

CENTER ON FATHERS, FAMILIES, AND PUBLIC POLICY

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POLICY BRIEFING

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TANF Reauthorization Bill Introduced In House; HHS Begins Process for Input into Reauthorization

On October 12, Rep. Patsy Mink (D-HI) and 30 co-sponsors introduced the *TANF Reauthorization Act of 2001*. The bill would reauthorize the TANF program through FY

2008, making significant changes to current law including provisions that would:

- Count as a work activity:
 - Care for a child who is under the age of six or disabled.
 - Education, including elementary, secondary and higher education, literacy, ESL, GED, participation in work-study and 6 hours of study time per week.
 - Participation in counseling to address domestic or sexual violence, mental illness, substance abuse, or disability.
- Require no more than 20 hours of work per week if a participant's child is age six or older but quality after-school or summer care that is affordable and accessible is not available.
- Prohibit states from sanctioning participants for refusing to engage in work due to:
 - A lack of child care.
 - Being screened or assessed for, or in need of assistance to overcome domestic or sexual violence, mental illness, substance abuse or disability.
 - A wage rate that is below the state or federal minimum wage (whichever is higher).
- Prohibit the denial of benefits to persons who:
 - Refuse to cooperate with paternity establishment and/or child support.
 - Refuse to assign their rights to child support to the state.
- Require that, if the state collects child support on behalf of a family receiving public assistance, the child support must be passed through to the family and disregarded in calculating their TANF grant. States would receive federal financial support to reduce the cost of this requirement.
- Prohibit the diversion of applicants from public assistance.
- Establish a minimum benefit that meets or exceeds the sum of the poverty level plus the amount by which the family's housing costs exceed 30% of the poverty level.
- Provide a guarantee to safe, affordable, appropriate quality child care for persons engaged in a TANF work activity and for those within two years of transition off TANF with income below 250% of poverty.
- Repeal
 - Full family sanctions under any circumstances
 - The family cap
 - Barriers to public assistance that are applied to otherwise qualified immigrants.
 - The prohibition on food stamp or TANF receipt for drug felons.
 - Most of the current charitable choice language.
- Repeal the bonus to states for reducing illegitimacy and replace it with a bonus for the reduction of child poverty, while adding a bonus for the 3 states that do the best job of training case workers to address barriers.

- Establish new criteria for the state high performance bonus rewards:
 - For employment of participants in jobs that provide benefits and lift employees out of poverty.
 - For providing families with food stamps, medicaid and child care.
- Eliminate the portion of the bonus that rewards states for increasing the number of children living in married, two parent families.
- Maintain the 5-year lifetime time limit, but:
 - Stop the clock for individuals who are in compliance with program requirements
 - Remove the state option to create shorter time limits.
 - Remove the 20% cap on the number of families that can be exempted from the time limit due to hardship.

The bill has been referred to the House Ways and Means Committee. A companion bill is expected to be introduced early next year by Senator Paul Wellstone (D-MN). To view the text of the bill, go to www.thomas.gov, then fill in “hr 3113” on the top of the home page.

Support of this bill could help to frame the debate as discussions of reauthorization begin. For information on the bill or to offer your support, contact Jennifer Helfgot or Anne Stewart in Rep. Mink’s office at 202/225-4906.

In other TANF reauthorization news, the regional forums announced last month by the Department of Health and Human Services and described in last month’s policy briefing have been scheduled at each of the four remaining sites (Chicago, Dallas, New York and San Francisco). The forums, which were described by the administration as having a goal of “gaining insights from those on the front lines,” will not be open to the public, but are being held for an invited group of governors and state administrators, and selected recipients. Advocates are attempting to have some testimony from clients and advocates included, but at this writing it is not expected that there will be much opportunity.

In an effort to allow for some form of public input on reauthorization that is connected to the forums, HHS is inviting public comment on what the administration should propose to change when TANF is reauthorized. This may be the only chance to provide input from your experience or perspective on welfare reform. The Department will accept comments on program coordination issues between TANF and Child Support Enforcement, Food Stamps, Child Care and Child Welfare. Comments are due on or before November 30, 2001, and can be mailed to: TANF Reauthorization Ideas, Office of Family Assistance, 5th Floor East, Aerospace Building, 370 L'Enfant Promenade, SW, Washington, DC 20447, or electronically at the Office of Family Assistance website: <http://www.acf.dhhs.gov/programs/ofa/>. To comment by email, registration is required and available on the website. For additional information, contact Ann Burek, Senior Program Specialist, Office of Family Assistance, ACF, at 202-401-4528, or aburek@acf.dhhs.gov or visit http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2001_register&docid=01-26038-filed.

