April 20, 2005 letter - TANF (House)

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The Honorable Wally Herger Chairman House Human Resources Subcommittee Washington, D.C. 20515

The Honorable Jim McDermott Ranking Member House Human Resources Subcommittee Washington, D.C. 20515

Dear Chairman Herger and Representative McDermott:

On behalf of the nation's governors, we would like to express our support for your efforts to reauthorize the Temporary Assistance for Needy Families (TANF) block grant and related programs. A five-year reauthorization package will provide states with the predictability and confidence needed for continued success of welfare reform initiatives across the country.

In addition, we urge you to continue state flexibility of the TANF block grant, which was the cornerstone of the 1996 welfare reform law. The TANF block grant was created to provide states with maximum flexibility to tailor welfare reform initiatives to the individual needs of each state and this flexibility must remain in reauthorization.

The governors believe that the following provisions will strengthen the nation's overall welfare program and embrace the need of state flexibility. We urge the House to incorporate them in the final House passage of H.R. 240:

- Child care funding- For many families, a successful transition from welfare to work is based on the reliability of child care assistance. Governors believe that additional funding for child care is critical for states' ability to meet increased work requirements.
- Child support- Governors are concerned with escalating costs associated with various penalties for noncompliance within the child support system. In some cases, increased state investments in child support systems lead to an increased penalty base. While recognizing the importance of accountability, Governors believe that penalties should not impede a state's ability to come into compliance with federal system certification requirements.
- **Demonstration project** Governors support a demonstration project that would allow up to 10 states to test the premise that a state welfare reform program can achieve better results, helping people achieve true self-sufficiency, if they are given greater flexibility to best meet individual needs
- Improved performance incentives- Governors acknowledge that TANF reauthorization may bring changes in work requirements and work participation rates, but meeting new requirements often takes time. States should not be penalized for falling short of new requirements so long as they demonstrate progress in meeting work participation rates.

- Partial work credit- We also support the provision that would allow each state to receive partial credit toward work requirements for individuals who work part-time. This would provide states additional flexibility in what could be counted as an allowable work activity.
- **Required hours** Governors support provisions that would retain a separate work requirement for parents with children under age 6.
- State waiver authority- States should be afforded enhanced flexibility through waivers and have the option to request, continue or renew a waiver under TANF reauthorization. Governors believe that restricting state flexibility could greatly curtail the progress made in some states' welfare reform initiatives and hinder the future success of state programs that otherwise would have the opportunity to apply for a waiver.
- SSBG & CCDBG transfers- Governors strongly support permanently restoring the transferability of TANF funds to the Social Services Block Grant (SSBG) to 10%. In addition, Governors applaud the increase in TANF funds that states would be allowed to transfer to Child Care Development Block Grant (CCDBG) under the House bill. Enhancing transferability in both programs is essential to supporting the states' flexibility in implementing successful initiatives to meet the individual needs of each state.
- Vocational educational training- Currently, states may count up to 12 months of vocational educational training as work activity under the TANF program. Governors support increasing the number of months to 24, so as to provide TANF recipients with the skills to become self-sufficient.

Additionally, Governors believe that unfunded federal mandates impede a state's ability to use TANF funding on programs and initiatives that further the goals of welfare reform. Although unfunded mandates may reflect well-intentioned policy goals, they often impose substantial cost and regulatory burdens on states. Specifically, states are alarmed by the high costs that will be involved in overhauling their computer systems in order to comply with several new data reporting requirements. Also, states are concerned that implementing the mandatory drug testing requirement included in H.R. 240 would be prohibitively expensive. Such provisions rely on states to carry out policy initiatives without providing necessary funding to pay for these requirements, thereby robbing states of their right and responsibility to set priorities and develop policies that best meet local needs.

Attached, please find a copy of NGA's policy on welfare reform, which further details governors' positions on a number of issues related to reauthorization. Thank you for all your hard work. We look forward to working closely together on reauthorizing this critical program.

Sincerely,

Governor Jennifer Granholm Chair, Health and Human Services Committee

Governor Haley Barbour Vice Chair, Health and Human Services Committee



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