 240 takes a step in the opposite direction by making initial assessments optional. Personal assessments and screening are important tools to identify barriers in order to ascertain the best way to assist recipients achieve employability and, eventually, self-sufficiency. Without identifying existing barriers, it can be difficult if not impossible to identify the obstacles that a recipient is facing and to help them overcome those challenges. CDF strongly urges you to not only retain the current assessment requirement but to add screening for barriers.

Sanctions and Protections

H.R. 240 includes punitive sanctions that reduce state flexibility, are overly harsh, and punish children. States are required to sanction families for failure to meet work requirements and to terminate all assistance to families, including their children, when parents do not meet program requirements, even if states would rather not adopt such harsh full-family sanction policies. Based on the current proposal to raise work requirements for all families without a commensurate increase in work supports such as child care, training, education, job placement, and transportation, it is possible that many families who are facing barriers to work will not be able to meet the work requirements.

Research has shown that a large proportion of families that have been sanctioned face significant barriers to employment such as health problems and low basic skill levels or substance abuse problems.[7] In fact one large study found that children in families that had been sanctioned generally had higher rates of serious behavioral and emotional problems than children in other TANF families.[8] Therefore, families may face these arbitrary and harsh sanction policies without states having the option to adopt less stringent policies or the option of providing additional services. Families that lose TANF assistance as a result of sanctions or time limits are more likely to experience hardship than other welfare leavers.[9] State-level studies have found that families who lose cash assistance due to sanctions or time limits face serious material hardships including problems securing housing and food. One national survey found that mothers who left welfare after being sanctioned were more than three times as likely to have experienced material hardship—homelessness or eviction, hunger, or moving in with others—as mothers of infants who stayed on welfare.[10] When researchers looked at the relationship between hunger and sanctioning, they found that sanctioned mothers were more than six times as likely as mothers staying on welfare to have experienced hunger.[11] These studies show that sanction policies can lead to real hardship for many low-income parents and children.

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[7] Pavetti, L. Review of Sanction Policies and Research Studies, Mathematica Policy Research, Inc., March 2003.

[8] Chase-Lansdale, L., Levine-Coley, R., Lohman, B.J., and Pittman, L.D. "Welfare Reform: What About the Children?" 2002.

[9] Reichman, N.E., Teitler, J.O., and Curtis, M.A. "Hardships Among Sanctioned Leavers, Non-Sanctioned Leavers, and TANF Stayers." Center for Research on Child Wellbeing, Working Paper #03–17–FF, December 2003; Cook, J., Frank, D., Berkowitz, C., Black, M., Casey, P., Cutts, D., Meyers, A., Zaldivar, N., Skalicky, A., Levenson, S., and Heeren, T. 2002. "Welfare Reform and the Health of Young Children: A Sentinel Survey in Six United States Cities," Archives *of Pediatric and Adolescent Medicine* 156(7).

[10] Cook, et al., 2002.

[11] Reichman, et al., 2003.

CDF urges you to reconsider these sanction policies and to instead adopt safeguards for families making good faith efforts to meet the requirements. The Feingold, Kennedy, and Landrieu Fair Treatment and Due Process Act of 2003 (S. 770) would have helped to ensure fair and non-discriminatory treatment for applicants and clients of state TANF programs. Among other provisions, this proposal would have enhanced sanction notification and due process protections for clients and improved access for translation services.

Family Formation and Marriage Promotion

This bill proposes directing spending of up to $1.6 billion federal and state money on marriage promotion at the same time efforts to increase funding for basic income supports with proven effectiveness such as transitional jobs and childcare have been opposed, defeated, or underfunded on the grounds that they are not necessary and that there are not enough funds available. Any funds available should be spent on proven programs that will most directly benefit children.

On May 13, 2004 CDF submitted testimony on the impact on children of proposed federal marriage initiatives to the Senate Committee on Commerce, Subcommittee on Science, Technology and Space title "Social Science Data on the Impact of Marriage and Divorce on Children[12]" We believe that on its own, marriage is unlikely to pull substantial numbers of people out of poverty. In fact, research suggests that marriage has limited utility in this regard. Even if all fathers not currently living with their children and their children's mother were reunited, the overall child poverty rate would still be two-thirds of what they are now.[13] Marriage, while potentially economically beneficial, would not end the majority of child poverty.

Therefore, prior to spending large sums of money on unproven, potentially unsafe marriage promotion programs that have not been rigorously evaluated, Congress should invest in programs that will increase the economic and educational status of Americans living poverty. The Administration and Congress assert that the overarching purpose of marriage promotion programs is to improve the well-being of American children who are living in poverty. Given that it is clear that marriage promotion is not the most consistent and proven direct path to reach this goal, we urge you to ensure that adequate investments have been made to meet the employment, child care and education needs of single parents before investing scarce federal resources in this unproven method.

Conclusion

TANF provides a vital social safety net for millions of people living in poverty, especially for the growing number of children in poverty. Extensive research demonstrates that children in low-income families are at risk for low cognitive achievement, behavioral problems, and health problems.[14] TANF policies can lead to positive effects for children when they increase family income and are combined with adequate work supports. One recent study finds that positive effects for elementary school children that are more pronounced when programs have generous earnings supplement policies and work support programs than programs without them.[15] Other research shows positive effects for preschool and early school-age children in programs with work supports, but only in programs that increased both employment and income.[16] Reforms with work mandates but few supports, including few wage and childcare subsidies for working mothers, appear to be significantly less beneficial than programs with work supports.[17] In addition, reforms with positive effects on children tend to operate more through changes outside the family—such as in quality child care and after-school programs.[18] Thus, child outcomes improve when family income increases, when children are placed in high-quality child care programs, and when adequate work supports accompany employment.

CDF supports:

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[12] http://www.childrensdefense.org/familyincome/welfare/testimony_on_marriage_initiatives.pdf

[13] Hernandez, D.J. (1993). *America's Children*. New York: Russell Sage Foundation

[14] Brooks-Gunn, Jeanne, Greg J. Duncan. 1997. "The Effects of Poverty on Children." *Children and Poverty* 7(2): 55–71; Yeung, W. Jean, Miriam R. Linver, and Jeanne Brooks-Gunn. 2002. "How Money Matters for Young Children's Development: Parental Investment and Family Processes." *Child Development* 73(6): 1861–1879.

[15] Morris, et al., 2003.

[16] Morris, Pamela A., Aletha C. Huston, Greg J. Duncan, Danielle A. Crosby, and Johannes M. Bos. 2001. "How Welfare and Work Policies Affect Children: A Synthesis of Research." New York, NY: Manpower Demonstration Research Corporation

[17] Duncan, Greg, and P. Lindsay Chase-Lansdale. 2001. "Welfare Reform and Child Well-being." *JCPR Working Papers* 217, Northwestern University/University of Chicago Joint Center for Poverty Research

[18] Duncan and Chase-Lansdale, 2001.

- Increasing funding for child care so that all eligible families receive the child care for which they are eligible.
- Setting work requirements that allow maximum flexibility to achieve the job skills and training necessary to find and maintain well-paying jobs, and that differentiate work hours for families with children under 6 years of age.
- Allowing states to use TANF funds to assist all legal immigrant families regardless of when they came into the county.
- Requiring states to uniformly screen for barriers to work and assess child well-being.
- Refraining from adopting a "superwaiver" policy that creates substantive risks for families.
- Adopting sanction policies that acknowledge families' good faith efforts to meet requirements and give states demonstration with sanction policies.
- Using the funds in the TANF block grant to meet the employment, child care and educational needs of families, rather diverting them for unproven family formation and marriage promotion programs.

Statement of Sharon McDonald, Consortium for Citizens with Disabilities

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 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.

We believe that many individuals with disabilities receiving TANF, or those parents caring for a child with a disability, can successfully move from welfare to work if the appropriate supports and policies are in place. In a report issued in 2001, the National Council on Disability stated: "'Every American should have the opportunity to participate fully in society and engage in productive work. Unfortunately, millions of Americans with disabilities are locked out of the workplace because they are denied the tools and access necessary for success.' President George W. Bush, New Freedom Initiative at p. 18, (Feb. 2001), www.whitehouse.gov/news/freedominitiative/freedominitiative.html. For many people with disabilities, TANF, if appropriately designed, could provide the tools and access needed to unlock doors to opportunity, productivity, and economic self-sufficiency."[1]

It is important for federal and state policy makers to recognize how many people now receiving services through state TANF programs have disabilities. 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.[2] This confirmed earlier findings from the Urban Institute and others.[3]

Studies show that parents on TANF have mental impairments such as severe depression, general anxiety disorder, post-traumatic stress disorder, learning disabilities, and mental retardation, as well as physical impairments and brain injuries. 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

[1] National Council on Disability, TANF and Disability, Importance of Supports for Families with Disabilities in Welfare Reform, March 14, 2003, available at: http://www.ncd.gov/newsroom/publications.familysupports.html.

[2] U.S. General Accounting Office, Welfare Reform: Former TANF Recipients with Impairments Less Likely to be Employed and More Likely to Receive Federal Supports, (GAO–03–210), December 2002, available at http://www.gao.gov.

[3] 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.

of which is a disability or health condition.[4] 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 and education 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.

Some states are taking positive steps to assist people with disabilities in their TANF programs. A number of states, including Iowa, Utah, Oregon, Tennessee, Vermont, and some counties in Colorado, have developed partnerships to address the needs of individuals with disabilities and help move them from welfare to work. Such partnerships often include TANF agencies, vocational rehabilitation, workforce investment, and local business and community groups. To adequately help families that include a person with a disability requires a great amount of flexibility in developing the programs that help individuals with disabilities achieve self-sufficiency.

Under current law, states have the flexibility—either due to a waiver or the caseload reduction credit—to ensure that a parent with a disability, including a substance abuse problem, receives the rehabilitative services she needs in order to move towards work. In recent years, more states have used this flexibility as they became aware that some parents require more specialized help to successfully enter the workforce and maintain employment.

Under H.R. 240, the amount of time states could count rehabilitative services as meeting the full work requirement would be capped at three months. Under this proposal, after three months, states could count the hours an individual participated in rehabilitative services as meeting the work requirements only if the individual also completed 24 hours of countable work activities each week. Many parents with disabilities will be unable to meet the 24 hour threshold of countable work activities despite their best efforts and the commitment of states.

These restrictions are likely to be counter-productive for many families who will require more time to successfully prepare to enter the workforce and will likely discourage states from designing programs that meet the needs of those with the most severe barriers.

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 are not harmed by policies that fail to take into account the impact of their disabilities on their ability to comply with program rules:

1. Allow states to count participation in rehabilitative services as meeting work requirement for more than three months if the TANF recipient is progressively increasing participation in core work activities.

We urge the Committee to consider adopting provisions similar to that of an amendment co-sponsored by Senators Smith, Jeffords, Chafee, Collins, Rockefeller and Landrieu in the 108th Congress that would have amended provisions in the Personal Responsibility and Individual Development for Everyone (PRIDE) Act. PRIDE was the TANF reauthorization proposal approved by the Senate Finance Committee in the last Congress. Due to other unrelated issues, this amendment was not considered. We urge both Houses to consider it and include it in their TANF reauthorization legislation in 2005.

The Senate's PRIDE Act would have allowed states to count rehabilitative services as a work activity for up to six months, as long as some core work activity is combined with the rehabilitation services during the second three-month period. The proposed amendment would have extended this to allow states the option of counting individuals participating in rehabilitative services beyond six months, as long as the individual also continues to participate in at least one-half of the required core work activity hours.

Extending rehabilitation services beyond six months would allow states to create a progression of work activity combined with rehabilitative services over time that will assist in moving a family from welfare to work at a pace that will lead to success for a family that includes a person with a disability. The amendment also encourages states to develop collaborative relationships with other governmental and private agencies with expertise in disability determination or designing appropriate service plans for people with disabilities.

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[4] 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.

As noted earlier, the House bill only permits states to count three months of participation in rehabilitative services as work activity. We prefer the Senate Finance Committee's creation of a base period of six months, although that too is inadequate to address the needs of some individuals with disabilities including substance abuse. We urge both the House and Senate Committees to include in your legislation the provisions in the Smith-Jeffords amendment. The progression of increased work included in the amendment addresses the concern that TANF recipients in a pragmatic way that can result in more people with disabilities successfully moving off of TANF without the need to re-cycle back onto TANF due to unsuccessful work attempts.

2. Allow states to count as a work activity the time that the adult in the TANF family spends caring for a child with a disability or an adult relative with a disability.

There are also children with disabilities in TANF families. The General Accounting Office reports that fifteen percent of families on TANF include a child with a disability; and eight percent of families on TANF include both a child and an adult with a disability. In contrast, only 3% of children in the general population have a disability and 1% of the families include both a child and an adult with a disability.[5] The Manpower Demonstration Research Corporation (MDRC), 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 work or attend school.[6]

It is very difficult to find safe, accessible, and appropriate child care for a child with a disability. This is often the case regardless of the family's income. In addition, the nature of some children's disabilities and health conditions means that parents are called from work regularly to assist a school with the child or to take the child to medical appointments—jeopardizing their ability to retain employment. Other TANF recipients are providing care for an adult relative who depends on them for that care. They face a serious dilemma when they are told they must work away from home but leave an elderly parent or other relative with a disability without the care they need to continue to live in the community.

At the same time, there are many parents who are providing care to a family member with a disability who would like to maintain as much employment as they can or secure the training they will need to gain employment when they are no longer needed in the home to care for their family member.

The Family and Community Protection Act (S. 6), introduced in the Senate, includes a provision that would allow states to receive work credit for the time that a parent spends caring for a child with a disability or adult relative, if the state has determined that that is the most appropriate way to secure needed care. The provision specifically states that it does not prevent a state from designing a plan with the parent that combines some amount of in-home care as work activity with other activities that will help the parent prepare to enter the workforce at a time that is appropriate in meeting the needs of the child or adult relative with a disability.

In order to count such care, the state must determine that the child or adult has a significant physical or mental impairment or combination of impairments that has been verified through "a medically acceptable clinical or laboratory diagnostic technique." The state must further find that, as a result of that impairment, the child or adult needs "substantial ongoing care" and that the TANF recipient is the most appropriate person to provide that care. Due to the caretaking responsibilities, the state must determine that the recipient is not able to participate fully in other work activities. In addition, the state will be required to conduct regular, periodic evaluations of the recipient's family to determine whether there is a continuing need for care provided by the recipient and include regular updates on this in the recipient's self-sufficiency plan.

Providing work credit fits nicely into the concepts of universal engagement and of helping families to get the individualized plans they need so that they ultimately succeed. As it allows the state the flexibility necessary to tailor a plan that can

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[5] U.S. General Accounting Office, Welfare Reform: Outcomes for TANF Recipients with Impairments, (GAO–02–884), July 2002, available at: http://www.gao.gov.

[6] 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.

evolve with the changing needs of the family, it can help facilitate the development of a family-centered helping relationship that may be non-existent when families are simply "exempted" and, perhaps, forgotten on the caseload rolls.

3. Include provisions that protect families with barriers from unneccessary and inappropiate sanctioning.

The 1996 law requires states to impose sanctions where a parent "refuses" to comply with a state work requirement. Unfortunately, many of those who are being sanctioned cannot comply—they are not refusing to comply; they simply cannot because of a disability or other barrier, or may not even understand what is being required of them. Efforts to increase the number of hours of required work activity and states' overall work participation rates are likely to harm these same families. Without strong protections against inappropriate sanctioning, it is likely that the number of inappropriate sanctions will increase. Sanctions in TANF are associated with negative health consequences for very young children. Toddlers and infants (36 months and younger) have greater odds of experiencing food insecurity and hospitalizations if their family's welfare benefits have been terminated or reduced due to sanctions compared to those in welfare families whose benefits have not been reduced. Children in sanctioned families have a nearly 30% higher risk of hospitalization and a 50% higher risk of food insecurity than similar children in families who benefits had not been reduced.[10] States should be required to have procedures that review a family's circumstances prior to the imposition of a sanction; determine whether additional assessments are needed (and secure them); determine whether there are services and supports the family needs before work can be required and whether modifications are needed to the requirements so that the family is better able to comply. Many states, including Maine, Tennessee, Iowa, Virginia, and Vermont, already do this.

Finally, in closing, we have two additional concerns. First, we are very concerned that Congress not take any action that will result in less TANF funds being made available to states in the future. For states to think creatively about how best to assist a person with a disability or other significant barrier to successfully move to work, states are going to need the resources that will allow them to provide the person with whatever services and supports the person needs. Any actions which reduce the amount of the TANF block grant will mostly likely undermine the ability of states to assist people who require more intensive supports in order to work.

Second, we are very concerned that proposals to increase the number of work activities 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. Even under current law, many people with disabilities cannot meet the work rules. Any increase in the work requirement will onlycreate a new, even more insurmountable barrier. The TANF law should be designed to allow states to encourage parents to work for as many hours as they can, recognizing that the goal should always be independence and that, for some families, that goal will be reached by degree and, for a smaller number, will never mean they are meeting the full state work requirement. Independence—not failure—should be the basis for all federal public policy including TANF reauthorization.

The members of the Consortium for Citizens with Disabilities TANF Task Force concur with the findings of the National Council on Disability that "[f]or many people with disabilities, TANF, if appropriately designed, could provide the tools and access needed to unlock doors to opportunity, productivity, and economic self-sufficiency."[11] We appreciate your attention to our concerns. We look forward to the opportunity to work with the Committee to address these essential questions in TANF reauthorization.

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[10] These findings are part of the Children's Sentinel Nutrition Assessment Program (C–SNAP), a joint effort of a number of medical institutions. The research on sanctions was conducted in six cities: Baltimore, Boston, Little Rock, Los Angeles, Minneapolis, and Washington, D.C. For more information, see http://dcc2.bumc.bu.edu/csnappublic/Fact%20Sheet%2071402.htm.

[11] National Council on Disability, March 14, 2003

Statement of Frank J. Mecca, County Welfare Directors Association of California, Sacramento, California

Thank you for the opportunity to submit testimony for the record nregarding Temporary Assistance to Needy Families (TANF) proposals being considered by the Subcommittee on Human Resources. The County Welfare Directors Association of California (CWDA) has been actively involved in the TANF reauthorization discussion over the past four years. We appreciate your comments regarding the success of welfare reform to date, and agree with the need to fully reauthorize TANF during the current session. This testimony sets forth our key priorities for TANF reauthorization and comments on some of the proposals contained in vehicles being considered by the subcommittee.

The 58 counties that administer California's TANF program are proud of the job that we have done in implementing the 1996 federal welfare reform law and our authorizing state statutes. We have formed strong public-private partnerships at the local level, bringing together employers, community- and faith-based organizations, and the other local and state agencies that serve our participants. We have changed an entire culture, moving our staff from check-writers who adhere to strict processes into counselors who assist clients in moving from welfare to work. The way in which we use our state and federal funding has shifted from a focus on cash aid to a focus on supportive services such as child care, transportation, and skills training. Instead of speaking of "entitlements," we speak of "self-sufficiency."

Certainly, you are aware of the massive caseload reductions that have occurred in states across the nation since welfare hit its peak in the mid-1990s. The story is much the same in California; despite some caseload increases during the recent recession, our welfare rolls are still a fraction of what they used to be. A majority of those who are on the rolls are engaged in some activity, including a mix of work, education, training, and treatment. In California, we are also in the process of ensuring that every required participant has a welfare-to-work plan in place.

Despite these successes, our program faces numerous challenges. For California counties, as with states and counties across the country, one 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. Many of these families are engaged in work or other activities, but for less than the required number of hours. We have discovered over the past few years that many of these families include a disabled adult or child, a victim of domestic abuse, or in other situations that render them exempt from participation under California rules and who we believe should be exempt under the federal rules as well. This does not mean that we stop working with these families to get them engaged in appropriate activities; it is a recognition that the barriers for some are so great that expecting 32, 35, or 40 hours of work from them is unrealistic.

Another major challenge is to assist displaced or underemployed workers who lost their jobs during the recent recession. In many areas of the state, unemployment rates soared during the past few years. A substantial percentage of those who recently entered the TANF program, or returned to the program after leaving due to employment, already have marketable skills but need temporary assistance, possible retraining, and supportive services to boost them back into the workforce.

Your H.R. 240 and the Administration's proposal highlight 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.

In addition, H.R. 240 improves flexibility in use of TANF funds, by allowing states to:

- 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;
- encourage equitable treatment of two-parent families; and
- count some treatment activities as participation for a limited period of time.

FUNDING

We appreciate your understanding that child care funding is a critical element of welfare reform, and recognize that the amount of funding contained in H.R. 240 represents an increase over last year's H.R. 4. It is vital to increase funding for child care services, in addition to preserving or increasing the funding available for all TANF purposes. CWDA supports additional funds for child care and encourages the creation of annual inflationary increases for the overall block grant.

Funding for incentive programs and new initiatives, such as the healthy marriage and responsible fatherhood initiatives contained in H.R. 240, should not be carved out or set aside from the TANF block grant, but should be separately provided.

CWDA also supports restoring federal benefits to immigrants who are lawfully present in the country.

FLEXIBILIITY

Preserving the flexibility provided by the TANF law, the hallmark of California's welfare reform program, is critical. Our program has creatively and responsibly used the flexibility allowed under federal law to provide assistance and supportive services over a longer period of time, while making work pay more than welfare alone, in order to foster employment stability and long-term family self-sufficiency. We have enacted an earned income disregard that reflects the generally higher cost of living in the state and a "child safety net" that continues a reduced, child-only grant when parents reach their 60-month lifetime limit on aid. In addition to providing a basic level of subsistence for children, this safety net also enables counties to keep in touch with parents and provide additional services to support their work participation—an advantage that many states have recognized.

PERFORMANCE IMPROVEMENT INCENTIVES

Nearly every TANF proposal would increase state participation rate requirements over time. We support the drive to take welfare reform to the next level and to hold states accountable for their performance. A increase in the participation rate requirement should be coupled with provisions that promote improvement over time by holding penalties in abeyance as long as states are making progress each year toward the required work participation rate. This would be consistent with the Employment Achievement Bonus contained in H.R. 240, which would replace the current high performance bonus.

EMPLOYMENT 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. Specifically, we support a credit structure that contains some or all of the following elements:

- Bases credit on the number of families employed while on assistance and after leaving assistance.
- Provides a larger credit for higher earnings and partial credit for part-time work.
- Gives states credit for using TANF funds directly for child care and transportation subsidies to working families.
- Enables states to receive credit for diverted individuals who are later employed.

Rather than rewarding states for the number who leave the rolls for work, as with the existing caseload reduction credit, an 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. Partial credits for part-time engagement recognizes that for many multiple-needs families, part-time work coupled with other activities that meet their assessed needs is appropriate.

