

November 30, 2001

Wade Horn, Ph.D.
Assistant Secretary for Children and Families (ACF)
TANF Reauthorization Ideas
Office of Family Assistance
5th Floor East, Aerospace Building
370 L'Enfant Promenade, SW
Washington, DC 20447

Dear Assistant Secretary Horn,

On behalf of United Neighborhood Houses of New York, I am submitting four recommendations regarding the reauthorization of Temporary Assistance for Needy Families (TANF).

United Neighborhood Houses of New York is the federation of 36 settlement houses benefiting a half million New Yorkers. Founded in 1919 to bridge the common interests and concerns of New York's settlement houses and the individuals and families who came through their doors, UNH and its member agencies today comprise one of the City's largest human service systems.

UNH member settlement houses offer programs to TANF recipients as well as low- and moderate-income families, such as job readiness preparation, computer skills training, education, career guidance, job placement and retention. Settlement houses also provide a comprehensive set of support services for participants of employment programs, including child care, after-school programs, ESL, GED and literacy instruction, among other services. By partnering with government to offer these programs, UNH member settlements see their role as providing a meaningful social safety net for the most vulnerable populations.

In the aftermath of the World Trade Center tragedy and the worsening economic climate, such a social safety net is needed more than ever. Tomorrow, December 1st, more than 37,000 families in New York City alone will be reaching their five-year time limit on TANF benefits. For the overwhelming number of them, the future is unclear, as many of the details of the implementation of New York State's Safety Net Non-Cash program have not yet been decided.

In the following testimony—a similar version of which was presented at the HHS/ACF open listening session in New York City—UNH hopes to highlight those priorities on the national level that are most important to the population we represent. We are, therefore, grateful for this timely opportunity to address you on what has, and has not, succeeded during the past five years since welfare reform.

Sincerely yours,

Emily Menlo Marks
Executive Director

**Testimony before the United States Department of Health and Human Services and the
Administration for Children and Families- Northeast Hub, Region II**

November 13, 2001

UNH is the federation of 36 settlement houses benefiting 500,000 participants—from infants and youth to adults and seniors—through educational programs, employment assistance, human services, and cultural activities at 335 community-based sites throughout New York City.

Twenty-one of the 36 settlement houses provide information and referral for participants who qualify for public assistance, as well as case management and other programs for those already on public assistance, including welfare, Medicaid, food stamps and Social Security Insurance. Entitlement assistance is an integral part of the houses' employment and education programs, senior services, immigrant and newcomer services, as well as low-income housing and homeless prevention programs.

Thank you for giving us the opportunity to address some of the key issues important to the TANF Reauthorization debate. The recent tragic events in New York City have recast important discussions about TANF Reauthorization during a period of profound economic instability and rising unemployment rates. With that background, I present four concerns for you to consider during the TANF Reauthorization debate, from a community-based organization's perspective.

1. Expand eligibility to include immigrants

Historically settlement houses have served as the gateway for immigrants into America by providing newcomers with basic needs, including ESL and citizenship classes, job training, child care, entitlement services and other activities. The active participation of immigrants in the settlement community has become more relevant in the recent years, as the City's immigrant population reached a staggering 1.9 million—a third of the City's population—in 1990.

Although immigrants contribute to the economy and are held to the same economic obligations as their counterparts who have citizenship, as a result of the 1996 legislation, many newcomers are excluded from receiving the public assistance they help pay for in taxes and, thus, from the right to an economic safety net. In the United States, an estimated 27 percent of poor children are immigrants or children of immigrants. The nation cannot embark on a meaningful mission to reduce poverty without including this vital group.

UNH urges that all legal immigrants, regardless of their date of entry, be eligible for public assistance.

2. Expand the concept of work activities

If the original purpose of TANF was to reduce poverty and encourage self-sufficiency, the work-first approach has been welfare reform's greatest failure, regardless of what the dramatic reductions in caseloads are supposed to indicate. Several "leaver" population studies such as *Leaving Welfare, Left Behind* by the National Campaign for Jobs and Income Support, reveal that although the majority of former welfare recipients are employed, their relationship to the labor market is tenuous. After fulfilling work requirements, their wages reach barely above minimum

wage, averaging \$6-\$8 per hour. According to “The Self-Sufficiency Standard for the City of New York” prepared for the Women’s Center for Education and Career Advancement, in order for a family of three (an adult and two children) living in lower Manhattan to be self-sufficient, they would have to earn \$35.15 an hour, well above the average wage of those leaving welfare.

The low wages welfare leavers earn casts doubt on the efficacy of the work-first approach, which encourages work experience at the expense of education and training. Countless studies, such as Passell’s “Twins Study Shows School Is Sound Investment,” correlate economic stability to education. Job training and education are the tools by which people not only hold jobs but build careers. To that end, one goal of welfare reform should be giving people the tools they need for self-sufficiency, such as basic and higher education, and not simply work experience. Then, welfare reform will be a genuine success—not only in times of economic prosperity, but in times of economic recession and depression. If welfare recipients are to become important contributors to the mainstream economy, we must insure that they have the tools that *anyone* would need in the present economic climate to survive.

UNH therefore urges that the concept of “work activities” be expanded to include adult-basic education, GED and ESL classes, as well as four-year college course work.

3. Maintain TANF block grant levels and insure that funds are used to decrease poverty

Although New York State and New York City have experienced a dramatic decline in public assistance caseloads, the block grant level should not be reduced, especially in the current economic climate. The New York City Independent Budget Office, along with other policy and budget analysts, forecast a four billion dollar budget gap in the City this year, which will lead to a massive reduction in human services, including job training. The Independent Budget Office has also projected a rise in unemployment as well as an increase in public assistance caseloads by the “tens of thousands.”

Furthermore, UNH urges that TANF money only be used to fund programs that are poverty-related. TANF funds should not be used to pay for tax cuts or to balance the budget, but must support services for the most vulnerable families in our communities.

4. Reward States for Decrease in Poverty not Decrease in Caseloads

UNH’s final recommendation for the reauthorization of TANF is to create a truly meaningful standard of success for welfare reform. Currently, one major standard of success is a statistical measure of caseload reduction according to which states are rewarded. However, a decrease in public assistance caseload is, by no means, a decrease in poverty. Not all of those leaving the rolls have done so because they have achieved self-sufficiency; many leave because they have been, or are in fear of being, sanctioned. To substantiate this claim, one need only look at the increase in individuals and families seeking temporary emergency shelter and relying on food pantries or soup kitchens to just get by. During this past summer in New York City the number of families housed in the city’s shelters rose to a record level of almost 29,000 individuals nightly, as the length of shelter stays also increased, according to the Coalition for the Homeless.

Thank you for the opportunity to address you.