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Press Release

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New York State Leaves Millions of Dollars Unspent for Anti-Poverty Efforts for State's Poor families

New Report Released Today Documents Poverty Conditions for Many of New York's Low-Income Families As Federal Funds Go Unused

Albany, New York - Many of the New York State families that have left welfare are worse off economically today because New York State's government is not spending the federal funds intended to help its poor citizens transition into work or take care of their children, according to a new report made public today.

According to reports submitted by the state to the Department of Health and Human Services, New York has failed to use more than \$1.307 billion (as of 9/30/00) authorized by Congress for child care, transportation, education, job training and other efforts to help low-wage workers and struggling families, the report found.

"Many of our most vulnerable children and adults in New York are still living at poverty's edge because the state has not used the funds that Congress approved to help these families become self sufficient," said Ron Deutsch, executive director of SENSES. "With proper planning and timely distribution, New York could use the TANF surplus to make a serious dent in the state's inexcusably high child poverty rate."

SENSES belongs to the National Campaign for Jobs and Income Support, a coalition of grassroots citizens groups in 40 states which authored the report, "Poverty Amidst Plenty 2001" that was released to the public today.

According to Frank Mauro, Executive Director of the Fiscal Policy Institute, "States that avoid spending their full TANF allocation may be hurting themselves in the TANF Reauthorization debate which is now heating up. All of the recent congressional proposals to rescind TANF funds would have distributed the cuts based on each state's share of total unobligated balances for all states. Thus, states that had left substantial amounts of TANF unspent would have faced deep cuts, while states that had spent or transferred all of their TANF funds would not have had funding reduced. In other words, the more a state's unspent TANF balance continues to grow because annual spending remains below the annual allocation, the greater the likelihood that the state's TANF funds will be reduced in future congressional action."

The report found that, together, New York and forty-five other states and the District of Columbia are still holding more than \$8 billion in unspent Temporary Aid for Needy Families (TANF) funds that Congress appropriated to pay for new or expanded programs to help poor families enter the mainstream economy, find decent jobs and begin earning a livable wage. New York, California, and Ohio have the highest amounts of unspent TANF funds and together these states add up to nearly 45% of the national total.

According to the report by the National Campaign for Jobs and Income:

- Child poverty remains at a historic high, with nearly two out of every ten children in America living today in poverty. In New York, child poverty stands at 24%. This puts New York in the same boat as Alabama (25%), Louisiana (26%), and West Virginia (24%).
- Many families that have moved "from welfare to work" are worse off financially and struggling with incomes below the poverty line.
- More than half of those who have left welfare for jobs have been unable to pay the rent, buy food, afford medical care, or keep their telephone or electric service from being disconnected.
- In spite of the pressing needs of poor families, fourteen states, including New York have actually increased their surplus of unspent Temporary Aid for Needy Families funds since 1999.
- Some states are diverting their TANF anti-poverty funds to pay for tax cuts and for programs that do not benefit poor families.

In unveiling the report, SENSES and the Fiscal Policy Institute called on Governor Pataki to investigate why the state's TANF funds are not being fully and promptly used for the New York families that need them. SENSES also urged the U.S. Congress to provide additional funds to fight poverty and to ensure that the states diligently use the money.

"When welfare reform was enacted, the Congress and the states pledged that it would help families climb out of poverty," Deutsch said. "But for too many of New York's poor citizens, that promise has turned out to be empty. Instead, the focus has been cutting the welfare rolls, rather than carrying through with TANF and other programs Congress has funded to help these families with the training, transportation and health care they need to secure and keep a decent job."