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May 2, 2016

The Honorable Cory Gardner
US Senate
354 Russell
Senate Office Building
Washington, DC 20510

Dear Senator Gardner:

Colorado Counties, Inc. (CCI) writes to you today to express our serious concerns with certain provisions of the discussion draft of Temporary Aid to Needy Families (TANF) Reauthorization legislation that was released by the House Ways and Means Committee in July, 2015. We are hopeful you will take seriously these concerns and register your support for these items during deliberation of this and future drafts of TANF Reauthorization.

County departments are the main provider of direct services, including TANF benefits and services, which are referred to in Colorado as Colorado Works. Counties are deeply committed to utilizing TANF to help our clients achieve self-sufficiency, and several of the proposed changes in the TANF Reauthorization discussion draft would help achieve those goals. Some of the changes that counties support include simplifying and expanding when job search can count, allowing for partial credit toward the Work Participation Rate, and adding a new Job Readiness category. However, we think it is important for our elected officials to understand the disservice some of these changes could do to the clients we serve and the counties that administer the program. We have outlined our most significant concerns below:

- Lack of resources for TANF: TANF is already underfunded in Colorado. The discussion draft of TANF Reauthorization legislation would add additional mandates that counties would be required to implement without any commensurate funding. In fact, some of the proposals would significantly reduce the moneys currently going to TANF in Colorado.
 - Current state of TANF funding in Colorado: The amount of Federal funds available in the TANF Block Grant has not changed since Federal FY1997. Adjusted for inflation, the purchasing power of these funds has decreased by 32%. Additionally, while Colorado received Supplemental funding provided to states with high population increases and low per capita spending, this funding was eliminated in Federal FY2012. At the same time, spending on Basic Cash Assistance is consuming an ever-increasing share of the appropriation, leaving less for employment activities.

- **CCI opposes the elimination of Contingency Funds:** The proposal to eliminate the current Contingency Funds and replace them with demonstration grants could cost Colorado \$11 to \$15 million annually. Eliminating Contingency Funds would require Colorado to reduce expenditures for these most vulnerable populations by 6%-10% annually and would leave Colorado with few options to respond to a recession.
- **CCI supports the creation of demonstration grants only if other sustainable sources of funding, such as the Contingency Funds, remain intact:** The series of demonstration grants might create opportunities for creative and innovative initiatives, especially when directed toward employment-focused programs. However, as discussed above, these demonstration grants must not replace Contingency Funds. The demonstration grants would be less flexible in scope than current sources of funding—limited to specified projects including coordinated case management, social impact projects, and others—when Colorado currently relies on Contingency Funds to meet the basic demands of the TANF program and to help cover the gap between the current Block grant funding and Colorado’s current expenditures. CCI is of the position that we must have *sustainable* sources of funding to create programs that meet the needs of our clients and communities and to ultimately eliminate poverty. While demonstration grants have exciting potential, they could also be less sustainable, reliable sources of funding than current sources of funding.
- **CCI opposes establishing minimum spending requirements for different TANF services:** Some counties in Colorado spend all, or almost all, of their TANF allocation on meeting the Basic Cash Assistance demands of their clients. Establishing a requirement that counties must spend a certain amount of their funding on other services such as work activities or child care would create an unfair financial burden on some counties. This requirement would also ignore unique needs of individuals and communities.
- **CCI opposes eliminating the Caseload Reduction Credit:** The elimination of the Caseload Reduction Credit will make it more difficult for Colorado to meet the Work Participation Rate measurement. While CCI supports the enhanced flexibility built into the discussion draft, we are still concerned that Colorado will struggle to meet the Work Participation Rate with the elimination of the Caseload Reduction Credit and without additional funds to move beyond meeting Basic Cash Assistance needs and serving clients in more productive ways.
- **CCI is concerned about several of the new performance measures outlined in the discussion draft:**
 - It is important to counties that there be flexibility built into the determination of whether states meet performance measures. Counties believe it is important to measure not just whether a measure is met, but also whether progress is being made towards meeting that measure. Counties support establishing progress goals and benchmarks, rather than taking an “all or nothing” approach to performance measures.
 - In addition, counties are concerned that significant changes to our tracking and data collection mechanisms will need to be made in order to track the measures anticipated in

the Draft Discussion. We believe it is important that funding be attached to any enacted legislation to account for these necessary changes.

- **CCI opposes limiting participation in non-Basic Cash Assistance to those who make less than 200 percent of the Federal Poverty Line:**
 - Counties are committed to serving as many individuals as possible and believe flexibility is necessary so that each county can set their own eligibility criteria to meet the unique needs of their communities. The cost of living varies greatly in Colorado, and while 200% of FPL might allow a person to manage without government assistance in some counties, in others, such as rural resort towns, individuals may still struggle to achieve self-sufficiency at 200% of FPL or even higher.
 - Limiting federal funds use to 200% of FPL would eliminate services to low-income needy families which can result in increased poverty. The reduction of TANF eligibility limits would stifle the ability to reduce poverty, which would contradict TANF's goal of poverty reduction.
 - Out of wedlock pregnancy reduction programs would serve fewer teens and at risk women whose incomes are between 200% of FPL and \$75,000. This could increase out of wedlock pregnancy which is a core factor in poverty.
 - In addition, counties anticipate multiple administrative challenges in determining eligibility in certain areas of the TANF program, specifically in Purpose 3, which allows for the funding of visiting nurse services, teen pregnancy prevention campaigns, after-school programs and other initiatives that are not limited to "needy families."
 - The proposed change to monthly calculation for eligibility in the month the family applies is not an accurate measure of family annual income. For example, for Colorado's families who work seasonally or overtime, and for noncustodial parents who work extra to pay child support, their income can vary significantly from month to month but they continue to be low-income families in need.
- **CCI opposes the elimination of all waivers:** It is important for states to have the flexibility to pursue waivers as it allows counties to have flexibility in engaging clients to meet outcomes based on the specific needs of the community. Guidance received by ACF-HHS is that the HHS Secretary is open to such waivers to allow states, and more specifically counties, to leverage waivers.
- **CCI recommends a relaxation of verification requirements in the legislation:** The current verification requirements related to TANF are very cumbersome, which creates a workload for counties and the State and can impose an unnecessary burden on clients. CCI recommends that future Reauthorization legislation identify ways to verify necessary information in ways that are less cumbersome to all involved.

- **CCI supports the replacement of the work participation rate with meaningful employment attainment and retention measures:** The current work participation rate recordkeeping is very burdensome for staff and often doesn't relate directly to the goal of meaningful work attainment. Staff time and efforts could be more effectively used in job coaching and other activities.

Thank you for your consideration of the outlined CCI concerns. We are hopeful that the final version of this legislation will be something that Colorado's counties can wholeheartedly support. However, that will not be possible unless significant changes are made to the discussion draft that account for the financial demands placed on counties to administer this important program and the resources necessary to truly serve the needs of our communities. If you have further questions, we are happy to be a resource to your office. Please contact Gini Pingnot at 303.861.4076.

Sincerely,

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