

3<sup>rd</sup> Quarter 2003

## **Head Start Experiment Passes House, TANF Mark Up Is Delayed, and the President Takes a 'Block Grant' Approach to the Crisis in Low-Income Housing**

On July 25, the House of Representatives approved legislation (H.R. 2210) that would make the first major changes in the Head Start program since its inception as part of President Lyndon B. Johnson's War on Poverty. By a one-vote margin, the House authorized creation of an eight-state demonstration program that would allow the redirection of Head Start funds into state early-education programs. The eight states have not yet been selected. The remaining states would continue to operate traditional Head Start programs.

The closeness of the vote is witness to the controversy that surrounded the action. Earlier in the year President Bush proposed a radical restructure of Head Start that would have moved the program from the U.S. Department of Health and Human Services (DHHS) to the Department of Education. This plan would have changed the focus of the program to literacy training, allowing states to eliminate the health, nutrition, and socialization components built into Head Start from the beginning.

When the program was created, its originators recognized that eligible children often lacked health and dental care and were poorly nourished. Some had not been instructed in life skills, such as bathing, brushing their teeth and dressing themselves. The program's intent was to assure that -- in addition to learning basic literacy and number skills -- Head Start graduates were provided with the nutrition, immunizations, medical and dental attention, and social skills that would help them to be ready to learn when they entered school. The Bush proposal would have allowed states to focus solely on the literacy component of the program.

Opposing this redirection of the program, Harvard professor Dr. Alvin F. Poussaint, one of Head Start's earliest supporters, wrote: "The program's founders understood that the obstacles facing impoverished children were complicated and could not be resolved by simply teaching them to read and write. Much of the program's success can be attributed to its comprehensive approach to child development. The program addresses not just academic learning, but also social skills, medical and dental problems, and adequate nutrition. For instance, if children are not eating breakfast because of a lack of food in the home, they cannot learn."

The House backed away from the Bush plan despite heavy lobbying by the President and DHHS Secretary Tommy Thompson, electing instead to reauthorize Head Start for most states while allowing only eight to experiment. These eight would be free of the federal regulations that now govern Head Start centers, although the states are required to "generally meet or exceed" national performance standards. Proponents of this approach claim that freeing the states from federal regulations would allow them to create programs that would lead to better test scores for the children. Opponents regard the eight-state experiment as destroying the very components that have made Head Start so successful.

The fate of the legislation is uncertain. In the Senate, Sen. Judd Gregg (R-NH), chair of the Health, Education, Labor and Pensions Committee is drafting an alternate proposal.

## **TANF**

The Senate adjourned until after Labor Day without taking any action on the reauthorization of Temporary Assistance to Needy Families (TANF). The House passed its bill (H.R. 4) several months ago. (Authorization for the current TANF program expired on September 30, 2002.) Because Congress has failed to complete its work, funding has been provided through September 30 of this year through a series of Continuing Resolutions.

The House-approved bill mirrors the Administration proposal. It would: require that all parents of children receiving TANF benefits work 40 hours a week; reduce the range of activities that count as work; reduce the time that can be spent in job training and other work-readiness activities; and provide funds to encourage marriage. Although the work requirement would be significantly expanded, the bill provides only a minimal increase in funding for child care, the absence of which is the primary reason that women seeking to leave welfare for work often fail in their attempt.

Sen. Charles Grassley (R-IA), Chair of the Senate Finance Committee, released a draft proposal for a reauthorization bill that quickly attracted significant opposition. His proposal is similar to the House bill in many ways, although it would increase the work requirement by slightly less and is a bit more generous in allowing educational opportunities. The Grassley proposal, however, does not have bipartisan support even in the Finance Committee. A group of 41 Democratic Senators has recently released a letter in which they pledge to oppose any bill that mirrors the Administration proposal. Several moderate Republicans are also known to be troubled by the Grassley proposal. Since at least 60 votes are needed for passage of any TANF bill in the Senate, Sen. Grassley has been forced to return to the negotiating table.

There is now speculation that Congress, eager to adjourn early this Fall for the year, may not reach agreement and may extend TANF again, perhaps for a longer period. One scenario suggests that the current program could be reauthorized for three to five years with a few adjustments -- perhaps more marriage-promotion money for the Republicans and more child care funding for the Democrats.

The Presbyterian Church (USA) joined other religious groups in sending a letter to all Senators urging them to approve a TANF reauthorization that would:

- \*Provide at least \$5.5 billion more for child care over the next five years;
- \*Restore benefits to immigrants;
- \*Retain the current work requirements at 20 hours per week for parents of preschoolers and 30 hours for parents of older children;
- \*Expand access to education and training; and
- \*Review personal and structural barriers that keep recipients from working before imposing sanctions on them

## **Low-Income Housing**

A recent report from Harvard University's Joint Center for Housing Studies says that people in the nation's lowest income brackets often pay more for shelter than the government recommendation of 30% of yearly income, a situation that is worsened by the dwindling supply of affordable housing. According to the Harvard study, about 31.6 million families exceeded the recommendation in 2002, with 14.3 million households directing more than 50% of their income

to housing. Among those families in the bottom one-fifth with regard to income, only 34% receive any form of federal, state, or local housing assistance.

President Bush's proposal to deal with this crisis has been introduced by Rep. Bob Ney (R-OH) and Sen. Wayne Allard (R-CO) as H.R. 1841/S.947. The bill would block grant to the states the funds now used for Section 8 housing vouchers, letting states choose to contract with public housing agencies or other entities (including religious groups) to manage the program. Section 8 vouchers allow very low-income families to lease or purchase affordable private housing. Opponents of the Bush plan fear that a lack of federal standards and accountability could undermine the success of the current program.

Sen. John Kerry (D-MA) and Sen. Lincoln Chafee (R-RI) have introduced The National Affordable Housing Trust Fund Bill, which would establish a trust fund to create and sustain production of 1.5 million new rental units over the next ten years for extremely low-income families. Surplus revenues generated by the Federal Housing Administration and Government National Mortgage Administration (GinnieMae) would support the program. Those funds now go into the general treasury and are used for other, non-housing priorities of the government. A similar bill introduced in the House by Rep. Bernie Sanders (I-VT) now has 203 cosponsors.

## **General Assembly**

The 1996 welfare reform bill drastically changed the old federal entitlement program, Aid to Families with Dependent Children (AFDC), and put in its place a block grant program, Temporary Assistance for Needy Families (TANF). The new law gives states significantly more power to design their own welfare programs using both state and federal funding. The 1997 General Assembly responded by adopting a resolution that is designed to offer "guidelines for the church and government to follow in promoting the general welfare of the poor" (Minutes, 1996, p. 553). The guidelines include:

1. Maintain at least the 1996 level of welfare funding for as long as needed in the transition to a work-based welfare system.
2. Oppose any tightening of eligibility requirements for public assistance that would make persons in need more vulnerable.
3. Provide adequate funding for job training that leads to employment at a family-sustaining wage.
4. Where necessary, provide state-funded employment options, including sheltered workshops, for the least employable.
5. Provide additional state funds as necessary to prevent children and parents from being denied assistance when, despite white best efforts, adults reach a program time limit but cannot find work at adequate pay.
6. Exempt single parents with a child under age one from work requirements.
7. Provide adequate funding for child care and transportation assistance to recipients in the TANF program, as well as to low-income working families, in order to make job training and employment viable.
8. Decline to implement a "family cap" that would exclude cash assistance for children born to a welfare recipient. (Excerpted from the Minutes, 1006, pp. 554-555).

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