As with the performance improvement incentives outlined above, the creation of a data-driven employment credit would be consistent with the Employment Achievement Bonus proposed in H.R. 240.

UNIVERSAL ENGAGEMENT WITHIN 60 DAYS

H.R. 240 would require every family with a "work eligible" individual to have a family self-sufficiency plan in place within 60 days of program entry. We appreciate the addition of a 12-month phase-in period for those on aid at the time that the reauthorization legislation is enacted. However, we are concerned that 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.

California already has enacted universal engagement requirements that we believe preserve the work first approach undertaken in our state. Specifically, counties are required to develop a welfare-to-work plan for every work eligible individual within 90 days of their entry into the program. If job search activities are initiated within the first 30 days after they enter the program, however, the 90-day period begins after the period of job search is completed. Those participants who find full-time work during that time are not required to develop a plan, enabling the counties

to focus their efforts on those for whom an upfront test of the labor market is not successful.

Counties have been working to implement these recently requirements since late 2004. In order to minimize disruption to clients and enable the effects of the state statute to be realized, we respectfully request that H.R. 240 be amended to allow states with universal engagement requirements already in place to meet the universal engagement requirement for TANF purposes.

This is appropriate because our current approach allows a significant percentage of participants to secure unsubsidized employment within their first few weeks on aid. An initial, intensive period 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, those who are readily 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, counties work to identify an individualized mix of activities that will move these participants into the workforce, and toward unsubsidized employment, as quickly as possible.

UNIVERSAL ENGAGEMENT PENALTIES

We cannot support separate penalties for any of the *process-based* requirements under the TANF law, including the universal engagement provisions. Universal engagement should be treated the same as other elements of the TANF program that are incorporated into each state's federally required TANF plan, none of which have separate penalties. States should only face penalties for the primary *outcome* measure—work participation rates. The process-based elements of the program, including universal engagement, serve to assist states in meeting the work participation rate. If a state fails to sufficiency engage families, or to implement other processes required under the TANF law, it is likely to fall short of its work participation rate and thus face the substantial penalties that already exist.

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. Specifically, we believe that the federal law should set clear outcome expectations, and allow the states to determine the best means of meeting those goals.

The proposed combination of phasing up the state participation rate to 70 percent, requiring 40 hours weekly of work and work-related activities, and generally limiting the activities that count toward the 24 hours of work gives states less flexibility than under the current program. 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.

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 single-parent and two-parent families.

We are concerned that in order to step up to more than 50 percent participation, and to meet he proposed 24/16 hour minimums, we would have to drop some of the support services that we now provide to working TANF families and to many less job-ready families. Without additional funding, case management staff and service resources would be drawn away from the current programs.

California's existing 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 participants work less than the federal weekly hours requirement, California's program allows working recipients to continue receiving a reduced grant and 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]

[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.*

Continued

40-HOUR WORK WEEK

We have significant concerns regarding the proposed increase to a 40-hour work week. This represents a doubling of the requirement for single parents with a child under six, who represent about half of California's caseload. Many of the working parents on our caseload would have to take on multiple jobs or find other allowable work activities to meet a 40-hour-per-week requirement. Additionally, many large corporations, retail establishments, and small-business owners prefer to hire employees at less than 40 hours per week. A 40-hour requirement would thus make welfare recipients less competitive with respect to their non-welfare counterparts. For example, a welfare recipient who secured a job providing 30 hours a week, and did not have a need for substance abuse or mental health treatment or any other support or educational activity would have to find 10 hours of some other allowable work activity to fulfill the 40-hour total. Juggling this activity with their work schedule would make them more likely to miss work, jeopardizing their job and making them a less attractive hire than a person who was not receiving cash aid.

More than 400 businesses, chambers of commerce, workforce experts and community leaders from across California signed on to a letter sent to members of the House and Senate in May 2003 urging the preservation of the existing work week. These organizations and individuals recognized that business owners expect their employees to be at work on time and complete their job duties without distractions or delays caused by scheduling conflicts, transportation difficulties, or other concerns.[2]

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. Supportive services (ranging from child care and transportation to substance abuse and mental health treatment) are needed by most of the working TANF families and almost all of the families with severe or multiple barriers to employment.

We appreciate your willingness to count barrier reduction activities toward the 40-hour requirement for three months in a 24-month period. In recognition of the ongoing need for treatment to address many mental health and substance abuse issues and all-too-common learning disabilities among our client population, we urge you to consider a counting these activities for a longer period of time. For example, states could be given the opportunity to extend the three-month period for an additional three months if it is consistent with the individual's assessed needs and family self sufficiency plan.

It is important to remember that many of those who remain on aid have 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. They need a full range of basic supportive services.

Over the past several years, 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 has taken 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. We ask only that the federal TANF law support us in these efforts and support our clients in their efforts to gain these important skills and move into the workforce.

VOCATIONAL EDUCATION

We have strong concerns regarding the proposed elimination of vocational education as a primary work activity, with a very narrow exception allowing work-related education or training to count as a primary activity for not more than three months in a 24-month period (four months under limited circumstances) to permit program completion. Many higher wage jobs require vocational training that lasts

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Manpower Demonstration Research Corporation and Minnesota Department of Human Services. Available online at http://www.mdrc.org

[2] Complete sign-on letter is available at http://www.cwda.org/downloads/TANF-Letter.PDF.

longer than four months, and many training programs are not available on a part-time basis. If a training program does happen to be available part-time, it would likely conflict with the part-time work schedule set by a person's employer.

Stricter limitations on vocational training will create difficulties for employers and disadvantage TANF participants. Businesses seek out employees who are ready to work and have the skills to succeed. Employers want to hire workers who already have the skills or can complete the vocational education program within a short period of hiring. They will not hire a welfare recipient who has to complete needed skills education on a part-time basis over a year or longer.

Restricting TANF recipients' access to vocational training will, for this significant pool of workers, result in a labor force that is less skilled and less desirable, both as potential hires and as candidates for career advancement. Therefore, we urge you to at least maintain the current ability of states to count up to 12 months of vocational training as participation. This will give employers a broader labor pool from which to choose and will enable TANF participants to compete for skilled jobs with the potential for advancement.

CHILD CARE

Any change to work requirements would create significantly higher demand for supportive services, especially child care. The estimated additional child care costs in California due to the proposals contained in past House reauthorization vehicles ranged 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. 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. For this reason, we encourage you to provide as much additional TANF funding for child care as possible in the final reauthorization legislation.

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 successes they have already achieved. Replace the caseload reduction credit with a credit that better reflects how states and counties put people to work, while maintaining the current work week. Recognize the significant barriers that so many of our TANF 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, particulary child care. Provide states with incentives to improve over time, and the flexibility to achieve that improvement.

Thank you again for the opportunity to present our views on TANF reauthorization. My colleagues and I were pleased to be part of the first stage of welfare reform and we are confident about moving California's program into the second stage with new TANF legislation. We remain ready to assist you as reauthorization legislation moves through the process.

Statement of Esta Soler, Family Violence Prevention Fund, San Francisco, California

As Congress considers reauthorization of the nation's welfare program, Temporary Assistance for Needy Families (TANF) it is imperative that any welfare bill consider the particular and often urgent needs of welfare recipients who are victims of domestic violence. Research demonstrates that domestic violence is prevalent among TANF recipients and that TANF is vital in helping women to escape abuse. Congress must ensure that TANF reauthorization address domestic violence and enhance the safety and self-sufficiency of all TANF recipients. Given the high numbers of TANF recipients who are victims of abuse, it is imperative that the TANF program make safety a primary concern and provide families, whatever their structure, the economic resources and options they need to provide for the well-being of all family members. In order to responsibly serve all welfare recipients, and particularly those who are victims of violence, Congress should:

- Support education and training for TANF recipients;

- Improve and expand the Family Violence Option; and
- Oppose programs that encourage women to get married as a means of escaping poverty.

High Rates of Domestic Violence among TANF Recipients

Congress should not consider any new TANF policies, including the proposed marriage promotion program, without serious attention to the prevalence of domestic violence in the lives of TANF recipients. Violence is not an exception to the rule for poor women; it is a reality. Studies consistently show that at least 50 to 60 percent of women receiving welfare have experienced physical abuse by an intimate partner at some point during their adult lives, compared to 22 percent of the general population.[1] One study of two California counties, Kern and Stanislaus, found that welfare recipients had lifetime abuse rates of 80 percent and 83 percent, respectively.[2] Young mothers, many of whom are welfare recipients,[3] are particularly at risk for domestic and sexual violence, with one study finding that 26 percent of new mothers between the ages of 13 and 17 experienced such violence in the three months after the birth of their children.[4]

A recent study of Oklahoma, the leader in state spending on marriage promotion, found high rates of domestic violence and marital conflict among low-income populations in the state. The study found that 47 percent of divorced Oklahomans who had received government assistance[i] cited domestic violence as a reason for their divorce, compared to only 17 percent of those who had never received government assistance. In addition, 70 percent of those who had received assistance cited "too much conflict" as the reason for their divorce, compared to 54 percent of those who had never received assistance.[5] Oklahoma is not unique; women who receive welfare consistently report high rates of domestic violence. This alarming data illustrates the need for TANF programs to be responsive and responsible in dealing with the violence in the lives of TANF recipients.

Domestic violence contributes to women's poverty and it also can create serious obstacles that prevent women, many of whom are mothers, from achieving safety and self-sufficiency. In addition to domestic violence, many welfare recipients face other barriers to employment: access to educational and job training opportunities; lack of child care; housing instability; lack of transportation; mental and physical health problems; disabilities; and substance abuse.[6,7] Given this reality, battered women who receive TANF should have access to a broad range of supportive services to address the violence in their lives and the barriers to safety that they may face. Ensuring these critical services, rather than promoting marriage, should be lawmakers' priority.

Marriage Does Not Address the Root Causes of Women's Poverty

Common sense suggests that two incomes are better than one and that getting married is likely to move some people off of welfare. But a closer look shows that marriage is anything but a panacea to poverty. Forming a two-parent family does

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[1] Tolman, Richard and Jody Raphael. 2000. *A Review of the Research on Welfare and Domestic Violence*, Journal of Social Issues 56(4): 655–682. See also Lawrence, Sharmila. 2002. *Domestic Violence and Welfare Policy: Research Findings That Can Inform Policies on Marriage and Child Well-Being.* Research Forum on Children, Families, and the New Federalism. National Center for Children in Poverty, Issue Brief. See also Lyon E. 2000. *Welfare, Poverty and Abused Women: New Research and Its Implications.* Policy and Practice Paper #10. Building Comprehensive Solutions to Domestic Violence. National Resource Center on Domestic Violence. Harrisburg, PA.

[2] Meisel, Joan; Daniel Chandler; and Beth Menees Rienzi. 2003. *Domestic Violence Prevalence and Effects on Employment in Two California TANF Populations.* California Institute of Mental Health.

[3] Acs, Gregory and Heather Koball. 2003. TANF and the Status of Teen Mothers under Age 18. The Urban Institute. Series A, No. A–62. Washington, DC.

[4] Allen Guttmacher Institute. 1999. "Nearly 10% of Teenage Mothers Experience Violence While Pregnant." *Family Planning Perspectives.* 31(2): 106+.

[i] The Oklahoma study defined low-income Oklahomans as those who had received Food Stamps, Medicaid, or Temporary Assistance for Needy Families.

[5] Johnson, Christine; Scott Stanley; Norval Glenn, et. al. 2003. Marriage in Oklahoma: 2001 Baseline Statewide Survey on Marriage and Divorce. Bureau for Social Research, Oklahoma State University.

[6] Danziger, Sandra; Mary Corcoran, Sheldon Danziger, et al. 2000. *Barriers to the Employment of Welfare Recipients.* University of Michigan.

[7] Pearson, J., E.A. Griswold, and N. Thoennes. 2001. "Balancing Safety and Self-Sufficiency: Lessons from Serving Victims of Domestic Violence for Child Support and Public Assistance Agencies." *Violence Against Women.* 7:176–192.

not guarantee greater economic security; in fact, 40 percent of families living in poverty are two-parent families.[8]

In addition, because of death and divorce, getting married does not ensure that women will achieve economic security. Approximately 40 percent of marriages end in divorce and 12 percent end due to the husband's death.[9] Among women currently on welfare, about 40 percent are married or were married at one time; 18.4 percent are married; 12.3 percent are separated; 8.3 percent are divorced; and about 1 percent are widows;[10] as the Oklahoma study found, a significant number of divorces and separations are due to domestic violence. Given this, there is no indication that marriage alone would provide security, economic or otherwise, for families on welfare. Marriage promotion programs hold little hope of improving the economic situation of families who receive welfare unless they address the factors that keep women from being economically self-sufficient—child care responsibilities, lack of education and job training, and domestic violence.

Proponents of marriage promotion suggest that marriage leads to greater economic security, but a study of the Minnesota Family Investment Program (MFIP) suggest the reverse of this causal order. The study finds that economic security improves the likelihood that a marriage will be successful. The MFIP reached single and two-parent low-income families and provided employment services and financial incentives to encourage and support work. Supports included providing child care and health care while rewarding work by increasing earned-income disregards, allowing families to retain more of their income while still receiving TANF benefits, and ensuring that working always resulted in more income than not working.

A study comparing the economic progress of those in the standard Aid to Families with Dependent Children [ii] (AFDC) welfare program with MFIP participants found that 14 percent of AFDC recipients—compared to 25 percent of families in the MFIP program—were out of poverty within 2¼ years and the MFIP families had on average $1400 more in annual income. After 36 months, MFIP participants were 40 percent more likely to be married than participants in the standard AFDC program, and nearly 50 percent less likely to be divorced after five years. The experience of the MFIP program shows that allowing families to combine welfare and work, and providing work supports to help individuals become economically secure will strengthen marriage and reduce divorce.[11]

Nor Does Marriage Reduce Domestic Violence

Proponents of marriage promotion often argue that marriage and domestic violence have an inverse relationship—that marriage causes a decrease in domestic violence. Data to support this claim includes Bureau of Justice Statistics (BJS) data drawn from the National Crime Victimization Survey (NCVS).

The NCVS tracks rates of domestic violence for three groups: never married, married, and divorced or separated women. Between 1993 and 1998, the rates of domestic violence in these three groups were as follows: 11.3 percent for never married women; 2.6 percent for married women; and 31.9 percent for divorced or separated women.[12] Some proponents of marriage promotion argue that these numbers indicate a casual relationship between marriage and reduced rates of domestic violence because the domestic violence rates for married women are lowest. However, this misrepresents the NCVS data. First, these statistics indicate only correlation, not causation. There are many factors beyond marital status that affect domestic violence rates. For example, the age cohorts of women who fall into these three groups—never married, married, and divorced or separated—must be taken into consideration. Young women age 16 to 24 are particularly at risk for domestic vio-

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[8] Proctor, Bernadette D and Joseph Dalaker. 2003. *Poverty in the United States: 2002.* Current Population Reports. U.S. Census Bureau.

[9] The National Marriage Project, *Annual Report: the State of Our Unions: the Social Health of Marriage in America, 2000* (June 2000), *available at* http://marriage.rutgers.edu/NMPAR2000.pdf.

[10] United States Census Bureau, Current Population Reports, Series No. P20–514, *Marriage Status and Living Arrangements: March 1998 (Update*) (2000), *available at* http://www.census.gov/prod/99pubs/p20-514u.pdf.

[ii] The study began in 1996, before the federal TANF law was passed. At the time, the Minnesota welfare program was still known as AFDC.

[11] Manpower Demonstration Research Corporation. 2000. Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program *available at* http://www.mdrc.org/Reports2000/MFIP/MFIP-Vol-1-Adult.pdf.

[12] Rennison, Callie Marie and Sarah Welchans. 2000. *Intimate Partner Violence.* U.S. Department of Justice Bureau of Justice Statistics. Washington, DC. http://www.ojp.usdoj.gov/bjs/pub/pdf/ipv.pdf.

lence and this group is highly represented in the never married category, which has an 11.3 percent reported rate of domestic violence.[13]

Second, as the BJS states: "Because the NCVS reflects a respondent's martial status at the time of the interview, it is not possible to determine whether a person was separated or divorced at the time of the victimization or whether the separation or divorce followed the violence."[14] In other words, there is no way to know whether the 31.9 percent of divorced or separated women were victims of violence during or after marriage. Without this information, it is impossible to conclude that rates of domestic violence are actually lower for married women. In fact, it is far more likely that many divorces were prompted by violence or that violence and abuse contributed to the divorce.

Finally, it is widely accepted that reporting rates for domestic violence are low across the board,[15] and it should be expected that married women who are experiencing violence would be less likely to report, given that they often have more at stake, such as children, family, and financial considerations. Thus, we reject the argument that there is a casual relationship between marriage and reduced rates of domestic violence.

Women Who Have Experienced Violence are Less Likely to Marry

New findings drawn from a federally-funded study by Johns Hopkins University highlight the importance of addressing the reality of violence in the lives of TANF recipients and focusing on preventing violence before it starts; these strategies are essential to improving the health and safety of low-income women and their families. The study found that women who have been victims of domestic and sexual violence are less likely than other women to be married or in long-term relationships. More than half of the low-income women studied (52 percent) said they had been physically or sexually abused at some time in their lives, and 24 percent had been sexually abused before reaching age 18. Forty-two percent of women in the study who did not report past abuse were married, compared to 22 percent of the women who did report past abuse.[16]

As the study's authors state: "If we are concerned about the decline in stable, long-term unions among the poor and near-poor, then we may need to consider measures that would directly reduce the high levels of physical and sexual abuse that women must bear."[17] The study's findings underscore the fact that proposed marriage promotion programs will not meet the needs of women receiving TANF who have experienced violence. In fact, marriage promotion programs may be counter-productive, as many of the women in the study reported that they were taking a conscious break from romantic relationships to recover, focus on raising their children and on improving their education and personal development. These women would be better served by programs that address the history of violence in their lives, and provide the child care and educational opportunities that can support employment and self-sufficiency.

Employment May Endanger Some Victims of Domestic Violence

Most battered women work or want to work *if they can do so safely.*[18] In fact, many women use welfare and work as a way to escape an abusive relationship.[19] But abusive partners often see women's employment as a threat because it gives her greater independence and her own income. Abusive partners often sabotage women's efforts to become more financially self-sufficient by preventing them from working, attending interviews, or studying. For example, abusers start fights or inflict visible injuries before key events, threaten to kidnap the children, or fail to provide promised child care or transportation.[20] Some abusive partners try to stop women from working by calling them frequently during the day or coming to their

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[13] Ibid.

[14] Ibid.

[15] National Research Council. 1996. *Understanding Violence Against Women.* National Academy Press. Washington, DC.

[16] Cherlin, Andrew J; Linda M. Burton; Tera R. Hurt; and Diane M. Purvin. 2004. "The Influence of Physical and Sexual Abuse on Marriage and Cohabitation." *American Sociological Review*. 69(768–789).

[17] Ibid.

[18] Lyon E. 2000. "Welfare, Poverty and Abused Women: New Research and Its Implications." Policy and Practice Paper #10. *Building Comprehensive Solutions to Domestic Violence*. National Resource Center on Domestic Violence. Harrisburg, PA.

[19] Ibid.

[20] Raphael, Jody. 2000. "Domestic Violence as a Welfare-to-Work Barrier: Research and Theoretical Issues." Pp. 443–456 in Sourcebook on Violence Against Women, edited by Claire Renzetti, J. Edelson, and R.K. Bergen. Sage, Thousand Oaks, CA.

place of work unannounced. Research indicates that about 50 percent of battered women who are employed are harassed at work by their abusive partners.[21]

According to a General Accountability Office report, while victims of domestic violence are employed at the same rates as women who are not, domestic violence victims experience different patterns of work, with more spells of unemployment and job turnover.[22] Battered women actually tend to hold more jobs than other women, but are employed for fewer total months.[23] Both caseworkers and welfare recipients report that women who experience domestic violence have a more difficult time maintaining employment. In fact, working often makes these women's lives more dangerous because many abusers feel threatened when their partners are working. Five separate studies indicate that anywhere from 16 to 60 percent of women surveyed were discouraged from working by their abusive partners, while 34 to 46 percent were actually prevented from working. The research indicates that women do want to work, but their efforts at sustained employment are disrupted by the abuse that they face.[24,25]

When it is safe to do so, the TANF program can and should play a vital role in supporting battered women who are seeking to overcome barriers so they can find or maintain work and become economically self-sufficient. What we know about victims of domestic violence who receive welfare suggests that, rather than promoting marriage, which may endanger battered women and their children, the TANF program should support education and training for welfare recipients, including those who are victims of violence who can participate without risk. Many women use welfare and work as a way out of abusive relationships. Quality education and training programs can substantially increase recipients' chances of securing employment that will lift them out of poverty. Research clearly shows the need for greater supports as these women strive to find the sustained employment that may help them leave their abusive partners, thereby achieving both safety and self-sufficiency.

Marriage Promotion Programs may be Dangerous for Battered Women and their Children

Marriage promotion programs raise myriad concerns about the health and safety of battered women and their children that must not be ignored. Given the economic vulnerability of many welfare recipients, particularly battered women, the decision to participate in a marriage promotion program may not be fully informed or optional. By stigmatizing single parents, stigmatizing divorce, or encouraging women to believe that they are harming their children if they leave their partners, these programs make it more difficult for some women to leave violent relationships or encourage them, intentionally or not, to remain with abusive partners.

In addition, participation in marriage promotion programs may be, or may be perceived to be, linked to the receipt of TANF benefits and other services. There is little doubt that financial incentives to marry or stay married would encourage women to remain in abusive relationships. For example, West Virginia's TANF program has offered a $100 incentive if the parents in a household receiving welfare get married,[iii] and the U.S. Department of Health and Human Services' own compilation of model programs for states that are developing marriage promotion programs suggests a $2,000 cash bonus for couples who marry.[26]

No one should be pushed into making a decision that could adversely affect his or her safety and health. But the proposed TANF law actually requires states to set numerical performance goals for marriage promotion programs in their state plans. This would pressure states officials to encourage women to marry, thereby making it likely that individuals will be coerced or pressured into marriages that may not be healthy or safe.

Finally, marriage promotion programs are not a good investment of TANF funds. Scarce public funds should not be diverted from desperately needed economic supports, such as child care and job training, into questionable programs that are un-

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[21] *Domestic Violence: Prevalence and Implications for Employment Among Welfare Recipients.* 1998. General Accounting Office: Report to Congressional Committees. Washington, DC.

[22] Ibid.

[23] Lyon E. 2000. "Welfare, Poverty and Abused Women: New Research and Its Implications." Policy and Practice Paper #10. *Building Comprehensive Solutions to Domestic Violence*. National Resource Center on Domestic Violence. Harrisburg, PA.

