

JOHN A. KITZHABER, M.D.
GOVERNOR



May 9, 2002

The Honorable Ron Wyden
United States Senator
Senate Hart Office Building – 516
Washington DC 20510

Re: Temporary Assistance to Needy Families (TANF) Reauthorization

Dear Senator Wyden,

I am writing to provide you with my recommendations and areas of concern regarding TANF Reauthorization. I believe the three most important elements of this Reauthorization relate to waivers, funding, and work requirements. As you know, Oregon has one of the most innovative and successful Welfare Reform programs in the country.

Because Oregon's program has operated under a waiver, of paramount interest to me is the ability to maintain and extend that waiver. Our TANF caseload has fallen from about 44,000 families in 1994 to about 18,000 families today. The University of Oregon studied families leaving TANF and found the majority were employed. A five year study by the Manpower Demonstration Research Corporation (MDRC) has found Oregon's program to be "unusually effective" and "produced the largest, most consistent increases on most measures of employment and earnings." These results are not only consistent with the stated purpose of TANF to "...end the dependence of needy parents on government benefits by promoting job preparation, [and] work..." but with the flexibility under our waiver we have produced results that are unparalleled in other states.

There are some Reauthorization approaches (e.g., the Administration's Proposal, Herger Bill, HR 4090) that specifically preclude renewing waivers, some are silent (e.g., Cardin Bill, HR 3625), and some that specifically would allow the extension (e.g., the APHSA Proposal, Rockefeller Bill, S.2052). Clearly it is in the interest of Oregon to maintain our current program flexibility under the waiver.

While I am pleased to see that most Reauthorization proposals call for at least current federal funding levels, I would much prefer the grant to the state be increased to offset the effects of inflation. If such an increase needed to be targeted to specific program areas, the areas of child care and supports for poor working families are two areas to which strong consideration should be given. Additionally, I would not want to see new requirements placed on the use of Maintenance of Effort (MOE) funds.

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Further the issue of work requirements is a primary concern in the debate on TANF Reauthorization. Administration's proposal would set high work participation standards for families and is very restrictive in terms of those services that are countable under the definition. This would force states to operate certain type of programs with fairly uniform requirements. This is in stark contrast to the fact that we have found that individualized service plans have been the most successful with the TANF population; this has been substantiated by the Manpower Demonstration Project.


Finally, I would like to see Congress allow states the option of using federal TANF benefits to legal immigrants living in the US less than five years. Legal immigrants pay taxes and are eligible to serve in the military; they should have access to the federal services they help fund. In Oregon, we have had to fund those benefits with State dollars.

On a related topic, there are also Child Care legislation proposals under consideration in Congress, and our success in moving families from welfare to work also relies on flexibility in that program area. The current Child Care and Development Fund is complex in structure and difficult to administer. Given the limited resources available for child care, we need more flexibility to fund our priorities. This can be accomplished by consolidating the three funding allocations (mandatory, matching and discretionary) into a single grant and allowing a standard two years to obligate and one year to liquidate funds. Further simplification could come from consolidating the several earmarks for child care quality into a single set-aside.

I have attached for your information, a comparison of the Administration's Proposal, the Cardin Bill (HR 3625), current law, and the effects on the Oregon program. If you have any additional questions regarding the details of Oregon's TANF Program, please call Jim Neely, Deputy Assistant Director of our Department of Human Services, at (503) 945-5607.

Thank you for your attention to this important matter.

Sincerely,


John Kitzhaber, M.D.