# CLASP*Update*

A CLASP Report on Welfare Developments

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105th CONGRESS:
KEY CHANGES FOR LOW-INCOME FAMILIES

WORKFORCE INVESTMENT ACT RESTRUCTURES FEDERAL JOB-TRAINING PROGRAMS AND EMPLOYMENT SERVICES

The Workforce Investment Act of 1998 substantially alters the federally-funded system of job training and other employment-related services for adults and dislocated workers. In enacting the WIA, which replaces the Job Training Partnership Act, Congress had two principal goals: improved coordination among a range of federal programs relating to workforce development, and improving the effectiveness of such programs.

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Program Coordination

Concerns about the fragmentation of federally-financed efforts to provide job training, and the weak performance of many programs financed under JTPA, inspired a Congressional debate extending over several years which culminated in the enactment of the WIA. The new legislation attempts to address this fragmentation, principally through the following strategies:

- the mandate that every locality create a one-stop delivery system in which local entities operating key federally-funded programs must participate;

< a state option to develop a single unified plan for the implementation of a number of the key federal programs;

< modification of the standards for designating the local workforce investment areas that are intended to reduce the number of local areas within each state; and,

< provisions authorizing a state, or two or more states, to require: regional planning by Local Boards; the establishment of regional performance measures; and the coordination of services among local areas, including transportation and support services.

These tools provide opportunities, but only opportunities, for states and localities to better coordinate services and create a more accessible and effective system for the intended beneficiaries of these programs.

Improving System Performance

The Act seeks to address concerns about the weak outcomes of many training programs through the creation of a more performance-based system for the selection of training providers. This system has three principal new features:

< states will be subject to penalties of up to 5% of federal funding for failure to meet statewide performance goals;

< training providers will generally be required to meet performance-based eligibility criteria; and,

< eligible participants will be able to use Aindividual training accounts@ to select among eligible providers using performance and cost information that will be made available through the new one-stop systems.

Each of these new provisions includes various exceptions that may result in little change in the way training is actually provided. Nonetheless, Congress clearly intended significant changes, and it is likely that many states and localities will act accordingly.

There appears to be at least three critical areas in which the newly-created structure for adult and dislocated worker employment and training activities is likely to affect significantly low-income persons who seek job training and employment-related education:

< how individuals access training services;

< how organizations will become eligible to provide training services; and

< the use of Aindividual training accounts@ - vouchers.

The potential impacts of changes in these three areas is discussed in depth in **Training Issues Under the Workforce Investment Act of 1998**, available from the CLASP website, www.clasp.org.

States must implement the provisions of the Act no later than July 1, 2000, and may do so as early as

July 1, 1999. In order to allow states to implement at the earliest date, the law requires that the Department of Labor promulgate interim regulations by February 1999. A new website developed by the Department, www.usworkforce.org, contains a great deal of valuable information about the new law, and the process that is being developed for implementation. Future issues of CLASP Update will include information about the Department=s plans and about issues that state and local stakeholders will be called upon to consider.

FEDERAL STUDENT AID BILL BECOMES LAW; WELLSTONE AMENDMENT DOES NOT

On October 7th, President Clinton signed into law a bill reauthorizing federal student aid programs over the next five years. The new law includes several important changes in student aid programs that help low-income students. It does not include, however, the amendment offered by Senator Paul Wellstone (D-MN) to give states more room to count welfare recipients in education and training toward federal welfare program work participation rates.

The Wellstone Amendment

Despite the Senate=s July vote of 56 to 42 in support of it, the Wellstone amendment did not survive the House-Senate conference on the higher education bill. The House strongly opposed the amendment, arguing that states has ample room to place welfare recipients in education and training without fear of federal penalties due to the large drop in welfare caseloads.

The House was referring to the welfare law=s Acaseload reduction credit@ which lowers a state=s federal work participation rate by the amount by which their welfare rolls have fallen since FY 95. For example, a state whose caseload had fallen by 20% since FY 95 could face an effective federal work rate of 15% in FY 99 rather than the law=s 35%. Any caseload decline attributable to changes in eligibility, however, are not credited toward meeting the work rate. Because final regulations are not out yet on the federal welfare law, states have been uncertain about the exact size of their potential caseload reduction credits.

The conferees on the higher education bill also disagreed about what the research said about the effectiveness of education and training in welfare reform. In response, the final bill directs the U.S. General Accounting Office (GAO), a research arm of Congress, to study the matter and report back to Congress by August 1, 1999. The study will include:

> A(1) a survey of the available scientific evidence and research data on the subject as well as a comparison of the effects of programs emphasizing a vocational or post-secondary approach to programs emphasizing a rapid employment approach, along with research on the impacts of programs which emphasize a combination of such approaches;
> (2) an examination of the research regarding the impact of post-secondary education on the

educational attainment of the children of recipients who have completed a post-secondary education program;
(3) information regarding short and long-term employment, wages, duration of employment, poverty rates, sustainable economic self-sufficiency, prospects for career advancement or wage increases, access to quality child care, placement in employment with benefits including health care, life-insurance and retirement, and related program outcomes.@

The Student Aid Changes

The new student aid law helps low-income students with dependents in several ways. The law:

< changes the way a student=s financial aid needs are calculated, allowing independent students who work and those with dependents to receive more aid. Specifically, the Aincome protection allowances@ that shield a portion of a student=s income from being contributed toward college expenses have been increased for single independent students from $3,000 to $5,000. In addition, the new law allows institutions to set the dependent care expenses used to calculate the maximum Pell grants.

< schedules a series of increases in the maximum Pell grant award authorized (though the actual Pell maximum is always lower and based on what Congress appropriates funds for). The maximum authorized grant is $4,500 for the 1999-2000 award year, increasing to $5,800 by 2004.

< lowers interest rates for student loans for new borrowers and allows existing borrowers to consolidate old loans under the new lower rate (but they must apply for this by February 1, 1999). The student loan interest rate for repayment has been set at the 91 day AT-Bill@ rate plus 2.3 percent; this results in an interest rate drop of 0.8 percent from the level in effect before July 1, 1998.

< creates a new program to expand child care, called Child Care Access Means Parents in School (CHAMPS). Under CHAMPS, the Secretary of Education will make grants to higher education institutions to help them provide before- and after-school services to help low-income students (defined as those eligible to receive Pell Grants) to attend post-secondary education. The minimum grant is $10,000, and an institution=s students must receive $350,000 total in Pell Grants in order for their college to be eligible for the program. The program is authorized at $45 million in 1999.

< requires institutions, beginning in FY 2000, to use 7 percent of their College Work-Study funds for community service activities. The new law also allows Work-Study funds to be used to pay students in community service for travel time to and from their work site and for time spent in

training.

The new law does not include a troubling provision that set a time limit on Pell grant eligibility of 150% of the normal length of the program, with exceptions allowed only for the disabled. While the limit would have been adjusted for part-time attendance, it posed a problem for students who must take a remedial or English-as-a-Second-Language (ESL) courses.

CHILD NUTRITION REAUTHORIZATION EXPANDS ELIGIBILITY AND FUNDING

The Child Nutrition and WIC Programs Reauthorization Bill, signed into law by President Clinton in late October, makes additional food and nutrition resources available for children. Among its provisions are increased access to programs, such as the National School Lunch Program and the Child and Adult Food Care Program, through expanding both eligibility and available funding options. Other key revisions in the legislation include the streamlining of existing services and the reduction of required paperwork. The bill does the following:

Child Care and School Programs

< Expands afterschool snack programs to include teenagers. The maximum age of a child allowed to participate in those programs using the Child and Adult Care Food Program (CACFP) or the National School Lunch Program (NSLP) was raised from 12 to 18. An Aarea eligibility option@ enables those afterschool programs in low-income areas to qualify for the highest level of reimbursement for all participating children without having to collect family income information for each child. Programs are deemed low-income if the school in their area has 50% or more of the children certified to receive free or reduced price lunch. Both non-profit organizations and schools in low-income areas may participate. In areas that are not low-income, teens can be served snacks at schools. The schools may utilize either a means-tested school lunch program or CACFP.

< Converts the Homeless Children Nutrition Program from a pilot program to an entitlement program under CACFP. Allows children at homeless shelters up to age 12 to receive meals and snacks.

< Allows children participating in the Even Start Literacy Program to become automatically eligible for the CACFP.

< Provides information about the WIC program to low-income families through CACFP child care centers and family child care homes.

- Authorizes a Universal School Breakfast study which includes evaluation and report. The funding for this study is contingent upon discretionary funding that must be secured through the annual Agricultural Appropriations process.

Summer Food Program

- Eliminates the limit on the total number of children that can be served by a Summer Food Service Program (SFSP) non-profit organization and increases the number of food sites that non-profits can operate from 20 to 25.

WIC Program

- Requires, with exceptions, income documentation and physical presence for WIC Certification.

- Allows state WIC agencies to use food dollars to purchase breast pumps.

- Mandates two studies: (1) WIC cost containment strategies and (2) the cost of WIC services.

SEVERE TITLE XX CUTS FOLLOW RESTRICTED AVAILABILITY OF WELFARE FUNDS

In order to finance budget offsets and the President's education initiative, the Social Services Block Grant (SSBG) suffered several cutbacks in the 105th Congress which also altered welfare funding options currently available to states.

SSBG, Title XX of the Social Security Act, covers a wide range of programs specific to low-income individuals, including children, the elderly and the disabled. As part of the FY 99 Omnibus Appropriations Bill, SSBG was reduced by roughly 20%, a decrease totaling $390 million. Funding dropped from $2.3 billion in FY 98 to about $1.9 in FY 99. This cut comes following earlier cuts triggered by the Transportation Equity Act of 1998. The reauthorization of that bill capped SSBG at $1 billion beginning in FY 2001.

The ability of states to transfer funds from the TANF Block Grant to SSBG (Title XX) was affected as well. Currently, states are allowed to transfer up to 10% of their welfare funds per year to Title XX programs. Beginning in FY 2001, the transfer will be limited to 4.25%. The National Governors' Association (NGA), along with others, has asserted that through such restrictions and cuts, Congress is forcing states to meet federal mandates that are unfunded. In the *Governors' Bulletin* (10/21/98) the association contends that:

> Congress continues to chip away funding for welfare-related programs. States are investing in the future with child care and transportation initiatives and by creating ›rainy day funds= to prepare for a possible economic downturn.
>
> Congress cannot reward this good planning by forcing states to spend these reserves to meet federal unfunded mandates.

MAJOR CHANGES IN HOUSING: NEW VOUCHERS/INCOME TARGETING/WORK RULES

In 1998, fundamental changes to the nation=s housing programs for poor families have been enacted along with new funds. Highlights follow.

HUD FY 99 Appropriations Bill

The FY 99 bill funds 50,000 new section 8 rental assistance welfare to work vouchers. Of the $283 million allocated for these new vouchers, $4 million will go to each of the following eight areas for local welfare to work vouchers: San Bernardino County, CA; Cleveland, OH; Kansas City, MO; Charlotte, NC; Miami/Dade County, FL; Prince Georges County, MD, New York City, NY; and Anchorage, AK.

The balance of new vouchers will be administered by local public housing authorities to support family transition from welfare to work. The new vouchers will go to families receiving, eligible to receive or who have received Temporary Assistance to Needy Families during the previous two years and to families for whom, as determined by the local housing authority, housing assistance is critical to successfully obtaining or retaining employment. Local housing authorities will submit applications to HUD for the new welfare to work vouchers. Application information will include the criteria the housing authority will use to select participating families and a description of what kind of tenant counseling, housing search assistance and landlord outreach the authority will conduct. The Reform Act authorizes (but does not pay for) up to 100,000 additional section 8 vouchers in FY 2000 and FY 2001.

The bill also eliminates the three month delay in the reissuance of section 8 rental assistance vouchers. This congressionally imposed delay was keeping 40,000 families per year from accessing housing.

The Quality Housing and Work Responsibility Act of 1998 (effective on October 1, 1999).

< **Public Housing Income Targeting and Deconcentration**

Of the public housing units made available in any fiscal year, not less than 40% must be occupied by families whose incomes are less than 30% of the area median income (AMI). The legislation also allows for fungibility [with the section 8 voucher program's income targeting requirement according to a formula established in the statute].

Public housing agencies are prohibited from concentrating very low-income families in certain public housing projects or in certain buildings of certain projects. As part of its annual plan, the housing agency must provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and vice versa. Housing agencies are permitted to "skip" over a family on a waiting list in order to get to the next family in fulfilling this income mixing.

