



Forty States Likely to Cut Access to Postsecondary Training or Education Under House-Passed Bill

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A new survey of state Temporary Assistance for Needy Families (TANF) policies toward postsecondary training or education shows that at least 40 states¹ currently allow more access to these services than would be countable under the House-passed reauthorization bill (H.R. 4737). If H.R. 4737 were enacted, these states would likely have to change their policies to reduce access to avoid penalties.² Further, at least 23 states³ allow more access than is countable toward federal work rates under current law, something that is possible only because of the caseload reduction credit. If in reauthorization Congress increases effective work participation rates by changing the caseload reduction credit and the rates themselves, and does not extend the time that training counts toward work rates, then these 23 states are also likely to have to reduce access to postsecondary training or education.

By contrast, extending the amount of time that vocational educational training counts toward federal work rates, from 12 months to 24 months, would allow most states to continue their current policies even if effective participation rates increase somewhat. This additional time is needed because while most recipients in postsecondary training or education are in one-year occupational certificate programs, it typically takes them longer than a year to complete because they must often take remedial reading, writing, and math courses before starting skills training.² For the relatively small number of recipients who are able and interested in pursuing a degree, the proposed state option in the Pathways to Self-Sufficiency bill (S. 2552) would give them an important opportunity to benefit from extended postsecondary education.

A review of recent research on welfare-to-work strategies by the Center for Law and Social Policy shows that access to training is an essential component if programs are to have a lasting impact. The welfare-to-work programs most successful in helping parents work more and earn more over the long run are those that have focused on employment but made substantial use of education and training. One of these “mixed strategy” programs — in Portland, Oregon — far outperformed other welfare-to-work programs by increasing employment, earnings, job quality, and employment stability over the long term. Portland

¹ Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia, and Wyoming.

² From a May 2002 national survey of state TANF policies toward postsecondary training or education conducted by Julie Strawn, Vani Sankarapandian, Hedieh Rahmanou, Elise Richer, Steve Wamhoff, and Randi Schmidt. This is a conservative estimate as it excludes states where TANF work policies are locally determined and it is likely that a number of localities in those five states would be affected. See attached Table 1 and Table 2. The analysis of how current state policies compare to the House-passed bill and to current federal law also uses data on TANF hourly work requirements from the State Policy Documentation Project (available at www.sdp.org).

³ Alabama, Arizona, Arkansas, California, Delaware, Georgia, Hawaii, Illinois, Iowa, Kentucky, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Carolina, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

also greatly increased participation in postsecondary education and training and receipt of occupational credentials. Other studies also show that helping low-income parents gain access to training pays off in the labor market, even for those who begin without a high school diploma. While it can take more than a year on average to participate in both basic education and skills training, it is a worthwhile investment because the payoff is much larger than basic education or job search alone can provide.⁴

Yet despite this research, current law discourages states from placing recipients in training because of the limits on the extent to which vocational training counts toward work rates and because of the emphasis on caseload reduction. A new study from the Census Bureau shows that in 1998 only about 10 percent of TANF recipients were in job skills training.⁵ In 2000, according to the U.S. Department of Health and Human Services, less than one percent of TANF funds were spent on education and training.⁶

⁴ Karin Martinson and Julie Strawn, *Built to Last: Why Skills Matter for Lasting Success in Welfare Reform*, Washington, DC: CLASP, May 2002. Available at www.clasp.org.

⁵ U.S. Census Bureau, *Work and Work-Related Activities of Mothers Receiving Temporary Assistance to Need Families: 1996, 1998, and 2000*, Washington, DC: U.S. Census Bureau, May 2002.

⁶ Mark Greenberg, *How Are TANF Funds Being Used? The Story in FY 2000*, Washington, DC: CLASP, revised October 2001. Available at www.clasp.org.