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**Testimony of Christine Hastedt, Maine Equal Justice Partners in Opposition to LD 1842,
An Act to Amend the Laws Governing the Temporary Assistance to Needy Families
Program**

Good afternoon Senator Craven, Representative Farnsworth and honorable members of the Joint Standing Committee on Health and Human Services, my name is Chris Hastedt and I work for Maine Equal Justice Partners. I am speaking today in opposition to LD 1842, An Act to Amend the Laws Governing the Temporary Assistance to Needy Families Program.

This legislation would repeal two of the most critical and longstanding provisions in Maine's TANF law. First, it proposes to eliminate the Parents as Scholars Program (PaS) a highly successful program that provides access to post-secondary education for TANF-eligible families. Over the years PaS and its predecessor program (WEET) have helped thousands of Maine families leave poverty behind. It is a nationally recognized program now modeled in several other states. Senator Snowe was so impressed by its results that she attempted to amend the federal TANF law to incorporate it. Education is one of the surest routes out of poverty and eliminating this program would be a dramatic step backwards in reaching our state's goal of reducing poverty. As this Committee well knows, right now poverty is on the rise, and by all indicators is rising faster than the national average.

The second proposal in this bill would eliminate the "good cause" provision that permits some TANF participants to be excused from the program's work requirements when they are unable to engage in work activities. It protects them from losing what is likely to be their only source of income along with access to the supports they need to obtain and sustain gainful employment. This good cause provision has existed in the TANF law since its inception in 1996, and was in the rules of its predecessor program, AFDC, for as long as I can recall—at least back to 1970. Removing it would be an extreme and dangerous measure subjecting 12,300 children that

currently receive TANF to homelessness, hunger and similarly harsh deprivation that—conditions clearly inconsistent with our collective values.

This proposal would remove good cause protections for victims of domestic violence; families without transportation or child care; and those facing other family crises. What this means is that if families cannot participate as a result of one of these obstacles they will lose all TANF benefits. While the bill appears to maintain some exception for families with disabilities, it is uncertain whether that will be sufficient to ensure that these families can maintain access to basic benefits and other needed services.

To be clear, it is DHHS caseworkers, not parents who decide whether or not “good cause” is granted. And before making this determination, the caseworker requires medical or other evidence to prove that “good cause” actually exists.

If Maine were to take this drastic action we would become one of only 3 states in the nation without any good cause exemptions.¹ Right now, Maine’s “good cause” reasons for non-participation are well in line with the majority of other states.²

<u>Good Cause Exemption</u>	YES--Number of States that DO provide this exemption	NO—Number of states that DO NOT provide this exemption
Parent ill or incapacitated	31 (including Maine)	19*
Caring for ill or incapacitated family member	40 (including Maine)	10**
Caretaker age over 60	22	28 (Including Maine)
Pregnant in excess of 4 months	9	41 (including Maine)
Caring for a child under 12 months	40 (Including Maine)	10
Working in an unsubsidized job	7	43 (Including Maine)

*Many of the states recorded as “no” use another mechanism to limit the work requirements for parents with disabilities.

**Some of these states use other mechanisms to limit the work requirement for these caretakers.

¹ <http://anfdata.urban.org/wrd/tables.cfm>

²² *ibid*

We understand that the rationale for making both of these proposals is based on the Administration's concern that they prevent us from meeting federal work participation rates, exposing us to fines and penalties by the federal government. We strongly suggest neither of these drastic changes is necessary to meet these federal performance standards.

Most importantly, it is our understanding that we *are* currently meeting federal participation requirements in our "all families" category and thus this problem is essentially cured going forward. We cannot change what has happened in the past, but can and will rely on the federal corrective active process through which the Department has avoided penalties in the past to resolve these issues. In view of what we believe to be our current compliance with the all families rate, there is no need to take such drastic measures as would be imposed by this legislation.

To be clear, while Maine has failed to meet its federal TANF participation rate in the past (as have many other states) we have not been required to make any penalty payment to the federal government. Moreover, Maine DHHS has submitted corrective action plans in accordance with federal rules that we believe will likely result in penalty relief for failure to meet our "all families" participation rate in the past. Because there is a significant time lag in these federal determinations, while corrective action plans have been submitted for 2007, 2008, 2009 and 2010 it is only now clear that we will not be penalized for 2007. Since the federal government has not rejected our corrective action plan for 2007 within 60 days of its submission it is deemed to be approved by federal rule.³ We expect a similar result with respect to our all families' corrective action plans for subsequent years.

It is important to note that the federal TANF work requirements that form the bases for these federal performance determinations are widely recognized to be both unduly complex and overly restrictive. There is broad, bipartisan agreement in Congress that the current "participation rate" formula is seriously flawed and needs revision yet an opportunity to fix this problem has been delayed as TANF reauthorization is overdue. In the meantime most states have employed a

³ <http://www.law.cornell.edu/cfr/text/45/262.6>

variety of strategies largely not used here in Maine, to meet this federal standard that is widely recognized as otherwise unachievable.

These strategies, which can be implemented without expending additional state funds, give states the flexibility to better target more appropriate services to families with particular characteristics within the TANF program. More than half of all states now serve certain populations including those with substantial barriers to employment that currently qualify for good cause under Maine law, or students like those participating in our Parents as Scholars Program, or two-parent families, in solely state-funded programs. This approach takes them out of the federal participation rate calculation and allows the State to provide them with more appropriate services to meet their needs. This is a strategy that is condoned, and even promoted by the federal government as noted in a paper posted on the federal Health and Human Services Department web site during the Bush Administration and referred to as key strategy for helping states to meet their participation rates.⁴

In summary, Maine does not need to eliminate its longstanding and critical good cause provisions or its successful Parents as Scholars Program in order to meet federal participation rates. We are already meeting the all families rate, and could meet the two-parent rate by implementing strategies employed in many other states. Eliminating these critical provisions will only drive families deeper into poverty and prevent them from accessing opportunities that are their best hope for leaving poverty behind.

We strongly urge you to reject LD 1842 and urge the Department to explore other approaches to meeting out two-parent family participation rate.

Thank you for the opportunity to offer this testimony today and I'd be glad to try to answer any questions you may have.

⁴ <http://aspe.hhs.gov/hsp/08/TANFWPR/4/>