[24] *Domestic Violence: Prevalence and Implications for Employment Among Welfare Recipients.* 1998. General Accounting Office: Report to Congressional Committees. Washington, DC.

[25] Lyon E. 2000. "Welfare, Poverty and Abused Women: New Research and Its Implications." Policy and Practice Paper #10. *Building Comprehensive Solutions to Domestic Violence*. National Resource Center on Domestic Violence. Harrisburg, PA.

[iii] This program is discontinued effective August 2004.

[26] Strengthening Healthy Marriages: A Compendium of Approaches. 2002. The Department of Health and Human Services: Administration for Children and Families. Washington, DC.

likely to help reduce poverty or increase the safety and well-being of recipients and their families. Precious TANF funds should not be spent to promote potentially dangerous marriages; they should be used for the supports and services that will help to lift all families, including battered women and their children, out of poverty.

Marriage Promotion Programs May Not Improve Child Outcomes

Marriage promotion programs, which have been touted as a way to improve outcomes for children, may in fact have the opposite effect. Battered women are not the only victims of abuse; their children are affected as well. In a national survey of more than 6,000 American families, 50 percent of the men who frequently assaulted their wives also frequently abused their children.[27] Experts estimate that 3.3 to 10 million children witness domestic violence each year and research demonstrates that exposure to violence can have serious negative effects on children's development.[28]

In fact, new findings drawn from the 25-year Simmons Longitudinal Study, one of the longest-running and most respected mental health studies ever conducted, show that growing up in a traditional two-parent marriage may not be beneficial for children if the marriage has conflict or abuse. At the annual meeting of the National Society for Social Work and Research in January 2004, researchers running the Simmons study of nearly 400 Massachusetts residents reported that family conflict and violence take "a heavy toll" on the mental health of children. The researchers said it affects them even more than marital disruption, divorce or separation.[29]

Researchers found that males exposed to family conflict and violence over the years were significantly more likely than other males to have suicidal thoughts, be depressed, have emotional and behavioral problems, be drug dependent, or have post-traumatic stress disorder. Girls from violent homes had higher rates of alcohol problems and lower grades when they graduated from high school than girls who did not experience conflict or violence in their homes.[30] These findings show that growing up in a violent home can take a terrible toll on children and teens, and can cause serious, long-lasting harm.

According to the American Psychological Association, recent research utilizing more sophisticated methodology than previous studies shows that, while children of divorced parents overall have more adjustment problems than children of intact families, the differences between these two groups is smaller and less pronounced than previously believed. Recent results from a 20-year longitudinal study found that 78 percent of children of divorce feel that they are better off or not harmed because of their parents' divorce and 50 percent of those studied reported that their relationship with their father grew stronger after the divorce, even though most lived with their mothers.[31]

In fact, the majority of children of divorce fall within the normal range of adjustment on standardized measures and research indicates that marital conflict rather than divorce or post-divorce conflict is a more important predictor of child adjustment. For example, children in high-conflict marriages are more likely to experience behavioral and academic problems including, but not limited to, disobedience, aggression, delinquency, poor self-esteem, antisocial behaviors, and depression. Young adults who experienced a high level of marital conflict during childhood are more likely to experience depression and psychological disorders than young adults from low-conflict families.[32] This evidence suggests that the relationship between divorce and child outcomes is more about the conditions that led to the divorce than the divorce itself.

A new study from Cornell University finds that growing up with a single parent does not have a negative effect on the behavior or educational performance of children. The study looked at 1,500 12- and 13-year-old children from white, black and Hispanic families. Researchers found that the most important factors in determining

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[27] Strauss, Murray A., Gelles Richard J., and Smith, Christine. 1990. *Physical Violence in American Families; Risk Factors and Adaptations to Violence in 8,145 Families*. New Brunswick: Transaction Publishers.

[28] Lawrence, Sharmila. 2002. *Domestic Violence and Welfare Policy: Research Findings That Can Inform Policies on Marriage and Child Well-Being.* Research Forum on Children, Families, and the New Federalism. National Center for Children in Poverty, Issue Brief.

[29] Unpublished Research. Simmons Longitudinal Study. Simmons School of Social Work. Boston, MA. http://www.simmons.edu/ssw/sls/

[30] Ibid.

[31] Ahrons, Constance. 2004. *We're Still Family: What Grown Children Have to Say About Their Parents' Divorce."* New York, NY. Harper Collins.

[32] American Psychological Association. An Overview of the Psychological Literature on the Effects of Divorce on Children. May 2004.

child outcomes were the mother's level of education, income level, and the quality of the home environment, not the mother's marital status.[33]

The research on child outcomes suggests that marriage promotion programs may actually endanger children who grow up in violent homes and negatively affect their development by encouraging women to remain in violent relationships. Two-parent families are not ideal when there is violence or abuse; in fact, this kind of household can be damaging or dangerous for women and children who experience or witness violence.

Education and Training Promote Safety and Self-Sufficiency

Rather than focusing on a potentially dangerous marriage promotion program that may not lift women out of poverty or improve child outcomes, Congress should strengthen existing provisions to support women who receive TANF. TANF programs should support education and training opportunities that will help recipients find and keep well-paying jobs, with appropriate measures to protect victims of violence. There is a direct link between educational attainment and economic well-being. In 2000, only 1.2 percent of single mothers with a college degree who worked full-time year round lived in poverty. Less than eight percent of single mothers with some college working full-time lived in poverty.[34] Clearly, education, not marriage, is the best and most direct strategy for lifting families out of poverty.

When parents have access to education, children also benefit. For example, among children whose parents work full-time and year-round: 72 percent of children whose parents do not hold a high school degree live in low-income families, compared to 42 percent of children whose parents have a high school degree, and only 16 percent of children whose parents have at least some college.[35] Parents who have educational opportunities beyond high school have drastically improved economic outcomes and are better able to provide for their children.

In addition, Congress must understand that any increase in required work hours or state work participation rates will have a negative affect on education and training programs and may in fact prevent women from finding well-paying jobs. In welfare reauthorization, Congress must recognize that welfare recipients achieve greater economic security when they are given the opportunity to gain new skills and knowledge. Investments in education, training and work supports can both empower women to achieve economic security (which empowers families and couples as well) and strengthen marriages.

Strenghthening the Family Violence Option Will Improve Safety

While most women who experience domestic violence want to work if possible, some may need help or extra time to find or keep work that will lead to self-sufficiency. In addition to strengthening education and training programs, the Family Violence Option (FVO) should be expanded to include all 50 states and to require each state to certify that it has trained caseworkers who can screen individuals for domestic and sexual violence, or that it will contract with domestic violence experts who will conduct the screenings. All states should be required to give oral and written notice to individuals who have been sanctioned[iv] or are at risk of being sanctioned that welfare program requirements may be waived if domestic or sexual violence has contributed to their non-compliance. Congress should also fund demonstration projects to develop and disseminate best practices in addressing domestic and sexual violence as a barrier to economic security.

While the FVO is not mandatory, 33 states and the District of Columbia have adopted it. Eleven other states have equivalent policies that enable violence victims to get waivers from some or all TANF requirements. Six states—Idaho, Indiana, Mississippi, Oklahoma, Virginia and Wisconsin—have no FVO or equivalent policies.

Currently, the FVO allows states to: screen for and identify victims of domestic violence; refer victims of domestic violence to appropriate services; grant "good cause" waivers to domestic violence victims when TANF requirements are harmful or unsafe; and protect the confidentiality of domestic violence victims and their children. In addition, the FVO exempts states from TANF requirements when excusing

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[33] Ricciuti, Henry. 2004. "Single Parenthood, Achievement, and Problem Behavior in White, Black, and Hispanic Children." *The Journal of Educational Research.* (97)4: 196–207

[34] Neil G. Bennett, *et. al.*, National Center for Children in Poverty, *Young Children in Poverty: A Statistical Update*, June 17, 1999, *available at* http://cpmcnet.columbia.edu/dept/nccp/99uptext.html.

[35] *The Effects of Parental Education on Income.* 2003. The National Center for Children in Poverty. New York, NY.

[iv] TANF recipients may face a reduction or elimination of cash benefits, known as sanctions, for failing to comply with TANF program requirements.

domestic violence victims who fail to meet TANF requirements results in a state's failure to meet its TANF work participation and/or 60-month limit requirements. Congress should both strengthen and expand the FVO in the next reauthorization of the TANF program.

Congress Should Support Safety and Self-Sufficiency for All TANF Recipients

Given the large numbers of TANF recipients who are victims of domestic violence, Congress must address violence as a primary concern in the lives of women and children who receive welfare. Welfare and work are powerful tools in helping battered women leave abusive relationships, particularly when women have access to supportive services such as education, job training, mental health services, and child care. In contrast, marriage promotion programs run the risk of endangering battered women and their children and do not address the root causes of poverty for families on welfare.

Welfare reauthorization must focus on meaningful and gainful employment; recipients must be allowed to gain the education and training skills necessary to finding well-paying jobs; and barriers to employment such as domestic violence must be reasonably and responsibly addressed. In contrast, the marriage promotion initiative that Congress may include in the TANF program has not been shown to reduce poverty, and it poses a threat to the safety of battered women and their children. Rather than supporting an untested and potentially dangerous marriage promotion program, TANF reauthorization should help families on welfare who are experiencing domestic violence while supporting the safety and self-sufficiency of all TANF recipients.

Statement of Joseph Mendez, Goodwill Industries of Sacramento Valley, Inc., Sacramento, California

Goodwill Industries is a network of 207 community-based, autonomous member organizations that serves people with workplace disadvantages and disabilities by providing job training and employment services, as well as job placement opportunities and post-employment support. Established in 1902 by the Rev. Edgar J. Helms, a Methodist minister, Goodwill helps people overcome barriers to employment and become independent, tax-paying members of their communities.

Goodwill's mission is to provide employment, training, and support services to increase the employability, retention and earnings of individuals with barriers to employment. As a community leader, Goodwill provides workforce development through innovative, quality programs designed to reduce poverty in our community. Goodwill is dedicated to the ideal of strengthening our families and community through the power of work. To fund our mission, we collect donated clothing and household goods to sell in our retail stores. These stores are in essence, "economic engines", creating revenues and jobs that enable Goodwill to serve our communities. Nearly 85 percent of these revenues are channeled into job training and placement programs and other critical community services to in excess of 600,000 persons a year. The only barrier to Goodwill serving more individuals is access to capital to increase their market penetration.

To implement this mission, Goodwill is consistently striving to meet the changing workforce development needs of our community. As a result of welfare reform, in addition to serving individuals with disabilities we expanded our mission to serve individuals with other barriers to employment. These barriers include welfare dependency, limited academics, little, if any, work experience, substance abuse, and lack of English proficiency. Often times, these individuals have childcare, transportation, housing, financial, and domestic abuse issues, which create additional barriers.

We knew, based on our experience and expertise, that in order to effectively assist individuals with these barriers, we needed to develop a variety of vocational training programs. Some of the programs needed to provide the industry specific job skills, or hard skills that are needed in our community. Other programs were specifically designed to address the life or soft skills that often prevent otherwise qualified individuals from successfully maintaining employment. Many entry-level employees lose their jobs because of a lack of work ethic and decision-making skills that prevent them from solving their childcare, transportation, and personal issues.

Congress partnered with Goodwills in Florida and Louisiana by authorizing a capitalization demonstration project in the 1996 Welfare Reform Authorization bill.

These projects were tremendously successful in meeting their targets in placing the hardest to serve. The capitalization strategy is a viable tool that Congress could use to allow business model non-profits to meet these needs in a broader, more immediate, and self-sustaining fashion. This program was designed to serve "hard to serve" Welfare to work individuals through individualized job placement assistance and intensive job retention services. By definition, "hard to serve" individuals are those with academic levels below 5th grade, substance abuse issues, or a demonstrated inability to maintain employment. As all of our programs, this program recognizes that the "one size fits all" approach to workforce development services is likely to fail. Goodwill recognizes that employment issues vary in different communities.

While the project was a success in its placement of thousands of former welfare recipients in employment, it failed in its secondary mission—to convince the Department of Health and Human Services that there is a more efficient way to provide human services—through a capitalization model. BuildingGOODWILL, a consortium of 13 Goodwill around the country, including Goodwill Industries of the Sacramento Valley, was formed to demonstrate the capitalization model on a larger scale. BuildingGOODWILL has spent the last 3 years educating members of Congress about this approach, and was included in Section 119 of the Senate Finance Committee's version of H.R. 4. Chairman Grassley is including our program in his new Chairman's mark, and Senator Santorum has included our program in Section 229 of his S. 6. We are confident that the Congress will reauthorize welfare reform during the 109th Congress. Chairman Herger has recently praised Senator Santorum's bill as "legislation that will help improve the program for families".

Nationally, over the last 100 years, Goodwill Industries has helped nearly 6 million people earn a living and support their families. Goodwill is a unique community organization that utilizes a business model approach allowing us to be good stewards of the resources that are given to us, in order to provide effective workforce development programs. Capitalization money would allow Goodwills to use the resources and revenues from their retail operations to fund these and additional programs.

Statement of Amy Correia, Iowa Coalition Against Domestic Violence, Des Moines, Iowa

Thank you for providing this opportunity to comment on the proposal before the U.S. House of Representatives to reauthorize the Temporary Assistance to Needy Families program. The Iowa Coalition Against Domestic Violence (ICADV) is a state-wide advocacy and technical assistance provider representing its 33 member domestic violence programs in Iowa. In FY 2000, 2,099 women and 2,358 children were sheltered by Iowa's domestic violence shelters, and 18,300 domestic abuse victims received services from Iowa's victim service agencies.

A study of Iowa's domestic violence programs, conducted in 1998, found that over half of women residing in an emergency domestic abuse shelter received welfare benefits. Additionally, poverty disproportionately affects female-headed households in Iowa. Forty-five percent of female-headed households with children under the age of 18 live in poverty (as reported in the Iowa Department of Economic Development's Consolidated Plan, submitted to the U.S. Department of Housing and Urban Development in 1995).

Our experience with women seeking shelter and other services tells us that domestic violence and poverty are interconnected. Many women apply for welfare benefits as a lifeline to safety for themselves and their children.

During October 2001 and April 2003, I visited with low-income women (some current and others past recipients of welfare benefits) in six communities across Eastern Iowa to assess what they need to achieve economic security. A few of their stories follow:

A young woman with one child told me of her dreams of becoming a psychologist. Her welfare-to-work case manager told her that she couldn't pursue a 4-year college degree while on welfare. To meet her welfare requirements, she works at a low-wage job in the local shopping mall, spending two hours round-trip on the bus, and as a result has only a few hours with her daughter in the evening before bed-time.

A mother with a young child was sanctioned off of welfare benefits because she lost her job when her car broke down (she lives in a town with limited public transportation). She left numerous messages for her welfare caseworker to explain the situation. This worker never returned her phone calls, and she received a letter in the mail

telling her that she was being cut from benefits for not complying with the work requirement. She is reapplying for benefits.

Another mother lost critical support benefits (Medicaid and Food Stamps) when she financed a car worth more than the allowable ceiling to ensure that she would have reliable transportation to get to a job where she earns only $800 a month.

In response to a question about suggestions for changing the way welfare programs are run, one focus group participant said *"Too much politics—get more ideas from the community."*This statement is even more powerful given the stalemate over welfare reauthorization that the U.S. Congress has experienced since 2002.

All of the women expressed the desire to work. Critical to their success at work are supportive services, including transportation, childcare, Food Stamps, and medical insurance. The eligibility levels and funds available for these supportive services should be expanded and increased. Many ideas were generated during focus group conversations about transportation, including: providing a fund for car repairs; a welfare recipient that worked a certain # of hours of work a week could be eligible for a certain dollar amount for car repair/costs; and car dealerships should be offered incentives to donating cars to welfare recipients.

Childcare is another topic of concern. H.R. 240 does not address the fact that current childcare funding levels prevent 6 out of every 7 children from getting the childcare assistance for which they are eligible. Parents will have difficulty increasing their economic stability if affordable childcare is not available. Low-wage jobs (under $11/hour) do not pay enough so that parents can afford childcare in the private market. Childcare subsidies are a critical support that increases the well-being of children and the success of parents at work.

All of the women with whom I spoke believe that increasing opportunities for job training and education is critical to their success. Most felt they could get a minimum wage job, but that the income from these jobs would not go far in supporting their families. While most of the women with whom I spoke believe that more emphasis should be placed on job-training and education for higher wage jobs, H.R. 240 essentially shuts the door to better education and training opportunities for low-skilled parents. This flies in the face of logic, as according to 1993 Census data, a woman with a high school diploma earned on average of $19,168/year, while a woman with a Bachelor of Arts degree earned on average of $32,291/year. Educational attainment is the one proven method for improving a family's economic stability, and welfare assistance programs should not block these efforts.

The women with whom I spoke have complicated histories, which include domestic violence, substance abuse, mental health and physical disability issues. While all want to work, some may need more time to meet requirements than is currently allowed. It is critical that the welfare program allow recipients time to address life issues that impede their success at work and their family's well-being. Research studies document the high incidence of domestic abuse within the TANF population—30% of TANF recipients report current abuse and more than 50% report abuse at some time in their adulthood. The Family Violence Option should be expanded so that every state has policies and programs in place to address the safety and self-sufficiency of its welfare caseload.

Regarding marriage promotion policies, ICADV is concerned that any efforts to promote marriage through the welfare office may be detrimental to abused women.

On June 4, 2002 two survivors of domestic violence met with Senator Charles Grassley (R–Iowa) via conference call to discuss welfare reauthorization. The two survivors prepared a written statement in advance of that meeting, and read this statement during the conference call. The text of this statement follows:

"We as survivors of domestic violence feel that the idea of promoting marriage to the father of your child or children is a short-sighted solution for a difficult and varied amount of social, economical, and religious problems. More needs to be researched and developed to bring about the types of change and results that this bill is proposing to accomplish.

"Although we agree with your idea that strengthening families will bring about a change in welfare, we do also believe as survivors of domestic violence that women are going to be forced into more violence situations and have more detrimental effects on family relationships—financially, emotionally and physically, thus tearing down the family structure. So, we feel this would defeat the purpose of your proposal, therefore putting us back to square one"

Many women leave abusive relationships after years of blaming themselves for the abuse and trying to make it stop through a variety of avenues, including couples counseling and/or conflict management classes. Marriage promotion programs may have the negative effect of encouraging women to stay in abusive relationships, or could be used by an abuser to coerce their partner into staying in the relationship.

The potential impact of these policies on abused women should be further analyzed before implementation.

Given the complexity of policy and program issues that marriage promotion strategies raise, we strongly recommend that any legislation reauthorizing welfare that includes marriage promotion require consultation and collaboration with domestic violence coalitions in states to ensure that domestic violence issues are appropriately addressed. Such consultation should be conduced at every phase of the design, implementation and evaluation of these programs. Such steps will address the safety and well-being of all children and families.

ICADV's work with battered immigrant women leads us to also urge an expansion of welfare benefits for immigrant families. While immigrant women make up a small percentage of women in poverty and victims of domestic violence, as a group they are facing some of the most insurmountable barriers to safety. States should be able to provide services to qualified immigrant families prior to the current 5-year residency requirement.

Thank you for your consideration of our comments. Please feel free to contact ICADV with any questions or further input.

Statement of Margot Bean, National Child Support Enforcement Association, and New York State Division of Child Support Enforcement, Albany, New York

Chairman Herger and distinguished members of the Committee:

My name is Margot Bean. I am the Deputy Commissioner and IV–D Director of the New York State Division of Child Support Enforcement, and the President of the National Child Support Enforcement Association (NCSEA). I am submitting this written statement on behalf of NCSEA. NCSEA is a membership organization representing the child support community, consisting of a workforce of over 60,000 public and private child support professionals. Our membership is vitally concerned with welfare reform reauthorization, particularly those provisions that affect the child support enforcement program.

NCSEA commends this Committee for the work you continue to do to improve the lives of children and families. Your efforts to craft effective child support provisions in welfare reform have kept many children and families from sinking into poverty when parents separate or never marry, and have helped states to administer effective child support programs. There are always ways to make the child support program stronger and more effective and thus I would like to take this opportunity to comment on several proposals under consideration, as well as some further enhancements that you can make.

Simplify Rules for Distributing Child Support Collections

Welfare reform reauthorization provides an opportunity to simplify child support distribution rules and to increase the amount of child support going to families. NCSEA strongly supports distribution reform. We believe that providing additional support for families who are attempting to reach self-sufficiency is critical. The current rules are complex, costly to administer, and difficult to explain to families, thus undermining the effectiveness of the nation's child support program. Simplifying the rules for distributing child support collections would bring more efficiency and flexibility to child support programs, while providing more child support for former welfare mothers making the transition from welfare to work.

NCSEA commends the House for its long-standing efforts to simplify the child support distribution rules, beginning with the Child Support Distribution Act of 2000. However, we believe that the proposal for changing the distribution rules that is set forth in the Senate welfare reform reauthorization bill is a more effective approach. In fact, the Senate provisions are modeled after the original House legislation that was approved by the members of the House in 2000 by a vote of 408 to 18.

The rules originally proposed in the House bill and now contained in the Senate version of welfare reform reauthorization have been thoroughly scrutinized and evaluated and have broad support from both state child support professionals and advocates for families. The Senate bill sets forth distribution rules that are simple and equitable. Families assign their rights to support only for the period that they receive assistance. Child support collections follow the status of the case: the family's arrears are paid first when the family is off welfare; the state's arrears are paid first when the family receives assistance. Former welfare families receive all of their

arrears, no matter how collected, before the state is reimbursed for arrears owed to the state. Under this proposal, the pre-welfare assignment and the state's priority for federal tax offset collections are gone. These rules are easy to explain, easy to follow, and easy to program.

The state options in the Senate bill also provide the flexibility that states need to make an orderly transition to these new rules, taking into account states' different funding structures, their various budget situations, and timing for reprogramming computers, as well as their differing decisions about how best to support low-income families. If adopted, these options will also unite the welfare and child support programs squarely behind self-sufficiency, and will likely improve coordination between the two agencies. The perception of the child support program in the community will also improve, as it will be seen as a vehicle to help low-income mothers and fathers work together for the benefit of their children, rather than an arm of the government seeking to recoup money for the state.

The current House bill, however, reduces state flexibility andcould create counterproductive incentives for non-cooperation by custodial parents and non-payment by noncustodial parents while the family receives assistance. This is because the options in this proposal would require states to distribute arrears collections based on when collections are made, as opposed to when the arrears accrued. This would represent a *major paradigm shift* for the child support program. Under the current House proposal, the state's assignment would end once the family leaves assistance. As a result, a custodial parent receiving public assistance could be paid twice: once with welfare benefits, and once with the child support that accrues while on welfare but is paid when off welfare. At the same time, the government would be required to keep money owed to families before they even applied for assistance. The proposal in the House bill would require costly system programming changes that would exceed the costs of implementing the proposal in the Senate bill, because it would *fundamentally change* how automated systems process collections.

