

DEPARTMENT OF HEALTH & HUMAN SERVICES

Statement By

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UNITED STATES SENATE

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Good afternoon Mr. Chairman and members of the Committee. I am pleased to be here today to discuss welfare reform, especially as it relates to tribal families. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) focuses on work and critical supports for work (in particular child care and child support). It offers tribes a range of important new choices in designing welfare, child care and child support programs that will provide the maximum opportunities to tribal families. We have sought to work closely with tribes as they implement these provisions in the full spirit of government-to-government relationships.

At the federal, state, tribal and community level, new relationships are being forged. Early findings of research conducted by Dr. Eddie Brown with the Washington University School of Social Work and funded by the Administration for Children and Families indicate that "communication, coordination, and collaboration among tribes, between tribes and states and tribes and the federal government has increased." Governments are collaborating with businesses, community organizations, transportation providers, the media and religious leaders to help move families to work. At the federal level, we are focused on helping tribes, states and communities move families to work, be accountable for results, and develop and share information about effective practices. Together as partners, we must build upon these early efforts to find effective ways to improve the lives of children and families.

Today, I would like to provide an overview of the changes made by welfare reform, child support and child care as they affect tribes and discuss the work we are doing to ensure that welfare reform is successful for tribes and tribal families. While it is too early in the implementation of

these programs to provide information on outcomes and results for tribal families, I would also like to use this opportunity to share some promising activities we are hearing about.

Statutory Changes

As I indicated, PRWORA made a number of significant changes that directly affect tribes and tribal families.

First, under welfare reform the Temporary Assistance for Needy Families (TANF) program replaces the former Aid to Families with Dependent Children (AFDC) program and provides States and tribes with unprecedented flexibility to design welfare programs to meet the particular needs of families in moving to work and self-sufficiency. Tribal governments, at their option, may receive direct federal funding to independently design, administer, and operate the TANF program or may choose to allow States to continue providing these services to tribal families.

In addition to the creation of TANF under this reform legislation, the former Tribal JOBS program was replaced with the Native Employment Works (NEW) program. The NEW program provides funding for Tribes and inter-tribal consortia to design and administer tribal work activities that meet the unique employment and training needs of their populations while allowing states to provide all the other TANF services.

States and tribes that administer their own TANF or NEW programs have the flexibility to design their programs, define who will be eligible, establish what benefits and services will be available, and develop their own strategies for achieving program goals, including how to help recipients become self-sufficient. Further, PRWORA provided tribes with expanded child care funding and broader authority to administer the child support program. Therefore, tribes can enter into new partnerships with states to ensure that tribal families receive the support services necessary to become self-sufficient.

How Statutory Changes-are Affecting Tribal Programs

TRIBAL ADMINISTERED TANF AND NEW PROGRAMS

The new law specifically allows tribes to administer the TANF program and in such cases federal TANF funds are allocated directly to the tribe. While the law requires that tribes meet certain goals in these programs, it also allows them to negotiate applicable work participation rates with the Secretary, taking into account the limited resources and employment opportunities available in the tribal community.

Since the President signed PRWORA in 1996, we have provided considerable assistance to the tribes and have approved 19 tribal TANF programs. These TANF programs involve 62 Indian Tribes and Alaska Native Villages, and operate in 12 states. The programs are serving approximately 3,500 families, or over 13,500 individuals. There are an additional seven plans

pending which would involve an additional 78 tribes and villages and affect over 35,000 more people.

Supported by HHS policy, all 12 states in which tribes are operating their own TANF program are providing some form of assistance to the tribes, similar to the maintenance of effort dollars supporting State programs. Nine states are providing supplemental funds (Oregon, Arizona, California, Wyoming, Washington, Alaska, Idaho, Minnesota and Montana). The remaining three states are providing other resources such as computers, staff training, and connection to their state reporting systems. In addition, several states have out-stationed state employees to these tribal TANF programs to assist in eligibility assessments of TANF applicants for other state services.

Tribes are afforded even greater flexibility than states in designing their programs and like states are making varied choices to meet their own unique circumstances. Time limits on benefit receipt vary: 17 plans allow for 60 months of benefits, with the remaining two allowing 24 months within an 84 month period. Under the work requirements, participation rates and the number of hours of work required per week also vary from plan to plan. Four tribes adopted the same participation rates the law requires of states (25 percent in the first year, increasing to 50 percent by the fifth year for all families and 75 percent in the first year, increasing to 90 percent in the third year for two-parent families). These tribes also adopted the same minimum work requirements States are subject to meet. The remaining tribes exercised their

option to negotiate different rates of participation and work hours and adopted a fairly wide range of rates.

