

**United State Senate Finance Committee**  
**Wednesday, March 12, 2003**  
**10:00 A.M. Room 215 Dirksen Senate Office Building**  
**Welfare Reform: Building on Successes**

**Testimony of Howard H. Hendrick**  
**Director, Oklahoma Department of Human Services**

Good morning, Mr. Chairman and members of the committee. Thank you for the opportunity to appear today. I have been asked to share some of Oklahoma's welfare reform successes, with a particular emphasis on our family strengthening efforts consistent with the express purposes of TANF to promote marriage. In Oklahoma, we hope to continue to have Congressional authority to spend TANF funds for family strengthening efforts because research shows that child well-being is enhanced when children are reared in two parent families where the parents have a low conflict marriage.

**1. TANF Successes**

Like many states, Oklahoma has enjoyed a variety of welfare reform successes. I have attached to my testimony five of them. In summary, they are:

1. Work first initiatives have lead to a 70% reduction in Oklahoma caseloads compared to caseload sizes experienced five to eight years ago;
2. Oklahoma developed the nation's first tiered reimbursement system for childcare and its development is transforming childcare in Oklahoma from a custodial care environment to a developmentally enriching experience;
3. Oklahoma developed the nation's first Electronic Benefit Transfer system for childcare payments and its development is improving record keeping, expediting vendor payments, and reducing fraud;
4. Oklahoma has made a strong commitment to address the substance abuse needs of TANF families which would not have been possible in an entitlement

environment that compelled the distribution of cash to chemically dependant parents; and

5. While much work remains to be done, Oklahoma has a completely overhauled child support enforcement system that includes paternity establishment in 90% of the out of wedlock births, a statewide centralized payment distribution unit, a PWRORA compliant computer system and significant increases in child support collections, even in a slow economy.

## 2. Family Health

From my perspective, welfare reform has been an incredible success. The governmental supports to families like accessing cash assistance, employment skill development, employment barrier removal by accessing substance abuse services and quality childcare and enforcing non-custodial parent financial responsibility through child support are being administered better today than ever. Unfortunately, the natural supports that come from healthy family relationships are in poor condition. The National KIDS count indicates that last year, the percentage of households with children headed by a single adult reached an all-time high at over 32%. While it is true that the rate of growth has slowed, the absolute percentage has not peaked. Some scholars estimate that as many as two-thirds of all children in America will spend some portion of their childhood before their 18<sup>th</sup> birthday in a single parent household. Dr. Paul Amato from Penn State University has studied the effects of divorce on children. He is one of Oklahoma's consulting scholars on marriage and divorce. I recommend the book he co-authored titled, Generation at Risk where he describes the adverse consequences of divorce on child well-being.

Oklahoma has one of the nation's highest divorce rates. For the last four years we have spent TANF funds to study and to develop a strategy to strengthen marriages

and reduce divorce in Oklahoma. I wish I could tell you that we have found the precise prescription with a statistically valid dose-response protocol to strengthen marriages and reduce divorce. We have not. However, we are making excellent progress and I believe that over time our strategy and the ideas we have initiated will strengthen the natural supports present in healthy families, extend marital life, contribute to marital satisfaction, and ultimately improve child well being.

### 3. Research and Building Capacity

Since I testified here last May, Oklahoma's baseline research on marriage and divorce has been published. It is available on the web at [www.okmarriage.org](http://www.okmarriage.org). To our knowledge it is the nation's first, comprehensive, state-of-the-art statewide survey on marriage and divorce. The research was completed in partnership with Oklahoma State University's Bureau for Social Research. The survey consisted of 123 questions delivered in approximately 15-minute phone interviews with more than 2000 Oklahoma households, with a margin of error of +/- 3%. We intend to measure the effectiveness of our efforts over time to see how the indicators selected for evaluation change from the published baseline.

A lot is known about relationship enhancing skills. Speaker-listener techniques can reduce conflict and grow commitment. Learning forgiveness can heal irreconcilable differences. Habitually constructing positive shared experiences can grow friendship and combat loneliness that might otherwise cause a relationship to atrophy. These skills are teachable and we believe the demand exists for this service. Our strategy has been to build the supply side of the equation by developing a network of trained workshop leaders to deliver a twelve-hour curriculum called PREP, the Prevention and Relationship Enhancement Program. PREP has been used in all branches of the military for over twelve years. It is research based and is easily adaptable to a wide

variety of audiences and settings. To date, we have trained approximately 550 workshop leaders to provide this service, with workshops now present in local health and social services departments, community-based youth and family services agencies, OSU Cooperative Extension programs, churches, synagogues, Head Start agencies, high schools and universities. Our intention is to continue to strengthen this network of providers so that couples in Oklahoma, particularly low-income families, that desire this service will find workshops in their local community.

The training for workshop leaders and referral sources includes information about identifying substance abuse risks, screening for domestic violence, watching for couple issues better served by individual counseling, and the development of skills for making referrals to other programs more specifically designed to deal with more intensive couple challenges. The Oklahoma Coalition Against Domestic Violence plays an active role in our training sessions and strategies.

#### 4. Building on Successes in Family Strengthening Efforts

Oklahoma has demonstrated its ability to implement welfare reform. We believe our strategy to strengthen marriages and reduce divorce will be effective. What else should be done? I am attaching to my testimony three family strengthening ideas that I think are worthy of further effort and support by Congress. They are: 1. Find a solution to the "marriage penalty" in benefit programs; 2. Use up to 5% of a state's child support enforcement budget for non-custodial parent-child visitation, fathering, and non-custodial parent employment programs; and 3. Create new funding for two-parent family forming initiatives at childbirth. I hope you will consider them as we build on the successes we have all enjoyed in welfare reform. Thank you.