< **Tenant-Based Section 8**

Of the tenant-based section 8 vouchers made available in any fiscal year, not less than 75% of the vouchers must be used by families whose incomes are less than 30% of the AMI.

< **Project-Based Section 8**

Eligibility: Pre-1981 projects: at least 75% of units which become available must be for families earning less than 50% of AMI. Post-1981 projects: at least 85% of units which become available must be for families earning less than 50% of AMI.
Targeting: Of the project-based section 8 units made available in any fiscal year, not less than 40% of the units must be used by families whose incomes are less than 30% of the AMI. Project owners cannot select families for residence in an order different than the order they are in on the waiting list. However, project owners can establish preferences for families with an employed member.

< **Minimum Rents**

Housing authorities may impose minimum rents of $0 to $50 a month for public housing and section 8 assisted residents. The legislation has exemptions from payment of the minimum rent for the following financial hardship circumstances: the family has lost eligibility for, or is awaiting an eligibility determination for, a federal, state or local assistance program; the family would be evicted as a result of the imposition of the minimum rent requirements; the income of the family has decreased because of changed circumstances (including loss of employment); a death in the family has occurred; other situations as determined by the housing authority or, for some section 8 residents, by the HUD Secretary.

< **Family Choice of Rental Payment**

Families living in public housing may pay either a flat rent or an income-based rent. They may elect annually whether their rent will be a flat rent or an income-based rent. Families who chose a flat rent and cannot pay it because of financial hardship, as determined by the housing agency, can switch to an income-based rent. In these situations, the housing authority must immediately provide for the family to switch to an income-based rent. Housing authorities may establish a rent structure that requires a portion of the rent to go into an escrow or savings account, impose ceiling rents or adopt income exclusions.

< **Community Service and Family Self-Sufficiency Requirements**

Each adult resident of a public housing project must contribute eight hours of community service a month (not including political activities) within the community that they live or participate in an economic self-sufficiency program for eight hours per month. Exemptions exist for any individual who: is 62 years of age or older; is blind or disabled and is unable to comply or is a primary caretaker of such an individual; is engaged in a welfare to work program through their state. Residents not fitting any of the exemptions and found to be in noncompliance with the community work requirement will not have their leases renewed.

If state or local public assistance benefits are decreased because of failure to comply with the self-sufficiency or work activity requirements in those programs, the family's rent may not be decreased as a result of any decrease in the income of the family. This applies to families living in public housing and families receiving tenant-based section 8 assistance and who receive welfare or public assistance from a state or local program. Reaching a time limit does not equal a failure to comply with the public assistance program.

< **Earned Income Disregard**

For purposes of rent calculation for public housing residents, increased income from new or greater employment is disregarded for 12 months after the income increases. (Housing authorities may choose to operate the earned income disregard for longer than 12 months). A rent increase will then be phased in over a two-year period after the initial 12 month disregard. During the first year of the phase-in, no more than 50 percent of the increase can be applied to the rent calculation. Section 8 residents could potentially take advantage of the earned income disregard if adequate appropriations are allocated in future year HUD budgets. Expansion of who is eligible for the income disregard: someone whose income increases who was previously employed for one or more years; someone whose earned income increases during a family self-sufficiency or other job training program; someone who, during the previous 6 months, was assisted under any state temporary assistance to needy families program. Instead of disregarding earned income, and at the family's request, a housing authority may establish an individual savings account for that family. There are provisions within the operating fund so that the housing authority does not lose income because of the establishment of escrow accounts.

< **Portability**

Any family receiving tenant-based assistance can move into a different public housing authority's jurisdiction and keep their tenant-based assistance under portability procedures. However, a housing agency may require a family initially receiving a voucher to live within its jurisdictions for the first 12 months.

Excerpted from: National Low Income Housing Coalition AMemo to Members@ (October 9, 1998) at http://www.nlihc.org/current.htm

For additional information on this legislation, see AHow the Statutory Changes Made by the Quality Housing and Work Responsibility Act of 1998 May Affect Welfare Reform Efforts,@ by Barbara Sard and Jeff Lubell, now posted at http://www.cbpp.org/12-17-98hous.htm.

 # TRANSPORTATION: AACCESS TO JOBS@ FUNDS AVAILABLE

The purpose of the Access to Jobs Program created under the 1998 Transportation Equity Act of the 21st Century is to develop transportation options for welfare recipients and low-income individuals and to further develop transportation that connects urban and rural residents to suburban employment opportunities. The money earmarked for this program must be used for families whose incomes are at, or below 150% of the poverty line and at least $10 million must be spent on reverse commute projects. Emphasis is also placed on those proposals that utilize mass transportation. Guidelines and funding are as follows:

< Legislation currently authorizes $150 million annually for the program. Initially, only $50 million of the funding was guaranteed. Congress, however, appropriated an additional $25 million, raising the guaranteed level to $75 million for FY 99. The baseline guarantee of $50 million increases by $25 million each year, reaching full authorization levels in FY 2003. Final figures each fiscal year are dependent on annual Congressional appropriations process.

< A 50% non-Department of Transportation match is required. Other federal funds that are eligible to be expended for transportation can be used as part of the match. Projects that can be implemented quickly are preferred.

< On October 22, 1998, the Federal Transit Authority issued a Notice of Availability of Funds and Solicitation for Grant Applications. The notice announced the first round of competitive grants under the program. Grant selections will be announced in February 1999.

For more information, see the Federal Transit Authority=s website at www.fta.gov/wtw.japc.html.

 # $17 MILLION INCREASE FOR LEGAL SERVICES CORPORATION IN OMNIBUS FUNDING BILL FOR FY 99

When Congress completed its work on the FY 99 omnibus spending bill, HR 4328, Pub. L. 105-277, on Wednesday, October 21, the Legal Services Corporation and the legal services programs that it funds were surprised to find that LSC had received an appropriation of $300 million, a 6% increase and $17 million more than the FY 1998 level of $283 million. The Commerce, Justice, State, the Judiciary and Related Agencies (CJS) bills that had passed the House and Senate included $250 million and $300 million respectively for legal services, and predictions were that the conferees would come out with either level funding or only a nominal increase for FY 1999. As late as Saturday, October 17, drafts of the omnibus appropriations bill included $287 million for LSC, an increase of only 1.4% and $4 million above the FY 1998 level. Apparently during final negotiations over the omnibus bill, the White House, which had sought $340 million for LSC, was instrumental in its insistence on the inclusion of the Senate figure of $300 million, rather than on the lower compromise figure of $287 million.

While the appropriation includes substantial increases for LSC Management and Administration, as well as for the Office of Inspector General, the lion=s share of the increase, $14.6 million, will be distributed among local legal services programs, whose funding was cut by more than 25% in FY 1996 and has remained basically stagnant since then. Although the appropriation continues to include the restrictions that were imposed on recipient activities in 1996 and subsequent years, the FY 1999 appropriation contains no additional restrictions on legal services program activities on behalf of their clients.

Because of unresolved differences over the year 2000 census, the CJS portion of the omnibus funding measure, including the LSC appropriation, is only funded through June 15, 1999, pending resolution by the Supreme Court of the constitutionality of using statistical sampling as part of the census. Nevertheless, we do not expect any decreases in LSC funding when the CJS appropriation is finalized for the remainder of the fiscal year.

STATE NEWS

FOOD STAMPS: UNDERUTILIZATION and LEGALITY of PROCEDURES ASSESSED

The U.S. Department of Agriculture has sent auditors to investigate whether food stamp laws are being followed in New York City and in Oregon. In New York City and elsewhere, families seeking TANF cash aid are often Adiverted@ away from applying for or participating in the program. USDA will be looking into whether welfare Adiversion@ or other practices are resulting in the failure to provide for timely applications for food stamps. Such a finding would mean the jurisdiction is out of compliance with the law.

In New York City, the USDA investigation is being accompanied by another inquiry begun by the Health Care Financing Administration. Both are addressing the significant decline in the percentage of approved welfare applications. New York began a new process in April 1998, converting its welfare offices into Ajob centers.@ The *Welfare Reform Network* (12/18/98) reported that prior to this transition, 53% of those who applied for welfare, food stamps and Medicaid received benefits; that number has dropped to 25%. A federal class action lawsuit, *Reynolds v. Guiliani*, has also been filed, alleging that applicants at job centers are Afalsely told that public assistance benefits no longer exist, are denied the opportunity to apply, are pressured into withdrawing their applications, and are denied benefits for reasons not permitted under the law.@ New York City Welfare Commissioner Jason Turner=s absence from city council hearings that address these procedures has further angered city officials, advocates and welfare recipients.

In Oregon, USDA initiated a Aclient service review@ in response to several organizations that represent and service low-income Oregonians. Organizations, such as the Oregon Food Bank, have alleged that some families that qualify for Aexpedited@ services have been waiting up to 60 days to get food stamps that they should have received within a week.

Jim Neely, deputy administrator of Oregon Adult and Family Services, claims that the investigation was specific to the Portland area offices and was not aimed at the entire food stamp program (*The Register-Guard*, 12/11/98). He states that there may be some Acustomer service@ problems and that they will address whatever findings come forth from the federal review immediately. If there are problems at all three Portland area branches, it may prompt a state-wide look at food stamp delivery.

Separately, studies in Oregon and New York City have highlighted the benefits from expanded food stamp participation and the problems of restricted program participation.

The Oregon Center for Public Policy=s food stamp study highlights the potential of expanded outreach that specifically targets populations with low food stamp participation rates. Currently, about 80% of eligible Oregon residents receive food stamp assistance, primarily among households where the family is already receiving cash assistance as well. However, elderly households, households with children and two or more adults, and households without children, are among those with particularly low participation rates.

One of the key findings of the OCPP report involves quantifying the amount of federal funds that go untapped as a result of the lack of outreach to these populations by the state of Oregon. The Hunger Prevention Act, authorized by Congress in 1988, made states eligible for 50 % federal cost reimbursement on activities related to client outreach. Oregon,

Enclosed with this edition of CLASP Update is the executive summary of A*Welfare to What: Early Findings on Family Hardship and Well-Being*.@ Using national survey data as well as studies done by both states, private research institutions, and community-based monitoring projects, this joint project of the Children=s Defense Fund and National Coalition for the Homeless outlines both the successes and failures of state welfare reform efforts.

however, has never implemented such a program.

According to the study, a $300,000 outreach effort by the state, with equal federal matching funds, could result in as much as $3.5 million in federal food stamp assistance. The federal government pays the entire cost of the food stamp benefits, while the administrative costs are shared between the federal and state governments. With this information, the study also determined that a $3.5 million cash infusion could create over 75 jobs with an average wage of $21,830, or a total payroll of more than $1.6 million. Ellen Lowe, Chair of the Oregon Hunger Relief Task Force, stated, AThe most important impact from this small investment is food for thousands of Oregonians. The jobs are the icing on the cake, making the decision to undertake an outreach effort that much more attractive.@ (11/19, OCPP Press Release).

& A free copy of the study is available on the internet at www.ocpp.org.

NYC Hunger Coalition finds that the loss of food stamps and welfare is contributing to increased hunger according to the group=s survey of emergency food programs. Requests for emergency food assistance grew by 24% from January 1997 to January 1998. The emergency food programs that responded to the survey cite the following as the two most common reasons their clients need emergency assistance: Abeing cut off from food stamps and welfare benefits@ (76%) and Apublic benefits that were too low@ (74%). At the same time, Alow paying jobs@ was the reason cited by 55% of the programs as contributing to the need for emergency assistance. In a related finding, the survey revealed that Amore former welfare and food stamp recipients needed emergency food according to 62% of all programs.@ The Coalition recommends that the City initiate a comprehensive food stamp outreach campaign Awhich will reverse the decline in participation among eligible families. Timely referrals of former public assistance recipients, more outreach through community organizations, extended and evening hours and ensuring that applicants for other services and benefitsBMedicaid, WIC, child care, etc.Bare also helped to get food stamps are crucial components.

Emergency food programs find themselves turning away hungry individuals. By extrapolating survey findings, the Coalition estimates that each day nearly 1900 people, more than half of them children, are turned away. Further the emergency food that Alucky@ families are receiving is increasingly being rationed. According to the survey, 57% of the food pantries are rationing food supplies, up from 40% in 1997.

& For a copy of ARationing Charity: New York City Struggles with Rising Hunger@ contact the coalition at (212) 227-8480 or e-mail: nyccah@juno.com

 # WELFARE CUT-OFF PROTESTED in MASSACHUSETTS

Local Mayors Identify New Policy Solutions

In Massachusetts, over 30 persons were arrested and some spent the night in jail after protesting the imposition of a two year welfare time limit on families. The federal welfare law precludes states from providing more than 60 months of federal TANF funds—states are free to extend assistance longer by using state funds or to limit assistance by denying families the federal funds that are available for needy families. In Massachusetts, the state has a two year time limit at which point families subject to the time limit may be granted extensions only on a case-by-case basis.