Tribes have developed a variety of service strategies that respond to the unique circumstances of each community. One tribe used casino revenues to build an "Independent Life Skills Center," to house the Tribal TANF program. This center also provides classrooms, a computer learning lab, a secure records facility, office space, and provide a children's play area for use by TANF recipients. Another tribe, with joint funding provided by the TANF program and the Bureau of Indian Affairs, provides a "One-Stop" and a "point of contact" service center for applicants requesting assistance and maintains a toll free 24-hour voice mail service which can be utilized by TANF recipients and service providers alike in serving recipients living in remote areas.

Under the NEW program, the statute restricts eligibility to tribes and Alaska Native organizations that were operating JOBS programs in FY 1995. Currently, all 78 eligible tribal grantees are operating NEW programs. Total funding for these programs is \$7.6 million per year with a significant variation in the size of the individual grants (ranging from just over \$5,000 to \$1.7 million).

In addition, the Welfare-to-Work program administered by the Department of Labor provides grants to Indian tribes to help move long-term, hard to employ welfare recipients into last unsubsidized employment. In FY 1998, 86 tribes received grants totaling \$12.3 million.

Recognizing the challenges facing Native Americans moving from welfare to work, the President's

proposal to re-authorize the Welfare-to-Work programs would increase the amount of WTW formula funds available for tribes and would allow tribes to apply directly to DOL for WTW competitive grants (currently they must apply in conjunction with other entities).

STATE ADMINISTERED TANF PROGRAMS

In the remaining areas of the country, tribal families are served by state TANF programs. In these areas, tribal communities and tribal members are subject to the same responsibilities and eligible for the same opportunities that a state elects for its population response at large. As we learn more about the effect these service design choices are having tribal families, we certainly will share this information with the Committee. This type of outcome data is particularly important in light of the unique challenges to self-sufficiency faced by tribal families related to high unemployment and lack of transportation and child care assistance. As a start in gathering this critical data, in FY 1997, ACF approved a five-year research and evaluation project entitled "Welfare to Work- Monitoring the Impact of Welfare Reform on American Indian Families with Children." The overall purposes of this longitudinal study are to monitor and document the implementation, and assess the impact, of welfare reform on American Indian families and reservations in Arizona resulting from the state and tribal responses to TANF. Extensive demographic, contextual, socioeconomic and case-level data will be compiled from a variety of sources, including administrative records, tribal documents, interviews and site visits.

One of the preliminary findings of the study is that many tribes while interested in self-administration of the program, are unsure about the best strategy to follow. They are interested in learning from the experiences of other tribes in order to examine their options and make informed choices.

On another front, a component of HHS's evaluation of the Department of Labor's Welfare to Work Grant program will examine what activities and services tribes provide, and how various tribal programs are coordinated at the local level.

CHILD SUPPORT ENFORCEMENT AND CHILD CARE

Child support enforcement is an essential part of welfare reform efforts. The child support program locates non-custodial parents, establishes paternity, establishes and enforces support orders, and collects child support payments from those who are legally obligated to pay. Payment of child support can help a family to leave welfare or combined with other income, reduce the need for single parent families and their children to rely on welfare in the first place.

Welfare reform enables tribes to operate their own child support enforcement programs for the first time. PRWORA authorizes direct funding of tribal child support programs, and with respect to tribes that do not seek this opportunity, includes improvements to facilitate tribal-state agreements that provide for cooperative delivery of child support services in Indian country. This

added flexibility provides significant opportunities for tribes and for Indian children and families: tribal Governments can choose to plan and implement child support programs that meet the unique needs of tribal communities and improve the delivery of child support services in Indian country.

As I will discuss later in my testimony, we are reviewing the results of an extensive consultation process which will lead to regulations that implement direct tribal child support funding. In the meanwhile, although tribes are not yet operating programs under the broad direct funding approach the law now allows, we are seeing some promising results from early state-tribal cooperative agreements and tribal demonstration grants.

Cooperative Agreements. Tribes such as the Navajo Nation and the Sisseton-Wahpeton Sioux Tribe are entering cooperative agreements with their states, enabling them to carry out tribal child support enforcement and receive funding and other support through the states' programs. As a result of their cooperative agreements with the State of New Mexico and Arizona, the Navajo Nation has seen a big shift in child support collections. The Navajo Nation began child support enforcement in New Mexico in 1994. Before then, there had been almost no child support collection on the Navajo Reservation in New Mexico. In 1998, there was \$500,000 in child support collections under the tribe's child support program in New Mexico.