In the short run, the Senate approach will likely reduce retained collections for state and federal governments at a difficult budgetary time, but it is important to look at cost savings in other areas in the long run. Any proper analysis for changing the distribution rules must look not only at possible decreased reimbursement for state and federal TANF costs, but also at the dysfunctions of the current system that waste valuable caseworker time and consume expensive computer resources. A more efficient child support program can do a better job of establishing paternity, collecting support, and modifying orders to be consistent with parents' ability to pay, because staff that currently deal with account adjustments can be re-deployed to these more productive activities.

If the full set of options contained in the Senate bill is adopted, we also expect that more welfare mothers will cooperate with child support enforcement, and more fathers will pay support if both parents see it going to the family instead of the state. Finally, welfare prevention is much more cost effective than welfare cost recovery. The real benefit from distribution rules that are designed to encourage families to become or remain self-sufficient is in money saved, not in money recovered. Rarely does child support recoup the full amount of the TANF benefit. Anything that we can do to reduce welfare dependency while providing for the financial needs of low-income families in other ways is sound fiscal policy.

Support Responsible Fatherhood Programs

NCSEA supports the provisions of the House bill to promote and support responsible fatherhood. This committee broke new ground when it passed responsible fatherhood legislation as part of the Child Support Distribution Act of 2000. Unquestionably, responsible father involvement has a significant and positive impact on child well-being. Children growing up without a responsible father in their lives are more likely to be poor, to drop out of school, to end up in foster care or juvenile justice facilities, to bear their own children out-of-wedlock, and to be under-employed as adults. Research and our own experience with the in-hospital paternity program tell us that about 80 percent of fathers are romantically involved with the mother at the time of the child's birth. However, a few years later, all but 25 percent drift away. A job and the ability to provide financial support are critical to keeping these connections.

Research also suggests that fathers who regularly pay child support are more likely to make an emotional commitment to their children—in other words, the heart follows the money. Effective child support enforcement is therefore one way to promote responsible father involvement. In addition, child support agencies can serve as a gateway to responsible fatherhood programs.

Oppose Annual Fee on Families

NCSEA believes that imposing an annual service fee of $25 on families who have never received welfare assistance places an unequal burden on such families and is contrary to public policy to encourage families to remain self-sufficient. Many families who have never received assistance are indistinguishable from families who receive or have received assistance. Never-assistance families include those who have been diverted from welfare and receive child care or other services from TANF that do not qualify as TANF "assistance" and other low-wage earning families who choose to remain self-sufficient to the extent possible.

A low wage-earning single parent who is barely keeping his or her family afloat, but who has avoided going on welfare, needs child support services just as much as a former TANF family. Nearly 80 percent of families in the state child support programs have incomes below 250 percent of poverty. Families should be encouraged, not discouraged, to participate in the child support program. Yet the $25 annual fee proposal would impose an additional charge on working poor families who have so far been successful in remaining self-sufficient.

In addition, the cost to states for implementing this fee will be a greater burden than the income that will be realized. The $25 fee would count as program income, and as such, the state would keep 34 percent of the $25 fee, or $8.50, and the federal government would get the remaining $16.50. The collection of this fee would require states to modify their automated system programming, including the financial programming, one of the most complex parts of the state child support automated systems. The $8.50 paid to the state would be offset by the state's collection costs and the start-up costs of reprogramming automated systems to accommodate this fee. Because the federal government shares in these collections and reprogramming costs at the federal financial participation rate of 66 percent, the net benefit to the federal government would also be negligible, if any.

Expansion of Enforcement Tools

Oppose federizing the multi-state financial instution levy process. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) required each state to establish a process for identifying and seizing the financial assets of child support obligors held in financial institutions. In addition, the Child Support Performance and Incentive Act of 1998 authorized the federal Office of Child Support Enforcement (OCSE) to conduct data matches with financial institutions that do business in more than one state. The data match results are passed to the state child support agencies who then determine whether it is appropriate to levy the identified asset and, if so, take the necessary measures. This model—data matches conducted at the federal level but enforcement taking place at the state level—is also consistent with the approach so successfully used with employee new hire reporting and payroll withholding.

State IV–D agencies use a lien/levy process to seize financial assets identified through the multi-state financial institution data match program. This program has been a successful child support enforcement tool. Some multi-state financial institutions, however, refuse to honor levies issued from states in which the institutions do not conduct business. Financial institutions have also raised concerns about the lack of uniformity in the current state-based process and the resulting effort on their part to comply with diverse requirements. Legislation that is currently before the Senate proposes to resolve these problems by federalizing the levy process.

On February 11, 2005, NCSEA approved a resolution opposing the proposal to federalize the multi-state financial institution levy process and instead supporting a proposal that maintains enforcement at the state level, while requiring greater standardization of levy procedures and forms. NCSEA believes that this proposal strikes a balance between making the levy process more uniform and easier to follow for financial institutions and allowing states flexibility in developing many of the implementation details.

Lower threshold for passport denial program. NCSEA supports lowering the arrears threshold for the passport denial program from $5,000 to $2,500. NCSEA believes that lowering the threshold will result in an increase in child support collections for children and families. The passport denial program has been a cost-effective tool for difficult cases involving self-employed obligors with sources of income that have not been reached through income withholding.

Use tax refund intercept program to collect past-due child support on behalf of children who are not mminors. The tax refund intercept program has been an effective enforcement tool for collecting past-due child support debts. Unfortunately, not all debts can be collected before children reach the age of majority. NCSEA supports the expansion of the tax refund intercept program to include the collection of all past-due child support debts regardless of the child's age.

Garnishment of lonfshore and harbor workers benefits. NCSEA has long supported enforcement strategies that improve the ability to collect child support. Although NCSEA has not taken a position on this specific provision, it is consistent with our support for withholding child support from income whenever possible.

Improve interstate enforcement. NCSEA supports requiring each state to enact the 2001 version of the Uniform Interstate Family Support Act (UIFSA). In the 1996 federal welfare reform law, Congress required all states to adopt UIFSA. This mandate has greatly improved interstate child support enforcement. In 2001, the National Commissioners on Uniform State Laws adopted certain amendments to address issues that have arisen in case law or in implementation of the Act. These include how to determine the controlling order and arrears amounts when there are multiple orders, clarifying jurisdiction over modification cases, clarifying rules on choice of law on interest rates and duration of support, and more direction regarding international cases. NCSEA believes that these revisions will further improve interstate enforcement. NCSEA also supports the provisions that were in last year's Senate version of the welfare reform reauthorization bill, H.R. 4, amending the Full Faith and Credit for Child Support Orders Act so that it is consistent with the 2001 version of UIFSA. Such amendments are necessary to maintain consistency between federal law and UIFSA.

Other Provisions

Disclosure of IRS data. Increasingly, State IV–D agencies are contracting with other entities to obtain greater efficiencies in the collection of child support. These highly specialized contractors are providing Title IV–D child support enforcement services under the contractual oversight of the State IV–D agencies. NCSEA supports authorizing the Treasury Department to disclose certain tax return data to these highly specialized State IV–D agency contractors for the purpose of providing Title IV–D child support enforcement services, *but only if these companies are performing under a state contract and "standing in the state's shoes."* NCSEA also supports authorizing the Treasury Department to disclose certain tax return data to tribal IV–D agencies and their highly specialized contractors for the same purpose.

Technical correction to definition of "corrective action year". NCSEA supports technical improvements to the audit and penalty statute that clarifies that states are entitled to formal notice and an opportunity to fix child support problems before a penalty is imposed on TANF funds.

Report on undistributed child support payments. State IV–D agencies are actively working with OCSE to understand and address issues regarding undistributed collections. Therefore, NCSEA believes that there is no need for congressional intervention at this time.

We ask you to build on the success of PRWORA by continuing to strengthen our nation's child support enforcement program. On behalf of NCSEA, thank you for your leadership and for your continued support of our important work to assist children and families.

Statement of Garrett Murphy, National Coalition for Literacy, Albany, New York, and National Council of State Directors of Adult Education

Mr. Chairman and Members of the Committee, my name is Garrett Murphy and I represent the National Coalition for Literacy, a nationwide group of associations having a stake in the advancement of adult literacy in the nation. I also act as a policy consultant for one of the Coalition's most prominent members, the National Council of State Directors of Adult Education—the officials responsible for the administration of Federal adult education funds in the States and Outlying Areas.

I would like to set forth, on behalf of the Coalition, three recommendations for changes to H.R. 240, the Personal Responsibility, Work, and Family Promotion Act of 2005.

I. Our first recommendation is to remove adult education from the provisions oc Section 601—Program Coordination Demonstration Projects.

Justification: The Coalition recognizes that a number of protections of program integrity have been written into Section 601 of HR240. These include the exclusion from waiver authority any provisions of law relating to purposes or goals of a program, maintenance of effort requirements, and administrative provisions of the Adult Education and Family Literacy Act. These protections also disallow any waiver of any funding restriction or limitation provided in an appropriations Act, and transfer of funds from one appropriations account to another. Nevertheless, we are

very concerned that Section 601 gives a Governor—or perhaps a person administering an adult education program who does not report to the Governor—the ability to alter application procedures, reporting requirements, performance standards, and program and individual eligibility requirements of local programs. We realize that there are also safeguards that call for the Secretary's approval of proposed projects. However there are a number of inadvertent effects that would negatively affect State's operations and management.

First, performance standards are the result of intensive negotiations with the U.S. Department of Education; changing them might result in a State's not qualifying for the incentive funds built into the Workforce Incentive Act. Changing them would also require re-negotiating with all the local programs receiving assistance because the State's target is a summation of all the local targets. A change in program eligibility standards also appears to us to threaten our compliance with the "direct and equitable" provisions in adult education legislation whereby all not-for-profit agencies—public and private—have a right to compete for funds and must receive the same application.

Second, individual eligibility standards are laid out in the definition of adult education in Section 203 of the Workforce Investment Act. Spending adult education dollars on individuals not authorized under the Act would appear to us to in effect "waive a funding restriction applicable to a program authorized under an Act which is not an appropriations Act" [Sec601(d)(2)(H)]. Of course, individual eligibility standards could also be altered by restricting eligibility to only some of the permissible categories, e.g. serving only high school equivalency candidates or only persons with limited proficiency in English. This would require major changes in the State's plan as well as the need to renegotiate targets with all local programs to serve only the restricted set of permissible individuals.

Overall including adult education in these Program Coordination Demonstration Requirements appears to be very disruptive. *Coordinated adult education services can be better obtained through more traditional cooperative planning and performance.*

II. Oursecond recommendation is to amend the legislation to increase allowable period for education and training beyond the 4 months on case-by-case basis allowed in H. R. 240 for such activity. The kinds of programming that have proved most effective in helping clients obtain employment, remain on the job, and quality for advancement is rarely accomplishable in such alimited time frame.

Justification:A nationwide study entitled *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform* found that "the most successful welfare-to-work programs—those that increased earnings and employment on a sustained basis—are those that provide a range of services, including job search but also education and training. Recipients typically participated in just one activity at a time." I personally talked to some of the officials responsible for programs that the study found most effective and found that while education was provided simultaneously with training in a few cases, the majority of the programs provided basic education or English as a second language first—transitioning into job training or directly to work as their skills allowed. The education portion of the combined program was not education in isolation—the kind of education that led to the severe downgrading of the role of adult education in the transition from the JOBS program to TANF. In these programs each candidate was assessed to determine what educational skills would be needed to function successfully in training or employment and how much time would be needed to meet the entrance criteria. Progress toward mastering those skills was constantly monitored. Whether the transition at the end of the education phase was to training or directly to employment, the education, training, and employment activities were complementary components of a single plan.

At a time when the percentage of recipients involved in work nationwide is actually declining, this auspicious model offers a genuine route to long-term employment and self-sufficiency. But time periods of 6 months to a year are often needed before individuals can transition successfully into training or employment, particularly those with low levels of literacy. H.R. 240 wisely requires family self-sufficiency plans that specify appropriate activities that lead to self-sufficiency. Limiting the education/training component to a maximum of 4 months in any 24-month period with the expectation that an individual will be job-ready in that time frame may confound the very purpose of the family self-sufficiency plan.

III. Our third recommendation is that the family self-sufficiency plans—as called for by HR240—clearly accommodate transportation and child care needs of those individuals whose self-sufficiency plans call for education to be provided concurrently with work, in the weekly hours over and above those devoted to direct work activities.:

Justification: This recommendation is put forward to assist those individuals who may need education or training but for whom a prolonged separation from the workforce is deemed inadvisable and who are, therefore, working. The proposed legislation wisely accommodates these individuals by permitting them to enroll in education and/or training for as long as needed in the hours over and above the 24 weekly hour minimum that must be devoted to work activity. Difficulties in securing necessary support services—particularly transportation and child-care—hinder greater use of this opportunity for working clients, often constraining the opportunity to advance in education and qualify for better paying work.

One potentially successful model could be similar to the 21st Century Community Learning Center program of the Department of Education. In that model education of adults, and child-care and remedial education for children, occur at the same site and on the same schedule. Traveling to the same site also simplifies transportation for both children and adults.

I thank you on behalf of the National Coalition for Literacy and the National Council of State Directors of Adult Education for this opportunity to present our recommendations to the Committee.

Statement of Helen Blank, National Women's Law Center

The National Women's Law Center welcomes the opportunity to submit this written testimony on the child care needs of low-income working families.

Welfare reform was passed in 1996 with the promise that new work requirements paired with increased funding for work supports would enable families to move off welfare and gain self-sufficiency. Child care assistance was seen as a crucial part of this strategy. This recognizes the reality that working parents live with every day: parents cannot get and keep a job if they do not have a safe, reliable caregiver for their child while they work. As a result, states made child care assistance a central part of their efforts to move families from welfare to work, and federal and state spending on child care increased significantly throughout the late 1990s.

Child care assistance, both for families receiving TANF and other low-income families, is essential to ensure that welfare reform is about more than moving families off welfare but rather about helping families succeed in supporting themselves. During the late 1990s, an increasing number of families had access to this critical support that enabled them to improve their lives. With assistance, parents could afford reliable child care, which increased the chances that they could get and keep a job and gain a stable financial footing while ensuring the well-being of their children.

Studies demonstrate that child care assistance can make a real difference in families' ability to work and succeed. An analysis of data from the 1990s shows that single mothers who receive child care assistance are 40 percent more likely to remain employed after two years than those who do not receive assistance in paying for child care[1] Former welfare recipients with young children are 82 percent more likely to be employed after two years if they receive child care assistance.[2] Another study found that 28 percent of families leaving welfare who did not receive child care assistance within three months of leaving returned to welfare, while only 19 percent of those who did receive child care assistance returned to welfare[3]

Unfortunately, due to stagnant federal funding and state cutbacks, child care supports have steadily eroded over the past several years, leaving families with less access to assistance as well as reduced levels of assistance. Federal funding for the Child Care and Development Block Grant (CCDBG), has not only failed to keep pace with inflation, but has actually declined over the past several years, from $4.817

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[1] Heather Boushey, "Staying Employed After Welfare: Work Supports and Job Quality Vital to Employment Tenure and Wage Growth" (Economic Policy Institute Briefing Paper), Washington, DC: Economic Policy Institute 10 (2002).

[2] Heather Boushey, "Staying Employed After Welfare: Work Supports and Job Quality Vital to Employment Tenure and Wage Growth" (Economic Policy Institute Briefing Paper), Washington, DC: Economic Policy Institute 12 (2002).

[3] Pamela Loprest, Use of Government Benefits Increases among Families Leaving Welfare (Snapshots of America's Families III Series, No. 6), Washington, DC: Urban Institute (2003).

billion in FY 2002[4] to $4.799 billion in FY 2005. At the same time, the amount of Temporary Assistance for Needy Families (TANF) block grant funding used for child care has declined. The total amount of TANF funds that states chose to transfer to the CCDBG or use for child care directly within the TANF block grant dropped from a peak of nearly $4 billion in FY 2000 to $3.5 billion in FY 2003 (the most recent year for which data are available)[5] These funding trends, combined with state budget deficits, resulted in cuts to child care programs in many states. States have lowered eligibility limits for child care assistance, frozen reimbursement rates for providers serving families who receive assistance, required parents to pay more toward the cost of care, and reduced funding for quality improvement initiatives, including efforts to boost child care teachers' education levels and compensation.

A September 2004 report by the National Women's LawCenter found that:

- Between 2001 and 2004, the income eligibility cutoff for a family to qualify for child care assistance declined as a percentage of the poverty level in about three-fifths of the states.
- In 2004, a family earning just above 150 percent of poverty ($23,500 a year for a family of three) would not even qualify for child care assistance in 13 states. In Missouri, a family of three earning over $17,800 a year would not qualify for help.
- In about half the states, a family with an income at 150 percent of poverty saw their copayments increase as a percent of income between 2001 and 2004 if they were receiving child care assistance, or was no longer even eligible for help. The copayments for a family of three at 150 percent of poverty with one child in care go as high as 22 percent of income ($423 a month) in Oregon and 19 percent of income ($368 a month) in Arkansas.
- Even if a family is eligible for help, they may not receive assistance. Nearly half the states, lacking sufficient funds to serve all families who qualify, place families on waiting lists or in some cases turn them away without even taking their names. In some states, the waiting lists are quite long. There were over 46,000 children on the waiting list in Florida, almost 36,000 families in Georgia, 26,500 children in Texas, nearly 25,000 children in North Carolina, about 23,000 children in Tennessee, and over 16,000 children in Massachusetts as of early 2004.
- States must pay adequate reimbursement rates to child care providers if families receiving assistance are to be able to choose among good options for child care. Yet nearly three-quarters of states fail to set rates at the level recommended in federal regulations. Some rates are particularly low—Michigan still bases its rates on 1996 prices, and Missouri sets its rates for infant care based on 1998 prices while its remaining rates are based on 1991 levels.[6]

The Center surveyed approximately 200 parents and providers across the U.S. to better understand the effect of these cutbacks. It is clear that in making cuts to their child care programs, states have frustrated families' efforts to move ahead. Instead of supporting hardworking families, the system actually discourages them from working. Families who manage to struggle their way out of poverty find themselves suddenly deprived of supports that helped them move forward. Families who desperately want to avoid becoming dependent on welfare are stymied by a system that they feel is rigged against them.

- A parent in Rockville, Maryland expressed her concerns that she would be forced to return to welfare without assistance. She wrote, ". . . I have two boys in need of childcare. If I do not receive childcare within the next upcoming weeks, I will have no other choice but to resign from my job—This cut will put me back to the welfare line. Please, I've worked hard to stay off welfare. I do not wish to return to that road."
- A provider in Muncie, Indiana told of a case in which she had a parent "literally standing in front of the admission desk in tears saying, ?I can't afford to work.' The provider, discussing the state's very low income cutoff for child care assistance, went on to say, "It pays to be on welfare now and it does not pay to get

[4] *See* U.S. Department of Health & Human Services, FY 2003 President's Budget for HHS 83, 92 (2002), *at* http://www.hhs.gov/budget/pdf/hhs2003bib.pdf (last visited Jun. 28, 2004). This amount includes $2.1 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding. *Id.*

[5] Mark Greenberg and Hedieh Rahmanou, *TANF Spending in 2003*, CLASP, January 18, 2005, p. 6. Available at http://www.clasp.org/publications/fy2003-tanf-spending.pdf (last visited Jan. 27, 2005).

[6] Karen Schulman and Helen Blank, "Child Care Assistance Policies 2001–2004: Families Struggling to Move Forward, States Going Backward" (National Women's Law Center Issue Brief), Washington, DC: National Women's Law Center 2–4 (2004)

off welfare. The minute you rise above 127 percent of poverty there's no help, no help. . . . Nobody qualifies for assistance now who's working. I don't know how it got to this point; it's not a pretty picture. We're back where we were before welfare reform started. This is not just pushing them in the wrong direction, it's forcing them in the wrong direction. You cannot survive if you're working at a low-paying job. Your choice is, cut back hours and try to qualify for welfare."

- A provider in Ohio described how families struggled to afford the higher copayments the state had imposed: "Families are really struggling right now . . . A copay of $15 a month went up to $95 or $100 a month. Just that in itself, they couldn't afford to pay. They have to make a decision whether to put food on the table, pay their mortgage, get gas for the car, or whether to pay a copayment for child care. You know, they don't have enough money to pay for all those things, so they've had to make incredibly difficult choices."

The cuts to child care programs have serious impacts on children as well. Without access to child care assistance, families cannot get the reliable child care that children need for a sense of stability, much less the strong early learning experiences children need to prepare them for school. Families that lose assistance often are forced to move their children from programs that they have grown to love. Even if families are able to continue receiving assistance, high copayments and low rates make it difficult to access the quality child care that helps their children thrive. State cuts in provider reimbursement rates, quality initiatives, and other areas also deprive providers of the resources they need to offer enriching care that promotes children's development. Children lose out when their child care providers cannot pay wages that are high enough to attract and retain well-qualified staff, buy new playground equipment, or even purchase books, crayons, and other materials. While state policy makers increasingly emphasize the importance of school readiness, they are cutting the child care investments that are crucial to ensure low-income children have access to the high quality care that would help them prepare for school.

- When a mother of three in Piqua, Ohio lost her child care assistance due to a reduction in the state's eligibility cutoff, she could no longer use paid child care. She explained, "I have a good job and make decent money. But, obviously, I can't afford day care and I don't know who can." Instead, her daughter's father was watching three children, a 7-year-old, a 4-year-old, and a 3-month-old. He owned a bar and had to change his work hours in order to take care of the children; he now cannot open his bar until 4 p.m., which cuts into his business. The children went along with him on deliveries and "are in and out of the car all day." The mother said, "It would not even be worth it to work if I had to pay for day care. It is not more than I make but I own my house and I have bills and I have a car payment. I know some people look at it, well you shouldn't have three kids, but I know they are my responsibility and I've had to do what I've had to do. I don't understand why welfare can help people who don't work, but when you want to do something for yourself and you've worked since you were 14 years old and they don't want to help you do nothing." She wishes she could send all her children to child care "because it is much more structured and they learn more . . ."
- In South Carolina, a mother who was a prep cook at a restaurant had her 3-year-old son at a child care center until she lost her subsidy. Now the mother brings her son to work, where he has to stay until dinnertime. The management is pressuring the mother to find another arrangement and may end up letting her go.
- A provider in Muncie, Indiana talked about a 4-year-old boy left to care for himself. His mother lost her child care assistance because she received a raise of 50 cents an hour and without subsidies, she could no longer afford the provider's center. One "bitterly cold day in the winter," when "(n)ot a human or animal should've been outside," the 4-year-old was found wandering outside after being left alone while his mother went to work. When the driver of a city bus spotted the boy, the boy told the driver his name and the name of the center he had attended. The driver brought the boy to the center. The provider pointed to this as an example of how "(r)eally good parents, when they're pushed into a corner, can make really bad decisions."
- One Georgia parent on the waiting list for child care reported that she was leaving her infant and school-age child with their grandmother even though their grandmother had a disability and was in a wheelchair. She was not able to change the baby's diaper until the 8-year-old came home from school. But the children's mother had no other options. A center director in Laurel Hills, South

Carolina discussed a family whose 2-year-old child was staying with a 92-year-old grandparent because they could not afford anything else.