Demonstrators from area universities, shelters and elsewhere staged a sit-in at the Governor's office where they requested postponement of the welfare cut-off expected to effect more than 5,000 families. While the groups were seeking automatic extensions or postponements of the cut-offs during the holiday season, the state rejected this suggestion, noting that normal processing time for this volume of cut-offs will mean that many will get some assistance in December and others would continue to receive their assistance through December.

STATUS OF MASSACHUSETTS WELFARE FAMILIES

- **5,100** families hit the two-year time limit on Dec 1
- **2,800** of these families requested last-minute extensions
- **2,300** families sent notification about termination of benefits
- **740** families cut as of January 4, 1999

Excerpted from "Welfare Cutoff Becomes Reality" by Doris Sue Wong, *Boston Globe*, January 5, 1999

An editorial in the Boston Globe (December 1) noted that some local Mayors were concerned about welfare reform trends and were offering new proposals. The Mayor of Springfield, who expected 750 families in his community to lose assistance is looking into the capacity of homeless shelters to absorb those in need. The Mayor suggests that children be exempted from the time-limit cut-off. The Mayor of Boston is focused on the lack of skills of many welfare recipients and wants to tap into the state's multitude of colleges to assist—he—proposes that the two-year cut off be extended for those enrolled in approved education and training programs.

The editorial concludes, "When the cuts happen, thousands of families probably won't end up on the streets. Reform will have helped many achieve independence. But for others, the state's stunted reform could lead to a gradual, severe decline. That's why it's time for Massachusetts to begin a new, insight-driven phase of welfare reform."

JOB CREATION PROGRAM PROPOSED IN NEW YORK

Over the last eighteen months, the Hunger Action Network of New York State, Fiscal Policy Institute, Community Voices Heard, National Employment Law Project and DC 37 of AFSDCME (the largest municipal workers union in NYC) have worked to develop a job creation proposal targeted at welfare participants and other unemployed individuals.

New York State has close to half a million adults who are unemployed with an additional 450,000 adults participating in welfare. The state creates less than 70,000 new net jobs annually. A recent report by the national Preamble Center for Public Policy found that New York ranks 48th in the country in terms of the number of new net low-income jobs being created as a percent of new job seekers due to welfare reform. It is estimated that New York created only 10,400 net low income jobs in 1997 and 7,500 in 1998. New York so far has heavily relied upon workfare to meet its federal work participation requirements, claiming that job creation is not needed since the number of welfare participants has Asuccessfully declined over the last three years@.

The Empire State Jobs Program will be introduced in the State Assembly by the beginning of the 1999 legislation session; a Senate Republican sponsor is still being sought. The program would create a five-year pilot project to use $125 million in state and federal welfare funds to create wage-paying jobs. Starting a small but successful program now would allow New York to quickly establish a much larger program when many welfare participants begin to exceed their five year federal limit on welfare benefits. The Empire State Jobs Program would:

1. Employ 4,000 people statewide in 18-month transitional jobs in government agencies and non-profit organizations.
20 Provide on-the-job mentoring and give participants time off for job training.
30 Pay participants a real wage, around $7/hour, and provide health and child care benefits.
40 Have strong anti-displacement protections to safeguard existing workers.

The Empire State Jobs Program is based on a similar bill in Pennsylvania developed by the Philadelphia Unemployment Project. Nationwide, the most successful welfare-to-work programs have been those which combine real work experience with education and training that is appropriate for the particular individual and focuses on developing job-relevant skills.

Job creation is an old idea applied to a new problemBwelfare to work. Unlike workfare, publicly funded jobs provide participants with the rights of workersBincluding a real paycheck, labor rights protections, unemployment insurance, eligibility for the Earned Income Tax CreditBand the job experience they need to become self-sufficient.

At least 45% of participants must have been determined eligible for Family Assistance (i.e., federal welfare). Another 45% must be eligible for Safety Net Assistance, be unemployed for at least six months or have exhausted their unemployment benefits. Participants will be employed for 18 months and participate in at least 2 months of job search. Workers= wages will be set at the higher rate of 50% of the Bureau of Labor Statistics' Lower Living Standard Budget (ranging from $7.20 to $7.49 an hour in 1997) or the comparable wage of employees doing similar work at the job site. The bill has strong anti-displacement provisions to protect existing workers.

While employed in the program, participants are entitled to spend up to eight hours a week during their regular work hours for education and job training, during which time they will receive their same compensation.

-Submitted by Mark Dunlea of NY Hunger Action for *CLASP Update*.

EMPLOYER TESTIMONIALS

CU, from time to time, reports on Atestimonials@ from employers about the value of hiring former welfare recipients. We encourage those concerned with low-wage workers to compile local testimonials from area employers. Since the nation enjoys a record-long robust economy, the need for employees is on-going. Employers who have never knowingly hired former welfare recipients are participating in training programs and then hiring onto payrolls those that they have trained. Many of these employers are discovering that these workers make a significant contribution to the company. Testimonials are useful as a means to encourage other area employers to consider hiring former welfare recipients. In addition, assuming there will be an economic downturn at some point, the Atestimonials@ should attest to the value of workers who have been laid off. In such situations, workers should have access to Unemployment Insurance and if that is not available, welfare assistance, as long as work is not available.

> ABoeing Co., Washington state=s largest private employer, has tested a welfare to work program and likes what it sees so far.
>
> Boeing started a pilot program in the Seattle area in January. Early reaction from managers who oversee the new employees is ›send me more like this,= said Paul Thomasson, a workforce administration manager for Boeing Commercial Airplane Group.
>
> [Of the 43 screened out of pool of 166 to participate in training] 32 completed the training program and all were hired after being interviewed by Boeing managers. ›All but one of them is still on the payroll and are doing very well,= Thomasson said.
>
> The managers gave such glowing reports that they were asked to do a second evaluation, this time comparing the workers to average new employees. They discovered the pilot program hires were roughly 5 percent more productive than the average, Thomasson said.@

[Excerpted from Public Assistance, June 1, 1998]

TEENS & WELFARE
REPRODUCTIVE HEALTH & WELFARE

The number of abortions increased slightly in 1996, ending a five year decline. The increase is less than 1% above the 1995 but the roughly 1.2 million abortions in 1996 remain 15% below the 1990 number of abortions. The Centers for Disease Control and Prevention released the preliminary data in early December.

The rate of subsequent births among teenagers has dropped significantly as part of the continuing decline in birth rates among teens from 1991 through 1997. While the birth rate decline for first births is about 6%, the decline in the rate of second birth is 21%.

$4.3 Million has been awarded for TANF teen parent projects by the federal Substance Abuse and Mental Health Services Administration. The federal funds to the 10 grantees are to support and evaluate programs "which ensure the healthy growth and development of both adolescent parents and their children and minimize their risks of substance use/abuse." The target group is TANF teen parents; the programs must address four objectives:

- prevention or reduction of alcohol, tobacco, and drug use;
- improvement of academic performance;
- reduction in subsequent pregnancies;
- improvement in parenting and life skills and general well-being.

Winners presented programs with a wide array of strategies designed to meet the objectives. For example, a project in Philadelphia, Pennsylvania, provides home visitation and case management using bilingual social workers and community mentors. Another program in Little Rock, Arkansas, targets both teen mothers and the parents of the teens in group meetings and in providing support services. Overall, the programs serve a variety of ethnic populations, advocate collaboration among social service agencies, and include extensive evaluation of the programs as well.

The grantees are:

Family Planning Council
Philadelphia, PA

University of South Carolina
South Carolina Research Institute
Columbia, SC

University of Texas Health Science Center
San Antonio, TX

Colorado State University
Office of Sponsored Programs
Fort Collins, CO

Community Prevention Partnership of Berks County
Reading, PA

Centers for Youth and Families
Teens Empowered with Effective Nurturing Skills
Little Rock, AR

Rehabilitation Exposure, Inc.
Project Exposure—Rites of Passage Program
East Point, GA

Rio Grande Valley Council on Alcohol & Drug Abuse
Edinburg, TX

Insights Teen Parent Program Portland, OR	East Bay Perinatal Council Achieving Self-Sufficiency through Education, Training, & Support Project (ASSETS) Oakland, CA

& For more information about the SAMSHA grants, contact Laura J. Flinchbaugh, MPH, Center for Substance Abuse Prevention, (301) 443-6612. For grants management assistance, contact Peggy Jones, Substance Abuse and Mental Health Services Administration, (301) 443-9666.

Governor George Pataki of New York Restores Family Planning Funding after acts last spring to cut the level of state funding for family planning services by $1.2 million for the current state fiscal year, which ends March 31, 1999. This fall, at the urging of New York=s Family Planning Advocates, the governor=s office announced that sufficient funds have been authorized to nullify the effect of the cut during this fiscal year. Family planning providers will not have to reduce services designed to prevent unintended pregnancies, reduce sexually transmissible infections and HIV, and promote early detection of breast and cervical cancer. At the same time, the State Department of Health has identified an additional $800,000, which it is making available to expand family planning programs. JoAnn Smith, FPA=s Executive Director, said, AWe are very gratified that the Governor has recognized the enormous value of making preventive family planning services accessible to the rapidly expanding pool of uninsured, low-income women in New York.@

-Submitted by Christy Margelli of Family Planning Advocates for *CLASP Update.*

TANF Performance Bonuses don=t include pregnancy prevention/family measures yet...but in an interview published in the American Public Human Services Association magazine, *Policy and Practice* (August 1998), Ron Haskins, the House staffer most directly responsible for welfare legislation indicates his clear interest in seeing some measure of illegitimacy reduction included in future TANF Performance Bonuses. Under the 1996 welfare law, high performing states are eligible for a Performance Bonus: $200 million annually from FY 99 to FY 2003. HHS has issued criteria for the bonus based on job retention and earnings measures. Haskins was asked, AIn your view are these the right measures of high performance?@ As stated in the article, he responded,

> AIn part. As soon as the draft regulation was issued, Representative Clay Shaw [R-FL and chairman of the Subcommittee on Human Resources] sent a letter to HHS Secretary [Donna] Shalala saying that he could understand why there were only work performance measures in the formula, but that the statute clearly required there to be other measures. Specifically, the measures for the performance bonus are taken from the Purposes section of the legislation.

> These purposes have to do with reducing teen pregnancy, increasing the number of kids in two-parent families, and reducing illegitimate births...I hope we can quickly include measures of illegitimacy rates in the states. As you know, we also have an illegitimacy bonus, and that bonus will go into effect next year. We should use the same measure of illegitimacy in the overall performance bonus. Some people have argued that it seems unfair to give two rewards for the same measure. But the view of those who wrote the legislation was that that was not unfair.
>
> In the long run, I think we can have even better measures of the percentage of kids in two-parent families, and other family-type measures, because I hope that the Census Bureau is going to begin collecting new and better data...So in review, I think it is reasonable for the first year, 1999, for the award to be based on welfare-to-work measures, but thereafter, we should include family measures, beginning with the reduction in illegitimacy rates and proceeding to other measures that I hope will be yielded by these new census surveys, particularly the American Community Survey.@

A**Learnfare: How to Implement a Mandatory Stay-in-School Program for Teenage Parents on Welfare**@ has recently been released by the Manpower Demonstration Research Corporation. Under the 1996 federal welfare law, in order for a minor, custodial parent to receive TANF benefits, she must be participating in an educational or training program. States have considerable flexibility in designing their programs and related policies. The report summarizes the findings of a number of Learnfare type programs including the MDRC-evaluated LEAP program in Ohio which targeted teen parents (in contrast to Learnfare programs that include non-parenting youth) and provided a monetary bonus (in contrast to Learnfare programs that exclusively rely on monetary sanctions). Ohio also has a nationally recognized teen parent school drop-out program called GRADS operating in many of its schools (in contrast to other states without an existing infrastructure of school-based staff dedicated to teen parents). Relying largely on the LEAP experience, MDRC offers lists of Abest practices@ in sorting through management and program design issues.

