

November 30, 2001

The Honorable Wade Horn
Assistant Secretary
Administration for Children and Families
U.S. Department of Health and Human Services
TANF Reauthorization Ideas
Office of Family Assistance
5th Floor East
Aerospace Building
370 L'Enfant Promenade SW
Washington, DC 20447

Dear Assistant Secretary Horn:

The American Association of Community Colleges (AACC) appreciates the opportunity to submit comments in response to the solicitation for comments for the reauthorization of the Temporary Assistance to Needy Families (TANF) Program Authority issued in the Federal Register October 17. AACC represents 1,100 public and private, regionally accredited two-year institutions of higher education. Our institutions are heavily involved in the delivery and administration of a variety of services to welfare recipients.

After the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was enacted in 1996, most states adopted a "work-first" approach to welfare as encouraged by the law. TANF, under PRWORA, emphasized caseload reduction by placing recipients in the workforce. States were given little incentive to encourage training or vocational education, especially for people with low skill levels. In addition, welfare recipients had a maximum time frame within which to complete educational programs that would afford them the chance to end their welfare dependency. These limits significantly hindered their chance to secure better employment opportunities.

The authors of new welfare reform law did not consider that attainment of an education credential was an essential ingredient of ending welfare dependency. Furthermore, in most states, former TANF recipients were pushed into the workforce with little opportunity to gain further skills that could help them move into unsubsidized jobs with better income prospects. Nevertheless, a wealth of evidence shows that additional education boosts earning power and that postsecondary education and training programs for low-income workers have high economic return. A 1995 study by the U.S. Department of Labor revealed that for every year of postsecondary education, earnings increased by 6 to 12 percent; a 1990 Ford

Foundation study showed that welfare recipients who completed a two or four-year degree earned more than other recipients. In addition, welfare programs that included an education component showed more success in helping welfare recipients attain postsecondary credentials, work more, earn higher wages, and locate jobs with benefits such as a health care plan.

TANF's de-emphasis of education has resulted in the placement of more people in low-wage, service sector jobs without benefits. While the economic boom of the 1990s resulted in thousands of former welfare recipients getting jobs, many of those former welfare recipients, employees with the fewest skills and the least experience, now find themselves out of work. They are also out of real opportunity because they did not have sufficient access to educational programs that would have given them the skills to help them move ahead.

In order to make TANF a better instrument to help end long-term welfare dependency, the Administration should consider changes to the law to shift the goal of welfare reform from reducing caseloads to ending poverty. AACC believes that these changes should focus on helping recipients access substantive employment and educational opportunities.

We submit the following recommendations for consideration as the Administration formulates its TANF reauthorization proposal:

Make participation in adult basic education an allowable work activity.

Many if not most TANF recipients lack the basic education to enable them to complete a short-term training course, much less a rigorous college degree program. These individuals need more intensive or specialized basic skills and education before they will be ready to enroll in the types of community college programs that will end their reliance on the welfare system.

Consequently, states should be encouraged to provide these basic education programs through an expansion of the current work activity category of "vocational education" to include basic education. This change would result in greater overall equity, reduced caseloads, and ultimately a more productive economy.

Reconsider the time limit for vocational education and training activities.

States should be given greater incentives to encourage welfare recipients to stay in college and complete a certificate or degree program. Numerous studies show that degree attainment is a key factor in generating earnings high enough for sustained self-sufficiency. Unfortunately, the TANF law puts a strict 12-month time limit on the period during which a person's enrollment in a vocational education program can count toward meeting the state's work participation rate (WPR). This 12-month period is woefully inadequate to meet the task at hand. Even more traditional, full-time students attending community colleges generally require at least 12 to 18 months of training before they are ready to enter an occupation. At a minimum, individuals with long-term welfare dependency will need more than a year of combined occupational and workplace or "soft skills" training in order to perform optimally at a job. The Administration must remember that virtually all adult TANF recipients have children to raise.

AACC believes that strong consideration should be given to basing the limits on postsecondary education and training on progress toward degree attainment, rather than on a chronological limit. For example, students could be considered as being engaged in a work activity if they

were enrolled in postsecondary education on a half-time basis and were making satisfactory academic progress, as defined by the federal student financial aid programs, toward a degree or certificate.

In the TANF reauthorization, Congress and the Administration have a great opportunity to create an incentive program for states to encourage education along with employment.

Remove teen parents from the 30 percent cap on participation in vocational education and training.

Factoring teen parents into the state's cap for caseload participation in vocational education and training activities limits opportunity for adult welfare recipients to receive training. The law currently allows states to count teen welfare recipients in school or getting a GED in the state's 30 percent vocational education cap. Teens completing courses for a GED or a high school diploma are engaged in basic education activities that prepare them for additional academic or occupational instruction. While we understand the intent behind the measure is to keep teen parents in school, limiting educational opportunities for adult welfare recipients is too high a price to pay. Federal law should eliminate this untenable situation of pitting the needs of adult parents on welfare against those of teen parents.

Our best chance to make welfare a temporary assistance program lies in long-term investments focused on expanding educational opportunities to upgrade skills and secure permanent attachments to the workforce. We hope that the Administration, as it develops its reauthorization proposal, strongly considers the role education plays in ending welfare dependency. AACC looks forward to the opportunity to work closely with the Administration to secure these changes, which we believe will have a broad impact on the next phase of welfare reform.

Sincerely,

George R. Boggs, Ph.D.
President and CEO