- A provider in Roseburg, Oregon talked about one child in her center who had been making progress before he was taken out. The provider described the child as "headstrong, difficult," but "with consistency he was getting better, following rules and listening better. He was really improving." But when the child's mother's work hours were cut, she had to take him out of care. The provider said that this was "sad because he was improving so much from the structure every day." Since his mother could not get child care help while working so few hours, she had quit her job and turned to welfare.

Parents trying to work and their children are not the only ones hurt by state child care cuts. Child care providers, who are essentially small business owners, also bear the brunt of these cuts. In several states, child care providers have been simultaneously hit by lowered eligibility cutoffs that reduce the number of families they can enroll, frozen reimbursement rates that fail to keep pace with inflation over several years, and higher parent copayments that providers have great difficulty collecting from cash-strapped families. This only exacerbates the situation for child care providers who are already operating on very tight margins. When states scale back eligibility criteria or increase parent copayments some child care centers serving low-income children see their enrollment drastically decrease. And some are forced to close their doors.

- A director of a center in South Carolina said that after putting it off as long as possible, the center was getting ready to scale back on staff because they could no longer afford the current staff levels and enrollment had not gone back up as they had hoped. The center was licensed for 40 children ages 2 to 4, but enrollment had dropped to just 24 children. The decline in enrollment can be at least partially explained by subsidy cuts. When she first became director, about 90 percent of her children were receiving subsidies, and at the time of the interview only one child was.
- A director of a child care center in Alabama said she was upset that she did not have the resources to keep up the building or buy supplies or even take the steps needed to meet safety requirements for licensing. The center was licensed for nearly 200 children, and had 150 children enrolled until relatively recently, but was down to only about 70 children—the lowest enrollment in eight years.
- Just in a 10-mile radius in Anoka County, Minnesota alone four centers went out of business due to a lack of enrollment, which resulted from the poor economy and parents pulling their children out as they lost assistance. One center that closed had operated for 12 years. It was run by the school district and served 55 children, including many new immigrants and children who were learning English as a second language. Most of the children in the program were receiving assistance. Another center that closed had been located in a church. A third center was located in a nursing home and served families that spoke eight different languages. The center served a mix of families with subsidies and private-paying families.
- A provider in Cave Junction, Oregon was about to close down her center after operating it for 11 years. It was the only center in the rural part of southern Oregon. She had previously closed the center, but reopened it after four months because the parents kept calling her and begging her to do so. Yet she could not continue to operate because she could not afford to pay the staff she needed. She explained that while her program met state ratio requirements, "I feel like I'm warehousing children and I always said that if that happened I'd close." Ninety percent of the children she served were receiving child care assistance, and the remainder of the children just missed the cutoff. The provider said that the reimbursement rates in her area, which were below those in the rest of the state, were "way too low." The provider said families, both with and without assistance, had a hard time paying for care. She spoke of families who came to her crying and saying, "I don't know what to do, I pay you or I have heat." At Christmastime, families say, "It's you or Christmas." One of the mothers she had served could not go to her job because it did not pay her enough for her child care. The provider sometimes traded with parents rather than receiving payment in cash. "I get paid in chicken," she laughed. She went on to explain how she came to her decision to close her center: "I always told myself I'd try to give other people's kids the care I'd want for my own kids. What I'm doing now isn't fair to the kids, and it isn't fair to me. . . . So I'm stopping."

Child care providers make enormous personal sacrifices to keep their programs going in the face of cuts. Not only do they accept lower wages than their qualifica-

tions would merit, but they also take money out of their own pockets to purchase supplies, take on additional responsibilities when the program cannot afford to hire more staff, and in some cases use up their own savings to cover their program's debt.

These providers are constantly faced with moral dilemmas as they try to balance their responsibilities to their staff, parents, and children. They often feel they are letting down one or more of these groups. Many providers feel an obligation to serve low-income children receiving subsidies, but they also feel an obligation to pay their staff decent salaries, which is next to impossible to do with very low state reimbursement rates. Accepting more children with subsidies at such low rates can also make it hard to even keep their programs operating for the other children they serve that depend on them. While providers may want to improve the quality of their programs so they can offer better care for the children they serve, quality improvements cost money, and could require them to increase how much they charge parents. Yet parents can barely afford care as it is. State child care cuts essentially pass off the responsibility for making the difficult tradeoffs on to providers.

- A provider in the Des Moines area of Iowa said that state reimbursement rates for subsidized child care, which had not been increased since 1998, were $72 a week lower than the private-pay rate for infants, $65 a week lower for two-year-olds, and $39 a week lower for preschoolers.
- An Oregon provider said she charged $660 a month for infant care, but the state rate for infant care in her region was only $455 a month; she charged $616 a month for preschoolers, while the rate paid by the state for this age group was only $435 a month.
- A provider in Ohio discussed the hard work of her underpaid staff: "Even though I just got to pay teachers $8.50 an hour, you have a two-year degree and you still have to clean your own classroom, clean your own toilet and buy your own supplies for your classroom. And you're very stressed when you leave your job because the children have no support systems and you're dealing with difficult problems and then you try to meet your payments and pay your bills and you get into a car that is not working. . . . While the kids nap, as a teacher, you're looking for clothes for a kid that doesn't have any, you're making lesson plans, scrubbing toilets and calling parents and at the same time, you also have to worry about the kids." She also talked about her own burden: "We're a nonprofit, so I'm not making anything. I weed the flower beds, I write my own grants, I water the plants and I clean the birdcages. I don't make a big salary but my desk is also filled with paperwork and I also have to be in the classroom to see what the teachers and kids need."
- A provider running several centers in Georgia said his program continued to serve children receiving subsidies despite low rates. Georgia had only given one $5-a-week increase in rates over the past eight years. The last increase in rates had been in 2000, and they had had no increases in the four years prior to that. Yet the program saw it as part of its mission to serve children receiving subsidies—to give children the nurturing they need to succeed. The provider said, "That's what we believe, what we do, and have been doing it for over 10 years." The centers serve children with special needs, including children who are in wheelchairs, children with asthma, children who are hearing impaired, and children with diabetes. However, they do not receive additional funding to serve these children. The provider said that they aim to continually challenge each child and to "give them the will to and want to learn." Many of the children the program served came from difficult circumstances. He explained, "We feed them extra food on Fridays."

The National Women's Law Center urges the Committee to reject the President's proposed budget for the Child Care Development Block Grant that would result in over 300,000 fewer children receiving child care help by 2009 and instead significantly increase funding for child care over the next five years in the TANF reauthorization. Parents need help more than ever so they can get and hold onto a job that supports their families. Over the past several years, median incomes have been stagnant while the number of families in poverty as well, as the number of families without health insurance, have increased. Child care funding has been on hold, leaving many families' lives on hold as well. Without additional investments in child care, many more families will be left without the good quality care parents need to keep a job and that children need to promote their successful development. Families who desperately want to work and move ahead, and want their children to move ahead, will instead find themselves falling further behind.

Statement of Sherri A. Salvione, New York State Coalition Against Domestic Violence, Albany, New York

Introduction

Domestic Violence Issues Recommendations.

- The Use of Family Violence Option Waivers Should be Continued and States Should be Required To Use the Federal Standard When Deciding Whether or Not to Grant Domestic Violence Waivers
- TANF Funding Should be Increased in Order to Ensure that the Needs of Women Who Are Abused Are Met
- States Should be Required to Adopt Clear and Expansive Policies Regarding Time Limit Exceptions for Domestic Violence Victims
- Require States to Implement Procedures to Screen for Domestic and Sexual Violence Throughout the Application and Re-certification Process
- States Should be Required to Implement Procedures to Ensure that Victims of Domestic and Sexual Violence are not Sanctioned for Non-compliance with Program Requirements
- Continue to Enforce and Require that States Ensure that Domestic and Sexual Violence Services and Waivers are Completely Voluntary and Confidential
- Fatherhood and Marriage Initiative Programs Must Work with Licensed Domestic Violence Programs In Order to Effectively Address the Issues of Domestic Violence Within Such Programs
- Require States to Solicit Regular Input from Statewide Domestic Violence Advocacy Organizations, Local Domestic Violence Programs and Survivors and Develop Processes to Ensure HHS Receives Similar Ongoing Input

General TANF Recommendations

- Introduce New Evaluative Measures
- Protect and Increase—Don't Decrease—TANF Funding
- Support Families In Obtaining Real Economic Security Promote Access to Services
- Strengthen Charitable Choice Protections
- Ban All Discrimination in the TANF Program

INTRODUCTION

The New York State Coalition Against Domestic Violence (NYSCADV) is pleased to summit recommendations for TANF Reauthorization. The purpose of these comments is to provide the Ways and Means Subcommittee on Human Resources with a better understanding of how TANF has impacted women who are abused and their children in New York State

The New York State Coalition Against Domestic Violence (NYSCADV) is the only statewide, non-profit organization in New York State whose primary goal is the elimination of domestic violence. Since its inception in 1978, the Coalition has been a driving force behind support for the development of hundreds of programs throughout New York State that provide services to women who are abused and their children. Coalition members include domestic violence programs, shelters, safe homes projects, advocacy and counseling projects, as well as other community agencies and individuals who share our goal of eradicating domestic violence through advocacy, education, public awareness and program development.

The relationship between domestic violence, welfare and employment is well documented in research. For many women, domestic violence and poverty are interconnected. Research has shown that women who are abused receiving welfare have a variety of interests and needs that are complex and highly variable (Lyon, 2000, Tolman and Raphael, 2000 and Raphael, 2001). Thus, individualized assessment and responses to women who are abused are necessary to address their poverty and employment options. Some women who are abused face extreme circumstances and will need special supports and considerations, such as additional advocacy and services, or short—or long—term waivers/exceptions from welfare program requirements. Others may not need these options and only want to be provided the same services as any standard welfare recipient.

In response to these various needs most states, including New York, have chosen to adopt the federal welfare Family Violence Option (FVO) within their TANF programs (Raphael and Haennicke, 1999). New York States' implementation of the FVO provides temporary waivers to victims of domestic violence from TANF program requirements, such as work requirements, child support cooperation etc., if complying with such program requirements would make it more difficult for the victim to escape domestic violence or put her at further risk (NY Social Services Law • 349-a). The FVO is implemented in New York by domestic violence liaisons, who

receive a four-day training from domestic violence experts and are either employees of the local social service districts or are contracted out to approved domestic violence programs. Once applicants for TANF indicate that a partner has abused them, they are referred to the domestic violence liaison. The domestic violence liaison assesses the credibility of the need of a waiver for a victim, assesses the need for waivers and refers the victim to supportive services within the community (18 NYCRR 369.2).

While the NYSCADV and other domestic violence advocates provided input to the crafting of the FVO in New York, it has not been an overall success dues to implementation problems. The New York State implementation of the FVO has not substantially addressed women's safety or provided an effective response to the complex needs of domestic violence victims within the TANF system (See "Dangerous Indifference, New York City's Failure to Implement the Family Violence Option", A Joint Project of the NOW Legal Defense and Education Fund, The Legal Aid Society, Civil Division, The Women, Welfare and Abuse Task Force and The Urban Justice Center). The statistics on the number of waivers granted by the FVO in New York are quite low compared to what the above research tells us about the number of TANF recipients that are women who are abused (Of 7,386 individuals who indicated current danger due to domestic violence, only 3,628 were granted waivers). The low number of reported waivers may demonstrate the need for improved implementation of the Family Violence Option. New York State is currently using a reduced definition of the Federal FVO eligibility criteria for waivers that can be granted under the FVO. This coupled with the fact that research has shown that many women who are abused are not only interested in receiving waivers but also want more supportive services, for example, child care assistance, transportation assistance and housing assistance, has left many women who are abused trapped by their abuse and poverty in New York State (Lein, et. al, 2000).

The following recommendations reflect the NYSCADV experience over the past nine years while working with welfare reform and economic justice issues for women who are abused. The recommendations focus specifically on the FVO but also incorporate overall recommendations for TANF reauthorization. Women who are abused are impacted by all welfare policies and the adoption of these recommendations would enhance the safety and self-sufficiency of women who are abused and ensure that the specific and complex needs of women who are abused are more effectively addressed.

DOMESTIC VIOLENCE ISSUES RECOMMENDATIONS

The Use of Family Violence Option Waivers Should Be Continued And States Should Be Required To Use the Federal Standard When Deciding Whether or Not to Grant Domestic Violence Waivers.

- States should be permitted to continue to waive, without time limit, any state or federal program requirement for so long as necessary in any case in which the requirement **makes it difficult for the individual receiving assistance to address his or her domestic or sexual violence issues, unfairly penalizes the individual or makes the individual unsafe** (See 45 CFR § 260.52(c)).
- States that have adopted the federal Family Violence Option should be required to use the above federal standard when assessing whether or not to grant a domestic violence waiver. Currently in New York State, waivers are only permitted if compliance with such requirements would make it more difficult for the individual or the individual's children to escape from domestic violence, or subject the individual, or the individual's children to further risk of domestic violence (New York Social Services Law 349–a (5)). Consequently, individuals in New York State that have successfully escaped an abusive partner and are not currently at risk of abuse are not eligible for a domestic violence waiver, despite the fact that the individual may still be struggling to address the emotional and physical consequences of the abusive partner, and these issues may make it impossible for such individual to comply with certain program requirements.

TANF Funding Should Be Increased In Order to Ensure That the Needs of Women who are abused Are Met

- Many states, including New York, use TANF surplus or Maintenance of Effort funds to expand services, protections and supports to domestic violence victims. These programs are critical in order to ensure that the complex needs of domestic and sexual violence victims are being met. For example, New York State has used TANF surplus money to support domestic violence service providers in providing non-residential services to TANF eligible women who are abused and

their children. This program has been successful and women who are abused would benefit from expansion of this program. In New York, decisions about the use of these TANF funds are best left to the State, rather than to the localities.

- Domestic violence programs traditionally provide a variety of job training services. Federal guidelines are needed to assure availability of and flexibility for TANF funds for compensation to domestic violence programs for these TANF-related services.

States Should Be Required to Adopt Clear and Expansive Policies Regaurding Time Limit Exception for Domestic Violence Victims.

- Require States to extend time limits to domestic violence victims based on the current federal definition of when such extensions are allowable. Currently, federal law allows states to extend time limits to domestic violence victims based on the need for continued assistance due to current or past domestic violence or the risk of further domestic violence. [45 CFR • 260.59 (2)(i)] The federal regulations encourage states to "give victims the assurance they need that: (1) they will not be cut off when they reach the federal time limit if they still need assistance; and (2) they will be able to return for assistance if the need recurs (64 Fed. Reg. 17746).
- Require States to provide clear policies and procedures to allow a domestic violence victim to "restart benefits" when a victim experiences abuse, is at risk of further abuse or addressing consequences of previous abuse after she has exhausted her time on benefits. States should allow victims of domestic and sexual violence to stop the clock while they are receiving benefits if they are experiencing abuse, are at risk of further abuse or are addressing issues related to the domestic or sexual violence they have experienced in their lives. In New York, a victim of domestic violence is only eligible for a time limit waiver if, at the end of the allowable time on TANF funds, she is unable to work or participate in a training program due to a medically verifiable physical or mental disability caused by domestic violence that is expected to last three months or more (New York Social Services Law • 349-a (5)). New York States adoption of such a limited definition of who can receive a time limit exception excludes numerous women who are abused who may not be able to show that they cannot work but may need time to achieve safety and start a new life.

Require States To Implement Procedures To Screen For Domestic And Sexual Violence Throughtout The Application And Re-Certification Process.

- Coordinate or contract with appropriate domestic violence coalitions, sexual assault coalitions or domestic violence and sexual assault programs in the development and implementation of policies, procedures and programs to address domestic and sexual violence in the lives of TANF clients. Currently, in New York all applicants and all recipients for domestic violence are screened for domestic violence through a universal screening form. If an applicant or recipient identifies affirmatively then they are referred to the Domestic Violence Liaison. However, individuals have frequently reported not being screened for domestic violence as well as being unsure why questions regarding domestic violence are asked in the first place. As such, they may not voluntarily indicate that they are victims of domestic violence.

States Should Be Required To Implement Procedures To Ensure That Victims Of Domestic And Sexual Violence Are Not Sanctioned For Non-Compliance With Program Requirements.

- Before imposing any sanctions for non-compliance with program requirements, states should implement standards and procedures for reviewing such cases and ensuring that the individual's non-compliance is unrelated to efforts to deal with domestic violence or sexual violence issues. As a result of the inappropriate implementation of the screening process in New York State, recipients have found themselves being sanctioned for non-compliance with certain program requirements that could have been addressed through a FVO waiver.

Continue To Enforce And Require That States Ensure That Domestic And Sexual Violence Services, And Waivers, Are Completely Voluntary And Confidential.

- Domestic violence services must be voluntary. Disclosure of domestic violence on a screening form should not create a mandate for services. HHS regulatory language concerning service plans wrongly establishes this premise. It is especially egregious when women identify domestic violence on the screening form,

but do not request or are denied waivers, but are mandated to domestic violence services anyway. This has occurred in New York.

- Confidentiality of records remains a serious concern for victims of domestic violence. Access to domestic violence information in individuals' temporary assistance records should not be universally available with local social services districts. Only the domestic violence liaison should have access to this information.

Fatherhood and Marriage Initative Programs Must Work With Licensed Domestic Violence Programs In Order to Effectively Address the Issues of Domestic Violence

- States and programs that receive federal funds to implement fatherhood and/or marriage initiative programs that are designed to promote paternal involvement in poor families or strengthen families must be required to work in collaboration with licensed domestic violence programs. In conjunction with licensed domestic violence programs, fatherhood and/or marriage initiative programs must be required to provide training in domestic violence to all staff and document how domestic violence issues will be addressed in the program design and implementation. **Programs should not, for example, recommend unsupervised visitation where a temporary or regular order of protection has been issued.** Without such policies in place, these programs could make it more difficult for an individual to leave an abusive partner, may encourage or preserve unhealthy or unsafe relationships, or endanger children and women's lives and well-being.

Require States To Solicit Input From Statewide Domestic Violence Advocacy Organizationd, Domestic Violence Programs And Survivirs, And Develop Processes To Ensure HHS Receives Similar Ongoing Input.

GENERAL TANF RECOMMENDATIONS:

Introduce New Evaluative Measures.

- The focus of TANF should be shifted from reducing the welfare caseloads rolls to reducing poverty. Evaluative measures under TANF should be expanded to include reductions in child poverty and improved economic circumstances for working families. Specifically, TANF should focus on:

a) supporting caregivers for: a child who is under age 6, an elderly or disabled family member or child under court supervision.

b) promoting education and training for jobs that pay a living wage

c) safeguarding access to Medicaid, Food stamps, child care and other work supports

d) mandating access to services that address employment barriers such as mental illness, physical disability, substance abuse, and domestic and sexual violence

Protect And Increase, Don't Decrease, TANF Funding.

- The problem of poverty has not been solved even though temporary assistance caseloads have been reduced. In fact, with severe fiscal pressures at the local, state and federal levels, it is unlikely that the caseload will remain as low as it is. New York State is in serious economic trouble. State allocations for nonprofits providing social services have been severely cut for several years. Social services programs that serve TANF families are being forced to layoff staff and close their doors at a time when New Yorkers need more services. Hence, New York needs more, not less, money to help move poor families out of poverty by funding the supportive services that families need to find good work and training programs, work supports and services for those with barriers to employment.
- As part of TANF reauthorization, and in tandem with an overall increase in TANF funding, states should be required to:

a) Maintain state funding of TANF-related programs and state Maintenance of Effort (MOE) requirements in tandem with any across-the-board increase in federal TANF funding. This is especially important to ensure continuous funding for existing essential services such as domestic violence, transportation, child-care, etc. Preference should be given toward strengthening existing programs rather than creating additional programs.

b) "Open up" TANF by providing income supplements, education and training and other supports to low-income families, regardless of whether they have received TANF funding in the past or are currently working in low wage jobs, thereby eliminating the artificial distinction between the "welfare" poor and the "working" poor.

c) Use TANF funds in ways the supplement, not supplant, existing federal, state or other funding.

d) Provide better reporting on their use of TANF and state MOE funds in sufficient detail so that even states in which localities (such as counties) have broad authority over TANF spending, the TANF funding decisions are transparent to the state and federal policymakers and the public.

e) Provide information on how welfare leavers are faring regarding housing, employment, health care, etc., and the extent to which TANF programs help parents find jobs and reduce poverty rates.

f) Prioritize improving access to existing work supports such as Food Stamps and Medicaid/SCHIP.

g) Require States to authorize funding for work related materials and services.

Support Families In Obtaining Real Economic Security

- Reauthorization of TANF should focus on providing opportunities for all-low income families, including low-wage workers, unemployed parents, and immigrants. Elements of the law should stress positive incentives, assets and programs that have worked to help get people employed, retain their employment, and provide supplemental income and supports to achieve economic security.

a) Time Limits

- Eliminate or modify time limits. It is clear the five-year lifetime limit on assistance is insufficient to assist individuals in finding meaningful, long-term employment with a livable wage. Even though there has been a dramatic drop in the caseload, the status and well-being of welfare leavers is unclear and many people who remain on the caseload have significant barriers to employment. Furthermore, the current fiscal climate will make it harder for everyone on welfare to find and keep a job. These vital adjustments to the time limits should also factor in the needs of individuals currently leaving temporary assistance because of the 60-month time limit by reintegrating them into the program.
- The time limit clock should be stopped for individuals in compliance with program requirements (for instance, engaged in a work activity), residing in a domestic violence shelter or with barriers to employment
- A ban on time limits shorter than 5 years
- The elimination of the 20% cap

b) Make work pay

- Increased wages, wage supplements and other supports should reflect family size and geographic location with a goal to lift individuals and families out of poverty.
- Increase the federal minimum wage
- Expand the federal earned income tax credit by making it more sensitive to family size
- Make the federal child and dependent care credit refundable
- Instead of "workfare", provide alternative programs for publicly funded jobs to meet community needs while also providing work, benefits and on-the-job training to welfare recipients

c) Redefine work to include education, care giving and participation in services. For purposes of recipients meeting work requirements, as well as states meeting work participation rates, the definition of "work activity" should be expanded to include:

- fulltime care for a child who is under age 6, an elderly or disabled family member or child under court supervision
- vocational training, eliminating the current arbitrary 12 month limit
- education, including elementary and secondary education, literacy, ESL, GED, and higher education (four year and graduate)
- **voluntary** participation in activities designed to address domestic or sexual violence, mental illness, substance abuse, or disability

d) The elimination of the current 20% cap on educational and training placements so that TANF recipients can access needed training and educational programs. Education and training has been demonstrated to be integral to promoting long-term self-sufficiency.

e) Clarify that labor and civil rights laws apply to TANF recipients. TANF participants should be entitled to the same protections under civil rights and labor laws as other individuals.

f) Increase Benefit Levels

g) There should be a floor on benefit levels.

h) Require states to develop an index reflecting the real cost of living for low-income families and use it to set benefit levels based on real need and cost.

