

**Congresswoman Gwen Moore Statement before the Ways and Means Subcommittee
on Income Security and Family Support Hearing: The Role of Education and
Training in TANF Programs
April 22, 2010**

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

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

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

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

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

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

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

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

Current Law: Work Participation

Currently, participation in education and training can only count toward meeting a state's work participation rates under several conditions. Up to 30 percent of individuals counting toward any hours of required participation may do so by participating in post-secondary vocational education for a period not to exceed 12 months; or for single teen heads of household or married teens, either maintaining satisfactory attendance in secondary school or participating in education that is directly related to employment if they have not received a high school diploma or a certificate of high school equivalency.

This limit on education not only deters states from allowing TANF recipients to have access to education and training, it does little to afford these individuals the opportunity to get the level of education necessary to obtain a well-paying, career-oriented job. I urge this Subcommittee to must explore lifting the 30 percent cap on the number of individuals that can count education and training toward meeting a state's work participation rate. Some states such as Kentucky have extended the time limits on education which would give TANF recipients an opportunity to receive an Associate degree or take courses that would lead to a Bachelor's degree.

In addition, the law states that participation in on-the-job training can count toward any hours of participation. Participation in a range of education-related activities such as jobs skills training and education directly related to employment may also count toward the work participation rates after the first 20 hours of work per week under the all-families rate, or 30 hours per week for the two-parent family's rate.

Jobs skills training and education related directly to employment should count toward any hours of participation. There is no reason why low-income people should have any barriers to education and training. The safety net should not only give temporary assistance to needy families, but it should create a clear pathway to sustainable employment no matter what the circumstance.

Extending Limits on Education

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

According to a 2003 Urban Institute study, the employment rate among families that left public assistance declined from 50 percent in a strong economy in 1999, to 42 percent in the weaker economy of 2002. In addition, the share of families that left welfare and are disconnected (that is, not working or living with a working spouse and not receiving welfare or disability benefits) rose between 1999 and 2002, from 9.8 of all welfare leavers to 13.8 percent. These

disconnected families are more likely than other welfare-leavers to suffer from food insecurity (as measured by cutting back on the size of meals or skipping meals involuntarily because of lack of income). They also are more likely to be disabled, have low education levels, or struggle with other serious barriers to employment than other welfare-leavers.

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

According to research done by the Center for Law and Social Policy in 2006, higher levels of education are closely associated with increased earnings and lower rates of unemployment. Between 1973 and 2003, the real wages of workers with less than a high school diploma declined by 20 percent while real wages of those with a college education increased by 18 percent. In 2001, adults with a high school diploma earned on average 25 percent more and had an unemployment rate about one-third lower than those with less than a high school degree. Postsecondary education and training offers significantly greater rewards. Those with an Associate degree earned 25 percent more on average and had an unemployment rate almost one-third lower than did those with only a high school education. Workers with a bachelor's degree earned nearly 75 percent more and had nearly a two-thirds lower rate of unemployment than did those with a high school education. Families headed by persons with less than a high school diploma were 2.6 times as likely to be poor than the average worker and 13 times more likely to be poor than college graduates.

Unfortunately, this does not bode well for TANF recipients with close to half of these individuals lacking even a high school diploma, and thus lacking the qualifications that are increasingly necessary to gain employment in good jobs that provide family-supporting wages and offer benefits. More than one-third of these recipients have completed 10 years or less of school. In addition, various studies have estimated that about 45 percent of welfare recipients have cognitive impairments including learning disabilities, which serve as barriers to success in education and the workplace.

Any barrier to education is a direct barrier to sustainable employment. Without an adequate education, the career choices of TANF recipients are severely limited. While there are some industries supported by ARRA that have no specific educational qualifications, most construction apprenticeships for laborers require at least a high school diploma or GED equivalent. Many jobs require specialized training and experience and most employers prefer workers who have completed a certified trade school program. These skilled trades programs typically lead to an Associate Degree in Applied Science in the area of concentration, i.e., plumbing, HVAC, electrician, carpentry, etc.

Jobs requiring some sort of postsecondary credential are growing 60% faster than those requiring high school or less. Education leading to a credential (whether a training certificate or a post-secondary degree) is an effective pathway to higher earnings.

A 2004 report by the Kentucky Legislative Research Commission found that TANF recipients who received more than one year of postsecondary education or training had the best outcomes among TANF recipients participating in a range of activities—four of five postsecondary participants became employed and more than 30 percent of participants remained employed for four consecutive quarters. Participants in long-term postsecondary education also had the highest wages of those employed for four quarters, about \$3,500 more than those in any other activity.

However, the current limit of one year of full-time education is not enough to complete most programs of study, especially for students who need to complete remedial coursework in order to brush up on their skills and be college ready. The typical community college student takes three years to complete an associate degree. Combining school with 20 or more hours of work is simply not feasible for many students, given that they are already juggling their school attendance with parenting responsibilities. Moreover, there is clear evidence that combining school with significant hours of work reduces degree attainment.

TANF and Persons with Disabilities

New TANF requirements enacted by Congress as part of the Deficit Reduction Act (P.L. 109-171) and the Department of Health and Human Services' (HHS) regulations provided in the interim final rule, had the effect of limiting states' ability to craft programs that address the needs of individuals with disabilities. The law requires states to satisfy higher work participation rates for welfare recipients, including individuals with disabilities, in a very short timeframe. In order to comply with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, states are required to make modifications to the work requirements they impose on TANF recipients with disabilities. But under the federal TANF rules, states only get credit when recipients participate in a narrow set of activities for a specific number of hours each week, with limited flexibility for people with disabilities. Thus, if states provide the ADA required modifications to work requirements for people with disabilities, they may not meet the state's TANF work rate and face fiscal penalties even if the recipients are actively engaged in activities designed to help them secure employment.

