

#### WRITTEN STATEMENT FOR THE RECORD

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#### ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES

#### COMBATTING CHILD POVERTY IN AMERICA

### BEFORE THE SUBCOMMITTEE ON WORKER AND FAMILY SUPPORTS COMMITTEE ON WAYS AND MEANS UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 11, 2020 WASHINGTON, D.C. Chairman Davis, Ranking Member Walorski and distinguished members of the subcommittee, thank you for holding today's hearing on strategies to end child poverty. On behalf of the National Association of Counties (NACo) and the nation's 3,069 counties that we represent, thank you for providing the opportunity to testify.

My name is Joy Bivens, and I am the Director of the Department of Job and Family Services for Franklin County, Ohio. Franklin County has a population of 1.3 million residents and is the most populous county in the state of Ohio. It is also one of the fastest growing counties in the state and the entire Midwest, as we expect to add another 430,000 residents by 2050. Along with being one of the largest counties in Ohio, we are one of the most diverse: about 24 percent of our population is African American, 5.7 percent is Asian-American and 5.7 percent is Latinx.

Counties are highly diverse, not only in my state of Ohio, but across the nation, and vary immensely in natural resources, social and political systems, cultural, economic and structural circumstances, public health and environmental responsibilities. Of the nation's 3,069 counties, approximately 70 percent are considered "rural," with populations of less than 50,000, and 50 percent of these counties have populations below 25,000. At the same time, there are more than 120 major urban counties, which collectively provide essential services to more than 130 million people every day.

Today's hearing addresses innovative strategies to combat child poverty in America, which represents one of the biggest public policy challenges facing our nation. With nearly 12 million children – 16.9 percent – currently living under the federal poverty line, no county in America is immune from the problem of child poverty and its deep cost, including my own. In fact, Franklin County's children experience poverty at a higher rate than the national average. Despite a low unemployment rate of just 3 percent, in 2018, 23 percent of the nearly 300,000 children in Franklin County lived below the federal poverty line. This number is even higher for the county's Black children, more than half of whom are living in poverty. But the problem of child poverty is not confined to large urban counties like my own. It is also a challenge in rural communities, such as Herkimer County, New York, population 64,000, where the child poverty rate was 22 percent in 2018.

As Director of Franklin County Department of Job and Family Services, I oversee a department with more than 600 employees committed to improving the lives of Franklin County residents. In this capacity, and in my cooperation with other county leaders through NACo, I have seen firsthand the significant role local government plays in combatting multigenerational poverty. With limited resources, county leaders across the country are listening to the experiences of our residents, reaching out to new partners, and innovating solutions that disrupt the cycles and systems that keep families at risk.

Today, I will discuss the following points for your consideration as the subcommittee assesses challenges and opportunities in creating comprehensive solutions to end child poverty:

- 1. While specific county responsibilities vary from state to state, we deliver essential human services and economic development programs across the country.
- 2. While we administer many federal programs, counties are also implementing comprehensive strategies to combat child poverty.

- 3. As the need for these services persists, counties face constraints in funding programs and services that combat child poverty.
- 4. Counties cannot combat child poverty alone. We need increased, meaningful partnership from the states and federal government.

### While specific county responsibilities vary from state to state, we deliver essential human services and economic development programs across the country.

Many county responsibilities are mandated by both the state and the federal government. While county responsibilities differ widely, most states grant counties significant authorities to fulfill public services. These authorities include construction and maintenance of roads, bridges and critical infrastructure, assessment of property taxes, record keeping, administering elections, and overseeing jails, court systems and public hospitals. Counties are also responsible for consumer protection, economic development, employment and workforce training, emergency management, land use planning and zoning.

Among these numerous responsibilities, we serve as the front-line social safety net and ensure healthy, safe and vibrant communities for our residents. Along with Ohio, in California, Colorado, Minnesota, New Jersey, New York, North Carolina, North Dakota, Virginia and Wisconsin, county government are responsible for the administration of federal programs that address both the effects of and the root causes of poverty. This includes the Supplemental Nutrition Assistance Program (SNAP)—representing 31 percent of the nation's caseload – and the Temporary Assistance for Needy Families program (TANF) – accounting for 51 percent of the nation's caseload. Additionally, these "county-administered states" oversee the Community Services Block Grant (CSBG), Child Care and Development Fund (CCDF), Social Services Block Grant (SSBG), and more. Counties in these states thus contribute significant local funds to administrative and supplemental costs of running federal assistance programs. In 2016, the ten TANF county-administered states contributed \$8.2 billion to the program's state maintenance of effort (MOE) requirement, predominantly through county funds.

Even when states are the primary entity responsible for administering anti-poverty programs, counties are important partners on the ground, often acting as the vehicle for delivering services that support children's health, development, safety and education. Counties invest over \$58 billion annually in federal, state and local funds in human services that safeguard residents' health and well-being and promote upstream solutions designed to prevent poverty for future generation. Additionally, counties undertake a variety of workforce development efforts to help create pathways out of poverty. More than 90 percent of county governments engage in economic development initiatives, often using General Revenue Funds (GRFs) and occasionally drawing on federal grants to invest in workforce training, business attraction and retention and regional marketing. We contribute local dollars and staff to workforce training partnerships with local chambers of commerce, cities, state governments or regional economic development organizations.