Promote Access to Services

- A federal requirement that applications for assistance will be accepted unconditionally and immediately. States may not refuse to accept an application for assistance nor give an individual reason to believe that the state would not unconditionally, immediately accept an application.
- Individuals must be given an opportunity to appeal any adverse decision.
- Limit sanctions.

a) Require all states to adopt sanction procedures that ensure that barriers are not preventing compliance

b) Where there is no licensed childcare for school age as well as pre-school children, sanctions should not apply. Current law should thus be strengthened to mandate sanction protection when quality childcare is unavailable for either pre-school or school age children, **and to prohibit full family sanctions**.

c) Prior to imposition of any sanctions for non-compliance, trained caseworkers (or, at the individual's option, qualified professionals) will screen individuals for domestic and sexual violence, mental illness, disability and substance abuse barriers. If one of these problems is identified, the state must provide information on community resources for the individual **but may not mandate participation**. States must waive any program requirement that unfairly penalizes an individual addressing one of these barriers, or makes an individual unsafe.

d) Modify child support requirements. Sanctions should not be imposed for failing to pursue child support and child support that is received should be passed through to the family and disregarded in determining eligibility for benefits, except when the child support amount exceeds the cash benefit amount.

Strenghthen Charitable Choice Protections.

- Current protections should be maintained and new protections should be added so that religious providers may not engage in religious employment discrimination with TANF funds or include sectarian worship, instruction or proselytization in a program funded by TANF.

Ban All Discrimination In The TANF Program.

- States should ensure equitable treatment of families and not discriminate among families based on marital status or applicant/recipient status. This is important because administration officials have advocated preference for married families in the allocation of benefits.
- Restore immigrant eligibility. One of the most egregious features of the 1996 act was the denial of benefits to legal immigrants.
- Other types of discrimination by states should also be outlawed. For example, states should not be permitted to deny benefits to children because they are born into families receiving welfare or deny benefits to minor parents who are not in school or living with an adult

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Statement of Robert Doar, New York State Office of Temporary and Disability Assistance, Albany, New York

Thank you for the opportunity to provide input as Congress considers reauthorizing the Temporary Assistance to Needy Families (TANF) block grant program. There is little doubt that the landmark 1996 federal welfare reform legislation has been an unqualified success, despite the predictions of many to the contrary. However, states have labored for the last two years under the uncertainties of stop-gap continuing resolutions to fund TANF. This puts undue burdens on us. New York and other states need enactment of a multi-year reauthorization bill that gives us

the fiscal and programmatic certainty we need to build on the significant progress made over the past eight years.

Before federal welfare reform, New York Governor George Pataki was among the most vocal national leaders declaring that the responsibility for making welfare reform work rests outside Washington. Beginning in 1995, Governor Pataki set out to reform a welfare system that had trapped hundreds of thousands of New Yorkers in hopeless dependence. The commonsense reforms we enacted assure that able-bodied adults work or seek work in exchange for assistance and that government in turn rewards their efforts. Armed with federal welfare reform authority, Governor Pataki saw to it that New York City and the State's other 57 local social services districts undertook aggressive and innovative programs based on this "require work/reward work" philosophy. These changes empowered people to leave welfare, kept in place a safety net for those who are disabled, and helped detect and deter those who attempt to defraud the system. New York's old, dysfunctional welfare system, which frustrated initiative and kept people separated from work and almost wholly dependent on government support, is gone.

In its place, New York, under Governor Pataki, has developed a system based on work, along with an unprecedented array of supports for low-income workers and their families. These supports include a generous earnings disregard, the nation's largest state Earned Income Tax Credit and Child and Dependent Care Credit, sizable investments in child care and an aggressive and successful child support enforcement program. These investments, made possible by TANF, have helped families go to work and keep a hold on their newfound self-sufficiency so they can establish a firm foundation for future advancement. Today, New York provides supports and programs to those trying to leave assistance, as well as to those who have left welfare behind and are trying to make better lives for their families. This on-going support is essential in order to allow people to remain off of welfare and build economic independence.

The welfare changes enacted in New York since 1995 have had a profoundly positive effect on the lives of most low-income New Yorkers. New York State's welfare rolls have plummeted by more than one million recipients; the work rate of New York's single mothers has risen dramatically; the State's child support collections have increased to record levels; food insecurity and hunger as measured by USDA have steadily decreased; and the poverty rate of children living with single mothers in New York State has fallen to its lowest level since the 1970s.

These are impressive accomplishments, indeed. But our work is not finished and your reauthorization of TANF is vital to New York. Stable multi-year funding is necessary for New York and other states if we are to maintain and build upon these achievements. Among the issues that we feel must be addressed are the following:

- Level funding at least at the current $16.5 billion level;
- Maintenance of the current state by state allocation of funds;
- Increased child care funding;
- maintenance of the original transfer authority from TANF to the child care and development fund (CCDF) and the social services block grant (SSBG);
- State flexibility related to the hours and definition of allowable work activities to future participation rates, and partial credits for less-than-required work hours;
- Adequate funding and broad flexibility to test marriage, fatherhood, and family formation initiatives;
- Freedom from unnecessary and burdensome reporting requirements; and
- Child support reforms related to distribution rules in order to provide more income directly to families.

FUNDING: States must receive *at least the current base level funding of $16.5 million in the TANF Block Grant and current state by state allocations of funding must remain unchanged.*

The TANF block grant has eroded in real value since 1996. What's more, spending patterns under TANF over the last eight years have moved steadily away from direct cash assistance and towards supporting the working poor through job retention efforts, wage supplements and support services. To date, the debate over future TANF funding has often centered inappropriately on per-recipient costs as determined by dividing total available TANF dollars by the remaining caseload. This ignores the reality of post—assistance TANF spending. As an example, in New York alone, more than one million low-wage working families with children receive a state EITC, which is made possible by TANF. Similarly, many working families receive child care assistance as a result of our transfer of TANF funds to the Child Care & Developmental Fund (CCDF).

Increasing TANF funds would allow New York and the other states to meet their cash assistance obligations *and* continue to help welfare leavers and other poor working families retain employment. With the decline in the purchasing power of the dollar since 1996, we are reaching a point that will require the scaling-back of many programs. Consequently, any effort to reduce TANF block grant funding from the current $16.5 billion level or to change the current state by state allocation would jeopardize New York's ability to fund critical post-assistance supports and benefits that stabilize working families in employment and keep them from returning to welfare caseloads.

CHILD CARE FUNDING AND TRANSFER AUTHORITY: ***States need additional child care funding in order to meet increased work participation rates and to serve working poor families. New York supports the need for additional child care funding at the level proposed in last year's Snowe-Dodd Amendment in the Senate. We also support maintaining maximum transfer authority from TANF at the current 30%.***

A significant amount of child care funding in New York goes to working poor families, many of whom have transitioned off welfare or would be at risk of losing employment without child care. The anticipated increase in the percentage of TANF families required to be attached to the labor force, and the anticipated increase in the mandated number of hours per week in a work activity, will require additional child care funding. Without additional funding to cover these new requirements, we would be forced to curtail subsidies for low-income working families and thereby threaten their hard-earned financial viability. Last year's Senate-passed $7 billion child care amendment would have supported an additional 70,000 children of New York's working families in child care arrangements. Without additional funds, New York will have to make extremely difficult decisions about the extent of its supports for working families.

Maintaining the transfer authority from TANF to CCDF and the Social Services Block grant (SSBG) at 30% continues the tradition of state flexibility, which has been a hallmark of the original TANF legislation. In addition, the amount of the SSBG has been the subject of congressional debate and adjustment for many years. The TANF to SSBG transfer authority cap has varied over the years, which makes long-term planning difficult at best. Maintaining the original TANF transfer authority—a maximum of 10% to SSBG and a total maximum transfer of 30% to CCDF and SSBG—is the best outcome for New York.

FLEXIBILITY IN MEETING WORK PARTICIPATION RATES AND PARTIAL CREDIT: ***States must have maximum flexibility to meet increased federal work participation rates and to define what qualifies toward the number of hours participants must work weekly.***

The mandatory TANF work-participation rate will likely increase over time, as will the number of work hours required of participants. New York will be able to deal successfully with an increased work participation rate only if reasonable flexibility is maintained. Overly prescriptive definitions of what constitutes allowable work activities will eliminate the very flexibility that has allowed New York and other states to move families off welfare and into employment. Those remaining on TANF caseloads often have multiple barriers to employment that require individually tailored interventions, which—in some cases—will preclude their fulfilling hourly requirements beyond the current thirty hours weekly. A final TANF bill should allow states flexibility in determining what constitutes allowable work activities and include partial work participation credit along the lines outlined in S.6.

States, while maintaining a strong commitment to a work-first approach, are still best equipped to determine particular employability plans, including the types of activities or combinations of activities assigned to meet work participation rates. If such flexibility is compromised, we fear that the focus of welfare reform will shiftfrom moving people off assistance and into real jobs to a numbers game focused more on keeping people busy while they are on welfare.

CREDIT FOR CASELOAD REDUCTION/JOB PLACEMENT & WORK DIVERSION: ***States should be given the option of utilizing a caseload reduction credit or an employment placement credit as a way to meet work participation rates.***

The House Bill [H.R. 240] contains a revised caseload reduction credit (CRC), as well as a "super achiever" credit for states whose caseloads declined by more than 60% from 1995–2001. Conversely, S.6 replaces the current caseload reduction credit with an employment credit based on the number of families who are employed after leaving cash assistance, with an option to also count those diverted to employment through the provision of short term benefits that enabled them to work. The Senate employment credit is capped so that in FY 08 the states' nominal 70% work participation rate could not be reduced to an effective level less than 50%. In keeping with

the flexibility offered under the TANF block grant approach, states should have the option to choose whichever approach is most beneficial in meeting increased federal work participation rates.

FATHERHOOD AND FAMILY FORMATION: ***Adequate funding and broad flexibility to test various initiatives to address the needs of poor fathers is essential.***

The need to direct attention and resources to low income fathers is an issue that gets too little attention.

In New York, we consider fatherhood and family-formation initiatives to be the constituent elements of the next, progressive phase of welfare reform—strengthening family ties and promoting marriage where reasonable and voluntary. In order to move to this next level, states need adequate funding that does not require them to diminish their current focus on low-income working families. We fully support proposals for reconfiguring some of the TANF performance bonus funds into a flexible funding stream that will support initiatives in this area. We are particularly supportive of the provisions contained in S.6 which provides $75 million annually for states to test a variety of direct programs and media-based efforts to promote economic stability among non-custodial fathers and more social and emotional interaction by fathers with their children.

At the end of the day, it takes two contributing parents to attain and maintain self-sufficiency. This involves both parents contributing economically as well as of their time and resources to their children. The data is clear: only 8.4% of children in two-parent families live in poverty; for divorced parents and never married parents the percentages of children living in poverty jump respectively to 31.3% and 64.1%.

Putting mothers to work and providing child care and other generous work supports has been one successful part of the equation under Governor Pataki's welfare reform initiatives. But in and of itself, it is not sufficient to promote stable families and economic advancement. Addressing the needs of fathers is the current missing ingredient of constructive family policy that can lead to better outcomes for children.

Both federal and state initiatives have focused on providing low-income mothers with encouragement, family supports, employment services and work incentives to enable them to transition from welfare to work. Without these interventions for fathers, there is limited hope for further reductions in child poverty or the involvement of both parents in a child's life as a way to enhance social and emotional well-being.

The respected Fragile Families Study found that fathers have noble intentions at the time of their children's birth: 86% of unwed fathers planned to support their partner and child financially in the future. But despite best intentions, too many of these fathers are currently a drag on resources rather than a contributor. They are often unemployed or underemployed, unable to pay obligated child support because of limited income. They frequently have substance abuse problems and/or criminal records. The fathers often lack the skills for long-term relationship building, and are undesirable as marriage partners.

For these reasons, I want to add my voice, and that of Governor Pataki, to those who support the provisions in HR 240 and S. 6 that amends TANF goal 4 "to encourage responsible fatherhood." In fact, Governor Pataki is already advancing policies in New York State to strengthen families, this year proposing an initiative known as ***Strengthening Families through Stronger Fathers***. This unique Fatherhood Initiative is the first of its kind nationwide. It will create a greatly enhanced State Earned Income Tax Credit (EITC) for young, working, non-custodial parents who are *current* in paying child support. This new EITC will reward those fathers already working by augmenting their wages. It will provide a substantial work incentive for those not working or working only intermittently. Most important, it will encourage greater involvement by fathers who may have avoided contact with their children due to their limited resources.

Other components of this fatherhood initiative include:

- A five-site demonstration establishing intensive work programs and parent education for unemployed young fathers who have support orders in place or have had paternity established for their child;
- Suspension of the enforcement of child support arrears owed to the state by non-custodial parents if the non-custodial parent marries the mother of the children for whom he owes child support; and
- Increased power for judges, including child support magistrates, to order unemployed or under-employed non-custodial parents into employment programs when such programs are available.

As you develop the language of the TANF reauthorization bill and ultimately set appropriation levels, I urge you to include substantial and separate resources over and above the actual TANF Block Grant (using a portion of high performance bonus funds) to support proposed fatherhood Initiatives. With new federal financing, New York can quickly build upon and expand our efforts to reach young fathers and stabilize poor families.

REPORTING & ACCOUNTABILITY: ***It is vital that states not be saddled with additional and unnecessarily burdensome reporting requirements.***

States have clearly demonstrated their ability to reform and innovate while still maintaining program integrity. For instance, as states implemented various food stamp simplification options available under the 2002 Farm Bill, they not only increased access for various populations, but reduced the national average Food Stamp Program error rate to its lowest level in 20+ years of the Food Stamp Quality Control (FSQC) program. Similarly in TANF, by removing quality control (QC) and going to a single audit that measures success based on outcomes, states experienced large caseload reductions, increases in working recipients and reductions in client dependency, without increasing payment error rates. As an example, in New York when QC-like reviews were done on TANF in 2002 and 2003 in the state's largest social service districts, payment errors were more than 25% lower than under the old AFDC program. A potential return to increased and burdensome federal oversight that resurrects QC-like processes in federal programs will impinge on state flexibility and result in process becoming more important than outcomes.

CHILD SUPPORT DISTRIBUTION RULES: ***The federal government should share in the cost of distributing additional child support to TANF families.***

Both the proposed House Bill and S.6laddress the distribution of child support to TANF families. The House language requires the federal government to waive its share of a pass-through increase, up to $50 monthly or $100 monthly pass through for TANF families who have received benefits for less than five years. The Senate language, which we support, goes further by requiring the federal government to waive its share of a pass-through increase for TANF families that have received benefits for less than 5 years up to a higher level and differentiated it so that families with two or more children could receive even a higher pass-through. Without the waiver of the federal share along the lines proposed by both houses, it is unlikely that New York could afford to increase its current $50 monthly pass-through to TANF families.

CONCLUSION

I want to thank Chairman Herger and the members of the Human Resources Subcommittee of the House Ways and Means Committee for the opportunity to submit these comments for the record. We in New YorkState stand ready to assist you and to provide any additional insight you may deem appropriate, based on our experience in successfully administering TANF to serve a diverse population of needy individuals and families.

Statement of Daniel W. Dishno, Occupational Training Institute of the Foothill-De Azna Community College District, Cupertino, California

I am writing to you concerning the inclusion of educational options in any legislation proposed in the reauthorization of TANF. Clearly education and job skills training is the surest route to self-sufficiency for welfare moms and dads. I agree that strong families need strong supports such as marriage strengthening. Strong families mean a strong nation. Surely you can agree that providing a strong education component also increases the likelihood that strong families will result from good legislation.

I work daily with TANF parents struggling to become educated so they can gain enough skills to support their families. These parents know that in order to support their children, they will need to work in jobs that can pay enough to help them leave the welfare system behind. Research has concluded that gaining skills from an educational system such as a community college provides the path to move out of poverty and government dependency (**"Breaking Through: Helping Low-Skilled Adults Enter and Succeed in College and Careers"**, November 2004, Charles Stewart Mott Foundation and "**Opening Doors Support Success Services That May Help Low-Income Students Succeed in Community College"**, MDRC, November 2004).

Reauthorizing TANF to be a more successful program is an opportunity that you can address through legislation that is positive and beneficial. Education is a major component in helping impoverished citizens become successful taxpayers and contributors to society.

Thank you,

Statement of Maggie Bagon, Oregon Human Rights Coalition, North Bend, Oregon

I feel compelled to submit testimony for several reasons.

1. I am a former Welfare Recipient.
2. I am now a Social Service Provider who works with people receiving public assistance.
3. I am a taxpayer and am concerned about what my taxes are NOT being spent on.

Prior to the Personal Work and Responsibility Act being signed into law by then President Clinton I was a welfare recipient. I had left my physically abusive husband who had tried to kill me by strangulation. Even with a restraining order I would get calls at all hours of the night, I would be followed and harassed continuously. I did not have any family support and my ex did not pay child support. He was able to do this because his parent's supported him financially. For those reasons I moved to Montana where I had friends that would give me emotional support. The job market was less than booming and most jobs for a person without a college degree were seasonal; therefore I relied on Public Assistance for a good part of the year. I knew that even though the money was minimal at least my children would have food, a place to stay, and medical care.

After four years of counseling and with the encouragement of my worker I enrolled in college where After five years of going to school, raising children and working part-time, I obtained my Bachelor Degree in Social Work. The old law allowed me to be successful in a long-term way. Since obtaining my degree I have never had to apply for any kind of benefit program.

I cannot imagine having to deal with the same kind of traumatic experiences under the current laws let alone the even more rigid laws being proposed. I feel that the current proposal is punishing women for being poor and unmarried. It seems to me that we should be creating laws that help people out of poverty rather that just "getting off welfare.

I worked with long-term recipients in the state of Montana for almost two years and found that many families had two parents and almost all of the families had multiple barriers, including mental illness, development disabilities, learning disabilities, drug and alcohol problems, disabled children, and learning disabilities. Many of these families had two parents. I know that there is a stereotype around the image of the "Welfare Queen" but as a first-hand witness I can testify that this is myth rather than fact.

Here in Oregon where I am a member of the Oregon Family Services Commission we have found that at least one third of the people who are no longer receiving benefits are still living in poverty. We have also found that a disproportionate number of welfare mothers are having their children removed from their home. Many of these instances are due to the parents losing their financial benefits.

I am asking that the committee look at a plan that would benefit everyone by ending the disease of poverty, rather than punishing its victims.

Palomar College
San Marcos, California 92064
February 15, 2005

Ways and Means Committee Members:

I am writing to express my support for TANF reauthorization. As the Counselor for TANF/CalWORKs participants at Palomar College, I can attest to the success of students allowed to continue their educations while on welfare.

I have personally seen hundreds of students become self sufficient through education and leave the welfare ranks. These students, primarily single parents, have no way to earn enough money to support their families without an education. Most

work while in school and are not looking for handouts. They just need temporary help so that they can provide a future for their children.

TANF reauthorization and continued education benefits help all of us. The student, their children, and society by providing a means for the student and their family to contribute to society by working. The role model that their children see is the one that they will emulate. One that has their parent seeking and education and fining employment that pays enough for them to no longer rely on public assistance.

There are no drawbacks to continued support and education for those wishing to be self sufficient. Reauthorization still has limits. It just will give participants an opportunity to pull themselves out of a no win situation.

I wholeheartedly support TANF reauthorization. I've witnessed too much success to see the benefits of TANF fall by the wayside and not speak out Please do not pull the lifeline from those that honestly want to be self sufficient.

Sincerely,

Brenda Ann Wright, M.A.
Counselor
CalWORKs

Statement of Carolynn Race, Presbyterian Church

A CALL TO POVERTY REDUCTION IN THE CONTEXT OF REAUTHORIZATION OF TEMPORARY ASSISTANCE TO NEEDY FAMILIES

As people of faith and religious commitment, we have always been called to stand with and seek justice for those who are vulnerable or living in poverty. This is central to our religious traditions, sacred texts, and teachings. We share a conviction, therefore, that TANF reauthorization should focus on poverty reduction, not caseload reduction.

People are more than the sum of their economic activities. TANF must provide more than economic incentives and disincentives; and, as a people, we must overcome biased assumptions that feed negative social stereotypes about those living in poverty. The ultimate success of TANF depends upon finding not only a common ground of policies, but a common spirit about the need to pursue them for all.

The outpouring of generosity that has followed recent disasters has refreshed our nation's concept of the Common Good. Although there is a risk that some essential government programs to help low-income people will receive reduced funding in order that resources can be diverted to pay for other essential services, it is our belief that the government has both the capacity and the responsibility to develop just public policy and provide sufficient resources to maintain a basic safety net for the protection of people in need that will be available at all times. The government and non-profit and religious communities must work together in order to reduce poverty and increase self-sufficiency. Charity can supplement, but it cannot and should not replace the role of government.

In the robust economy of the late 1990s, TANF—combined with the increased availability of jobs—significantly reduced the number of people on the welfare rolls throughout the nation. There is, however, unfinished business with regard to those who have left the rolls. Many have gotten jobs that do not provide a family-sustaining wage. At the same time, many have lost the supportive services that are essential to maintaining their households, so that they are often poorer than they were on welfare. TANF must continue to provide work supports for people moving into the workforce but earning low wages. Congress should provide more funds for TANF to ensure its ability to act as both a work support program and a safety net for those for whom work is not an option. A strong and reliable safety net is more essential than ever at times of disaster.

We recognize the benefit to the entire community of helping people move from welfare to work when possible and appropriate. Acknowledging current economic realities, however, we believe that TANF reauthorization must be undertaken in the context of current economic issues, including large state deficits, unemployment, and inadequate wages. There are also important family issues such as strengthening families to assure that children are raised in a healthy home environment, caring for a disabled child or family member, the availability of affordable, high quality child care and the economic value of care-giving in the home. It is important to acknowledge that, according to the most recent data from the federal Office of Family Assistance, 73 percent of the TANF caseload is children whose well-being depends on that of their parents.

