INDIANA COMMUNITY ACTION POVERTY INSTITUTE

Testimony on HB 1361

House Committee on Family, Children and Human Affairs

January 11, 2022

Jessica Fraser, Indiana Community Action Poverty Institute

Thank you, Mr. Chairman and members of the committee,

My name is Jessica Fraser, director of the Indiana Community Action Poverty Institute, formerly known as the Indiana Institute for working families. We are a program of the Indiana Community Action Association, the statewide association of Indiana's 22 Community Action Agencies that serve financially vulnerable Hoosiers all across the state.

The Institute rises in support of HB 1361 and wants to thank Rep. Goodrich for his efforts in reducing some of the barriers program participants face when they are working to improve their circumstances.

We had the privilege of conducting all the Community Needs Assessments 22 community action agencies and as part of that process we surveyed more than 5800 financially vulnerable Hoosiers and asked them 60 questions about their lives and circumstances. Many of the things we learned support the provisions in Representative Goodrich's bill.

Having some funds set aside for an emergency is an important metric for financial well-being and one that many financial vulnerable Hoosiers face. In our survey 85% of respondents had no emergency savings at all. When asked how they would pay for a $400 emergency, 13% said they could pay cash, 13% said they would put it on a credit card, and 60% said they would just have to not pay it or delay the expense. For families, who need work supports and participate in programs like TANF with an asset limit, trying to save for an emergency can lead to the loss of the support you need to improve your circumstances. Because TANF has a lifetime limit of 24 months for adults, the program should not only support participants' self-sufficiency goals, such as skills training, but should also support a families ability to be able to weather life's storms, when TANF support ends.

In our survey, most respondents did have a car, but many respondents struggled with maintaining it. 34% couldn't afford maintenance or repair, 24% couldn't afford gas, and 13% reported that their car was unreliable and broke drown frequently. Being allowed, to own a reliable vehicle is crucial to being able to work or go to school in Indiana. This is also extremely important in TANF when everyone's vehicle in the assistance group must be under the equity limit. So for example, in a two-parent TANF family with a 16 year old child, if all three driving age people in this family own a car, the equity value of all three cars must be under the limit for the assistance group.

Finally, we know that childcare is a major challenge families. When asked why they didn't attend / or complete higher education or skills training, 35% said they had to take care of a child. 19% reported that a lack of childcare was a contributing factor to not working as much as they would like. Families struggle with both affordability and access. Current exit eligibility for CCDF is capped at 85% state median income, which is slightly above the self-sufficiency rate for smaller families and/or families who live in lower cost of living counties, however, for large families and families who live in expensive counties, 85% of state median income falls short of self-sufficiency for them. Being able to disregard income could help these families tremendously, and because it is targeted toward specific training programs it will help families a lot, but not open up the state to a large influx of participants that could increase the waitlist.

Overall, we think that the provisions in 1361 will support Hoosier participants of these programs who are trying to get training, to get to work, and to save for a rainy day. We ask for your support on 1361 and I'm happy to take any questions.