

Testimony before the Policy Committee
House of Representatives
Commonwealth of Pennsylvania

April 5, 2001

Thanks for the opportunity to testify before you today.

Background – PEC and Who we serve

PEC has a 29-year history of successfully serving homeless mothers and children through a continuum of care. Our comprehensive programs include emergency food and shelter, transitional housing, case management, parenting and lifeskills education, employment preparation, day care, on-site drug counseling and full time nursing care, and permanent housing opportunities. In the past decade alone, PEC has served well over 3,000 families. More than 90% of those who completed our programs have not returned to homelessness.

PEC has undertaken a number of initiatives in preparation for the likely impact of welfare reform on homelessness in Philadelphia. We have increased our capacity by adding 26 new transitional housing units; renovated our emergency shelter facilities; and added classrooms, child care spaces, and offices. We have secured a combination of private and public funding to revise and expand our employment preparation program and serve one half of the homeless mothers in the City as part of the *Greater Philadelphia Works* program. And we are developing a new \$4 million facility called “Families First,” which will house employment training, childcare and health services for families making the transition from welfare to work.

Fully 100% of the mothers at PEC are TANF recipients. Despite our best efforts, it is with deep concern that we at PEC contemplate March 3rd 2002. Those who come to PEC in crisis are not the welfare recipients who can most easily move off the rolls and into jobs. Their reading and math levels, degree of family dysfunction, lack of extended family support, mental health status, and ability to adequately parent their children in a stable and nurturing way is far below what it can and will be if given some attention, guidance and compassion. As families who are both homeless and dependent upon public assistance, our mothers and children are at greatest risk for becoming completely and permanently destitute. Moreover, we anticipate that those families who leave welfare without jobs or other income will ultimately lose their housing – thus swelling the ranks of homeless mothers and children in Philadelphia and throughout the Commonwealth. And these families will have no federally supported cash assistance programs available to help them climb back to independence.

Discussion and Recommendations for National TANF Policy

There are two critical and inter-related policy discussions currently happening in various forums throughout the country. The first is focused on how states can protect TANF recipients who will be reaching their five-year time limit on March 2002 and beyond. The second is focused on the critical issues Congress needs to consider in the TANF reauthorization debate.¹

From our perspective at PEC the central issue in both policy discussions is ensuring that TANF meets the needs of the hardest-to-serve families.

The hard-to-serve are those with multiple barriers to employment including learning disabilities, addictions to drugs or alcohol, mental health problems, prior convictions, little or no proficiency in English, a history of domestic violence and very low basic literacy skills. The homeless are recognized as among the hardest-to-serve because they have many of the barriers to employment described above combined with housing instability (which is increasingly associated with persistent use of welfare).

Despite the success of welfare reform to date, there seems to be widespread agreement that it has not effectively met the needs of the hard-to-serve that now comprise a disproportionate share of the remaining welfare caseload and of those in noncompliance with the TANF work requirements. Four years after the passage of TANF, most states do not have programs in place designed to help families with significant employment barriers to achieve independence from cash assistance. Those that have implemented programs have done so on a very small scale. Nearly all states have more to do if they hope to move a large share of this group into gainful employment.

States are pressured to respond now to this challenge. With March 2002 rapidly approaching, continued work participation requirements and a hard-to-serve population larger than can be accommodated with the 20% federal exemption, states are looking for creative and promising program approaches.

Pennsylvania's Department of Public Welfare (DPW) has focused attention and resources on meeting the needs of the hard-to-employ with Greater Philadelphia Works (GPW) and the Transitional Work Corporation (TWC). Despite the strengths of these programs, more intensive programs are needed. We know that many of these families can overcome the substantial barriers and transition effectively to work. However, they need more intensive, comprehensive and longer-term interventions. Moreover, a significant portion of the families will require some type of cash assistance and/or services beyond the 60 months to survive. Accordingly, the State needs to be committed to using the maximum flexibility afforded under the TANF regulations to enable providers experienced in serving the target populations to develop and test new welfare to work programs. The State needs to both provide the resources and remove the time constraints.