Reducing poverty will depend on addressing these concerns along with a range of related issues such as safe and affordable housing, reliable child care, equitable wages, education and training, and access to transportation and health care. Meeting these basic human needs would benefit the whole community by giving all people the opportunity to reach their potentials.

PRINCIPLES

For TANF to be effective in reducing poverty, it should meet the following principles. It must:

1. *Ensure that poverty reduction is a central goal.* All TANF policies must work together to enable recipients and their families to leave poverty and achieve self-sufficiency. For example, cash benefits combined with wages and supportive services must be sufficient to allow each family to meet its basic needs.

2. *Provide sufficient federal and state funding.* Funding for TANF should at a minimum be indexed to the rate of inflation. Continuation of state maintenance of effort should be required.

3. *Acknowledge the dignity of work, eliminate barriers to employment and provide training and education necessary for unskilled workers to get and hold jobs.* Participation in post-secondary education should count as work. Supportive services provided should include child care, transportation, and ancillary services to make participation possible and reasonable.

4. *Continue and encourage public/private partnerships to train workers and help them find jobs.* If public jobs are created, they should lead to family-sustaining wages, comply with workplace protection laws, and not displace current workers. States should provide means by which employment programs can be evaluated at the local level for effectiveness and fairness.

5. *Allow TANF recipients to retain a substantial portion of wage earnings and assets* before losing cash, housing, health, child-care, food assistance or other benefits. In no case should former TANF recipients receive less in combined benefits and income as a result of working than they received while they were on TANF.

6. *Be available to all people in need.* Documented immigrants should have access to the same benefits that are available to citizens. Those who receive benefits should receive them according to their needs and for as long as the need exists.

7. *Not impose time limits on people who are complying with the rules of the program.* It is the state's responsibility to assure access to counseling, legal assistance, and information eligibility for child support, job training and placement, medical care, affordable housing, food programs, and education.

8. *Acknowledge the responsibility of both parents and government to provide for the well-being of children.* TANF should insure that children benefit from the active and healthy participation of parents—whether custodial or not—in their lives. The barriers to participation by married parents in federal programs should be removed. There should be no family caps and no full-family sanctions. Children should benefit from successful state efforts to collect child support assistance from non-custodial parents through increasing the amount of collected child support that children receive. In addition, funding for quality child care should be increased significantly.

9. *Address the needs of individuals with special situations.* People who have been victims of domestic violence, sexual assault or stalking must be protected and have their privacy maintained. Some with disabling conditions may need extended periods of time to become employable; and it must be recognized that some people cannot or should not work under any circumstances.

10. *Uphold and affirm every person's value, whether employed or not.* In compassion, we recognize that a small proportion of people on TANF may never be in a position to work outside the home. Exemptions should be offered for people with serious physical or mental illness, disabling conditions, or responsibilities as caregivers who work at home. States should have the option to use federal funds to help families to cope with multiple barriers to employment.

ENDORSING ORGANIZATIONS

American Baptist Churches USA; American Friends Service Committee; Bread for the World Call to Renewal; Central Conference of American Rabbis; Christian Church (Disciples of Christ) in the United States and Canada; Church Women United; Evangelical Lutheran Church in America; Friends Committee on National Legislation; Greek Orthodox Archdiocese of America; Jewish Council for Public Affairs; Korean Presbyterian Church in America; McAuley Institute; Mennonite Central Committee U.S.; National Advocacy Center of the Sisters of the Good Shepherd; National Council of Churches; NETWORK, A National Catholic Social Justice Lobby; Patriarchal Parishes of the Russian Orthodox Church in the U.S.; Pres-

byterian Church (USA); Reformed Church in America; Syrian Orthodox Church of Antioch; The Episcopal Church, USA; Ukrainian Orthodox Church of USA, Western Eparchy; Union of American Hebrew Congregations; United Church of Christ Justice and Witness Ministries; United Methodist Church, General Board of Church and Society; Unitarian Universalist Association of Congregations; Unitarian Universalist Service Committee; Unitarian Universalists for a Just Economic Community; Women of Reform Judaism

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Presbytery of Philadelphia
Philadelphia, PA 19103
February 15, 2005

Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Representatives:

The Presbytery of Philadelphia passed a resolution about TANF legislation in September 2003, because one of the goals, which has been agreed upon by our churches, is to work towards programs for children and families at risk, and TANF legislation is decisive to the lives of such families, as they work to escape impoverishment. The Presbytery of Philadelphia is the collective decision making body of the approximately 145 churches of the Presbyterian Church (USA), which are located in Bucks, Delaware, Montgomery, and Philadelphia Counties of Pennsylvania. I attach a copy of the resolution, requesting that your committee take these stipulations from citizens under serious consideration, as you consider crafting legislation to reauthorize TANF. Our churches continue to be active in advocacy and educational efforts related to TANF.

1. **Expand opportunities for education and training for TANF recipients . . .**
2. **Increase federal child care funding by at least $5.5 billion . . .**
3. **Maintain the current work hour requirement of 30 hours per week and 20 hours per week for parents of pre-school children . . .**
4. **Restore benefits to documented immigrants . . .**
5. **Require the states to conduct pre-sanction reviews . . .**
6. **Include an overall stated goal of helping families to overcome poverty.**

Current realities continue to underline the value of these faith-based suggestions for TANF legislation. For example, nationwide, only one eligible child in four receives child care assistance from all government funding sources combined, and many studies of TANF's effectiveness cite the lack of reliable child care as the greatest barrier to employment. Ms. Heather Boushey's paper for the Economic Policy Briefing Institute (2002) found that former welfare recipients with young children are 82 percent more likely to be employed after two years if they receive child care assistance. Despite gubernatorial efforts to strengthen child care programs, Pennsylvania joins other states that continues to struggle to have available adequate child care assistance, with growing waiting lists and increasingly stringent financial requirements. The President's 2006 budget proposal recommends stagnant federal funding for child care, which by the proposal's own numbers, equates with a cut of 300,000 children receiving child care assistance by 2009. A reasonable, national cost of child care has been estimated at about $11 billion for quality child care programs. Without a suitable increase in child care funding for TANF recipients and parents recently re-entering the workforce, situations will only get worse. Parents will be at increased risk of returning to welfare cash assistance, from employment, and children will be at increased risk of inadequate, unsafe, or low quality child care, a poor investment in our future. Federal child care funding requires an increase of at least $5.5 billion. *"Whosoever welcomes one such child in my name welcomes me, and whoever welcomes me welcomes not me but the one who sent me" (Mark 9:37).*

Work requirements for TANF recipients, beyond the current 30 hour work week, ignore issues such as the lack of affordable housing, the multiple issues facing high poverty neighborhoods, and the need of many families to have work supports, such as to education and training, child care, transportation, and even housing costs. The federal minimum wage stands at $5.15, and the hourly wage someone must earn in order to spend not more than 30% of income on a two-bedroom rental is $15.37.

While families struggle to afford housing, federal TANF policies do not necessarily provide for the ability to overcome other stressors of grave magnitude, including the search for affordable, accessible health care for the family, equitable education for children, and food security. In faith, let us claim our position to seize a holistic vision of how to address the many needs confronting people, rather than just talking about work. *"Since there will never cease to be some in need on the earth, I therefore command you, Open your hand to the poor and needy neighbor in your land" (Deuteronomy 15:11).*

Every Sunday within the Presbytery of Philadelphia, worship is held among our churches in at least seven languages. Please restore TANF benefits to documented immigrants. *"The alien who resides with you shall be to you as the citizen among you; you shall love the alien as yourself, for you were aliens in the land of Egypt: I am the LORD your God" (Leviticus 19:34).*

In conclusion, for people of faith in the Presbytery of Philadelphia, the focus of the reauthorization of TANF needs to be clearly about the ending of poverty for families and children at-risk. Our times demand this. Even if TANF caseloads have been decreasing, the poverty rate in the United States has been increasing over the past few years. In 2003, nearly 36 million people in the United States lived below the poverty line—4.3 million more than in 2000. In 2003, nearly 13 million children lived in poverty—17.6 percent of all people under 18 in the United States. The number of children in extreme poverty, with household incomes less than half of the poverty line, exceeds 5 million. Further, it needs to be noted that in many counties of Pennsylvania, TANF caseloads are experiencing a reversal of trends and growing. *"May the king defend the cause of the poor of the people, give deliverance to the needy, and crush the oppressor" (Psalm 72:4).*

Thank you for giving serious attention to the voices that raise these concerns.

Sincerely,

Schaunel Lynn Steinnagel

Rev. Schaunel Steinnagel
Hunger Action Enabler

Building Healthy Communities Committee Proposes Presbytery Resolution on TANF

(Temporary Assistance for Needy Families)

Whereas the Goal Committee of the Presbytery known as Building Healthy Communities (BHC) has as its mandate "to plan and implement congregation-based and community-based programs for children and families at risk," and BHC has determined that TANF ("Temporary Assistance for Needy Families") is one of the most important areas of legislation to ensure that families and children at risk, in our neighborhoods and across the country, are able to access the resources they need to find a way out of poverty;

Be it resolved, *that—*

The Presbytery of Philadelphia supports federal welfare legislation for our country, which—

1. Expands opportunities for education and training for TANF recipients, so that skills needed for better wages can be obtained;
2. Increases federal child care funding by at least $5.5 billion as requested in the TANF Reauthorization Bill of the 2002 Senate Finance Committee and proposed by the PCUSA Washington office;
3. Maintains the current work hour requirement of 30 hours per week and 20 hours per week for parents of pre-school children as opposed to increasing the required number of hours to 40 as proposed by the House of Representatives;
4. Restores benefits to documented immigrants, who may often work at extremely low wage jobs but are tax payers;
5. Requires the states to conduct pre-sanction reviews and/or make personal contacts with families, to assess personal and structural barriers, impacting the ability of TANF recipients to work, prior to the imposition of sanctions.
6. Includes an overall stated goal of helping families to overcome poverty.

The Presbytery of Philadelphia instructs the Stated Clerk of the Presbytery to send a copy of this resolution to both United States Senators from Pennsylvania, Senator Rick Santorum and Senator Arlen Specter, asking for their votes in support of the Presbytery's

stance on the Senate Bill. Furthermore, we ask the Stated Clerk to send the resolution to the churches of the Presbytery, and we ask churches to consider supportive and educational activities, which may include the following:

- Sharing the above resolution with members;
- Studying the legislation under the leadership of the Session;
- Utilizing the curriculum Hunger No More (on domestic and world hunger), available from our denomination;
- Participating in an Offering of Letters on the topic of TANF, so that church members may write their feelings to their legislators (especially Senators Santorum and Specter, in addition to their Representative in the House);
- Writing, phoning, or e-mailing legislators (for e-mail, potentially utilizing the "Urgent Actions" section of the Presbyterian Church's Washington Office website, *www.pcusa.org/washington);*
- Participating in additional activities in support of the resolution, as will be developed by Building Healthy Communities.

Statement of Mark Elliott, Public/Private Ventures, New York, New York

Thank you for the opportunity to submit comments on the welfare reform reauthorization currently before the House. Public/Private Ventures (P/PV) is a national nonprofit organization that seeks to improve the effectiveness of social policies and programs. We design, test and study initiatives that increase opportunities for residents of low-income communities. In 2000, P/PV began an evaluation of The Fathers at Work Initiative, a national demonstration sponsored by the Charles Stuart Mott Foundation. Fathers at Work was designed to help young noncustodial fathers achieve three principal goals: increased employment and earnings; greater involvement in their children's lives; and more substantial financial support of their children. The Initiative was designed and implemented in partnership with local child support enforcement agencies.

Nearly 11 million fathers do not live with their children, and two thirds of these fathers pay no formal child support.[1] Many of them are derided as "deadbeat dads"—men who have the ability to support their children, but simply refuse to do so. However, about 2.8 million noncustodial fathers are poor themselves and have limited capacity to provide financial support for their children. In 1997, of the 2.5 million low-income fathers who did not pay child support, 30 percent were incarcerated and just 7 percent had any education beyond high school. Not surprisingly, employment rates and earnings for these men were low—only 43 percent had worked over the previous 12 months and average annual earnings were just over $5,600.[2] While society has every right to expect low-income noncustodial fathers to do their best to support their children, until these men have higher earnings, the amount they can reasonably be expected to pay will remain modest. Furthermore, the rapid increase in the nation's incarceration rate has profound implications for many low-income fathers and their families. An estimated two million children have at least one parent who is incarcerated.[3]

COMPREHENSIVE PROGRAM INTERVENTIONS ADDRESS BARRIERS

Fathers at Work supports is designed to increase labor market participation, earnings and parental engagement among low-income fathers under age 30 and assist them in managing their child support obligations and reintegrating into local communities from parole or probation. Fathers at Work programs were launched in six sites located in five states: California, Illinois, New York, Pennsylvania and Virginia. These include Center for Employment Opportunities (CEO) in New York City; Impact Services in Philadelphia, PA; Rubicon Programs, Inc. in Richmond, CA; STRIVE (Support and Training Result in Valuable Employees) in Chicago, IL; Total Action Against Poverty (TAP) in Virginia; and Vocational Foundation, Inc. (VFI) in New York City. Two of these sites, CEO and Impact, were engaged to exclusively serve ex-offenders.

Over 1,000 participants enrolled in the Fathers at Work Initiative from 2001 through 2004. The typical participant faces significant barriers to work opportunities that will enable him to provide for his family.[4]

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[1] Sorensen and Zibman, Poor Dads Who Do Not Pay Child Support: Deadbeats or Disadvantaged? Series B, No B–30, The Urban Institute, April 2001.

[2] Sorensen and Zibman, Ibid. Employment rates and earnings are only for men who were not institutionalized.

[3] Child Welfare League of America, http://www.cwla.org/programs/incarcerated/

[4] Statistical data cited in this statement are for a sample of 573 participants who enrolled from 2001 through 2003 and completed both a baseline and 12-month follow-up survey, unless otherwise noted.

- Fewer than half possess a high school degree or general equivalency diploma;
- Fourteen percent of participants had never worked full time;
- Nearly a third had never held a full time job for six months or more; and
- Over two thirds of participants report that they know two or fewer people that can help them find a job.

At some point in their lives:

- One third have been homeless;
- Two thirds have been incarcerated, and three fourths have been convicted of a crime and face the labor market with a criminal record.

And yet:

- Seventy-seven percent say they want to spend more time with their children.
- Many express the desire to not only be involved in their children's lives but also to be role models for their children. As one participant stated:

I wanted to do the opposite of everything my father did, you know, which means be there for my son and not on the street, right . . . And what I mean by that, you know, getting up for work, letting your kids see you do all these positive things that's supposed to be done in life, you know, not get up and see your parents fighting over drugs. No, I want to raise my child.[5]

Programs like Fathers at Work match substantial interventions with the motivation of these young men to help them overcome barriers and build more secure futures for their children.

To help young fathers secure employment and become more involved in their children's lives, programs provided a wide variety of services:

- Two to four weeks of job readiness training;
- Occupational skills training;
- Paid transitional employment;
- Individualized job placement;
- Employment retention support services; training in fatherhood skills development;
- sponsored family outings and recreational activities for fathers and kids; and
- peer support networks and discussion groups.

CHILD SUPPORT ENFORCEMENT PARTNERSHIPS PAY OFF

As a central initial step, each Fathers at Work organization established a memorandum of understanding with the relevant child support enforcement agency to provide the support and cooperation necessary for successful program implementation. Each organization obtained the child support enforcement agency's commitment to provide paternity, payment and other data necessary for program evaluation. More significantly, each sought to increase fathers' cooperation with child support enforcement and reduce related barriers to employment. Many low-income men are not known to the system and have a great fear of it. They are much more likely to trust and work with a community-based organization. Noncustodial parents benefit by understanding their obligations and taking the necessary steps to establish appropriate orders. When child support agencies can be flexible and provide a human face for their services, men's fears can be alleviated and formal payments rise.

These partnerships have "paid off" for the fathers, families and child support agencies. Child support agencies in the Fathers at Work Initiative have shown enthusiasm for working with participants who demonstrate a commitment to finding gainful employment and paying child support. Child support enforcement partners have:

- Provided participants with information about the child support system in a nonthreatening environment, encouraging participation in the formal child support system;
- Modified child support orders to take into consideration fathers' employment circumstances, putting payments within reach of very low-income fathers;
- Built efficiencies into interactions with the child support system, by, for example, bundling multiple petitions to courts into a single process, thereby reducing the time a father may have to take away from employment or job search in order to handle child support enforement issues; and

[5] "Hareem", Fathers at Work participant, in Kotloff, Lauren, *Leaving the Streets*, Public/Private Ventures, 2005.

- Easing enforcement mechanisms that have unintended negative consequences on employment prospects for low-income noncustodial fathers, such as driver's license suspension, professional license suspension, freezing bank accounts, placing liens on property and incarceration.

At the same time, child support payments increased among Fathers at Work participants:

- The average total payments made by participants with a child support order increased from $233 in the six months prior to enrolling in Fathers at Work to $407 in the six months after enrolling; and
- For participants required to make a payment during both the six months prior to enrolling and in months seven through 12 after enrolling, total payments more than doubled, from $301 to $617.

Fathers at Work participants initially expressed reluctance to pay child support. They were concerned that they would not have enough to live on after making payments. They also understood that the government, instead of their children, often keeps child support. These concerns can be addressed through partnerships between community-based fatherhood programs and child support agencies. The importance of such partnerships is evident in the words of participants:

"They allowed me to make a payment arrangement so I could still pay my bills and take care of the things I needed to do with my life while still dealing with my child support issue. Because that's a big issue in a lot of people's lives to where they figure, well, if I'm gonna work a full-time job and they're gonna take 65 percent of my check, why should I even work, forget it." [6]

PARTICIPANTS' EMPLOYMENT AND EARNING INCREASED

While changes in the participants' circumstances cannot be attributed exclusively to program services, low-income noncustodial fathers who were not recently incarcerated did improve their circumstances one year after enrolling in Fathers at Work:

- The average number of months worked in the previous year increased from seven to eight;
- The percentage of fathers who did not work at all in the previous year dropped from 11% to 9%;
- Mean annual earnings from work increased from $11,700 to $13,111; and
- Median annual earnings from work increased from $8,840 to $10,181.

STRIKING GAINS AMONG REENTRY POPULATION

Two sites exclusively served men who had recently been incarcerated. While one would expect to see increases in employment and earnings among this group post-release, the gains they achieved are particularly noteworthy. One year after enrollment in the program:

- The percentage of ex-offenders who did not work at all in the previous year dropped from 66 percent to 14 percent;
- The average number of months worked in the previous year increased from one to eight;
- Mean annual earnings from work for the recently incarcerated more than tripled, from $5,038 to $16,767; and
- Median annual earnings from work more than quadrupled, from $3,250 to $14,408.

For these ex-offenders, child support payments more than tripled among men with a child support order:

- The average for payments made during the six months after enrolling in Fathers at Work was $389, compared to just $100 in the six months prior to enrolling.

CONCLUSION

The Fathers at Work Initiative has demonstrated that low-income noncustodial fathers can benefit from the collaborations formed by employment programs and child support enforcement agencies. These gains, however, would not be possible without investments in employment program interventions that are substantial enough to begin to tackle the tremendous barriers to legitimate employment that these men face. We support the Subcommittee's efforts to provide new funding for fatherhood programs and to increase the amount of child support paid directly to these fathers' children.

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[6] Focus Group Participant, October 31, 2001

Thank you again for the opportunity to comment on this important issue and for your attention to employment programs that help low-income noncustodial fathers build better futures for their families.

RESEARCH METHODOLOGY

Public/PrivateVentures is conducting an analysis of the Fathers at Work Initiative with data from a variety of sources, including site-reported enrollment and job placement data, survey data, administrative and agency data, as well as ethnographic research.

All Fathers at Work participants agreed to complete two surveys. The baseline survey details fathers' circumstances in the year prior to enrolling in Fathers at Work, while the 12-month follow-up survey provides information on their experiences in the year after they join the program. Key measures available in these survey data include current and past employment, income and financial resources, formal and informal child support, as well as contact and engagement with nonresident children and their caretakers.

The cooperation of state and local agencies has allowed us to make use of a variety of administrative data to follow fathers' progress in the year after they enroll in Fathers at Work. Each of the local child support enforcement agencies with whom our program sites collaborate agreed to provide administrative data on fathers' involvement in the formal child support system, including information on fathers' engagement with the child support system, monthly support obligations, back payments due and full payment histories. Additionally, for fathers who participate at one of the two Fathers at Work program sites serving ex-offenders exclusively, state criminal justice agencies provide administrative data that allow us to analyze recidivism during the year following participants' program entry.

The Fathers at Work evaluation has also included an in depth interview study, allowing us to examine the experiences of twenty-seven fathers from three Fathers at Work sites in greater detail. These men completed between two and four in-person interviews with ethnographers, in which they shared their experiences with issues related to employment, fatherhood and child support. These experiences and lessons are featured in the newly released report, *Leaving the Street: Young Fathers Move from Hustling to Legitimate Work*, which can be found on P/PV's web site at http://www.ppv.org/ppv/publications/assets/181_publication.pdf.

Statement of George Gonos, State University of New York at Potsdam, Potsdam, New York

Last year, the Merwin Rural Services Institute at the State University of New York at Potsdam released a research report entitled "The Welfare-to-Work transition in the North Country." This report is the result of research carried out by myself and four student assistants. The findings that follow are excerpted from that report. I respectfully request that you include these comments in the official hearing record.

This report was supported by grants from The Merwin Rural Services Institute and The Walker Fellowship Program, and by a Research and Creative Endeavors grant from the Office of Research and Sponsored Programs, SUNY–Potsdam. None of the supporting organizations are responsible for the specific content of this report. The views expressed are those of the authors and should not be attributed to MRSI, The Walker Foundation, or the Office of Research and Sponsored Programs.

Findings (Excerpts)

Employment

For those working, the most common occupation in our sample, as for TANF leavers nationwide, is low-wage service work, in retail stores and nursing homes, and in food service, child care, and janitorial work. Local government is a frequent employer also, in schools, social service agencies, senior citizen homes, and health centers. Only 13% of our respondents reported doing construction, factory, agricultural work, or other "labor." [Q.50, N=71]

Pay rates

More important than employment per se is the quality of jobs that welfare participants find. Most pay minimum or near-minimum wage and few offer opportunities for advancement.

- Of 28 respondents that were currently working and reported to us their hourly wage, 43% of these earn minimum wage ($5.15) or less.
- Another 50% of those currently working reported making between minimum wage and $7 per hour.
- Only two were earning over $7.00 per hour (both of these in Franklin). [Q.56, N=28]
- Nurses aides, an occupation many aim for, make $6.85 per hour.
- Counselors in St. Lawrence County estimated the "living wage" in this area to be $10 per hour, which few participants in the welfare-to-work transition now earn.