& To get a copy of this Ahow-to@ guide from MDRC, call (212) 532-3200 or visit www.mdrc.org

A**Promoting Education among TANF Teens,**@ a recent Welfare Information Network AIssue Note@ identifies the central management issues that states confront in designing a Alearnfare@ type program and reviews key research findings. The paper also notes special TANF agency initiatives related to TANF teens= schooling. Further, initiatives underway by state agencies other than TANF are cited.
& To get a free copy of the WIN AIssue Note,@ see www.welfareinfo.org

The GAO examined 8 states= strategies to address teen pregnancy prevention and looked at the varied approaches in California, Georgia, Illinois, Louisiana, Maine, Maryland, Oregon and Vermont. The states were selected because of their Alongstanding@ teen pregnancy prevention efforts. In the report, ATeen Pregnancy: State and Federal Efforts to Implement Prevention Programs and Measure Their Effectiveness,@ the GAO identifies 6 basic components as common to all of these states: sex education, family planning services, teen subsequent pregnancy prevention, male involvement, comprehensive youth development and public awareness.

The researchers found that federal support for school HIV prevention education was also common to the eight statesBbut not part of the states= teen pregnancy prevention strategies. Nevertheless, in a number of the states, officials indicated a belief that the HIV prevention education had contributed to recent teen pregnancy declines in their states.

The report also notes that the state teen pregnancy prevention strategies rely heavily on federal funds. For the 6 states with funding data, federal support ranged from 74% of total costs in Georgia to 12% in California.

Among the other findings are:

< the 1996 welfare law had little effect on the eight states= teen pregnancy prevention strategies since all had already implemented minor teen living arrangement and school participation requirements through the federal waiver process;

< 7 of the 8 states do not think they are in a very competitive position to win the out-of-wedlock bonus for different reasons: e.g. abortion data issues in California, Illinois, and Maryland make some officials in these states concerned about their capacity to compete; Oregon has a state law that prohibits marriage under the age of 17, thus the bonus= intent of encouraging marriage contradicts state policy and could make Oregon less competitive than other states; teen pregnancy, rather than adult pregnancy, is the focus in Georgia, Maine, and Vermont, but since older women account for the bulk of out-of-wedlock births, officials in these states believe they may be at a competitive disadvantage; Louisiana plans to compete.

< some state officials expressed concern about the prescriptive nature of the $50 million abstinence-unless-married program. Maine is cited as concerned that the abstinence program was not consistent with the state=s comprehensive approach which includes both abstinence and contraception. In addition, officials in 7 of the 8 states were concerned that state match requirements would affect the broader, more comprehensive programs that are already funded in the state.

& To get a free copy of the report, call the GAO at: (202) 512-6000 or see info@www.gao.gov.

A**Moving Teenage Parents Into Self Sufficiency**@ by Mathematica Policy and Research Inc. and A**Teen Parent Program Evaluations Yield No Simple Answers**@ by the Research Forum on Children, Families, and the New Federalism are separate analyses that look for the lessons in 3 teen parent programs: Ohio=s Learning, Earning, and Parenting Program (LEAP); the Teenage Parent Demonstration; and the New Chance Demonstration. While the programs= goals and target groups differed, each sought to improve outcomes for young mothers through school participation and other activities. As stated in the Forum paper,

> AOverall, the long-term impacts of each program were minimal or non-existent. For example, each of the three experiments obtained early gains in employment and education outcomes, but these gains waned when the programs ended. Because each intervention was limited by implementation problems, the impacts may not thoroughly reflect their potential efficacy.@

Both publications offer ideas on how to structure programs and target resources to improve efficacy in future efforts.

& To get a copy of the Mathematica report, call (609) 799-3535 or visit www.mathematica-mpr.com; to get a free copy of the Research Forum paper visit www.researchforum.org.

A**Measuring Up: Assessing State Policies to Promote Adolescent Sexual and Reproductive Health**@ by Advocates for Youth provides a review of 15 states= policy environments regarding adolescent reproductive health. The fifteen states: Alabama, Arkansas, Colorado, Delaware, Florida, Kentucky, Louisiana, Mississippi, Missouri, New Jersey, North Carolina, Oklahoma, Tennessee, Vermont, and West Virginia are ranked according to their performance on ten measures related to adolescent health. Among the measures are: programs for youth outside of school, access to health care, school based health care, and comprehensive health education in schools.

& To get a copy of the report, call (202) 347-5700 or e-mail info@advocatesforyouth.org.

A**A National Strategy To Prevent Teen Pregnancy: Annual Report 1997-98"** has been issued by the U.S. Department of Health and Human Services. The report is mandated by Congress as part of the 1996 welfare law and is supposed to reflect the role of HHS in a coordinated and strategic approach to pregnancy prevention. The report includes recent teen pregnancy statistics, lists the variety of federal programs and Apartnerships@ that could influence birth rates, and describes the related provisions of the welfare law and HHS= plan to collect more current information on TANF implementation from the states.

& To get a copy of the HHS report, e-mail Sonia Chessen at schessen@osaspe.dhhs.gov.

IS THIS THE FAR SIDE?

The following editorial [excerpted here] appeared in North Carolina's *Greensboro News & Record* on October 13, 1998.

Playing with welfare: Reform is no game

The state's experiment with county-run welfare programs got off to a most inauspicious start last week. Instead of sifting carefully through the 27 county proposals submitted to the state, judging each on its merits, Republicans in the N.C. House drew names from a hat. A hard hat. It had all the dignity and deliberation of "The Price is Right." Legislators made a gimmicky game out of a decision affecting thousands of welfare families and their children. State Sen. Hugh Webster, a Republican from Caswell County, lent an extra touch of the bizarre by handing out bumper stickers with an ugly little slogan summing up his notion of true welfare reform: "Can't feed 'em, don't breed 'em." Lovely. In the end, 21 "pilot" counties were selected to run their own welfare programs over the next two years...Unfortunately, by the bad luck of the draw, the proposal from Catawba County, ranked the best by the state Department of Health and Human Services, wasn't selected. We can only hope the counties chosen in the welfare lottery tackle the important work of welfare reform with more sobriety, more intelligence, more compassion and care than state lawmakers showed last week.

CLASP Update January 27, 1999

CLASP *Update* January 27, 1999

CLASP*Update*

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

February 26, 1999

CLINTON BUDGET and TANF 2000

On February 1, the President released his FY 2000 budget. What follows are future TANF spending projections and descriptions of Clinton Administration policy proposals, as well as their cost implications.

There are three main TANF-related proposals in the President's budget: 1) freezing the supplemental grants at their 1999 levels, 2) reducing the amount of TANF a state can transfer to the Social Services Block Grant (Title XX), and 3) modestly altering the structure of the contingency fund. The administration's Medicaid "cost allocation" proposal also involves allowing usage of TANF funds to replace proposed Medicaid cuts.

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CLASP Contributors: Linda Perle; Paula Roberts; Vicki

Supplemental Grants

In FY 1998, 17 states received "supplemental grants." These states were: Alabama, Alaska, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Louisiana, Mississippi, Montana, Nevada, New Mexico, North Carolina, Tennessee, Texas, and Utah. These states received these grants based either on their very high population growth, very low historic welfare spending per poor person, or the combination of high population growth and low historic welfare spending per-poor-person. Only those states that qualified for a supplemental grant in 1998 are eligible for supplemental grants in future years. Some states that qualified in 1998--Florida, Georgia, Montana, New Mexico, North Carolina, and Tennessee --have to re-qualify each year based on certain criteria. The other states automatically qualify each year.

REGISTER NOW!

WINTER 1999 CLASP AUDIO CONFERENCES

Can welfare recipients who find jobs get out of poverty? A number of programs across the country are focusing on two key components that will be discussed in "Jobs and Wages: Programs that Promote Retention and Advancement."

To register for the February and March series and to order tapes, visit our web site at Remember, the entire staff can listen in around the speaker phone or you can invite to your office a group of key players. We encourage you to use the audio conference as a "briefing" to spark discussion on job retention and wage advancement in your community and state.

NEW FROM CLASP

Recent Publications

Testimony of Vicki Turetsky, before the Subcommittee on Oversight and Investigations, Committee on Commerce, U.S. House of Representatives outlines suggested improvement steps for the Department of Health and Human Services Project: Save Our Children. This program targets noncustodial parents that possess the resources to support their children, yet intentionally avoid detection. Analysis of current problems are offered, alongside potential solutions. 5 pages, February 1999, $2.00, #99-03.

Setting Child Support When the Noncustodial Parent is Low Income describes innovative legal and policy choices currently in use that address this issue. It highlights state strategies, in addition to offering new approaches. 9 pages, February 1999, $2.00, #99-02.

Child Support and Children Receiving SSI provides a summary of the current law of child support enforcement as it relates to children receiving SSI, a synopsis of the recent GAO Report entitled, "Supplemental Security Income: Increased Receipt and Reporting of Child Support Could Reduce Payments," and provides a critique of the report as well. 5 pages, February 1999, $2.00, #99-01

You Get What You Pay For: How Federal and State Investment Decisions Affect Child Support Performance demonstrates the current misalignment between child support program financing and provided services. It includes charts and tables explaining the funding, policies and guidelines of each of the 50 states. 42 pages, December 1998, $5.00, #98-43.

Training Issues Under the Workforce Investment Act of 1998 explains how this legislation substantially alters the federally-funded system of job training and other employment-related services for adults and dislocated workers and examines three critical areas likely to affect low-income individuals: how individuals access training services; how organizations will become eligible to provide training services; and the use of "individual training accounts.", (Working Draft) 16 pages, October 1998, $3.00, #98-40.

Emancipated Teen Parents and TANF Living Arrangement Rules examines how the teen parent living arrangement rule in TANF applies to minors that have been declared legal adults. A joint product of CLASP and the National Center for Youth Law. 4 pages, November 1998, $2.00, #98-34.

One Out of Every Five: Teen Mothers and Subsequent Childbearing reviews the research and evaluated programs which address the issue of second and higher-order births to teenaged mothers. Subsequent births account for more one out of every five births to teenagers ages 15-19. One Out of Every Five is a resource tool that consolidates information on policies at the state and local level; research regarding the characteristics of-and consequences for-young mothers who give birth more than once; and programs that address subsequent births within the teen population. 33 pages, August 1998, $6.00, #98-36.

Contact the Publications Department at (202) 328-5140 to order CLASP Publications or to get a free copy, go to our web site---**www.clasp.org**.

Under the President's proposal, the level of supplemental grants that states could receive in FY 2000 or FY 2001 would be frozen at the FY 1999 level. Under current law, the supplemental grants grow each year. Below is a table that shows the level of supplemental grants states would receive in FY 1999-2001 under current law. (This table assumes all 17 states continue to be eligible for supplemental grants. It is possible that some of these states would not qualify in each of these years.) If the administration's proposal is adopted, state supplemental grants would be frozen at the FY 1999 level.

CURRENT & PROJECTED TANF SUPPLEMENTAL GRANT LEVELS 1998-2001

	FY 1998 Supplemental Grant	Estimated FY 1999 Supplemental Grant	Estimated current law supplemental grant, FY 2000	Estimated current law supplemental grant, FY 2001
AL	$2,671,454	$5,409,694	$8,216,391	$10,602,866
AK	$1,658,706	$3,358,880	$5,101,558	$6,583,321
AZ	$5,761,538	$11,667,114	$17,720,330	$22,867,254
AR	$1,497,496	$3,032,429	$4,605,736	$5,943,486
CO	$3,267,824	$6,617,344	$10,050,601	$12,969,829
FL	$14,546,765	$29,457,199	$44,740,394	$57,735,377
GA	$8,978,468	$18,181,398	$27,614,401	$35,635,087
ID	$842,392	$1,705,844	$2,590,882	$3,343,411
LA	$4,100,409	$8,303,328	$12,611,320	$16,274,317
MS	$2,175,952	$4,406,303	$6,692,412	$8,636,244
MT	$1,132,701	$2,293,720	$3,483,764	$4,495,633
NV	$899,102	$1,820,682	$2,765,301	$3,568,491
NM	$3,236,101	$6,553,105	$9,953,033	$12,843,922
NC	$8,695,921	$17,609,240	$26,745,392	$34,513,672
TN	$5,193,272	$10,516,376	$15,972,557	$20,611,835
TX	$12,692,974	$25,703,272	$39,038,828	$50,377,774
UT	$2,096,174	$4,244,752	$6,447,045	$8,319,609

Transfers to Title XX

The Administration proposes to limit the amount of TANF funds that can be transferred to Title XX to 4.25 percent. Under current law, states may transfer up to 10 percent of their TANF block grant to Title XX in FY 1999 and FY 2000, but in 2001 the amount that can be transferred falls to 4.25 percent.

This limit in the transfer authority was coupled with increased Title XX funding. The Administration proposes to fund Title XX at $2.4 billion (its authorization level), $471 million more than its 1999 level.