## While we administer many federal programs, counties are also implementing comprehensive strategies to combat child poverty.

As the front-line of the social safety net, county officials know first-hand the harm that poverty does to children and how its effects reverberate into adulthood, impacting physical and mental health, educational attainment,

and employment outcomes. In 2016, NACo conducted a survey of county officials to better understand and address the challenges counties face in fighting poverty. More than half of the respondents identified families with children living in poverty as having the greatest need for additional services.

From our position on the ground, county officials see how the effects on child poverty persist into adulthood. Combatting child poverty is the one of the greatest investments we can make, and we share our federal partner's concern about the importance of developing upstream solutions that break the cycle of poverty for our children. Today, I will briefly call two such programs in Franklin County to your attention.

The first is **Step Up to Quality**, Ohio's quality rating and improvement system (QRIS) for publicly funded child care (PFCC). This five-star system recognizes and promotes learning and development programs that meet quality program standards that exceed licensing health and safety regulations, and requires that all child care centers and home-based providers that accept PFCC obtain at least a 1-star rating from the state by July 1, 2020 in order to continue to receive subsidy payments. Without that assistance, child care centers serving low income children would likely have to close their doors. This has serious implications for Franklin County, where more than 29,000 children receive PFCC—about 73 percent of whom are Black and Latinx living in the lowest asset neighborhoods. That is something I take personally.

To address this challenge, since 2015 Franklin County has invested more than \$2.5 million in TANF funds toward research, raising awareness, targeted outreach and much more—including providing free training for over 400 child care providers to become rated through the QRIS. Though we could have otherwise invested these dollars in workforce development, employability training or family support services, we targeted Step Up to Quality because access to high-quality child care is, itself, a workforce issue. Increased access to high quality child care invests in the development and school-readiness of our young children, bolstering their chances at better health, education and employment outcomes. Simultaneously, this investment helps parents overcome a major barrier to employment by providing access to affordable and trustworthy child care, while also boosting employment and wage outcomes for the child care workforce. Thanks to our joint efforts with the state and local partners, more than 22,000 Franklin County children are now in high-quality, star-rated child care programs and more than 9,000-plus working parents will be able to continue attending school and work come the July 1, 2020 deadline.

In keeping with our multigenerational approach to combatting poverty, Franklin County has also partnered with the Columbus/Central Ohio Building, Construction Trades Council and Columbus Urban League to develop **Building Futures,** a first-of-its-kind pre-apprenticeship program. Franklin County has invested \$2.3 million to date in combined TANF and GRF dollars to support this 12-week pre-apprenticeship program, which is designed to help low-income Franklin County residents from traditionally underrepresented populations pursue careers in the skilled construction trades.

The program lays foundation to build a career in the skilled trades and serves as a pipeline to the middle-class. Through this free program, participants receive "soft skills" training, including interpersonal skills and financial literacy followed by "hard skills," training such as safety certification and trade-specific instruction, all while receiving a weekly \$250 stipend. They are also connected with other supportive services offered by Franklin County to help address barriers like transportation, housing, child care and more. The first five cohorts of the

## Building Futures Program have seen an 86 percent graduation rate with participants earning an average wage of **\$20.05 an hour plus benefits**.

One of these graduates is Eboni, a 32-year-old single mother of three, who after participating in Building Futures is on the road to becoming a journeywoman with the Painters and Allied Trades Local Union 1275. Eboni had worked multiple jobs, from warehouse to Uber driver, doing "whatever it took" to feed her children. The financial strain of "scrapping daily to pay the bills" took an emotional toll on her. She recalls that "every day I had to figure out where food was coming from, how my phone was going to stay on and how the bills would be paid at the end of the month."

Eboni heard about Building Futures from a friend a decided to give it a try. She says the wraparound supports gave her the hope and practical assistance necessary to complete the program, and today, she is making more than \$15 an hour while receiving employee-sponsored medical benefits for her whole family. Franklin County used federal and local dollars to invest in Eboni's future—and she is building a better life for herself and her children. Eboni's story should remind all of us that multi-generational approaches to combatting child poverty are one of the greatest public investments we can make.

Franklin County is not alone in its efforts to break the cycle of poverty. Earlier, I mentioned Herkimer County, New York, a rural county a 22 percent child poverty rate in 2018. Herkimer County's approach to poverty prioritizes social determinants of health and intervention across the lifespan, focusing on increasing the availability of quality affordable childcare, increasing the number of children who are ready for kindergarten and increasing opportunities for disconnected youth (youth age 16-24 who are not in school and not working). The county is currently working with the local community college and other local organizations to build a 60-slot childcare facility and is working to secure buy-in from the business community and develop a plan to serve young children who are at-risk of entering the foster care system to promote family economic stability and promote kindergarten readiness.