¹ Attached to this testimony is an excerpt from *Five Years After Welfare Reform: An Agenda for Reauthorization*, Rebecca Blank and Ron Haskins (December 2000) which I believe may also be instructive as we start to think about the key issues that will be facing Congress.

We are encouraged by the Department of Public Welfare's efforts to plan for these and other vulnerable populations approaching their time limits through the proposed Time Out Initiative and by the policy recommendations put forth by Community Legal Services (CLS), the Pennsylvania Welfare Coalition and others. This is an important first step.

At the same time that states are trying to be as creative and effective as possible within the current confines of welfare reform, they need to work with advocates to think about what changes would be required to TANF to maximize its ability to effectively meet the needs of the hard to serve and the other vulnerable populations including those who cannot work due to disabilities and other barriers, former welfare recipients who lose their jobs and have no safety net, and those who are working but need supplemental assistance to make ends meet.

We recommend advocating for the following issues in TANF Reauthorization:

1. **The funding level:** There will likely be pressure to reduce the block grant funding in response to reduced caseloads. This would hinder States' ability to maintain the progress made to date and their ability to provide the more intensive and costly programs needed to effectively address recipients major barriers to employment. We strongly advocate that the TANF Block Grant funding be maintained at its current level with an approved annual inflation adjustment and a way for the level of funding to respond to changes in the economy.
2. **Safeguards for Disadvantaged Families:** Congress should include more resources for research and demonstration programs aimed at finding effective ways to address the needs of adults with multiple barriers to employment. States should be encouraged through bonuses or other incentives to make better efforts to identify and address literacy, health, mental health and other major barriers.
3. **Time Limits and Sanctions:** Time limits are based on the assumption that most people can become entirely self-sufficient within a 5-year period. This is not a valid assumption, particularly for women with multiple barriers to work. We recommend giving states much greater discretion in how federal time limits are applied i.e., allowing states to stop the time clock when people are working 25 or more hours per week. In addition, we recommend that the federal government maintain close oversight on the process by which states impose and track sanctions to ensure fair processes.
4. **Exemptions:** Congress should review the current federal exemption rules and think about alternative ways of determining the exemption rate (other than just as a rigid share of the caseload). They should expand the exemption options for states in ways that acknowledge that many women have major barriers to employment and that some women may always need some level of welfare assistance in order to survive.
5. **Work Programs:** Public policy should continue to send the message that work is a better option than long-term welfare dependency. This will require making employment options available to women who cannot find jobs in the private sector and women with multiple barriers to employment. States should be given incentives to experiment with public

service jobs and Congress should encourage states to establish demonstration programs on how to provide work experience for people with multiple barriers to employment.

6. **Education and Training:** States should be encouraged to count approved educational or job training programs that require a substantial time commitment as a valid fulfillment of the work requirements for welfare recipients. This is critical if TANF recipients are to be positioned for family-sustaining jobs.
7. **Retention and Advancement:** The federal government should provide special grants to states interested in experimenting with retention and advancement programs for low-wage workers. These grants should include a requirement for rigorous evaluation.
8. **Access to Essential Supports:** Congress should ensure that recipients and former recipients are informed of their eligibility for critical benefits (Child Care, Food Stamps, Medicare and the Earned Income Tax Credit). There was a lot of confusion when welfare reform was implemented originally that resulted in significant numbers of eligible families not receiving the benefits to which they were entitled. Congress should take proactive measures to ensure that this problem is avoided when TANF is reauthorized.

Finally, I want to emphasize that while my testimony today has focused on the needs of a particular subset of the TANF population, the State and Congress have a responsibility to protect other vulnerable populations likely to be harmed when they reach their time limits. CLS has focused attention on three vulnerable populations, including: (1) those who cannot work due to disabilities and other barriers; (2) former welfare recipients who lose their jobs, do not qualify for unemployment compensation and have no safety net; and (3) those who are working but need supplemental assistance.

“Ultimately, welfare cannot be thought of as a shrinking safety net, but a seamless, comprehensive, workforce development strategy that helps lift people out of poverty and dependence.” Jane Eisner. *Inquirer*, January 18, 2001.

Thank you,

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