Contingency Fund

Under current law, the contingency fund is capped at $2 billion. Eligible states can draw down contingency funds as long as the total amount drawn by all states does not exceed $2 billion. The Administration has proposed to "uncap" the fund -- that is, states eligible to draw down contingency funds could do so even if the total amount states drew down exceeded $2 billion. Because of Congressional accounting conventions, this change appears to reduce the amount of funding available in the fund. In fact, this change modestly improves the contingency fund and does not reduce (it actually increases) available funds. The budget document notes that the Administration plans to suggest other changes to the contingency fund. These proposals are not currently available. (Without changes to the fund that make it easier for states to access contingency funds, it is unlikely the fund - capped or uncapped - would prove particularly helpful to a state that faced an economic downturn.)

Cost Allocation

The Administration proposes to reduce federal Medicaid administrative spending but would allow states to use TANF funds to “fill” the hole left by this cut.

Prior to enactment of the welfare law in 1996, the federal government shared administrative costs with the states on a 50 percent matching basis in the AFDC, food stamp and Medicaid programs. Many low-income families are eligible for all three programs, and federal law and rules encouraged states to determine families' eligibility for these programs through a joint application process. Most states charged the majority of the common costs of processing these joint applications to AFDC. Under the 1996 welfare law, the Temporary Assistance to Needy Families (TANF) block grant replaced AFDC. Each state's TANF block grant was set at a level that includes the cost of benefits and administration, including those costs shared with the Food Stamp and Medicaid

programs that were previously charged to AFDC. The Medicaid and Food Stamp programs retained the 50 percent federal match for administrative costs. Under current law, there was concern that states might attempt to “game” the system by shifting previously shared costs, such as income verification, out of the TANF program and into the food stamp and Medicaid programs. This would increase federal costs.

Last year as a part of the law that restored food stamp benefits to certain immigrants, a provision passed intended to prevent such gaming in the food stamp program. States were required to shift food stamps' share of the common costs historically billed to AFDC to the food stamp program. The federal reimbursement to states for food stamp administrative costs was reduced by an estimate of that amount. This proposal was scored as saving $1.8 billion over five years.

The President's budget proposal this year is to adopt the same policy for Medicaid administrative costs with one significant difference. Under the food stamp cost allocation law, states are prohibited from using federal TANF funds or state maintenance of effort funds to make up for the cut in federal administrative match. Under this year's Medicaid cost allocation proposal, states could use funds from their federal TANF grant to replace the lost Medicaid administrative dollars. Because states can use TANF to "fill" the hole left by the Medicaid cut - which is assumed to increase the total amount of TANF funds that will be spent - this provision does not save the federal government the full amount of the Medicaid cut. From the administration's budget documents, it is unclear how much the administration believes this proposal would save the federal government.

---Submitted by Center on Budget and Policy Priorities. Additional information available at www.cbpp.org.

CHILD SUPPORT

FINANCING AND SERVICES MISALIGNED

The child support program was created with two missions. First, the program was established to promote parental responsibility and to help families remain self-supporting without the need for public assistance. Second, the program was set up to reimburse federal and state AFDC costs. Unfortunately, the service-delivery role has taken a backseat to the cost-recovery role. From the start, it was easier to sell the program to state legislatures as a way to generate state revenues. Although state child support programs are perceived by Congress and state legislatures as being "resource-rich," in fact state programs have been only partially successful in capturing program revenues to fund child support services. In particular, state programs have had difficulty obtaining state legislative authorization to increase child support staffing levels.

The recent changes brought about by TANF, combined with long-term trends in the child support caseload, have resulted in a misalignment between the program's ability to deliver effective services to families and a fiscal structure that emphasizes cost-recovery. There is growing concern that many state child support programs are seriously underfunded and understaffed. The belief that the child support program should be a money-maker may have led to under-investment of new state dollars into the program, and under-accountability for program results.

In *You Get What You Pay For: How Federal and State Investment Decisions Affect Child Support Performance*, CLASP recently compared state-by-state child support collection rates with state program spending and staffing ratios. CLASP's analysis indicates that the level of state investment in the child support program is directly connected to the state's performance level. The data suggest that most state child support programs are substantially underfunded and understaffed, and that performance may improve with increased investment. In addition, the data suggest that the current federal financing structure of the child support program may encourage some states to underinvest in the program in order to maximize state "profits."

- **State performance, cost, and staffing levels vary dramatically**. In 1995, state collection rates ranged from 10 percent to 40 percent, with a 19 percent national average. State cost per case ranged from $30 to $373, with a national average of $135. State staffing levels ranged from 1073 cases per employee to 170 cases per employee, with a national average of 373.

- **Collection rates are tied to funding and staff**. States with higher cost and staffing ratios tended to have higher collection rates, while states with lower cost and staffing ratios tended to have lower collection rates. None of the states with the lowest cost and staffing ratios exceeded the national collection rate average. Conversely, all but one state having the highest cost and staffing ratios also had the top collection rates.

- **The top performers were better funded and staffed**. Eight of the ten states with the top collection rates -- those with collections in more than 30 percent of their cases -- had above average cost or staffing ratios. The ten states with the highest collection rates spent an average of $180 per case and had 286 cases per employee.

- **States with the lowest collection rates had fewer program resources**. Similarly, all but one state with collection rates in the bottom quintile - those with collection rates under 15 percent -- had below average cost or staffing ratios. The ten states with the lowest collection rates averaged $112 per case and had 468 cases per employee.

- **Some of the states with the largest "profits" have the lowest investment levels and worst performance**. Half of the ten states with the largest "profits" had below average collection rates, costs and staffing. Three of the states were in the bottom quintile for collection rates, while two of those states spent the least per case and had the lowest staffing levels.

- **Overall, child support costs were less than half of AFDC administrative costs**. A comparison of administrative costs under the child support program and the old AFDC program in 1995 also suggests that the child support program may be underfunded.

Federal financing mechanisms have both helped and hurt state child support programs. By providing an open-ended federal match, the federal government has helped state programs maintain and expand their capacity to establish paternity and collect support for a rapidly increasing caseload. In addition, their revenue-producing role has helped insulate state programs from state budget competition by giving them a source of off-budget funds.

On the other hand, the child support program has paid a price for its cost-recovery role. The financing structure may provide incentives for some states to underinvest in the program and to underserve low-income working families who have left or never received welfare. The cost-recovery role also may have led to a political "double bind" for many state child support programs attempting to address legislative concerns with performance levels. They can not ask for more money from the legislature until they can show improved performance, but they can not improve their performance until they get more resources. In effect, they are shut out of the state appropriations process, with limited prospects for improving their performance.
Equally as important, the program's cost-recovery role has weakened its position within the state human services bureaucracy. Many human services administrators are skeptical about the value of the child support program. Although the child support program touches almost three times as many families as the TANF program, its reimbursement functions seriously undercut its visibility and status within the human services bureaucracy. Often, the child support program has trouble getting a seat at the welfare reform table because it is not seen as a program intended to help people. To the extent that the child support program cannot show performance results, it has trouble attracting a constituency that will champion its concerns.

As collections in welfare-related cases decline, some state programs may see their budget and performance deteriorate unless they can successfully persuade state legislatures to replace declining welfare collections with new state funds. To a state legislature accustomed to seeing a "profit" from the child support program, declining welfare collections may look like failure, not success. It will not be easy to change these funding dynamics. It requires a fundamental change in the program message from recovering welfare costs to serving families trying to leave and stay off of TANF.

CHILD SUPPORT ASSURANCE (CSA) UPDATE

February was a big month for Child Support Assurance (CSA) activity. Almost two years after the California legislature authorized creation of three CSA pilot projects, the state finally picked three Bay Area counties to be the demonstration project sites. The counties now have up to one year to make their programs operational. (Since more than three counties were interested in creating CSA projects, there will be efforts to amend the legislation so that other interested counties can also participate.)

Then, in mid-February, the Montana House of Representatives passed a CSA bill (House Bill 313) by a vote of 88-9. The bill must now go to an Appropriations Committee and then to the Senate. Advocates worked very hard for this bill and are encouraged by their success so far.

Finally, in the February 19th *Federal Register*, there was an announcement that $250,000 per year is now available from the federal government for CSA feasibility studies as well as implementation of CSA demonstration projects. 64 Fed. Reg. 8382-8388. The full document can be seen on OCSE's web site www.acf.dhhs.gov/programs/cse/new/sipp. The money is part of a pool which funds “special improvement projects”. Applications are due by April 20. In addition to state IVD agencies, state human services agencies, local public agencies, nonprofit organizations and consortia of state and local public agencies may apply. However, preference will be given to applications from IVD agencies and organizations that have cooperative agreements with IVD agencies.

Those who would like to examine the possibility of running a CSA program in their state can apply for a grant to do a feasibility study. The study could look at cost issues, caseload dynamics, the interface with other aspects of welfare reform, the need for legislative and policy change and what kinds of training and administrative support would be needed to implement a CSA program. Those who have already done some of this ground work and would now like to try out the idea can apply for demonstration project funds. In this regard, OCSE is interested in projects with a randomly assigned control group so that the impact of the project can be evaluated. OCSE is particularly interested in 1)optimal benefit levels; 2) the question of means-testing the CSA payment or adding other participation requirements; 3) CSA's effect on TANF rolls, and eligibility for other public benefits. For more information on the application procedure, contact Jean Robinson (202) 401-5330 or jrobinson@acf.dhhs.gov.

PUBLIC JOB CREATION INITIATIVES

Four cities - Baltimore, Detroit, Philadelphia, and San Francisco - have recently begun implementation of public job creation initiatives designed to provide transitional job placements to TANF recipients. This update on the activities in these four programs was posted on the Job Creation Listserv hosted by the Center on Budget and Policy Priorities. CLASP Update will continue to provide news about these and other job creation initiatives.

Baltimore: Based on an RFP issued in early November, Baltimore's Office of Employment Development (OED) just announced the selection of four contractors to run the city's new public job creation program for hard-to-employ welfare recipients. OED expects that it will take some time to negotiate final contracts with these agencies and have them approved by the city, and it also must resolve some key outstanding issues related to the referral of recipients from the city's welfare agency and the diversion of TANF grants to offset at least a portion of the cost of wages paid to participants. It is hoped that OED's contractors will be in a position to begin enrolling participants by April. In the meantime, OED plans to administer a program serving several hundred participants directly out of its own office during the next few months in order to get this initiative underway and to identify problems that its contractors are likely to encounter when the initiative is fully implemented later this spring.

Detroit: Operating under a waiver granted by the State of Michigan (which otherwise limits the duration of all subsidized employment in its welfare-to-work programs to a maximum of four weeks), Detroit has about 300 participants enrolled in its Private/Public Service Employment (PSE) program. The PSE program includes placements with for-profit employers as well as nonprofit and public agencies, and seeks commitments from these employers and agencies that participants will be retained in jobs paying livable wages (targeted at $11/hour) following a six-month period of fully subsidized employment through PSE. While the city's PSE contractors had been prepared to serve up to 2400 participants, the program currently is experiencing great difficulty in securing additional referrals of welfare recipients who meet the eligibility criteria established under the federal welfare-to-work grant program. The city is now exploring other options for moving the PSE program to larger scale.

Philadelphia: By the end of December nearly 200 welfare recipients were participating in the Philadelphia@Work program. The enrollment goals are to have at least 30 additional recipients enter the program each week during the next few months as the city moves toward its target capacity of 750 participants. The program, administered by the newly-established Transitional Work Corporation, has succeeded in avoiding the administrative complexities of TANF grant diversion and instead is receiving a direct grant of $2.5 million in TANF funds to help cover the cost of wages for participants. The state also is providing another $400-500,000 for unemployment insurance and workers' compensation coverage.

San Francisco: The SF Community Jobs Initiative is up and running. They are in the process of doing intake and setting up child care for an initial group of eight participants who will begin a 10-day CJI orientation and job readiness class in mid-February. Participants will begin interviewing for their CJI jobs (with host site employers) during that time, and they will continue to do so if necessary for two weeks after the class ends. Two community-based organizations -- Goodwill Industries and Community Vocational Enterprises -- have contracts to provide orientation classes, arrange CJI placements, and ensure that necessary support services are available to participants. These contractors also will be responsible for eventual placements in unsubsidized jobs and for subsequent job retention. A third contractor may be added soon to serve non-English-speaking, monolingual clients. The S.F. Private Industry Council will administer the CJI payroll.

---Submitted by Center on Budget and Policy Priorities. In addition, readers who are interested in this subject should consider joining the Job Creation Listserv sponsored by CBPP. The listserv distributes news and shares ideas and information about public job creation initiatives.