In San Juan County, Utah – a rural county with a population of 15,200 and a child poverty rate of 33 percent – the county is similarly collaborating with a variety of partners to develop a whole-family approach to alleviate poverty and health disparities, particularly among the large Native American population. Assistance from federal Rural Integration Models for Parents and Children to Thrive (IMPACT) grant helped the county and key partners such as the San Juan Foundation to introduce and implement a two-generation approach to address poverty in the county, largely targeting Native American communities and focusing on educational opportunities. They have successfully developed a needed, quality preschool program within targeted Native American communities, employed behavioral health staff in high-poverty K-12 to refer students and their families to appropriate services and bolstered adult education programs to provide training, certifications, and degrees necessary for stable employment and in-demand jobs.

# As the need for these services persists, counties face constraints in funding programs and services that combat child poverty.

As in many counties across the nation, Franklin County is investing dollars out of our own General Revenue Fund to support anti-poverty programs. But many states place limits on counties' already limited options for raising

revenue, such as through county property tax limits. At the same time, many states mandate delivery of human services and indigent care, often forcing counties to choose between critical programs. According to the 2016 NACo report, *State of County Finances*, costs and demand for mandated services in counties are rising across the country. Of the surveyed counties, 65 percent had seen increased justice and public safety costs, while 36 percent saw health and human services costs increase above overall inflation.

As costs rise, federal and state funding remains insufficient – yet many states place limits on counties' already limited options for raising revenue, including property tax caps and constraints on sales tax revenue sources for local government. In fact, 45 states impose some form of county property tax limits, affecting the main revenue source for counties. Only 29 states authorize counties to collect sales taxes, but with restrictions, while 26 states impose a sales tax limit and 19, including Ohio, require voter approval. At the same time, many states mandate delivery of human services and indigent care, often forcing counties to choose between critical programs.

This includes the state mandated QRIS improvements to Ohio child care centers. While Ohio has allocated a portion of its TANF sustainability fund, or surplus, to increase the TANF investments in PFCC to support implementation of the QRIS, the state projects the surplus balance will be depleted by the end of the State Fiscal Year 2022. In Franklin County and counties across Ohio, the loss of the surplus funding to meet the QRIS requirements will almost certainly erase the gains we have made and/or result in reductions in TANF administration and programming funding – unless the state identifies additional revenue to offset the loss.

Given counties' fiscal limitations, federal funding is crucial to keep counties from reducing access to critical programs and cutting non-mandated services, such as economic development activities. In fact, 44 percent of county officials mentioned in a 2016 survey that their county reduced and/or eliminated programs and services because of budget constraints in their last fiscal year.

## This brings me to my final point: counties cannot combat child poverty alone. We need increased, meaningful partnership with the states and federal government.

As counties like mine work to develop comprehensive solutions to child poverty, we cannot afford cuts to federal anti-poverty programs or continued unfunded mandates from our state and federal partners. Continued and robust federal support for anti-poverty programs, such as TANF, the Social Services Block Grant and the Child Tax Credit is critical, so that we can effectively serve those most in need. Additionally, we need increased investment and flexibility from states so that we can raise revenue and implement programs to best meet the needs of our communities.

Counties across the country urge Congress to engage with local decision makers to strengthen the federal-statelocal partnership in combatting poverty. This includes preserving local decision making and flexibility. As an example, in Franklin County, our limited flexibility to phase out TANF benefits with increased earnings has created a counter-productive "benefits cliff," making it too expensive for a hard-working low-income individual to accept a raise or work additional hours. We have also seen parents who unexpectedly lose their jobs also lose their child care subsidy because they can no longer afford the co-pay—creating an additional barrier to finding new employment. More local discretion to provide affordable childcare for parents who are job-searching would go a long way in addressing this problem. Additionally, we encourage lawmakers to boost effective local programming where it is already underway. Programs like Step Up to Quality and Building Futures represent evidence-driven, efficient strategies for breaking the cycle of child poverty. Increased support from our state and federal partners to bolster these programs will maximize the return on investment we are already witnessing. Finally, we encourage you to invest early wherever possible, because we know that a dollar spent today to prevent child poverty will pay dividends in the future.

### **Conclusion**

In conclusion, counties stand ready to work with Congress and our federal agency partners to develop policies that can lift children out of poverty. Counties continue to serve as essential partners in providing human services and economic development opportunities to our residents, as well as leaders in the development of responsive local strategies to combat intergenerational poverty. Counties look forward to further strengthening the intergovernmental partnership to combat child poverty and create healthy, vibrant communities for all Americans.

All levels of government have a shared responsibility to make sure that no child is left to suffer the harm of child poverty and to keep our communities from bearing the long-term costs of this problem. Along with our federal and state partners, counties can expand and improve our response to poverty by investing in coordinated services and economic development that break down systemic barriers and ensure no one is left behind in today's improving economy.

Thank you again for the opportunity to testify on this important topic.