
The Pennsylvania Welfare Coalition

223 North Street, P.O. Box 2835

Harrisburg, PA 17105

cpalm@comcast.net or fjv@pacatholic.org

Work Participation Rates: Why Congress Should Recognize States Demonstrating Solid Progress

The Issue:

Pennsylvania has developed productive programs to facilitate families' transition from welfare to work. While the Commonwealth has experienced a dramatic reduction in its caseload, clients with complex and multiple barriers to work are among those that remain on the TANF rolls. A few facts about Pennsylvania:

- PA's TANF caseload is currently increasing;
- Despite the current rising caseload, overall the Commonwealth reduced its welfare rolls by 54 percent since 1996;
- 46 percent of non-exempt TANF clients are engaged in work, job search or education and training activities as outlined in Pennsylvania law;
- Not all of the allowable work activities permitted in state law count toward Pennsylvania's federal work participation rate;
- More than 2,000 Pennsylvania clients are participating in federally countable activities, but their efforts are not allowed to be included in the state's count since they are engaged in weekly work activities between 21 and 29 hours versus the federally mandated 30;
- Job placement rates with contracted programs exceeds 50 percent; and
- In 2002, PA was awarded a performance bonus for its progress with employment outcomes;

Raising work participation rates to unrealistic levels, while also increasing hours and taking away the caseload reduction credit, will force Pennsylvania to make program decisions based on meeting the work participation rate and not on the needs of families.

The Current Proposal:

A number of the pending TANF reauthorization bills, including S. 6 and H.R. 240, make considerable changes to the Work Participation Rate. Among the most significant revisions:

- Raising the work participation rate to 70 percent over five years for all families;
- Ending the caseload reduction credit that rewards states that actually move people off welfare;
- Establishing a much less useful employment credit, which only reduces state work participation rates for families who leave TANF and are employed in the following quarter;
- Setting floor levels below which work participation rates cannot be reduced by the employment credit (the floor rate would be 50 percent in year five); and,
- Establishing partial credit for part-time work only if families participate in at least 20 hours of priority activities.

Reasons for Concern:

Although the Commonwealth now knows that a "one size fits all" approach to welfare reform won't work, without a proposed five percent progress provision, Pennsylvania will have to abandon current programs and start a large scale workfare program in order to meet the drastically increased work participation rate.

The combination of an increased work participation rate and increased work hours is not family friendly. Forcing all families to meet stricter requirements makes it harder for mothers to take their kids to the doctor, help their kids with homework, and take care of their kids when school is closed or take care of a disabled child. Pennsylvania needs realistic and flexible program requirements to make the TANF program work for all families.

We urge:

- Assure a pre-conference agreement stipulating that states, including Pennsylvania, which demonstrate an improved work participation rate annually of at least five percent, will be immune from federal sanction.