Join by sending an e-mail message with name, e-mail address, and organizational affiliation to Cliff Johnson at the Center on Budget and Policy Priorities, at johnsonc@cbpp.org.

POST-SECONDARY EDUCATION : ILLINOIS MODEL EXPANDS TANF PARTICIPATION

As one of his last acts as Illinois' outgoing governor, Jim Edgar in early January directed the Illinois Department of Human Services to make two key changes in TANF policy that will encourage TANF recipients who are able to do so to pursue post-secondary education and support them in that pursuit. These changes involve adjusting the TANF work requirement and "stopping the TANF eligibility clock" for full-time post-secondary students who are maintaining good grades. The changes are fully in step with the positions of the new governor, George Ryan.

Under the new directive, IDHS is to recognize full time attendance in post-secondary education as complete satisfaction of the TANF requirement that every recipient engage in work activities. TANF rules in effect prior to the Governor's directive required TANF recipients to be engaged in 20 hours per week of employment in order to be approved for the child care and other supportive services they needed to attend post-secondary education. Students also had to engage in 25 hours of work activities (including the 20 hours of employment) in order to avoid losing their TANF benefits for failing to comply with work rules.

The change allows full-time students to concentrate on their classes, their studies, and parenting their children while they complete their education. The existing strong TANF work incentives also encourage them to obtain employment while studying in order to increase their income, but they will no longer be punished or forced out of school if they cannot do so.

The second key change in TANF policy under the directive is that full-time post-secondary students can earn the time to stay in school by maintaining good grades. TANF recipients have 60 months of eligibility in their lifetimes. Time spent in post-secondary education under existing TANF rules is time that counts against this lifetime benefit "clock" for most students. This discourages the continuation of education after high school, because many recipients are unwilling to risk losing so much of their TANF eligibility time, fearing that they might need it later in life if they fall upon hard times (or if the economy does).

Under the new directive, however, a full-time student who achieves a 2.5 grade average will have the months of that school term not counted against her lifetime limit - in effect, her lifetime eligibility clock will have been "stopped" during that school term. This "clock stopping" is available for up to four school years (which IDHS has clarified to mean 36 months, not necessarily consecutive). This new rule supports and encourages pursuit of post-secondary education in a way that both demands and rewards successful work in school. It is a unique and very smart use of state flexibility under the TANF law to accomplish finely targeted policy goals.

For people who cannot attend full time, it is still possible to attend post-secondary school part time under the TANF rules that existed prior to the announcement, which remain in effect. Thus, a person can gain approval of part-time post-secondary school by being employed for 20 hours per week at a regular job or campus work. If they work for 25 hours a week, their clock will stop. For full-time students who do not maintain a 2.5 grade average, but maintain a 2.0, they can remain in school without a work requirement under the new directive, but their clock will not stop unless they also work 25 hours per week.

In announcing the directive, Governor Edgar said, "We're making this investment because it is important that persons on welfare become educated to qualify for skilled, long-term jobs with pay that will enable them to leave the welfare rolls and become self-sufficient."

---Excerpted from *Illinois Welfare News* (February 1999). Additional details and supporting research available at the Poverty Law Research Center web site, www.povertylaw.org.

TANF SUPPLANTS MINNESOTA STATE CHILD CARE

Minnesota's new governor, Jesse Ventura, released his first budget on January 28th. Most of the media and public attention regarding the proposal has focused on tax cuts and on the Governor's impressive commitments to K-12 and Higher Education funding. But the budget also contains a relatively little-noticed detail that plays a dangerous shell game with welfare, childcare, and social service money, and would leave important assistance programs for Minnesota's poorest kids resting on a foundation made of sand.

The Governor proposes to transfer $60 million of unspent federal funds -- the TANF (Temporary Assistance for Needy Families) reserve -- originally intended for the state welfare-to-work program, to the childcare block grant, which is used to pay for Basic Sliding Fee, the state’s main childcare assistance program for the working poor. This would be a good move if the money were used to expand Basic Sliding Fee's resources and provide assistance to the record number of families -- over 7,000 -- on the state’s waiting list for assistance. Instead, the federal funds replace state funds. State spending on childcare assistance is reduced by a corresponding $60 million. The Governor’s budget proposal uses the same sleight of hand with the TANF reserve and the social services block grant (Title XX). $30 million of the reserve is transferred to Title XX - which funds a range of social service programs - while state spending is reduced by the same amount.

This is not what the federal government intended when the welfare reform law was passed in 1996. The funding stream for TANF was set at a fixed amount, which does not go up or down with changes in a state's welfare caseload. The idea was that states that reduced their caseloads would be rewarded by having surplus money to use for a “virtuous cycle” of reinvestment in their welfare-to-work programs, or in related programs that reinforce the ability of low-income families to be economically self-sufficient. A strong economy and the state's welfare-to-work Minnesota Family Investment Program have combined to reduce caseloads significantly. As a result Minnesota has a sizable TANF reserve and a golden opportunity to strengthen the anti-poverty and safety net features of the MFIP program and other programs that help low-income working families make it financially.

Instead, the governor’s budget would squander this opportunity by draining much of the TANF reserve, not investing it. In so doing he would undermine the state’s ability to use the reserve for the future challenges to welfare reform - the very real possibility of a recession and the fact that in a little more than three years, 25,000 children - by Minnesota Legal Services Advocacy Project projections - will no longer be eligible for federal welfare benefits because they've reached their five year lifetime limit. The foundation for both a significant “rainy day” fund and a state safety net for poor children needs to be laid now, but the Governor's zero-sum shell game with money for programs that serve our most vulnerable children will make it all the more difficult to pursue this sensible course.

---Submitted by Jason Walsh, Statewide Coordinator, Affirmative Options Coalition, (651) 642-1904 x29

LSC Restrictions Upheld But Challenge to Welfare Reform in Individual Cases Permitted

A lawsuit has been working its way through the courts challenging a 1996 law which prohibited legal groups funded through the Legal Services Corporation (LSC) from using any funds for, among other things, welfare reform activities, class action law suits, abortion litigation, lobbying and rule-making, and litigation on behalf of prisoners; a U.S. Court of Appeals decision in January 1999 generally upheld the restrictions, but specifically allowed LSC grantees to challenge a welfare statue, regulation, or policy for an individual recipient seeking relief.

In rendering its opinion in the case of Velazquez v. LSC, the U.S. Court of Appeals for the Second Circuit addressed the plaintiffs’ claim that it is unconstitutional to restrict lobbying, rule-making and welfare reform activities. The plaintiffs argued that the 1996 law discriminated against certain speech on the basis of viewpoint. The Court found that, in general, the lobbying and rule-making restrictions prohibit activity regardless of viewpoint, and were therefore constitutional. However, the Court made a distinction with respect to the restriction which allows an LSC funded group to represent a welfare recipient seeking relief only “if such relief does not involve an effort to amend or to otherwise challenge existing law in effect on the date of the initiation of the representation.” The Court held that this limitation does discriminate on the basis of viewpoint. The result of the Court's decision is to permit LSC recipients to challenge welfare reform statutes and regulations in the context of litigation brought on behalf of individual clients.

The Velazquez case applies only in the states covered by the Second Circuit: New York, Vermont, and Connecticut. LSC has requested a rehearing of the case by the full Second Circuit.

- For additional information see: NLADA Update, Vol. I, No. 1, January 14, 1999, or contact Linda Perle at lperle@clasp.org.

National Survey of Family Well-Being: Low-Income Families Struggle

Initial results from one of the most comprehensive surveys to date of America's families paint a complex picture of family life. While most families, regardless of income, offer their children a supportive home environment, the new data show that many children, especially in low-income families, experience significant hardship. Moreover, unexpectedly large differences in findings among states suggest that some states face greater challenges than others, particularly in providing access to health care for low-income working-age adults.

Snapshots of America's Families, the first collection of results of the National Survey of America's Families (NSAF), released by the Urban Institute, indicates:

"Family life for the 43 percent of children who live in low-income households shows consistently greater strain when compared to families in higher-income households," stated Alan Weil, director of the Urban Institute. "Yet, fortunately, regardless of income, most parents read to their young children and participate in their communities. Children take part in extracurricular activities, are generally involved in school, and relatively few have significant behavioral problems."

Survey Features

Detailed information on a broad range of issues was obtained through telephone interviews with individuals in 44,461 randomly selected households with and without telephones. Large samples were drawn from 13 states that are home to more than half of the U. S. population (Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin). This survey pays particular attention to low-income families (those below 200% of the poverty level).

Among the findings:

- Nearly half of lower-income families reported worrying about or having difficulty affording food, compared to one out of seven higher-income families.

- Nearly three in ten lower-income families reported being unable to pay the mortgage, rent, or utility bills at some point in the prior year. Among higher-income families, only one in ten reported experiencing such hardship.

- Twelve percent of all children lacked health insurance at the time of the survey, with 69 percent covered by private insurance and 20 percent by a public program, most often Medicaid. Despite high rates of public coverage, 21 percent of low-income children were uninsured. Nationwide, among low-income families, 8 percent of children were in poor or fair health and 10 percent had no usual source of care.

- Parents in low-income families were much more likely than other parents to report symptoms of poor mental health (25 percent vs. 10 percent) and to experience frequent high levels of aggravation (14 percent vs. 6 percent). These problems were also more pronounced among parents who are not married. Among low-income parents, 32 percent of parents who are not married reported symptoms of poor mental health, compared with 21 percent of married parents. Among higher-income families, parents who are not married were twice as likely as married parents to report these symptoms.

➢ Snapshots of America's Families (released January 25, 1999) is available from the Urban Institute's Office of Public Affairs (202-261-5709) and accessible on the Institute's Web site at www.urban.org.

KELLOGG SURVEY FINDS AMERICANS WILLING TO HELP FAMILIES IN NEED

The W.K. Kellogg Foundation has released the results of a national opinion survey of more than 3,400 American households regarding attitudes towards devolution. This survey was part of Kellogg's Devolution Initiative, a multi-year effort involving 19 strategic partners, including CLASP. The poll focused on health care, welfare reform and citizen engagement. The major findings relating to welfare reform included:

- 94% believe people who have been on public assistance but would like to work should be given help to make it possible for them to find job; 4% disagree, and 2% don't know.

- 81% believe the working poor should have access to the same benefits as those making the transition from welfare; 14% disagree, and 5% don't know.

- 77% believe legal immigrants should have the same access to public assistance as the Native-born Americans; 19% disagree, and 4% don't know.

- 86% advocate help for all low-income families so that the uninsured can procure health insurance for themselves and their families; 10% disagree, and 4% don't know.

- 75% agree that time limits on benefits should be adjusted during economic recessions when fewer jobs are available for recipients who want to work; 21% disagree, and 4% don’t know.

- 81% say they would be willing to pay more taxes to take care of children, the elderly, and persons with disabilities who are unable to take care of themselves; 15% disagree, and 4% don’t know.

- 86% believe that child care should be available to all low-income families so that parents can work; 10% disagree, and 3% don't know.

- 93% believe people who are making the transition from public assistance to work should be allowed the time and training to prepare for jobs that make it possible for them to stay off welfare permanently; 5% disagree, and 2% don't know.

- 77% believe that when parents on welfare find jobs, the government should provide help if their jobs do not pay enough to financially support their children; 19% disagree, and 5% don't know.

➢ The full report and a summary of all of the major findings can be found at the Kellogg Fundation web site at www.wkkf.org. In addition to the national survey, there were state surveys for Florida, Mississippi, Washington, New York and Wisconsin, target states of the Devolution Initiative. The next issue of CLASP UPDATE will provide information about the five state surveys and the events which were held in each state in conjunction with the release of the survey results.

STATE NEWS

GRANT LEVELS

California: Governor Proposes Full COLA. On January 8, newly-elected Governor Gray Davis introduced the first budget of his term. For the first time in 13 years, a California Governor has proposed a full COLA (cost of living adjustment) for welfare grant levels in his January budget proposal. The cost of the CalWORKs COLA is $88.9 million.

On January 1, 2000, single aged and disabled SSI/SSP recipients will see their monthly benefit rise from $676 to $690, and SSI/SSP couples' benefit will grow from $1201 to $1226. The cost of this is only $8.4 million, given the federal SSI COLA increase which will take effect on Jan. 1, 2000.

Total CalWORKs spending is $7.4 billion, down from $7.5 billion in 1998-1999. This reflects an 8.2% projected caseload reduction.

The Governor also proposes to provide COLA's of 2.08% for foster family and group home placements for July 1, 1999.

