

Senator John Breaux
Opening Statement
Finance Subcommittee on Social Security and Family Policy
"Strengthening Working Families"

I am pleased to be here with Senator Jon Kyl, the Ranking Member of the Subcommittee on Social Security and Family Policy, to talk about the struggles experienced by low income working families.

As you all know, we have decreased the cash assistance caseloads in the United States by over 50%. We have moved people from receiving a welfare check to receiving a pay check. I think we all can agree that changing the mentality of dependence to one of independence was the primary goal of welfare reform, and we done much to change that mentality. Still, many people leaving welfare are not earning enough to lift their families out of poverty. These families rely on programs like child care, transportation, and job training, which are the means by which these families become truly independent. Without these supports, people have difficulty retaining jobs. Welfare reform was about getting people back to work, now we need to make work pay and strengthen working families.

Southern University in New Orleans conducted a study on welfare reform in Louisiana during 2000, interviewing 370 persons. It concluded, "If success of TANF is defined by a reduction of TANF rolls, success is clear. If success is defined as families being better off, or experiencing less problems or poverty, the work of TANF has much to do to demonstrate effectiveness". This conclusion is based on an increase in hardships experienced by those interviewed, i.e. ability to buy food, pay rent, pay utilities.

Now, as this country enters a recession, it is the true test of welfare reform's success. Louisiana was one of three states in which the median income decreased in the last Census, so I am particularly concerned about the needs of the lowest income families. We have all heard about recent layoffs by the airlines and tourism industry. As was pointed out in a Wall Street Journal article on October 8, this surge of layoffs comes at a time when federal and state governments have made it harder to qualify for welfare and have limited the funds available for benefits by block granting the program and setting time limits. Now more than ever, we can expect increased reliance on the whole spectrum of federal programs intended to help those that most need it.

I worked closely with Senator Bayh, the lead sponsor, and Senator Snowe and others to compile the **Strengthening Working Families bill**, which I believe represents a broad spectrum of federal government programs that help working families make ends meet. Those provisions include:

- ▶ **Fatherhood:** New programs to encourage responsible fatherhood.

- ▶ **Child Support:** Making the child support system more fair to the families it serves.
- ▶ **Earned Income Tax Credit:** Allowing families with 3 children to benefit from the tax credit.
- ▶ **Social Services Block Grant:** Increasing the authorization of funds to the level promised in the 1996 reform bill. (\$2.38 billion)
- ▶ **Child Care Infrastructure Tax Credit:** A tax credit for employers who provide child care.
- ▶ **Child Welfare:** Reauthorization of the Safe and Stable Families Act, as well as scholarships for children aging out of the foster care system as proposed by President Bush. (To keep these kids from moving into the welfare system).

Today I want to talk about the potential for federal programs such as those in our Strengthening Working Families bill to lift working families out of poverty, and to make sure that the children are not the victims of the new welfare system. We should use the knowledge gained since welfare reform to guide us in developing programs that are good for families.

I would also like to personally thank our witnesses. This hearing was originally scheduled in September, but was postponed due to the events of September 11. I expected my constituent Mary Frank to testify at that hearing. She was unable to attend today, but Goodwill of Acadiana who helped Mary move from welfare to work is here to read her testimony and speak on her behalf. I also want to thank Freddie Belton for being here to talk about his experience with the Center for Fathers, Families & Workforce Development in Baltimore.

In addition I want to thank Rodney Carroll from the Welfare to Work Partnership, Sharon Daly from Catholic Charities and Christine James Brown from the United Way in Southeast Pennsylvania. The involvement of the private sector and the faith-based community has been essential out there in the real world where welfare reform really happens.

In closing, I want to thank Senator Baucus, the Chairman of the Finance Committee; Senator Grassley, the Ranking Member; and Senator Kyl, the Ranking Member of this Subcommittee, for encouraging this hearing.