

Testimony of

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Senator John Breaux, Chairman

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Good afternoon. Mr. Chairman, Mr. Ranking Member, members of the Subcommittee, thank you for this opportunity to discuss how United Way and Congress can work together to address the needs of our most vulnerable individuals and families.

United Way of Southeastern Pennsylvania

My name is Christine James-Brown and I am the President and CEO of the United Way of Southeastern Pennsylvania. We are the Commonwealth's largest non-profit organization, focusing donor and volunteer resources to provide solutions for the most essential health and human services issues in our community: *Investing In Our Children and Youth; Building Adult Independence; and Promoting Healthy Living*. We connect people in our community with efficient, effective, rewarding ways to give their time, talent and resources. United Way is a results-oriented organization, measuring our success in terms of impact on our community. In 2000, we raised \$54.4 million to support families through innovative community solutions.

United Way of Southeastern Pennsylvania is one of 1400 United Ways across the country striving to build safe, healthy communities. We bring diverse people and resources together to address the most urgent issues our communities face. Through unique partnerships and approaches, United Ways mobilize resources beyond the dollars that are pledged through their fund-raising efforts. Community partners often include schools, government policy makers, businesses, organized labor, financial institutions, voluntary and neighborhood associations, community development corporations, and the faith community.

Restoration of the Social Services Block Grant

United Way is deeply concerned about recent cuts to the Social Services Block Grant (SSBG). Title IV of the Strengthening Working Families Act of 2001 (S. 685) would restore SSBG funds to \$2.38 billion with a 10 percent TANF transfer, the amount promised to states in welfare reform. I strongly urge you to pass this legislation.

SSBG has suffered drastic cuts of over a billion dollars in just five years. Pennsylvania funds have been cut by over \$38.9 million in that time period. In January 2000, United Way of America (UWA) conducted a survey to assess the impact these cuts have had nationwide on United Ways and United Way funded agencies. Of the agencies that responded, 46 percent were forced to serve fewer clients; 32 percent had to cut staff; and 17 percent cut vital programs to compensate for cuts in SSBG funding since 1995. Cuts to SSBG force agencies to make impossible decisions on who to help and who to leave behind. Further cuts will decimate these and other non-United Way agencies.

Unless Congress acts, FY 2002 funding will be further reduced to \$1.7 billion, as a result of provisions of the Transportation Equity Act for the 21st Century (TEA-21).

SSBG is an integral part of local social services and is the first step in ensuring that people in need will not be denied vital services. SSBG allows communities to go beyond short-term band-aid repairs and focus on long-term solutions. By helping to keep the disabled and older Americans living independently, by supporting prevention initiatives such as youth development and early childhood programs, and by promoting self-sufficiency, SSBG saves the federal government and the nation's taxpayers the cost of expensive institutional care, intervention services, and welfare programs.

Federal SSBG funds are allocated to the states on a per capita basis and then often passed on to local governments and non-profit service providers. Services are provided to low-income individuals and families, people in jeopardy of entering a nursing home or institution because of a lack of services and support, children and adults who have been abused or neglected, and other vulnerable populations. Some of the agencies that receive SSBG funding at the local level include: Catholic Charities, Child Family Services, Lutheran Services, Area Agencies on the Aging, and United Cerebral Palsy Associations.

In 1999, 281,125 children and adults benefited from SSBG-funded services in Pennsylvania. SSBG in Pennsylvania is used by the state for community services programs for persons with physical disabilities, domestic violence victims, legal services, rape crisis, subsidized child care, youth development services, and family planning. In addition, counties utilize it for early intervention services, child welfare, community mental retardation and mental health services, homeless assistance, and adult attendant care.

In FY 1999, SSBG helped over 12.5 million individuals across the country receive services. It is often referred to as the glue that holds state and local social service systems together, as its flexibility makes it the keystone of a large, diversified array of human services programming. State and local prevention and treatment services to abused and neglected children reached over 1.3 million children and their families. SSBG also helped over 1.65 million individuals and families by providing them with information and referral services to connect them with necessary services within the community.¹ In FY 1999, 804,000 older Americans and over 975,000 persons with disabilities benefited from SSBG. While other funding streams are available for many of the services provided by SSBG, it is not sufficient to meet the need. For example, Pennsylvania received \$242,944 through Title VII Elder Abuse under the Older Americans Act, yet needed an

¹ *Social Services Block Grant Program Annual Report on Expenditures and Recipients 1998*, Office of Community Services, the Administration for Children and Families, U.S. Department of Health and Human Services.

additional \$1.57 million from SSBG for adult protective services for prevention and intervention of elder abuse.

If cuts continue and funding isn't restored, the most vulnerable of our population will suffer: older Americans and the disabled will be unnecessarily institutionalized; domestic violence victims will be placed on waiting lists for shelters and counseling services; children will be denied basic services like child care, after school programs; and the working poor will not be able to access critical work supports.

Now More Than Ever

The tragedy of September 11th and the economic downturn are compounding the needs of our communities. Because of SSBG's flexibility, states can react quickly to fund emergency services such as counseling, case management, transportation, foster care, information and referral and volunteer coordination for a broad population. For example, in response to riots and natural disasters in Los Angeles in the early 1990s, the city used SSBG funds as part of a crisis response to provide mental health counselors to teach adolescents how to deal with stress and develop coping skills.

The state of Connecticut is using United Way 211 Infoline, an information and referral call center funded in large part by SSBG, to serve as the victims' assistance line for the families of Connecticut residents who were lost in the World Trade Center. Capacity of the center has been increased as state employees have been trained to answer calls. 211 Infoline's vast database of service providers is being used to guide the families of the victims to the resources that will help them with many issues including bereavement and financial support. In Pennsylvania, SSBG provides 100 percent of the federal funds directed towards similar information and referral services.