**Statement attached, but not to be read into the record, outlining five substantial welfare reform successes enjoyed in Oklahoma:**

First, we've enjoyed substantial caseload reductions from our work first initiatives. We've won two TANF bonuses for this success. Our work participation rates have always been high. While we do benefit from a substantial caseload reduction credit, we still maintain a respectable work participation rate even among the so-called, "hardest to serve" families that remain on our caseloads. Today, our caseloads have been reduced by over 70% compared to their size five to eight years ago.

Secondly, Oklahoma has enjoyed a number of "firsts" that would not have been possible without the flexibility afforded by the block grant. We were the first state to create and implement a tiered reimbursement system for childcare. Through our "Reach for the Stars" program, we are transforming childcare from a custodial care environment to a developmentally enriching experience. This meant that we had to invest in the education of childcare workers. We did. We had to improve their pay so they could afford to stay employed in childcare after they were trained. We did. For a State that didn't grade child care quality before welfare reform to a State that now pays the child care subsidy to providers based on the provider's star rating, we believe we have made dramatic systemic improvements. Today, 70% of all center-based subsidized childcare in Oklahoma is delivered at a center with a star rating higher than one star – our basic licensing standard. Further, 50% of all subsidized childcare delivered in licensed homes is delivered in a higher than one star home. This is a significant welfare reform success.

Thirdly, we have developed the nation's first Electronic Benefit Transfer payment system for childcare. Virtually, all of the country has such a program for food stamps, but the complexities of such a system for childcare are new. Our system is rolled out in

about half of our State and should be rolled out statewide within the next year. This system has great promise for better record keeping, quicker payments to vendors and a reduction in fraud.

Fourthly, we have made a substantial commitment to combating substance abuse in our TANF population. This welfare reform success was not possible when AFDC was an entitlement that required us to distribute cash to chemically dependant parents. Since substance abuse is often a barrier to consistent employment, welfare reform made it possible for us to discuss and start meeting the substance abuse needs of our TANF families.

Fifthly, Oklahoma is one of about 15 states that met the requirements for a statewide PRWORA compliant child support enforcement computer system. Although much remains to be done, the progress of the last five years in child support enforcement is remarkable and is another welfare reform success to be celebrated. Specifically, Oklahoma now has a statewide-centralized child support distribution unit that accounts for and distributes payments within 48 hours of receipt. We have newer and better child support guidelines. We are establishing paternity in nearly 90% of the out of wedlock births, compared to 19% ten years ago. And, child support collections are up, even in a soft economy.

**Additional Ideas submitted with the written testimony, but not to be read into the record:**

1. Find a solution to the “marriage penalty” in benefit programs. There is a fundamental rule of economics that says that you get more of what you subsidize and less of what you tax. Counting both parents income often makes children of married parents ineligible for programs like Medicaid, childcare or food stamps. These children benefit from these programs if their parents divorce, or never marry. A little help to married couples trying to do the right thing could go a long way to improve the well-being of their children. A similar marriage penalty exists in the Earned Income Tax Credit. To build on these successes we need to do a better job of helping couples make it financially. Alternatives to be considered might include disregarding all or part of the income of the lowest earning spouse to put the household in the same position it would be if the highest earning spouse alone was rearing the children.

2. Use up to 5% of a state’s child support enforcement budget for non-custodial parent-child visitation, fathering and non-custodial parent employment programs. These programs encourage non-custodial parents to be involved with their children. They include initiatives like running a child visitation program for non-custodial parents or fathering programs or non-custodial parent employment services. These costs could be charged against a state’s cost-effectiveness. But, we believe we actually could collect more child support if we were able to do more relationship enhancing activities between children and their non-custodial parents.

3. Create new funding for two-parent family forming initiatives at childbirth. Everyone’s budgets are stretched like never before. But, there is a need to recognize that family health is in more need than ever. One promising idea we are exploring in Oklahoma is to encourage our state, particularly our medical community, to change its

paradigm by concluding that childbirth is not just a medical procedure, it is a family-creating event. To achieve this shift, much thought is being given to finding ways to get fathers and mothers, whether married or not, to participate in 24 hours of training prior to childbirth. This training would include recognition of the importance of brain development to infants, nutrition information, marriage and relationship skills that can reduce conflict and sustain the relationship of the parents, employment skills, particularly for dads seeking to form or sustain healthy, married households, and a clear explanation of how child support works. The goal would be for each partner to have a better understanding, knowledge, and appreciation of the magnitude of their long-term commitment to their children. Forms of this kind of promising practice exist in limited programs around the country, but we believe the Fragile Families research supports further study and funding of these kinds of efforts. Domestic violence groups, substance abuse agencies, and other services could potentially support the development and maintenance of healthy, married parents and should be challenged to expand their thinking and services to include a stronger commitment to healthy marriages. The Oklahoma Domestic Violence Coalition can serve as a model for other groups that seek to develop healthy productive partnerships with marriage programs and services. Funding should include expenditures for research and planning. While all of us are advocates of service delivery improvement, family strengthening is new. Some funding to plan the best delivery systems and to measure the efficacy of these initiatives and to plan how their efficacy can be validated should be encouraged.