Tribal Demonstrations. Some tribes are designing child support programs with the support of our planning and demonstration grants-- "Section 1115" grants, Special Improvement Project grants, and tribal planning grants. Currently, the Chickasaw Nation, Colville Confederated Tribes,

Puyallup Tribe, Lac du Flambeau Band of Chippewa, Central Council of the Tlingit and Haida Indian Tribes, and the State of Wisconsin and Menominee Tribe receive this discretionary grant funding. We are learning from these projects, sharing information, and identifying issues and technical assistance needs, to help ensure that tribes are able to operate successful child support programs. Other tribes will benefit from the knowledge gained from these special grant programs.

The third programmatic area I will focus on today is child care. Child care is extremely important to the well-being of our Nation's children and to their parents' ability to work and maintain employment, and thus a vital supportive service to welfare reform efforts. The Clinton Administration is dedicated to providing support and resources to ensure healthy, safe, affordable child care settings that are so desperately needed to help parents work and help children develop to their full potential and become ready for school.

The Child Care and Development Block Grant (CCDBG) as amended by PRWORA, assists low-income families and those transitioning off welfare to obtain child care so they can work or attend training/education. PRWORA amended the CCDBG to bring together, for the first time, four federal child care subsidy programs thereby allowing states and tribes to design a comprehensive, integrated service delivery system to meet the needs of low-income families.

With regard to tribes, the law requires a one to two percent tribal set-aside of the aggregate funding and allows tribes or tribal organizations to use pro-ram funds for construction or renovation purposes as long as it will not result in a decrease in the level of child care services.

The Secretary has allocated two percent of CCDBG funds for tribes, doubling the amount of child care funds made available to the tribes since FY 1996. In FY 1999 tribes received \$63 million, compared to the \$28 million received in FY 1996. In FY 1999, 254 tribal grantees, representing approximately 500 Federally recognized Indian Tribes and Alaska Native Villages, were awarded child care grants.

Tribes receive CCDBG funding either directly or through consortia arrangements. According to preliminary 1997 data, 18,755 children were served by tribal childcare grantees. The majority of these children have working parents (77 percent) or a parent(s) in training or educational programs(19 percent). The remaining 4 percent were in protective services. Their income levels vary with 63 percent at or below the poverty level; 26 percent above poverty but below 150 percent of poverty; 8 percent above 150 percent; and 3 percent above 200 percent of the poverty level.

I would point out that our efforts to increase the supply and availability of child care are ongoing. The President has unveiled a comprehensive package of child care proposals

that includes significant increases in child care funding to help working families. Beyond the tax credits and school-age child care funding in the Departments of Treasury and Education, \$10.5 billion in additional funding, over 5 years, is targeted for HHS child care programs:

A five year \$7.5 billion increase in the subsidy funding for child care which, when combined with funds from welfare reform, will increase the number of children receiving child care assistance by more than 1 million to a total of 2.4 million. The tribal set-aside provided under law will ensure that this increase in funding serves to benefit State and tribal child care programs alike.

An Early Learning Fund proposed at \$3 billion over five years which will, for the first time, specifically devote funding to communities to enhance the quality and availability of care, with a focus on promoting school readiness for children through age five.

I'd like to now turn to ACF's outreach, consultation, and technical assistance efforts to work with tribes on these historic legislative changes.

Outreach, Consultation, and Technical Assistance

In increasing the flexibility available to states and tribes to design their own welfare reform programs, PRWORA changed the Federal role from one of policy approval to one that focuses on hands-on support through outreach, technical assistance, and the dissemination of promising practices, as well as accountability, research, and evaluation. In this concluding section, I would like to highlight what we have learned and accomplished so far through consultation, outreach,

and technical assistance with our tribal partners and offer a few notes about the next steps that lie ahead.

Our goals, in keeping with this new role and with the government-to-government relationship that is central to our work with tribes, are to consult broadly and to provide information that can assist tribes in making the wide range of choices that they face about the most effective ways to assist tribal members in becoming self-sufficient. To help inform these decisions, we have been working with our tribal partners to provide information about the statute, about policy choices, and about promising practices and service delivery strategies. We have also worked to bring people together so that they can share their own expertise, talk about problems and potential solutions, and then develop strategies.

Outreach and Consultation.

In the development of the Tribal TANF Notice of Proposed Rulemaking (NPRM), which was published on July 22, 1998, we sought to undertake a broad consultation strategy prior to drafting the proposed rules. To better inform our policy-making efforts, we held dozens of conferences, consultations and meetings with representatives of tribal, state and local governments as well as soliciting input through a letter. An extended comment period (through November 20, 1998) was provided on the proposed rule at the request of commenters and as a result a considerable number of comments were received from Tribes as well as the National Congress of American Indians. We expect to publish the final rule this fall.