Supporting Low-Income Individuals and Families

Families thrive in healthy neighborhoods with access to economic opportunities and social networks.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA / P.L. 104-193), better known as welfare reform, established a new structure for the nation's welfare system focused on promoting self-sufficiency. Since the enactment of PRWORA, welfare rolls have declined more than 50 percent, from 5 million families in 1994 to 2.2 million in June 2000.² During this time, the number of families living in poverty decreased from 13.1 percent in 1994 to 10.2 percent in 1999.³

These are tremendous successes, however there is also cause for concern. According to the U.S. Bureau of Census, the rate of families in deep poverty (below half the federal poverty level) has actually increased in that same time period.⁴ The Urban Institute finds that 40 percent of those who leave the welfare

² *From Welfare to Work*, Isabel Sawhill, Brookings Review, Welfare Reform and Beyond, Summer 2001.

³ *Current Population Survey*, U.S. Bureau of the Census, Poverty and Health Statistics Branch/HHES Division.

⁴ *Welfare Reform Reauthorization: An Overview of Problems and Issues*, Ron Haskins, Isabel Sawhill, and Kent Weaver, The Brookings Institution Policy Brief No. 2, January 2001.

caseload are still in poverty and that states are unable to account for 20 percent of those who leave welfare.⁵

Further, the successes of welfare reform in the mid to late nineties happened during a time of unprecedented economic growth. Unfortunately, those times are changing. It is evident that the nation is in the midst of an economic slowdown and many economists fear that a recession is inevitable. According to the Labor Department, 199,000 Americans lost their jobs in September, the worst monthly showing since the recession 10 years ago. This number does not reflect the layoffs that occurred after the September 11 attacks. More than 1,100 workers in the aviation industry lost their jobs in Philadelphia alone. As we know, low-income families often feel the brunt of economic troubles. In many cases, individuals who recently found employment and are struggling to transition off of welfare are among the first to lose their jobs. Provisions within S. 685, particularly SSBG restoration, expansion of the Earned Income Tax Credit (EITC), and increasing funds for the Safe and Stable Families Act would help states prepare for an influx of need during an economic downturn.

In Pennsylvania, about 54.5 million people rely on food stamps each month with almost 250,000 still relying on cash assistance. Food cupboards and pantries report that they are being visited regularly by families, not just in emergencies. Many of these programs were not set up for this type of continuous need. But this has increasingly become the situation.

We at United Way of Southeastern Pennsylvania have been working with others to monitor what's happening to families in our community during welfare reform. Our results are similar to those of national studies – many parents are working but still living in poverty; many more children need child care and youth opportunities because their parents and neighbors are at work, often far from their homes. We have found too many families struggling to find decent housing, to pay their utility bills and put food on the table. In our last report on the housing needs of low-income families, we found that more than 27,000 families had applied this year for the mere 4,000 available Section 8 Vouchers for housing. The waiting list for public housing was equally discouraging.

We have reached out specifically to assist families in securing health care insurance and health care for their children, helped initiate programs to assist new workers in securing transportation to work, developed major initiatives to support youth development and improved access to and quality of child care, worked with community groups to provide safe supportive places for families to turn for guidance and protection, assisted families in securing benefits and

⁵ *How are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers*, Pamela Loprest, The Urban Institute, New Federalism National Survey of America's Families, Series B, No. B-36, April 2001.

developed programs to encourage training, support and assistance for new workers. Additionally, we have worked with our member agencies to support them in their new responsibilities.

We have refocused our efforts and developed new strategies but the future presents many challenges. There are more than 12,000 families or about 36,000 children and parents whose time on cash assistance will be over in the spring. The economy is taking a turn for the worse and most predictions are that there will be more children coming into substitute, relative or foster care next year. People rely on United Way and our partners in times of need; we know that in the coming months, we will have to do even more. We need your help.

United Way System Responds to Recent Tragedies

The devastating events of September 11, 2001 will have a lasting effect on people and communities across the country. Beyond the lives and buildings shattered by the attack, the images of devastation that we witnessed as a nation will forever tarnish our sense of security. The 1400 member United Way Movement is committed to leading the country's caring people and organizations through the recovery and rebuilding process, community by community.

United Way works within the systems and institutions already in place to maximize the helping potential of agencies, businesses, governmental entities, institutions and individuals to help meet the immediate needs. At the same time we plan for the longer-term healing and rebuilding phase to come. Though United Way rarely provides direct disaster services, we are a significant funder of American Red Cross, Salvation Army, and other disaster relief organizations.

As a leader in the community, United Way is identifying urgent needs and gaps, as well as the most appropriate resources to satisfy them. We have an intimate understanding of communities that helps us connect people who can offer help with the people who need it most. While United Way is best known for mobilizing volunteers and donors to advance the work of health and human service agencies, we also activate resources beyond the agencies we fund by bringing together the organizations that are most capable of tackling critical issues.

Even in the world's wealthiest country every community faces its own set of challenges. Challenges that make it difficult for all children to develop into productive citizens. Challenges that tear at the fabric of our families. Challenges that even the strongest, most effective governments can't single-handedly overcome.

Strong communities provide hopeful answers to many of our toughest problems. Mentors for children. Treatment for drug addicts. Shelter for the abused and homeless. All of us have a responsibility to promote these efforts – now more than ever. This has been a trying time for our Nation and for the world. Yet in the face of the worst of evil, we have seen the best of America.

United Way will continue to work with our partners to build strong, healthy communities but we need the tools to do this. The Social Services Block Grant is one of our most powerful tools and its funding must be restored. Thank you for your time. I would be pleased to answer any questions that you may have.