In their formal comments on HHS's TANF regulations, over 20 states identified problems in being able to both serve individuals with disabilities appropriately and meet the federal TANF requirements. The disability community and many of the states both recognize that additional flexibility is needed to provide the individualized services many people with disabilities require and to meet the requirements of the Americans with Disabilities Act.

H.R. 5083: Earlier this week, I introduced the Promoting Fair Work Opportunities for Persons with Disabilities Act. The bill would adjust the federal work participation requirements (in accordance with ADA's and the Rehabilitation Act's obligations) so that states could get credit when individuals with disabilities participate in work-related activities - even if the nature of those activities or the number of hours do not match the standard TANF requirements. The bill allows states to:

- Develop modified employability plans for TANF recipients who have been determined by a qualified professional to have a disability or to be caring for someone with a disability. This plan can include reasonable modifications to work activities and/or hourly participation requirements. Unlike current law, these TANF recipients would count towards the state's work participation rate if they comply with the requirements in their modified employability plans.
- Exclude two limited groups of people with severe disabilities from the TANF work participation rates. The two groups are: 1) people with a pending application for Supplemental Security Income (SSI), *if* the state has made a determination that the individual's disability is severe enough to qualify for SSI and 2) people with severe temporary disabilities - such as complications related to a pregnancy or recovery from serious surgery - that make it impossible, in the short term, for them to meet the work requirements (they are ineligible for SSI if their disabilities are expected to last less than 12 months).
- States that opt to follow either of the above provisions must provide a detailed annual report to HHS explaining how they have used this flexibility, and HHS also must provide Congress with a summary of the impact of the provision each year.

By allowing states to count modified work requirements for persons with disabilities towards their work participation rates and exclude severely disabled individuals, it is less likely that states would absorb financial penalties for not meeting work participation rates – which potentially hurts all families, including those that include people with disabilities. It would also make it less likely that states will lose families from the caseloads that are not involved in countable work activities. Families that include people with disabilities are being lost disproportionately from caseloads due to a “failure to comply with requirements” and more flexibility in what counts may alleviate that pressure on states, thus benefiting families that include people with disabilities. I look forward to working with you all on this issue as we get closer to TANF reauthorization.

Extending education would not only create a pathway to long-term employment, it would also disproportionately benefit women who are faced with an immense amount of barriers.

Women in the Workforce

The need to allow more TANF recipients to receive an adequate education is evident. Research done by Mathematica Policy Research revealed that 70 percent of TANF recipients have no more than a high school diploma. This means that 70 percent of TANF recipients are less likely to be a labor force participant and less likely to obtain sustainable employment with high-paying wages. The story is even more tragic for women.

The United States Department of Labor determined that in 2008, the most prevalent occupations for employed women were Secretaries and Administrative Assistants, Registered

Nurse, Grade School Teacher, Cashier, and Retail Salesperson. To become a registered nurse an individual would need to obtain an associate degree and to become a grade school teacher an individual would need a bachelor's degree. For all of these occupations, individuals usually need at least a high school diploma thus, in the industries that are more female-dominated, postsecondary education is a must have ingredient in a woman's overall success in the workforce.

But in 2008 women age 25 and over with less than a high school diploma had an unemployment rate of 9.4 percent. Women with a bachelor's degree or higher had an unemployment rate of 2.7 percent. It is clear that the higher a person's educational attainment, the more likely they will be a labor force participant and the less likely they will be unemployed.

Women are at a greater disadvantage due to the fact that male-dominated industries were targeted in ARRA and are being targeted in future jobs bill. While I agree that it is easier to spark employment in the construction, transportation, and energy industries, Congress must do a better job of ensuring that women are not left out. Women have also fallen victim to the bottomless pit of need that exists in the child care system. They often must take care of their families, without child care funding, while keeping a steady job in order to continue to receive TANF benefits. I encourage this Subcommittee to make sure that we not only extend the current limits on education but that we ensure that the success of women in the workforce is continued part of this TANF discussion in the going forward.

Conclusion

As this Subcommittee continues its TANF discussion, I urge you to extend the current limits on education from 12 months to 24 months. It is evident that in order for an individual to obtain a career-oriented job, they must have at least a high school diploma, access to on the job training, and increased opportunities for post secondary education. But TANF recipients across the country are being denied access to higher education due to harsh caps on the amount of individuals who can count education toward work activity and strict limits on furthering their education.

The fact of the matter is that if we do not give TANF recipients greater access to education, they will continue to fall through the cracks of this flawed safety net. When this law was enacted in 1996, the American economy was booming and there were a substantial amount of employment opportunities which led to a high amount of people in the labor force and lower unemployment. But today is a new day. Our once booming job market is now depleted; the unemployment rate has stayed constant at 9.7 percent up from 4.4 percent in 1998. When the economy is down, is when it is an opportune time to go back to school in order to heighten ones value in the workforce. We must give people that chance.

The current system is flawed and I am here in Congress to make sure that we do all that we can to fix this flawed system and ensure that we create a pathway for low-income individuals to go to be able to obtain long-term employment.

I look forward to working with the members of this Subcommittee and Chairman McDermott going forward.

Thank you.