

## **Statement of the Coalition for Low-Income Pennsylvanians (CLIP)**

Submitted to the Subcommittee on Income and Security and Family Support,  
Committee on Ways and Means,  
U.S. House of Representatives

Testimony to be included in the record of the Subcommittee's September 8, 2011, hearing on  
Improving Work and Other Welfare Reform Goals

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Thank you for considering this testimony from the Coalition for Low-Income Pennsylvanians (CLIP) on the critical importance of improving work and other welfare reform goals for the good of low-income families participating in the Temporary Assistance for Needy Families (TANF) program. We believe there are many shortcomings in the program, particularly as the vast majority of families who participate in the program face a steeper climb out of poverty due to the high level of unemployment and corresponding competition for available jobs brought on by the Great Recession.

The Coalition for Low-Income Pennsylvanians is a group of diverse organizations including service providers, legal service advocates, faith, anti-poverty and anti-hunger groups, children's advocacy organizations and community action agencies. Our primary mission is to protect individuals and families who struggle against the ravages of poverty and its effects by advocating for responsible, compassionate, and cost-effective government policies. For many years, CLIP has advocated at the state and federal level for policies that facilitate access to education and training for low-income adults, especially those on TANF, so that they may acquire the skills and credentials needed to obtain good-paying jobs in high-demand occupations.

Pennsylvania's new Secretary of the Department of Public Welfare, Gary Alexander<sup>1</sup>, provided testimony to the committee on Sept. 8, 2011. His testimony, as well as the background information provided by the committee, stressed that the TANF program must focus on job preparation, placement and retention to help families move toward self-sufficiency. We agree that TANF must continue its focus on helping families secure and retain employment as a key component of moving families out of poverty. However, we believe the program as currently structured overly relies on a "work first" approach and does not allow or incentivize investments in

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<sup>1</sup> Mr. Alexander was confirmed as Secretary of the Pennsylvania Dept. of Public Welfare in June, 2011.

education and training that are the only long-lasting means of helping families to permanently move beyond the TANF program.

In Pennsylvania, the work first approach has meant that policies and procedures require recipients to seek, accept and retain employment as the highest, and often only, priority. As a result, education, training and even assessment of a participant's skills and level of preparedness for work are given a back seat. While encouraging job ready individuals to find work is often successful, a one-size fits all approach that forces everyone to accept any job – no matter how little it pays, whether hours are part-time or full-time, whether temporary or long-term, and what opportunities for advancement actually exist – can actually prolong a family's struggle in trying to escape poverty and become self-sufficient. Secretary Alexander himself acknowledges that many people only succeed in finding part time work and that many only work for six months or less. This is less a reflection on recipients and more a reflection on our current economic times, where short term, temporary work is all that is available, especially for people with limited skills.

While much progress has been made in reducing welfare caseloads, caseload reduction is not an adequate measure of program success. "Leavers" studies have shown that a many participants leave the program for low-wage and at times sporadic employment, and that a significant number exit the program with no connection to the workforce at all. In fact, Secretary Alexander pointed out in his testimony: "Among individuals who leave TANF, approximately one out of three return[s] after six months." This demonstrates that the current work first approach has not been effective.

The committee must realistically assess the wide variety of circumstances that families in the TANF program face and should adopt policies that discourage states from taking a one-size-fits-all approach to moving families beyond TANF. For instance, the impact of welfare reform on people with disabilities is more far reaching than previously supposed. The incidence of disability among TANF recipients is high. An October 2001 GAO report found that a total of 44 percent of TANF recipients reported having physical or mental impairments, a proportion almost three times as high as among adults in the non-TANF population. In addition to those with significant personal disabilities, others have children or family members with disabilities for whom they are responsible. Many TANF recipients have been caregivers for family members and/or members of their communities, performing undocumented service. The program must retain the flexibility needed to assist families who are not able to routinely meet rigid hour requirements but can participate in skills building on a lesser basis.

The bottom line is that the vast majority of participants must build skills in order to secure stable employment and work toward improving their families' financial security. The most effective

strategy for increasing employment and earnings is to build skills through a wide range of high quality, work-focused education and training services tailored to individual needs – including services for those with disabilities<sup>2</sup> and for those with limited English proficiency. Vocational training and postsecondary education, in particular, are investments that lead to higher wages and stable employment for families and a competitive workforce for our nation.<sup>3</sup>

In Pennsylvania, only a small proportion of DPW's employment and training is spent on training; with a very small fraction of all TANF adults enrolled in educational activities, according to DPW. This includes English as a Second Language, GED, Adult Basic Ed (ABE), and post secondary education. Successful job placement is only a small part of the story, and in the current economy job placement itself is becoming more challenging. The TANF program should also require states to assess job retention, advancement, and wages, as these are more accurate measures of a family's progress toward self-sufficiency.

For far too long, TANF has deteriorated as a safety net for our most vulnerable families. Nationally, it aids only about one fifth of poor children and provides benefits far below the poverty line. The TANF cash grant for a mother with two children in Pennsylvania is just \$403 per month in most counties – just 26 percent of the poverty line – an amount that has not increased since 1990. Families in fact become ineligible for benefits when their income reaches just half the poverty line, and many leave the program well before reaching this level to avoid using months of this time-limited and diminishing assistance. Further evidence of TANF's inadequacy as a safety net has been provided throughout the recession. While unemployment increased approximately 75 percent, the TANF caseloads only grow by 18 percent – far from the levels seen in the SNAP program.

We ask that the committee take a critical look at the “work first” philosophy, particularly in this challenging economy, and consider modifying program practices so that parents may pursue a path that will lead them toward family-sustaining wages, rather than the too-often repeated cycle between minimum wage jobs and TANF receipt. In order to better serve the children and families in the program, as well as build our country's workforce and support economic recovery, we urge that TANF reauthorization adopt program rules that:

- Monitor and support job retention and advancement of former TANF recipients, not just caseload reduction.

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<sup>3</sup> For a more information on the successful use of post-secondary education in moving TANF participants permanently beyond the program to livable-wage employment, see CLIP's written statement submitted on May 13, 2010 to the record of the Committee on Ways and Means, Subcommittee on Income Security and Family Support, April 22, 2010 hearing on the Role of Education and Training in the TANF Program.

- Reward states that improve the training infrastructure available to current *and former* TANF recipients by ensuring a broad menu of training options tailored to individuals as well as workforce needs.
- Allow states flexibility to include as countable work activities appropriate assessments and activities for those with disabilities , including a means for states to receive partial credit toward the work participation rate to incentive them to engage clients with disabilities who cannot fulfill the 20 or 30 hour requirements
- Permit states greater latitude in classifying education and training as permissible work activities by:
  - Eliminating the 12 month limit on how long states can count persons in vocational education toward the state’s work participation rate. If a limit must be imposed, it should be no less than 36 months.
  - Eliminating the 30 percent cap on the number of TANF parents a state can count as vocational education participants. Evidence shows postsecondary education programs are successfully helping families out of poverty and providing employers with the skilled workers they need.
  - Eliminating the distinction between core and non-core activities.
  - Allowing adult Basic Education and GED to count as vocational education. Current federal TANF regulations allow literacy and English-as-a-Second Language to count as vocational education if blended with jobs skills instruction. The same should be permitted for GED, as all three of these remedial education programs are necessary for TANF parents to compete in today’s job market.
  - Adjust the time limits during times of high unemployment, just as time limits for UC and SNAP were changed to reflect the economic crisis that we are still experiencing.

Thank you for your consideration of these recommendations.

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