-RM

<p>Report Tracks WellBeing of Former Welfare Recipients</p>
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A new report from the National Campaign for Jobs and Income Support concludes that many former welfare mothers and their families are struggling to survive without income support. Data was compiled from 17 state government surveys of leaver families (families who have

recently left welfare) during the years 1997-1999. Although these years found the country in a period of general economic prosperity, former welfare mothers newly off assistance continued facing challenges such as employment retention, low-wage jobs, and a low rate of receipt of food stamps and medical care. Among the report's findings:

- In many states over half of welfare leavers left for reasons other than employment. Other reasons for leaving included time limits (92% of leavers in Massachusetts), sanctions (57% in Arizona), and the hassle of dealing with difficult caseworkers (30% of New Jersey leavers).
- Welfare leavers cycled in and out of jobs. Even though many were employed at the time of leaving assistance (though 30-60% were *not* employed), very few experienced continuous employment. Long periods of unemployment were usual. In New Jersey 30% had never been employed two years after leaving welfare. Barriers to work, as listed by respondents to the surveys, included scarce jobs, inadequate education and training, childcare and transportation burdens (affecting 42% of leavers in DC), and physical or mental health problems of the mother or someone in her care (reported by one-third of respondents).
- Post-welfare working families in most states remained below the poverty line, with annual incomes between \$6,000-15,000. Many mothers were found to be working low-wage jobs with little potential for advancement or benefits such as medical care. In Oklahoma post-welfare mothers experienced a decrease in earnings since leaving welfare.
- Very few eligible families were accessing food stamps and medical care after leaving cash aid. Reasons for not utilizing these supports included the illegal discontinuance of such support to mothers leaving TANF, difficult enrollment processes, and lack of information on eligibility provided by states.
- Left without sustainable income or public aid, families reported extreme material hardship, including food shortage, unstable housing, and health problems. Around one-third of mothers relied on private charity and loans from family and friends to sustain their families. A large percentage found themselves returning to welfare within a year of leaving (up to 40% of leavers). It should be noted, however, that as the 5-year lifetime limit approaches for many families, this option will become increasingly unavailable.

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Initial Analysis of National Fragile Family Study is Available for Milwaukee

The Fragile Families and Child Wellbeing Study Baseline City Report for Milwaukee, Wisconsin was released this month. The study follows approximately 5,000 children who are born to unmarried parents in 20 cities across the country in

an effort to learn more about the circumstances and experiences of these families. Families in the study are tracked from the birth of the child to age four, through interviews and in-home assessments. The Milwaukee report summarized initial findings from 348 families, with the following among the findings:

- 80% of the unmarried parents were romantically involved, and 68% of unmarried mothers describe the chances of marrying the baby's father as at least 50/50. Eighty percent of unmarried fathers in Milwaukee provided financial or other types of support during the pregnancy. The overwhelming majority of mothers in the study want the father to be involved in raising their child.
- Most respondents felt that steady employment of both partners was "very important" to a successful marriage, yet 47% of mothers and 37% of fathers lacked a high

school degree and only 24% of mothers and 23% of fathers had more than a high school degree. Such barriers may prevent families from realizing their hopes for forming a family.

The report is available at www.crcw.princeton.edu/fragilefamilies. Baseline City Reports for 11 other cities, as well as a national report, are also available at the site. Twelve-month reports for Oakland, CA and Austin, TX will be available in November 2001. -RM

**Economic Stimulus Proposals
Fail to Focus on Poor and Unemployed**

As Congress debates the budget in light of the September 11 attacks, priorities are shifting and it is not yet clear how programs for the poor will be affected.

Several recent analyses assert that at present, it appears that the brunt of an economic slowdown will be borne by those at the bottom of the income and seniority ladder who represent a significant number of workers recently pushed off of the TANF rolls. The Bush economic stimulus proposal would disproportionately benefit business and upper-income families, although the need for a safety net and unemployment insurance will surely escalate. A stimulus package approved by the House Ways and Means Committee would significantly reduce state revenues at a time when states are already facing budget cuts due to a slowing economy. Recent reports make the following points:

- While the Bush plan has been presented as providing for roughly equal levels of spending and tax cuts, more than 90% of the plan would actually result in tax cuts, many of them permanent. The only tax cut aimed at low and moderate-income families would be temporary, but the proposed corporate tax cuts would be permanent and cost significantly more. This in spite of the fact that both permanent tax breaks and tax cuts for the wealthy result in less, not more, spending in the short-term as is necessary to stimulate the economy.
- The House bill uses the stimulus legislation as an opportunity to provide permanent tax cuts to corporations and upper-income taxpayers that have little to do with providing economic relief or assisting unemployed workers, but are instead long-sought tax cuts for powerful interest groups.
- Between 8 and 9 of every 10 dollars of tax cuts and spending in the House bill would benefit corporations and upper-income taxpayers.
- The House bill would result in state tax revenue reductions of approximately \$5 billion per year over three years. The cuts would exacerbate existing state budget shortfalls at a time when fiscal relief is needed, and would likely result in significant cuts to social programs.
- Neither the Bush nor the House bills provide unemployment insurance assistance to meet the anticipated need.

For more detailed analyses, see the reports prepared by the Center on Budget and Policy Priorities at www.cbpp.org. A web page featuring analyses of economic stimulus proposals as they affect low-income families is available from the Finance Project at www.financeproject.org/tax.htm.

-RM