These findings are consistent with the national picture, which shows that the majority of TANF leavers earn a wage only slightly above the minimum. The median wage of employed leavers is $6.61. As compared to the North Country, however, a greater proportion of leavers nationally (about 25%) earn over $8.

Does employment help individuals financially? The majority (61%) of respondents who were currently working reported that there are times they don't have enough money for necessities. This was only a little less frequently than those currently without a job, 70% of whom reported the same. [Q.39, N=45] Similarly, those currently working were only slightly less likely to use a food bank (57%, compared to 63% for those not working). [Q.41, N=54]

Job Benefits

When it comes to job-related benefits, the picture is not good. Of those currently working, only two (of 14 answering this question) reported receiving health benefits from their employer; and only one a pension or retirement plan. This closely reflects national trends. Only 17% in our sample reported having employer-paid health insurance on either their current or their last job. [Q.61, N=29] The most frequently reported job benefits were free or reduced cost meals [N=6] and store discounts [N=9].

Job Turnover

As discussed below, the structure of government subsidized job programs sometimes contributes to the problem of job turnover. Under program rules for "Job Creation" or OJT there is no obligation for employers to retain workers after government subsidies have run out, and most times they don't.

Due to the transitory nature of jobs, a continuing job search is necessary even after obtaining employment. Proof of a job search is required for TANF recipients. But a job search is difficult to conduct in addition to other responsibilities, especially without transportation. Phone calls to employers are mostly unreturned. As one participant noted, increasing the work requirement to 40 hours will make the job search even more difficult.

Opportunities for advancement

Two-thirds of all those currently working—and half of those in the Franklin sample—felt they were "receiving real training or learning new skills" on the job. Yet, less than a third (30%) of these respondents believed that there was any chance for advancement or promotion at their job. [Q.62, N=33]

Having more education did not improve this picture. In fact, those having a high school degree or more were somewhat less likely to see any chance for advancement or promotion on their job. [Q.64, N=46, includes some respondents not currently working] Perhaps they view things more realistically.

"Dead-end" jobs and irregular employment create heavy demands on social service programs to help welfare leavers stay employed and find better jobs with higher wages than those they first enter. This may be seen as one of the main deficiencies of the "Work First" approach that moves individuals into employment of any kind with little prior training or longer term planning. The absence of career ladders in the available occupations limits the future possibility of leavers attaining self-sufficiency.

In the common types of employment available to welfare leavers there are no job ladders and few opportunities for individuals to advance beyond the entry-level jobs they have obtained. One man in our sample was performing maintenance and security work in a public school. "There was advancement to custodian but they are cutting these jobs out, so I guess there isn't any advancement anymore," he said. Individuals who are working are better off than when they were on welfare, but the long-term success of "Work First" remains uncertain for most.

There is concern among both researchers and participants about how welfare leavers will manage after their eligibility for transitional benefits runs out. More than

one of our survey respondents stated the opinion that cash assistance is cut off too soon after an individual begins to work.

Subsidized Employment—Workfare, OJT and Job Creation

"Job Creation"

The Work Experience Program (WEP), known as "workfare," assigns participants to work at a non-profit or government agency in exchange for welfare benefits and an opportunity to demonstrate a proper work ethic, acquire skills, and build a resume.

WEP employers in St. Lawrence County include local libraries, colleges, public and parochial schools, churches, and community and government agencies, including the Department of Social Services itself. For example, workfare participants performed maintenance at nursing homes, sorted clothes at the Salvation Army, cleaned sidewalks and streets, and helped with charity work for the American Red Cross, where the welfare recipient was told, "There's no money for hiring." A total of 56 different agencies participated during the year ending September 2002. This totaled 57,386 work hours (down from 69,360 the year before).

Calculated at minimum wage "paid" to workfare participants in TANF cash assistance this represents savings of $295,538 for participating agencies. But if the labor costs is based instead on a "living wage" of $10.50 per hour, workfare participants provided well over half a million dollars ($602,553) in uncompensated labor to county agencies in FY 2002.

There is much resentment among participants about having to work without a paycheck.

Some participants complain bitterly that they receive so little in cash.

"Job Creation"

"Job creation" is a federally subsidized program that pays an individual minimum wage ($5.15 per hour) to work for a local business. The individual is technically an employee of the county, which pays the wage, provides medical insurance through Medicaid, and carries workers' compensation insurance.

In St. Lawrence and Franklin Counties, 23 employers utilized these workers in the year ending September 2002. This represented 10,748 work hours, down from 15,519 the previous year. Among the profit and non-profit organizations acting as employers were Potsdam-Canton Hospital, Family Dollar, Merrimac, Inc., St. Vincent De Paul, and Village of Canton.

An administrator estimates that about one-quarter of participants in the Job Creation program are transferred to the employer's payroll after 6 months. They may also be set up for another 6 months on the county payroll.

"On-the-Job Training" (OJT)

The OJT program provides wage subsidies to employers in the private sector. Federal funds diverted from welfare payments are paid to participating employers, who use the money to pay the participants' wages. In this program the individual is an employee of the business for which he or she works, and is paid at the prevailing wage for the position filled.

The employer is reimbursed for "costs associated with training" defined as up to 50% of the employee's wages for six months. In certain cases, when workers are considered "high risk," DSS pays the full wage.

According to the program documentation:

"Training programs are designed to enable eligible individuals to learn a skill for a particular occupation—The goal of OJT is to develop a worker's skills to the point where unsubsidized employment and job retention result."

But the actual results may not live up to this description. To qualify for the program employers must have an actual job opportunity. No promise of a permanent position, however, is required. According to DSS staff and participants, some employers do take advantage of OJT.

In St. Lawrence County, 72 private employers utilized OJT in the year ending Sept. 2002, representing a total of 36,901 work hours, and $247,997 in subsidized wages. The employers included: Big Lots, Family Dollar, Community Nursing Home, Cornell Laundry, Gilden Activewear, Grant's Plumbing and Heating, McDonald's, ARC/Seaway Industries, Mohawk Indian Housing Corp, Penski Staffing, St. Regis Nursing Home, Stauffer's Farm and Wal-Mart.

Wages for workers in the OJT program tend to be low:

- Of 72 employers, only 14 paid these workers $8.00 or more per hour.
- Only five of the employers (BOCES, Harmer Construction, Massena Memorial Hospital, Riches Auto, and Stauffer's Farm) paid these workers $10 or more per hour.

- In the year ending September 2001, Wal-Mart employed 6 welfare recipients and collected $13,678 in wage subsidies, and probably also received tax credits (see below). The wages of these workers ranged from $5.75 to $6.25 per hour.

The Job Creation and WEP programs operate essentially as free "temp agencies" for employers. And the OJT program is a handsomely subsidized one. Though it is said to be over 50%, there are unfortunately no hard data on the proportion of OJT or Job Creation workers who achieve unsubsidized employment with the employers with which they are placed. Follow-up research is called for on this issue.

Counselors said that some employers do take advantage of these programs. For instance, after time has expired for a "workfare" employee, they will want to switch the work to the OJT program, or switch to OJT after Job Creation, in order to continue receiving subsidies. Thus, a large proportion of work provided to TANF-leavers in St. Lawrence County, apparently larger than many other districts in New York State, has been subsidized. This appears to be changing, however, as funds for the OJT and Job Creation programs have been cut back. It remains to be seen if employers will offer the same amount of jobs if they are not receiving public subsidies.

Tax credits

Apparently, only the largest employers (e.g., Wal-Mart, Dollar General) take advantage of tax credits. For smaller employers, the paper work is usually too overwhelming, with too little benefit.

Food

The low income of welfare-to-work families does affect their diet and their ability to eat as they believe they should. In response to the question, "In the last 30 days, did you ever eat less than you felt you should because there wasn't enough money for food?" almost one-quarter (23%) of respondents answered yes. Those with less than a high-school education were about twice as likely to answer "yes" than those with a high-school degree or better. Women and men answered "yes" to this question in the same proportions. [Q. 42, N=56]

Respondents were also asked to indicate which of the following statements "best describes the food situation in your household." Their responses are reported below [Q.43, N=57]:

(1) We always have enough to eat and the kinds of food we want—26 (45.6%)
(2) We have enough to eat but not always the kinds of food we want—23 (40.4%)
(3) Sometimes we don't have enough to eat—7 (12.3%)
(4) Often we don't have enough to eat—1 (1.8%) Again, education seems to be related.

While almost a quarter (24%) of those without a high school degree say they "sometimes" or "often" don't have enough to eat, only 2% (one respondent) among the high school grads said this. [N=54]

Education and training

Nearly half (46%) of all respondents, and a majority of women (61%), said there were not enough opportunities for them to obtain job training or higher education. [Q53, N=59]

Which is more important to you right now, working or getting the training and education you need for a better job?" (Q.65) In response to this question, a majority chose "working." The relative importance placed on education and training varied by sex, age, and county of residence:

- Women were more likely than men to say that education and training were more important. (Forty percent of women said education and training were more important compared to 28.5 % of men.) [N=56]
- Younger respondents (those under 30) were more likely to say that education and training were more important. (Forty-two percent of those under 30 years old said education and training were more important compared with 30% of older respondents.) [N=56]
- Respondents in Franklin county were more likely than those in St. Lawrence to say that education and training were more important. (Forty-four percent of Franklin county residents said education and training were more important compared to 31% of St. Lawrence residents.) [N=57]
- Those currently without a job were more likely (63%) to say training and education are more important. Perhaps work reinforces the idea that work is most important.

Overall, lack of education is more frequently reported than either lack of experience or lack of skills as the toughest barrier to overcome. Those with less than a

high school education are more likely to see lack of education as a barrier. [Q.69, N=69] To expand the opportunities for education and training, the 12-month limit on education and training would have to be extended. The state and federal governments would have to be more flexible with the "work first" approach.

Mental health

Mental health problems are the most frequently cited type of medical issues. Overall, 38% of respondents reported that they had been treated for mental health problems such as depression. [Q.46, N=74]

- Women (45%) were more likely to report having been treated for mental health problems than men (31.5%), and also slightly more likely to report that it affected their ability to get a job. [N=57]
- Those with less than a high school degree were more likely (52%) to report mental health issues than those with a high school degree or better (33%). [N=56]

Transportation and child care

Transportation and childcare are among the least available services in the North Country. Transportation and childcare were cited as the principal barriers to job retention by those with children, and the second most frequently cited obstacles identified by single individuals. Like many other rural areas, the North Country offers little or no public transportation.

Transportation

As other studies of the welfare-to-work transition in rural areas suggest, ownership of a reliable vehicle is crucial for individuals to ensure success. Still, less than half of those receiving assistance have a driver's license, and many fewer than that own a car. The most common form of transportation available to our respondents was that provided by a friend or relative. [Q.19, N=77]

Transportation was the most frequently cited "barrier" to leaving welfare assistance our respondents reported. [Q.12] One-quarter (25%) of our respondents told us they cannot count on transportation when they need it [Q.21, N=67], and over one-third (36%) said they had missed work or classes because transportation was not available. [Q.23, N=70]

Women (30%) were somewhat more likely than men (19%) to report problems with transportation ("can't count on it") [Q.21, N=53], and to have missed work or classes due to transportation. [Q.23, N=55]

Our data show that those having a valid driver's license are almost twice as likely to be currently working as those without one. [42% and 24%, respectively, N=73]

Childcare

The most common form of childcare for these young children is informal; that is, a friend, neighbor, relative, or older sister or brother. [Q.27, N=47] Only about 13% report using a formal day care provider. The relatively few formal childcare providers existing in the North Country generally do not provide service to welfare-to-work mothers.

Almost a third (31%) of our respondents said that childcare was not always available when they needed it. [Q.29, N=45] As a result, more than one-quarter (28%) have missed work or classes because they did not have childcare [Q.31, N=46] Like rural families elsewhere, North Country welfare-to-work families find it especially difficult to find infant care, or childcare for nighttime employment.

As mentioned above, however, no registered day care centers will take DSS clients. One reason, counselors say, is that childcare providers must wait 6–8 weeks after starting to receive payment. Each provider must fill out a lengthy application form that passes through many hands. But even though childcare providers must file "tons of paperwork" to get approved, they are still often unreliable.

Analysis and Recommendations

Following below are two sets of recommendations, the first staying more or less within the boundaries defined by the current approach to "welfare reform," the second taking a wider approach to possible change. They are not inconsistent with each other.

Welfare program reforms

The following proposals specifically address the situation in the North Country, and lie within the parameters of the current welfare programs.

- EXPAND QUALITY CHILDCARE AND CHILD CAREJOBS: FORM AN EMPLOYMENT CONSORTIUM: Build a consortium of North Country employers, One Stop and social service administrators, community college and BOCES

staff, and union representatives to identify labor market needs for which welfare participants can be prepared through employer-specific or occupation-specific training programs. Expand the currently successful programs, e.g., for Certified Nurses Assistants, and use these examples as models. The consortium should focus special attention on strengthening and building job ladders in fields like nursing, information technology, and maintenance work. Further, it might consider creating within the One Stop Center a free public hiring hall or labor exchange for workers and employers to fill short term openings.

- INCREASE SUPPORT FOR TRAINING AND EDUCATION: Lobby to allow welfare-to-work participants to "count" as "work hours" the time spent in approved education and training programs, without any restrictions. North Country participants are practically screaming that the emphasis on "work first" at low or no pay is punitive and unproductive. They are right. The mix between work and human capital development needs to be more balanced. Research indicates that the most successful transition programs combine the "human capital" approach with the "work first" orientation, providing a mix of skill-building services and employment. There is no reason why *qualified* recipients can not work toward a two-year or four—year degree without time limitations.
- CREATE REAL PUBLIC SECTOR JOBS: The current "Job Creation" program is a misnomer. Along with the so-called OJT program, it is simply a subsidy for local employers (most often large employers) that typically offer welfare participants only short-term, low-paid work. The same resources can be used to create real public jobs serving our towns and counties that offer workers the realistic possibility of supporting their families, rather than just resume items and some short-term cash.
- SET UP A TRANSPORTATION DEPOT A specially assigned DSS staffperson can recruit community volunteers (through churches, etc.) to provide regular transportation to and from work for participants without carsand reimburse them for mileage. Again, linking community people with welfare participants helps reintegrate welfare-to-work participants into the community and provides moral support from community members.
- TRACK RESULTS OVER TIME: At least a sample of "leavers" (ex-participants) needs to be followed or tracked over a longer period of time, for two reasons. First, this would help determine what kind of post-employment supports and services are most needed to ensure success. Secondly, we need better data on the longer-term outcomes of the current welfare-to-work programs, since very little research of this scope has been conducted.
- ENHANCE TRANSITIONAL BENEFITS: All studies indicate that for welfare-to-work participants to be able to make a successful transition to employment, continuing support services, including childcare, Food Stamps, Medicaid, housing, even drug and alcohol counseling, must be made easier to access. Cash and other forms of assistance need to be maintained longer into the employment phase. Some analysts propose to "open up TANF" to provide supports such as child care, transportation, etc. to all qualified low-income families, regardless of whether they have ever applied for or received "welfare" assistance. This would eliminate the artificial distinction between the "welfare poor" and the "working poor" and recognize that the low-wage labor market is the actual source of problems for all.

The final bullet above, regarding the need for continuing subsidies for welfare recipients after they obtain jobs, brings out clearly the contradiction that the state welfare-to-work programs mandated by federal legislation (PRORA) are up against: namely, that current compensation rates at the lower or entry level of the labor market are nowhere near high enough to support an individual, no less a family. Even presuming that steady employment is found for the able-bodied welfare population, a substantial gap still exists between their earnings potential and the actual cost of living. Hence the need for continuing government subsidies (in the form of "transitional benefits," e.g., Medicaid, Food Stamps, child care, housing, etc.) even after employment. If we are not simply going to reduce caseloads by abandoning families to poverty, the current approach requires a permanent government bureaucracy funded by taxpayers to keep working people (and their low-road employers) afloat. Even putting aside the prohibitive cost to taxpayers, this creates a high level of resentment, as expressed by participants throughout our survey, over forever needing "help," and remaining a "second class citizen."

This outcome clearly contradicts the goal of the program. As noted at the beginning of this report, the stated goal of welfare reform is *self-sufficiency* for recipients, yet jobs in the low wage labor market do not pay enough to sustain self-sufficiency. As a result, the "work first" policy may be moving people off welfare rolls, but not

out of poverty. Thus, several of our interviewees (including both recipients and administrators) said they believed that welfare reform "as we know it" is simply increasing the number of "working poor" families in the North Country.

Labor market reforms

Begin with a realization that current national policy, expressed in PWRORA and many other initiatives, not only tolerates but also in some ways actively encourages low-wage work and the persistence of high poverty levels. Current policy generally serves private corporate interests by promoting capital accumulation via exploitation of a growing class of poor working families, in the U.S. and globally. Therefore, in order to "end welfare as we know it," we must reform the labor market and change the wage structure. Rather than *pushing* individuals off assistance and into a low-wage labor market, policy must be directed toward *pulling* low-wage workers up into work that pays a living wage, taking advantage of the huge reservoir of natural talent and energy of people in the North Country and throughout the U.S.

To truly consummate the effort to bring an "end to welfare as we know it," this report supports the implementation of policies to make work pay enough to render self-sufficiency possible through employment rather than through public transfer payments funded by taxpayers. A cumbersome patchwork of services, such as those that make up the current social service menu, can never substitute for a fair and equitable economy. We would contend that there is currently enough wealth produced by the U.S. economy to allow a "living wage" level of compensation for all; but its distribution is skewed. Among developed nations, the U.S. has the highest degree of wage inequality.

Certainly the problem of the population rendered "unemployable" by mental or physical disabilities will be raised. Yet, this population is in some part a result of current policy, which provides meager incentives or rewards for work, and consistently batters those at or near the bottom of the ladder. Indeed, certain research suggests that the main difference between successful welfare-to-work participants and those with insurmountable "barriers" is simply the lack of continuous employment.

Labor market reform, as opposed to welfare reform, would "raise the floor" create a more equitable wage structure. Here is a sampling of the policy measures it would entail:

- Substantially raise the minimum wage, to make it a living wage, and tying it to the cost of living.
- Provide universal health care, helping make it possible to leave welfare without assistance. Implement a truly progressive tax policy, replacing the current one that favors corporations and the rich. Today, those who live by a paycheck carry a disproportionate share of the tax burden.
- Design a national child care policy.
- Guarantee equal legal protection and wage parity for all workers, including part-time and contingent workers, and immigrants.
- Increase support for public higher education and job training. Millions of Americans are denied needed education because of its unaffordability.
- End the discrimination against non-metro areas in the process of economic development.
- Reform labor law to improve the environment for union organizing, and to prevent pervasive employer violations. Tens of millions of American workers who express the desire for union affiliation never get the chance to vote for it.
- Promote global "fair trade" agreements containing labor standards, a policy that would help improve conditions for working people worldwide, including the U.S.

Statement of Sheryl Cates, Texas Council on Family Violence, Austin, Texas

The Texas Council on Family Violence (TCFV) appreciates this opportunity to submit testimony on the issue of TANF Reauthorization and promoting healthy, safe families. TCFV is the statewide family violence coalition whose members include family violence service providers, supportive organizations, survivors of family violence and other concerned individuals. TCFV works to end violence against women through partnerships, advocacy and direct services for women, children and men. Each year, more than 80 family violence programs throughout Texas serve thousands of women and children.

Victims often times have left their homes, their assets and their support systems in order to be safe and to create a life free of violence for their children. A snapshot survey of family violence shelter residents in Texas revealed that up to 87% of resi-

dents were income eligible for TANF at the time of their shelter stay.[1] For this reason, TCFV has followed welfare reform and the TANF Reauthorization process to ensure that legislation takes into account the significant population of victims of family violence within the TANF program. Research has shown that a large proportion of welfare recipients (consistently between 15% and 25%) consists of current victims of serious domestic violence.[2] Our priority within TANF Reauthorization is to ensure victim safety while maintaining a system of assistance meets the immediate needs of families and provides services and opportunities to empower individuals to become economically self-sufficient and permanently free them from poverty and violence.

Because as victim advocates we hold the safety of women and children paramount, we have concerns with the absence of any attention towards family violence victims within the Promotion of Family Formation and Healthy Marriage provisions of HR 240. The Texas Council on Family Violence has had discussions with various state agencies working regarding marriage promotion initiatives, submitted oral testimony before the Texas State Legislature, and participated in six regional summits around the state on these initiatives. Marriage proponents, though well intentioned, are often times not aware of safety concerns for victims of family violence and are not equipped to handle disclosures of violence. For this reason, it is critical to include protective language in statute and funding proposals and require partnerships between marriage promotion coalitions and family violence experts. We have found coalitions and agencies throughout Texas to be receptive to information concerning family violence. Collaboration with family violence experts will help to create curricula, trainings and public messaging that does not endanger, entrap or stigmatize victims.

Through authorizing funds on untested, unproven marriage promotion programs without addressing issues of family violence, HR 240 could put the lives of women and children in danger. Provisions to require marriage promotion programs to consult with domestic and sexual violence experts and child advocates on the development and implementation of policies, procedures, and training necessary to appropriately address domestic and sexual violence and child abuse issues, included in last year's Senate Finance Committee welfare reauthorization bill (PRIDE), could provide some security. We urge Congress, if proceeding with implementation of a marriage promotion initiative, to include the following protective concepts:

- voluntary participation without the threat of penalty for nonparticipation,
- no discrimination against children or families due to the marital status of the parent,
- inclusion of family violence issues in any family formation initiatives funded,
- no requirement of states to spend welfare program funds or other money on marriage promotion programs, and
- careful evaluation of family formation initiatives with particular attention to unintended negative consequences.

Through our work as an agency since 1978 to end family violence, we know that issue of poverty is paramount in lives and minds of victims, influencing their decisions and capacity to flee a violent situation with their children. To this end, the security that TANF cash assistance and TANF services such as employment preparation and childcare can provide, though temporary, is powerful tool for many victims of abuse to escape violent situations and achieve safety and independence from the violence. We urge Congress to remain fully cognizant of the safety concerns for victims of family violence and their children and to responsibly address these concerns within TANF Reauthorization.

Thank you for this opportunity to share our comments.

[1] Texas Council on Family Violence, Women in Need of Public Assistance: Snapshot Survey. (2003).

[2] *See* Jody Raphael & Richard M. Tolman, Taylor Inst. and the Univ. of Mich. Research Dev. Ctr. on Poverty, Risk and Mental Health, *Trapped by Poverty, Trapped by Abuse: New Evidence Documenting the Relationship Between Domestic Violence and Welfare,* 12 (1997)