We continue to look for ways to strengthen and improve our consultation process. As we work on development of regulations implementing the tribal child support program, we further intensified our outreach efforts. Six consultations were held in 1998 to obtain tribal input developing the regulations in Alaska, Oregon, New Mexico, Minnesota, Tennessee, and Washington, D.C. Each consultation included an overview of the national CSE program, followed by tribal input on the tribal program and regulations. In addition, we established a toll-free "800" number for comments and questions, and we continue to consult with a resource group of interested and knowledgeable tribal representatives. The input we have received is extremely valuable in helping to inform our rulemaking efforts currently underway. We anticipate publication of the regulations later this year.

We are committed to continuing and improving our consultation with tribes as welfare reform evolves. In addition to our work within ACF, we are coordinating with the broader tribal consultation strategy conducted by HHS, which has included listening sessions nationwide as well as the scheduled appointment of a staff specialist in the Office of the Secretary who will focus exclusively on tribal affairs.

Technical Assistance and Information Dissemination

In addition, we have been involved in providing technical assistance on a number of fronts.

With respect to TANF, we have sponsored along with DOL five Promising Practices National Conferences and there was tribal representation at each. In addition to our programs, these conferences included session on Welfare-to-Work and substance abuse issues. At the Phoenix conference, a representative from the Center for American Indian Studies presented on the plenary panel as well as a workshop, where tribal issues were discussed.

To build on this work, later in April, we are planning a 2-day workshop in Denver to bring together Region VIII States, Tribes and Tribal Community Colleges. This workshop is being designed to share information and best practices, strengthen the Tribes' role in welfare reform, improve State/Tribal working relationships and increase collaboration/networking between and among States, Tribes, and Tribal Community Colleges.

The Administration for Native Americans within ACF has provided resources to support technical assistance, as well. For example, ANA provided \$1.2 million for five grants to support efforts to develop and disseminate information on TANF, including convening workshops and meetings with tribes to inform them about TANF and to give tribes opportunities to share information and expertise about supporting tribal families. Additional collaborative work among ACF programs is planned for the future including comprehensive strategic planning conferences addressing social services and economic development.

The Office of Child Support Enforcement issued briefing packages on the program and legislative changes to tribes to ensure they tribes could be fully engaged in consultation meetings. The office also published and sent to all federally recognized tribes a publication, "Strengthening the Circle-Child Support for Native American Children." This publication describes the new opportunities for tribal CSE programs and intergovernmental partnerships to meet the needs of tribal children and families.

In Phase II of its contract with the Native American Management Services, Inc., OCSE and NAMS are designing technical assistance plans for tribal child support demonstration grantees. At an initial meeting with grantees held recently, tribal participants identified problems and areas of need both specific to their tribes as well as problems and areas of need shared by tribes in general. This information will be used to develop technical assistance materials for tribes under cooperative agreements with States and for tribes planning on administering their own child support programs.

With respect to child care, in January 1998, we awarded a three-year contract to establish and operate a Tribal Child Care Technical Assistance Center (TriTAC). TriTAC assists tribal grantees in child care capacity building efforts through the following major activities: a tribal child care home page, a toll-free information and referral line; a software package to assist with program reporting, a newsletter: and an annual tribal conference. A database of effective program strategies is also being developed.

In conjunction with TriTAC, we are currently making plans to hold several training sessions across the country for tribal child care grantees. The purpose of this special training is to focus on one or two topic areas that have been identified by tribal grantees, but not covered in depth at the National American Indian/Alaska Native Child Care Conference, or at ACF regional meetings.

Again, we look forward to building on these technical assistance strategies, and we will seek to be responsive as welfare reform evolves and the needs of tribes change over time.

CONCLUSION

Our goal in welfare reform is enabling families to move to work and to succeed at work over the long haul. To accomplish this goal, we are eager to continue working with our tribal and State partners to support their design of TANF, child care, and child support programs that will make the most difference to families. We look forward to building on the extraordinary creativity and commitment that tribal leaders have already demonstrated and on the positive first steps that we have already taken together to share information, to consult, and to provide technical assistance and support in the spirit of the government-to-government relationship with tribes. We know that in addition to working internally to coordinate our efforts with the tribes, we also must work with our other Federal partners and the Congress to address the serious economic and social problems faced by tribes. On this front, the Department of Labor's Welfare-to-Work program is a key partner with our efforts. We are committed to building on these early steps and working together to see increasing numbers of tribal members improve their lives and become self-sufficient.

Thank you Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions you or members of the committee may have.