

Special Allowances Are Needed So Parents Can Leave Welfare for Work

DPW Regulations Have Already Fixed Problems Identified in Wagner Audit

Special Allowances for Supportive Services are payments made by DPW for practical supports -- such as mileage reimbursement, car repairs, and books and supplies for training programs -- to enable TANF and SNAP (i.e., food stamp) recipients to work or participate in training programs that will allow them to leave the TANF program.

- **State spending on Special Allowances is relatively small.** Pennsylvania spent only \$24 million in state funds in FY 2009 on transportation and other supportive services. This represents less than 6% of all state matching funds required to be spent by the state on the TANF program. The combined federal/state spending on supportive services (\$37 million) was only 3.2% of federal and state TANF dollars.
- **DPW has already corrected problems identified in Auditor General Wagner's 2009 report.** Regulations approved in 2010 significantly changed the special allowance program.
 - Recipients must now verify that the allowance is "required" by the training program or for employment;
 - Recipients must now provide receipts confirming that the allowance was used for its intended purpose;
 - Recipients are now limited to \$1,500 annually on transportation costs and \$2,000 lifetime on books and school supplies.
- **Proposals to limit transportation costs to \$250 a year would prevent parents – especially those in rural areas – from getting to work** or participating in required work-related activities. Such a cap would allow just over *2 miles of roundtrip travel per day*.
- **Education and job skills training enable parents to enter high-demand occupations** that pay family-sustaining wages. Proposals eliminating the allowance for books and school supplies would effectively end a long history of TANF adults obtaining the skills to enter these occupations.
- **Families receiving TANF live in poverty and cannot pay for transportation or books and school supplies out of their very limited TANF grants.** A family of three, for example, receives only \$365 to \$421 per month (depending on what county they live in.)
- **Proposals to cut special allowances could result in a substantial loss of federal funds.** If parents cannot get to work or participate in a work-related activity because they cannot afford transportation, DPW cannot count the family toward the federal TANF work participation rate (WPR). **Failure to meet the WPR can result in a state penalty of \$28 million the first year, \$39 million the second year, and \$50 million in the third year.**
- **Auditor General Wagner recognized the importance of the Special Allowance program.** In December 2009 testimony to the Senate Public Health and Welfare Committee, he noted:

“There are some who would use the results of our audit as an excuse to kill or shrink the program. That would be wrong and wrongheaded, for the victims here would be the people whom government should be trying to help – Pennsylvanians down on their luck, trying to improve their lot by moving from welfare to work, and who need a helping hand. We in state government need to offer that hand.”