

NYPWA Testimony for the NYS Assembly Public Hearing on the Impact of Federal TANF Reauthorization in New York State

March 2, 2006

The New York Public Welfare Association's goal for persons on public assistance is straightforward: We believe that we should "Promote Full Potential while Meeting Basic Needs." These two concepts go hand-in-hand.

Welfare reform has been very successful in enabling a large number of families to bid farewell to long-term dependency on cash assistance. Success for many families has meant employment while also receiving support services from the government to help them manage from day-to-day for a period of time. Meeting basic needs includes food, clothing, shelter and a little extra support along the way. This need for support can ebb and flow. It can take many forms – from transportation, to job coaches, to child care, to mental health interventions, to alcohol rehab, to parent training, to domestic violence counseling to child welfare services – there are many pieces to the mosaic of supports that are offered. Human lives are complicated. Families reinvent themselves with different adults and siblings in the picture. Social services must constantly adapt. In the face of all this activity, Congress passed TANF Reauthorization, and with it more stringent rules that will challenge policies and practices in New York State.

Work participation rates rank supreme in the next phase of Welfare Reform. Why? Perhaps, because welfare reform achieved so much success that Congress thought that more of a good thing would be even better. New federal rules will require us to engage 50% of all families and 90% of all two-parent families in work activities. Safety-net families that have exceeded the TANF 60-month time limit must also meet these new requirements.

TANF Reauthorization makes New York State vulnerable for \$358 million in fiscal penalties. In spite of this ominous risk, it is important that we do not take a myopic view of participation rates. These rates are a benchmark, but they do not measure the goals that families are striving to achieve. Not meeting the participation rates does not mean "not working." The difference between working 29 ½ hours and 30 hours a week takes on a significance in TANF participation rate penalties that is not meaningful for any other reason. It is even conceivable, that one could meet participation rates, by maintaining people in qualified work activities, and end up reducing actual job placement and retention as an unintended consequence.

If we want to help families meet their full potential, we have to stay focused on what is really important in the long run, which includes attaching people to the workforce. Sometimes this is a 25-hour week job that falls short of meeting participation rates, but it is still a giant step for someone who has their first steady job.

The state did not set the federal rules and cannot undo them. The point is that we all can recognize that it is not enough to be satisfied with meeting the participation rates. There is so much more to the story.

We would like to share the guiding principles and recommendations that we believe should influence state policy decisions related to TANF Reauthorization in the year ahead. We will then offer a few comments on the Executive Proposals.

Guiding Principles and Recommendations

To Promote Full Potential While Meeting Basic Needs

* Make “TANF funding for TANF families” the policy mantra for state appropriations to ensure that those living in poverty are given the assistance that is needed to move forward. TANF funds have been used for a variety of legitimate and valuable purposes in NYS that go beyond serving people in poverty. However, with federal fiscal penalties looming ahead, now more than ever, TANF funds should be redirected primarily for persons on public assistance, at-risk of being on public assistance or transitioning off of public assistance. The cost of not directing enough TANF dollars to TANF families is steeper now that federal penalties are part of the picture.

* Support local flexibility for the use of TANF dollars recognizing that offering meaningful options will depend upon the adequacy of the funding provided. The success of the Flexible Fund for Family Services will depend on how well it is funded. This fund provided a crucial, but unintended, safety net for the child welfare system since it was used to partially compensate for the \$122 million in Title XX cuts enacted in the State Budget in 2004-05. These child welfare services are just as important to “holding TANF families together” as employment services are in achieving job placement and retention. The Title XX funds should be restored; or alternatively, more funds need to be added to FFFS so that employment initiatives can be expanded.

* Promote the broadest interpretation of TANF rules to encourage locally driven solutions while ensuring continued federal funding. Focus state policies on facilitating local implementation rather than on new mandates or state fiscal penalties that will drain resources and undermine our success.

* Support strategies that engender full engagement of adults to convey that there is an obligation in exchange for assistance that is provided. This is not the narrow view articulated as participation rates. This is a philosophy of 100% engagement for persons that receive assistance based on what is appropriate for each individual. For some people, the more severe federal rules label them a failure whether they are engaged to their full potential or not. Full engagement is about doing what is necessary to reattach people back to the workforce and move them along life’s path. This may include getting needed medical attention, drug rehabilitation or variety of other supports in addition to employment.

* Develop technology that helps - not hinders - staff efforts to assist people in need. Simplification of administration will augment the time staff can spend helping families instead of checking coding manuals. The State administrative cap serves as an impediment to increasing the number of staff that work with families on public assistance. The cap should be updated to enable more staff to be hired. Absent that strategy, the only option is a thoughtful investment in technology that will significantly free up staff time.

Comments on Executive Proposals

Our Association stands ready to work with the State Legislature and Governor on legislative proposals that will position New York State to comply with the new federal rules and avoid fiscal hardship.

Knowing that TANF Reauthorization was on the horizon, the Governor took the initiative and proposed a series of measures designed to reduce our vulnerability for federal fiscal penalties. The executive budget includes several approaches designed to help us meet the participation rates including full family sanctions, a step-down in the earned income disregard, and incentives to localities to meet the increased rates. Each of these measures has received mixed reviews.

- 1) There are districts that believe that full family sanctions can be implemented effectively and fairly without putting children at-risk. However, not every district is seeking this strategy as a solution. We recommend that full family sanctions be piloted by interested districts under the watchful eye of the state. The state can carefully monitor the pilot projects and let this experience guide further policy decision-making. The federal government will not let us “off the hook” for these cases which will count against the state in meeting the participation rates. If we incur the federal penalties, we will not be helping these families.
- 2) The earned income disregard step down is intended to serve as an incentive for persons who are already employed to work more hours or at a higher wage in order to move off cash assistance entirely. There is some support for this approach but others question whether it would achieve the intended results. People may be working to their capacity already and would do more if they could. It also adds administrative complexity to a system that is already very complex.
- 3) The language that provides incentive funds to districts that meet their participation rates also serves as an eerie placeholder for funneling future federal penalties to the counties. If penalties are assessed, the state and counties should share in the penalties. In some circumstances, the law allows the entire burden to be placed on a locality and we oppose that provision.

Summary

Participation rates are today’s news. We need to address them because large amounts of money that are used to help people who are poor are at stake. But participation rates are not an end in themselves. Our goal is to promote full potential and make sure that basic needs are met. We will need the fullest flexibility possible in interpreting the federal rules for what qualifies to meet the participation rates. We ask that TANF funding be used for TANF families and that the state budget reflect the investment that will be needed in services to protect our state’s share of federal TANF funds. We also recognize that whether or not NYS meets the participation rates is to a large extent dependent on what happens in New York City and in the largest counties. So, please give them all the support that they need. At the same time, it is critical that we invest in these services statewide to ensure that everyone in NYS has the same opportunity to move forward.

The Assembly has asked what programs could be expanded or created to provide the supports needed to enable people to maintain employment without returning to the public assistance rolls. There are many current examples across the state and countless ideas for what more could be done with additional funding and with the local flexibility to choose what programs are needed.

In order to give you an insight into what is possible on a local level, you will have the opportunity to hear the experiences of an individual county. The Commissioner of the Tioga County Department of Social Services will describe his county's strategy in working with families that have been on assistance for more than five years. Commissioner Shawn Yetter will share his story of the path that the county chose, and why, and what they discovered along the way.

The NYPWA represents the local departments of social services in New York State.

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