The budget includes $22.7 milion for the Cash Assistance Program for Immigrants (CAPI), for legal immigrants persons otherwise eligible for SSI but for federal restrictions based on immigration status. The program is currently scheduled to sunset on July 1, 2000.

---Excerpted from California Welfare Watchers update

West Virginia: Grant Increase Implemented. Gov. Cecil H. Underwood announced that monthly cash assistance checks issued through the Temporary Assistance to Needy Families (TANF) program have been increased by $25 monthly, effective February 1, 1999. In announcing the first grant increase, the governor noted,

"This relatively small expense will help some of our most disadvantaged families as they strive to provide the essentials for living. The expansion of our economy has provided the means for this increase. I am very hopeful that we will be able to sustain this increase."

The state plans to increase payments by $100 monthly in four $25 increments over two years. The February increase is the first of the four. The state notes that this plan is contingent on two factors: the economy remaining favorable and the availability of TANF funds for the increase and other ongoing TANF programs; such as child care, transportation and work and training programs.

THE UNDERBELLY OF WELFARE

New York: Job Center Expansion Halted. In the recent *Reynolds v. Giuliani* decision, a New York Federal Court found that New York City's Job Center employees illegally discourage and deny needy people from applying for Food Stamps, Medicaid and cash assistance. This action prohibits the City from converting any more welfare offices to Job Centers and mandates the development of a corrective action plan, compliance with the law, and the continuation of an informal process to consider individual cases of urgent need.

Since the initial decision in late January, city officials have submitted a corrective action plan to the court. However, welfare recipients and advocates have countered with a 50-page response criticizing the proposal, stating that it does not cure systemic problems that deter and discourage applications. In addition, advocates argue that the plan includes no provisions for effective training of agency workers, nor does it establish an evaluation mechanism to assure that corrective actions were properly implemented. They are currently requesting that city officials meet with them to develop modifications and evaluation techniques.

➢ Further information can be found at the web site of the Welfare Law Center, www.welfarelaw.org.

New York: Welfare Recipients' Survey Indicates Workfare not Working. Community Voices Heard, a welfare recipient membership organization in New York City, undertook a survey of about 500 current welfare participants to learn how they were faring under the program. New York City has an extensive workfare program. Community Voices Heard has identified problems with that program and has been encouraging the creation of wage-paying jobs. The findings of the survey include:

- Few workfare workers find jobs; many recipients sanctioned. Of the respondents, only 8% of those in workfare had found jobs; in contrast, 22% had received a sanction.
- City help in finding jobs is rare.
- Multiple barriers are common among current recipients.

➢ The report is available at www.home.earthlink.net/~cvhaction.

New York: State Comptroller Asserts Gaps in Welfare Reform. In a report on early implementation of welfare reform in New York state, the Comptroller, H. Carl McCall, highlighted 3 major areas in need of significant improvement. McCall called for improvements in child care, job training and education, and evaluation and performance measures. Regarding child care, the Comptroller noted that over the next four years an additional 108,000 child care slots are needed and he is concerned that local districts and the state welfare agency have not adopted adequate projection procedures. In terms of job training and education, McCall notes the need to target those with greater barriers and to improve retention rates. The Comptroller also took issue with the state's approach to evaluating program performance noting that statistical benchmarks that offer a comparison point are not clearly established.

➢ To order a copy of the report, "Implementation of Welfare Reform in New York State: A Status Report", call (518) 474-4015 or e-mail: press@osc.state.ny.us

Pennsylvania: Recipients Experience Misinformation. The Women's Association for Women's Alternatives, a statewide organization in Pennsylvania concerned with families with a history of abuse and neglect, conducted in depth interviews with 56 women with experience with the welfare reforms instituted by Pennsylvania after March 1997. Among the findings of the seven focus groups are:

- Misunderstanding of welfare program rules is common, including confusion about time-limits;
- Most of the participants reported that caseworkers never mentioned education as a permissible activity;
- 39% of the participants stated that child care was their greatest obstacle in leaving welfare;
- caseworker turnover was common: the average number of changes each year was three; and

- the Agreement of Mutual Responsibility was typically felt to be a product of the caseworker and not mutually developed.

➢ To request a copy of New Voices in Welfare Reform, call (610) 543-5022.

Massachusetts: Study Finds Hidden Hunger Among Working Families. A joint study by Project Bread and the Center on Hunger and Poverty at Tufts University, indicated that many working families in Massachusetts continue to experience hunger. With factors such as low-wage jobs, high housing costs and lack of affordable child care causing financial strain, many low-income workers have been forced to turn to food pantries and charities in order to feed themselves and their children. This project which combined the use of both statewide surveys and in-depth interviews found that:

- 49% of the emergency food programs saw an increase in the number of families with children requiring food aid;
- 35% of the clients served by emergency food programs in Massachusetts were children;
- 27% of adults requesting emergency food assistance at the agencies serviced were employed.

➢ To request a copy of Hidden Hunger: Fragile Futures, contact Project Bread at (617) 723-5000, e-mail: info@projectbread.org, web site: www.projectbread.org.

REPRODUCTIVE HEALTH & WELFARE

Family Cap: Births Decreased, Abortions Increased in New Jersey Study. New Jersey has released final evaluations regarding its family cap policy. The Rutgers' University studies utilize two different methodologies which both conclude that the family cap achieves the intended goal of decreasing births among recipients; however, the decrease in births is accompanied by an increase in abortion and the elimination of the traditional grant increase for many newborns.

One analysis, based on statistical trends, estimates that between October 1992 and December 1996 the family cap led to roughly:

- 1,400 abortions incurred that otherwise would not have been performed.

- 14,000 births averted that otherwise would have occurred.

According to state records, between May 1993 and June 1998 the family cap resulted in:

- 28,000 newborns in poor families excluded from cash aid; the percent of cases subject to the cap has grown steadily over time and is over 12% of the caseload.

Other research, based on an experimental design, compared outcomes for an experimental group and a control group and also found birth and abortion impacts between 1993 and 1996; researchers looked separately at on-going cases and new cases:

- For ongoing welfare cases, members of the experimental group had a birth rate 9 percent lower than those in the control group; regarding abortion there was no statistical difference between the groups.

- For new cases, members of the experimental group had a birth rate 12 percent lower than those in the control group; the abortion rate was 14 percent higher for the experimental group.

Both state officials and researchers expressed caution in interpreting the results. The New Jersey Commissioner suggested that a causal link may not be appropriate and noted:

> "These findings indicate that the family cap may have been a factor in women's reproductive decisions, however, these are complicated, very personal decisions. To think that a woman decides to have a child or not have a child solely because of the small amount of money involved trivializes a very complex issue. But I do think the family cap sends a message that people on welfare must face the same life decisions as everyone else."

Researchers cautioned about replicability:

"Can these results be used to predict the impact of a family cap on AFDC/TANF births elsewhere? That is a difficult question to answer. The age, race, and the ethnic composition of the caseload, local labor market conditions, the exact size of the anticipated benefits loss, and the availability of family planning and abortion services will all play a role in the outcome. These are all factors that can vary across the states and must be taken into account before the results of this study can be applied elsewhere."

Caution in interpreting results is warranted. The findings suggest it is now possible to assert that a behavior trend follows from the New Jersey family cap policy: abortions increase and births decrease. What remains potentially contentious is the magnitude of these effects. When researchers originally used a few different statistical assumptions, they concluded that the family cap led to increased abortions and decreased births but the number of projected abortions (240 per year) exceeded the decrease in births (140 per year). In other words, the abortions achieved the birth reduction. The final report, while finding the same trend of increased abortions/decreased births offers a dramatically different picture based on slightly different assumptions: estimated abortions are one tenth the estimated number of averted births. At the same time, newborns subject to the grant limit is double the number of averted births.

Among the important questions and issues about the research that deserve attention are that: the birth data sources likely underestimate actual birth rates; birthrates declined before the family cap; fertility declined after the family cap; family planning utilization rates increased universally; "risk pool" revisions resulted in lower birth rates; and the role of medicaid and food stamp perceived availability is unknown.

➢ These and other issues are reviewed in greater detail in a set of forthcoming CLASP publications on the family cap, available on our web site, www.clasp.org, in mid-March.

Cash aid for babies of minors in Delaware will no longer be provided as of January 1, 1999. This applies to a baby born to mother receiving welfare as well as a baby born to a mother who is not receiving welfare. A baby born to an unmarried minor can receive cash aid if :

- the mother and child do not live in the same house
- the mother is emancipated or
- the baby was conceived as a result of incest or sexual assault.

One effect of the policy is that it generally will make ineligible not only babies born to minor mothers who apply for assistance but also the minors themselves. This is because in order to be eligible for cash assistance (Temporary Assistance for Needy Families, TANF) a family must have an eligible child. Because of the new policy the child of the minor mother is ineligible; therefore, the minor mother is unable to receive assistance for herself and her child. A minor mother who is "embedded" or "nested" within a household could receive assistance for herself as a part of that household. In addition, once a minor reaches 18, she can apply for assistance for herself and her child.

The state intends to provide vouchers for baby products not to exceed $69 per month. Currently the state is seeking a contractor who will manage the voucher system. The contractor will also be responsible for providing case management that could link the minor parent to school related services.

In Delaware, 535 babies were born to teens seventeen years old and younger (1995).

According to Elaine Archangelo, Director of Division of Social Services, "The family cap is one of the means we use to foster the belief and then the habit that delaying more children is something you do until you are off welfare."

When Teens Have Sex: Issues and Trends, a KIDS COUNT special report, pulls together current national and state data on teen births. The data covers such issues as the change in the teen birth rate between 1991-96, the birth rate for younger teens, the percent of births that are repeat births and the percent that occur to unmarried teens. KIDS COUNT is a project of the Annie E. Casey Foundation.

➢ To get a copy of the report, contact the Casey Foundation at (410) 223-2890.

Recent Kaiser Study finds safe-sex messages lost in television programs. At least half of all television programs have a sexual element, yet fewer than one in 10 address the risk or consequences, according to a new Kaiser Family Foundation report. The survey reviewed 1,351 television programs aimed at adults. It then closely considered those with scenes in which sexual intercourse was depicted or implied (about 90) and assessed whether the scenes considered sexual risks or consequences.

Among the study's findings:

- Fifty-six percent of all reviewed shows contained sexual banter or activity, however that number climbed to 67% among prime-time shows;

- Fifty-three percent of the actors in sex scenes were involved in an “established relationship,” with the remainder being “acquaintances” or people “just met”;

- “Half the scenes involved passionate kissing, and another 26% involved overtly sexual flirting”;

- Nearly 75% of sexual scenes involved participants over age 25, while 23% involved younger adults and 3% involved teens (Wetzstein, *Washington Times*, 2/10).

Kaiser Foundation President Drew Altman said, “Surveys tell us that young people get a lot of their information and ideas about sex from TV. With the problems facing adolescents today, how sex is shown on TV is just as important as how much sex is shown on TV.”

➢ The full report, “Sex on TV: Content and Context: A Biennial Report to the Kaiser Family Foundation”, is available on the Kaiser Family Foundation web site at www.kff.org.

Advocates for Youth Conference reveals differences between European and American approaches to adolescent sexual behavior. A recent Advocates for Youth conference explored teen sexual behavior in France, Germany and the Netherlands as compared to the United States and Europe. The central message of the event was that open discussion and information about sex led to delayed and better informed sexual decisions by teens in European countries. James Wagoner, president of Advocates of Youth, stated that, “...young people have rights to accurate information and confidential health services. In return, they are trusted to behave responsibly by postponing sex and protecting themselves and their partners when they become sexually active. Young people are respected for who they are now, not just what they will become.”
In comparison, the conference noted that the U.S. often sends its teenagers conflicting messages about what constitutes responsible sexual behavior. This sentiment was confirmed by the Kaiser Foundation study which found that sex on television is commonplace while the risks and consequences that come with sexual activity are rarely mentioned. Wagoner noted that the U.S. government encourages teens to “Just say no until you're married,” even though up to 70% of

U.S. 18-year-olds have already had sex. Overall, the conference advocated an approach to teens which respects them as individuals and acknowledges their ability to make responsible choices.

- The report produced for this conference, "European Approaches to Adolescent Sexual Behavior and Responsibility", can be obtained by contacting Advocates for Youth via phone at (202) 347-5700 or on their web site at www.advocatesforyouth.org.

FY 2000 budget reflects increase for reproductive health programs. HHS Secretary Donna Shalala unveiled several reproductive health-related funding increases included in President Clinton's $1.7 trillion FY 2000 budget proposal. In addition to the $4.5 million for abortion clinic security previously announced by Hillary Clinton, the president's budget includes a $25 million boost in Title X funding for family planning clinics aimed at reducing unintended pregnancies and the spread of STDs by expanding clinic services to an additional 500,000 people. The budget also includes a provision that would maintain $50 million in funding for the Health Resources and Services Administration for abstinence education (Daily Report, 2/2).

