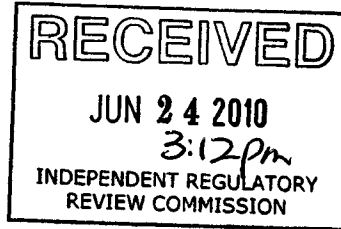


14-518-38

COMMUNITY LEGAL SERVICES
OF PHILADELPHIA



2833



Office of Income Tax Services
Bureau of State Tax

JUN 22 2010

June 22, 2010

REFER TO: _____

VIA EMAIL (jjewett@irrc.state.pa.us & mtotino@irrc.state.pa.us)

John Jewett, Regulatory Analyst
Michaele Totino, Regulatory Analyst
Independent Regulatory Review Commission
333 Market St, 14th Floor
Harrisburg, PA 17101

Re: Revisions to the Special Allowances for Supportive Services (SPALs) Requirements (# 14-518).

Dear Mr. Jewett and Ms. Totino:

This letter is in reference to the Department of Public Welfare's (DPW's) proposed regulations entitled "Revisions to the Special Allowances for Supportive Services Requirements (# 14-518)" and supplements comments provided earlier. Community Legal Services (CLS)—with the Community Justice Project (CJP)—has already provided comments regarding our opposition to these regulations. We write today to highlight one additional area.

According to its Regulatory Analysis Form, DPW anticipates saving \$2.199 million (\$1.753 million in State funds) in the first year, with the first full-year savings estimated at \$6.599 million (\$5.259 million in State funds). Although DPW has not provided data to support this assertion, we assume that it arrived at this number by simply totaling the amount of special allowances paid in the past that would not be paid in the future due to the imposition of the new annual and lifetime limits.

We believe that these regulations will save much less as DPW has not accounted for the number of recipients that will be unable to move off of the public assistance rolls and achieve self-sufficiency through attainment of quality education and training. DPW will be called upon to continue to pay for public benefits received by these families because their ability to obtain self-sufficient employment will be impaired.

Special allowances help offset the costs of transportation, educational materials, and uniforms or office attire associated with the education and training often required for gainful employment. With the data currently available to us, we cannot know the precise number of families who will be affected by these regulations. However, with more limited access to special allowances, families will have an even harder time covering expenses necessary for education and training that help them obtain meaningful work.

Data show that TANF recipients who obtain postsecondary education or training make significantly more money and are more likely to stay employed and permanently off of TANF.¹ Studies that followed community college students in localities nationwide show that welfare recipients were more likely to be employed, earned between 30 and 75% more per year, were employed for longer and were more likely to have a job with benefits after getting an associate's degree.² One study that followed a group of women who obtained a postsecondary education while receiving TANF found that 88% of them were employed, earning a living wage, and were out of poverty and off of welfare a little over one year after they graduated from Eastern Washington University. Another study of students on TANF who entered community colleges in California found that when the students left their programs they earned approximately five times the amount they had when they began receiving TANF.³ Providing welfare recipients with the support necessary to access training and educational resources can help them become more self-sufficient and will ultimately decrease their dependence of public benefits.

These special allowance payments are lifetime investments in individuals and families. Single mothers with an associate's degree are 13% more likely to be employed than those with only a high school or equivalent education and earn \$10,000 more per year.⁴

¹ "Several studies confirm that welfare participants who take advantage of post-secondary education improve their wages as well as their job stability" (citing Deprez and Butler 2001; Gittell, Gross, and Holdaway 1993; Gittell, Schehl, and Fareri 1990; Karier 1998; Smith, Deprez, and Butler 2002; Mathur et al. 2002; Mathur et al. 2004). *Resilient and Reaching for More: Challenges and Benefits of Higher Education for Welfare Participants and Their Children*, Institute for Women's Policy Research (2006), available at http://waysandmeans.house.gov/media/pdf/111/IWPR_TANF_Statement_May_2010.pdf (last visited June 18, 2010); "Adult women were 35 percent more likely to be poor than adult men in 2008, with a poverty rate of 13 percent compared to the 9.6 percent rate for men." Maureen Lee, Testimony to the House Ways and Means Committee from the Welfare Rights Initiative, *Hearing on the Role of Education and Training in the TANF Program*, April 22, 2010, available at <http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8506> (last visited June 18, 2010).

² Center for Women Policy Studies, ...; Maureen Lee, Testimony to the House Ways and Means from the Welfare Rights Initiative, *Hearing on the Role of Education and Training in the TANF Program*, April 22, 2010, available at <http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8506> (last visited June 18, 2010).

³ Julie Strawn, *Hearing on the Role of Education and Training In the TANF Program*, Center for Law and Social Policy (CLASP), April 22, 2010, available at http://waysandmeans.house.gov/media/pdf/111/2010Apr22_Strawn_Testimony.pdf (last visited on June 18, 2010)

⁴ "In 2009, single mothers with a high school degree had an employment rate of 57% and average earnings of \$29,352 when working full-time, year-round; single mothers without a high school degree had an employment rate of only 37% and average earnings of only \$21,764 when working full-time year-round. . . . [S]ingle mothers with a college degree have much higher wage rates and employment rates than those with only a high school degree. In 2009, single mothers with an Associate's degree had an employment rate of 70% and average earnings of \$38,677 when working full-time, year-round[.]" *Hearing on the Role of Education and Training in the TANF Program*, Testimony from Legal Momentum, available at http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8510#_edn8 (last visited June 18, 2010);

Finally, the benefits of post-secondary education for TANF recipients go beyond the individual family: TANF leavers with a postgraduate education are 80% more likely to be involved in their communities and their children are more likely to do better in school and less likely to be in poverty.⁵

These regulations, as discussed in our earlier comments, will make it more difficult for TANF and SNAP-only recipients to obtain quality education and training. As noted here, however, the results of this new policy may have significant cost consequences for which DPW has not fully accounted.

Sincerely yours,



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“Recent US Department of Labor data shows that higher levels of education increase earnings. High school or GED graduates earn \$618 a week from employment. People with a bachelor’s degree earn \$1,012 a week. The difference per week of earnings between just high school and college degree is \$394 per week, or \$20,488 a year. In addition, college graduates get jobs that last. According to January 2010 figures, the rate of unemployment during this current economic downturn was highest for people without a college degree: Less than high school: 15.2% unemployment rate; High school: 10.1%; Some college: 8.5%; Bachelor’s degree or higher: 4.9% unemployment rate.” Maureen Lee, Testimony to the House Ways and Means Committee from the Welfare Rights Initiative, *Hearing on the Role of Education and Training in the TANF Program*, April 22, 2010, available at <http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8506> (last visited June 18, 2010).

⁵ Institute for Women’s Policy Research (IWPR), 2006 (cited in *Hearing on the Role of Education and Training in the TANF Program*, Legal Momentum, Maureen Lee) available at <http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8506>.