EDITORIAL OF NOTE

CUT POVERTY, NOT JUST WELFARE

President Clinton did little to conceal his joy as he announced the latest welfare numbers this week. Nor need he have. A decline in the number of people on welfare to the lowest level in 30 years is well worth celebrating. But the hardest part of welfare reform remains to be done...

Unfortunately, reducing welfare rolls is not the same as reducing poverty rates. Poverty has shown stubbornly little reduction in this state or nationally because many workers make wages too low to move them or their families above it. Voices for Illinois Children, a Chicago-based advocacy group, reported in December that 680,000 Illinois children--one in every five--remain in poverty.

Also troubling are the rates at which food stamps and, to a lesser degree, Medicaid rolls have plummeted nationally, even though many of the working poor are eligible for food stamps and, in some cases, Medicaid, to supplement their low wages. The number of welfare recipients declined by 850,000 from 1995 to 1997, while the number receiving food stamps fell by more than 4 million, according to the Center for Budget and Policy Priorities, a Washington think tank that specializes in poverty issues. That five-to-one ratio helps to explain why food pantries in many cities report increases in demand.
On the good news side of the ledger, expansion of the Earned Income Tax Credit has successfully moved many single-parent working families above the poverty line. Clinton has asked for $1 billion to help put welfare recipients in high-poverty areas to work, plus additional

funds for housing vouchers and transportation aid to help recipients move closer to work, often in suburbs, and new tax credits for businesses that hire people on welfare.

Americans can be grateful that the booming economy makes it possible to think about putting a real dent in the number of hard-core unemployed. But they should be under no illusions that it will be easy or cheap. We've already plucked the low-hanging fruit. Now it's time to stretch.

---Excerpted from *Chicago Tribune*, January 29, 1999.

RESOURCES

DISABILITY. State Welfare-to-Work Policies for People With Disabilities: Changes Since Welfare Reform assesses the extent to which states now require work participation by those with disabilities and those caring for disabled individuals. Among the key findings of the Department of Health and Human Services report are:

- 30 states have changed their policies to increase participation by those with disabilities; of the 30 states, 17 require participation by recipients who were previously exempt and the other 13 have instituted "universal" participation.

- 18 states have retained JOBS participation policies and generally exempt individuals with disabilities.

- Time-limits on cash assistance are not applied to persons with disabilities in about half the states (24); many other states have not yet addressed hardship exemptions to time-limits.

The report was prepared for HHS by staff of the Urban Institute who reviewed state welfare plans as well as conducted interviews with welfare agency officials. The report also provides charts of state work participation and time-limit policies as these apply to those with disabilities and those caring for disabled individuals.

➢ For a free copy of the report, go to www.aspe.os.hss.gov or www.urban.org; or call Joyce Brown-Moore of HHS at (202) 690-6443.

HEALTH. Medicaid Managed Care: Opportunities and Challenges for Minority Americans looks at the issues of discrimination in the managed care context; it also examines federal and state responses to this issue. The report was prepared for the Joint Center for Political and Economic Studies by staff of the Center for Health Policy Research Center. The report explores a number of issues such as how "The health and financial profiles of minority Medicaid beneficiaries make them a prime source of perceived excessive risk. Past history with the health system offers important insights into how providers that do not wish to treat certain populations can avoid them altogether or else limit their access to care. Studies of health care access, as well as an extensive body of case law involving challenges to certain health care practices, suggest that discrimination can occur both at the point of entry into care as patients move through the health care system."

➢ For a copy of the report, contact the Kaiser Family Foundation at 1-800-656-4533 (ask for document #2112), or call the Joint Center for Political and Economic Studies at (202) 789- 3500.

CHILD CARE. A new Children's Defense Fund issue brief, 'The High Cost of Child Care Puts Quality Care Out of Reach for Many Families,' provides data on the cost of child care across the nation and demonstrates the difficulties many families face in affording high-quality care. The report finds that child care for a 4-year-old in a child care center averages $4,000 to $6,000 a year in cities and states around the country - more than the average annual cost of public college tuition. The report includes data on child care costs for infants, preschool and school-age children, costs in child care centers and family child care homes, and costs in urban and rural areas throughout the U.S.

➢ To order your copy for $3.95 plus shipping, call CDF publications at (202) 662-3652.

HOMELESSNESS. The National Alliance to End Homelessness is sponsoring its annual conference to be held on July 15-16, 1999 in Washington D.C. at the Capitol Hilton Hotel. The conference, entitled "The End of Homelessness: Blueprint for the New Millenium" will feature topics such as: housing development, jobs and the Labor Department, public education, data collection systems, and foster care and youth. Speakers include Andrew Cuomo, Secretary of the Department of Housing and Urban Development, Rodney Carroll, Vice President, Welfare to Work Partnership, and Stephen Coyle, CEO, AFL-CIO Housing Investment Trust.

➢ For more information, contact the Alliance at (202) 638-1526 or e-mail information requests to naeh@naeh.org.

EMPLOYMENT OPPORTUNITIES

The Center on Budget and Policy Priorities is seeking qualified persons for the following positions:

- Senior Policy Analyst - National Policy
- Research Assistant - National Policy
- Senior Development Writer
- Tax Policy Analyst
- Project Associate - National Child Health Insurance Outreach Campaign

- Outreach Assistant - National Child Health Insurance Outreach Campaign and Earned Income Credit Campaign
- Communications Assistant

Interested individuals can send resume and other needed materials directly to:

Center on Budget and Policy Priorities
820 First Street, NE
Suite 510
Washington, DC 20002

Their website, www.cbpp.org, gives more detailed information about each above-listed position.

CLASP*Update*

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

June 18, 1999

NEW FEDERAL RULES: TANF/WIA/@Illegitimacy Bonus@

TANF FINAL REGULATIONS ISSUED

Included with this issue of CLASP Update is the executive summary of a recent CLASP publication which analyzes the meaning and implications of the final TANF regulations. While the full document from which this stems provides only a preliminary examination of the federal rules, it still addresses a number of key areas including: allowable uses of federal TANF funds and state maintenance-of-effort (MOE) funds, the definition of "assistance," calculating state participation rates, continuation of waivers, the Family Violence Option, and the Child Care Protection. Complete text of *"The Final TANF Regulations: A Preliminary Analysis"* is now available at www.clasp.org.

THE WORKFORCE INVESTMENT ACT: INTERIM REGULATIONS

Enacted in 1998, the Workforce Investment Act (WIA) makes significant changes to federal employment, job training, and literacy programs for adults. States must implement the new law between July 1, 1999 and July 1, 2000 in order to be eligible to receive federal job training funds. The Department of Labor (DoL) published Interim Final Regulations on April 15, 1999, and these regulations will guide implementation during the coming months. Final regulations will be published at the end of the year. The new law has the potential to dramatically change the way adults access employment-related education and training, improve the quality of such programs, transform local delivery systems, and lead to more meaningful coordination among a broad range of federally funded and state-funded programs.[1] Among the significant changes made by WIA are:

- *The Job Training Partnership Act (JTPA) is repealed, and replaced by WIA as the principal* *federal job training program and funding source.*

- *States and localities must establish business-majority, Workforce Investment Boards (WIBs)* to oversee youth, adult, and dislocated worker programs, including developing state and local plans, certifying training providers, and establishing one-stop centers. Governors will appoint members of the state board and local elected officials will appoint the local boards.

- *States may engage in unified planning for a range of federal employment and training programs*, including WIA youth and adult services, Wagner-Peyser employment services, TANF, Food Stamps and HUD employment and training activities, vocational education, vocational rehabilitation, and adult literacy programs. A unified plan has the potential to allow for thoughtful, coordinated planning for various federal and state funding streams that relate to workforce development. Previously states had to submit separate plans to federal agencies for each one.

- *States and localities will be held accountable for the performance of programs, including employment retention and wage advancement*. Expected levels of performance for each state will be negotiated with the federal government and for each locality, negotiated with the state. States face penalties for failing to meet performance standards and can receive incentive grants for exceeding these standards. Under JTPA, only localities had to meet performance standards and there were no standards on long-term employment retention and wage advancement.

- *Three tiers of services are established–core, intensive, and training–with people required to move through core and intensive services before gaining access to training*. As the Interim Final Regulations make clear, WIA does not require a "work first" approach but rather gives localities considerable flexibility to decide how best to implement this sequential eligibility process. Core services include initial assessment, intake, referral, and job search and placement. Intensive services may include in-depth assessment, individual counseling and career planning, pre- and post-employment case management, and paid work experience, unpaid work experience, or both. Individuals must receive at least one core service, such as initial assessment, and at least one intensive service, such as development of a career plan, before proceeding on to training services. There is, under federal law, no minimum amount of time that must be spent in either core or intensive services, and no requirement that an individual participate in job search before receiving intensive or training services. Training includes classroom instruction, on-the-job training, and customized training.

- *Core services must be delivered through one-stop centers; at least one of these centers in each locality must have co-located services*. One-stops must make core services universally available to people. Local workforce investment boards are responsible for establishing one-stop centers but a board may not operate a one-stop center itself unless it receives a waiver from the Governor of the state. Federally funded workforce-related programs such as the Employment Service must participate in the one-stop system.

- *Training providers must meet performance standards regarding the percentage of program participants who find jobs, wages rates, and job retention, in order to receive funding under WIA.* Programs that are eligible to receive federal student aid under the Higher Education Act, as well as apprenticeship programs certified under federal law will be exempt initially from this requirement. The Interim Final Regulations specified that every provider, including those who are initially "grandfathered," must meet performance standards no later than 18 months after the new law is implemented.

- *Training is generally to be provided through vouchers, with some exception.* WIA creates "individual training accounts," frequently referred to as vouchers, to maximize customer choice in the delivery of training services. Training can be provided through contracts in certain instances, such as for on-the-job or customized training, in rural areas where there is an inadequate supply of training providers, or for programs providing services of demonstrated effectiveness to populations with special needs.

- *State and Local plans to implement WIA must be made public in draft form so that members of the public have an opportunity to submit comments.* Comments submitted with regard to a local plan that express disagreement to the plan must be submitted to the Governor along with the local plan being submitted with approval.

CLASP will publish shortly a full analysis of the new law and regulations, highlighting both the opportunities for improved systems and program performance, as well as areas that may create difficulties or barriers for low income adults as well as community based providers. This publication will be available free of charge at the CLASP web site, **www.clasp.org.**

HHS ISSUES FINAL REGULATIONS FOR OUT-OF-WEDLOCK BONUS

In the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), Congress required HHS to reward up to $100 million annually in fiscal years 1999 through 2002 to the five states that demonstrate the greatest decreases in out-of-wedlock births and abortions. On March 2, 1998, the Administration for Children and Families issued proposed regulations on the implementation of this bonus. ACF received 17 letters commenting on the proposed regulations. On April 14, 1999, HHS issued final regulations on how it will distribute the funds.

HHS will calculate the ratio of out-of-wedlock births to total births for each state for the most recent two-year period for which data are available and for the prior two-year period. In calculating this ratio, HHS will use data compiled annually by the National Center for Health Statistics based on data submitted by the states. HHS will then calculate for each state the "proportionate change in the ratio," which is defined as "the ratio of out-of-wedlock births to total births for the most recent two-year period minus the ratio of out-of-wedlock births to total births from the prior two-year period, all divided by the ratio of out-of-wedlock births to total births for the prior two-year period." HHS will identify as potentially eligible for the bonus the five states (or up to eight states if Guam, the Virgin Islands, or American Samoa qualifies) that had the largest proportionate decrease in their ratios.

The "potentially eligible" states will be asked to provide information on their abortion rates in 1995 and in the most recent year. Those "potentially eligible" states that also experienced a decrease in their ratio of abortions to live births for the most recent year compared to 1995 will receive a bonus award. The $100 million will be divided evenly among the states qualifying for the bonus, except that there are special provisions governing the bonuses for Guam, the Virgin Islands, and American Samoa. No state will receive a bonus award greater than $25 million in any year. Bonus funds must be used for carrying out the purposes of TANF.

Some states may have changed their methodology for collecting data on out-of-wedlock births between the two periods that are being compared. The regulations require such states to submit detailed information regarding this change, including an alternative calculation of the state's out-of-wedlock birthrate under the prior methodology. NCHS will calculate an adjustment factor based on this information. When a state's abortion data collection methodology has changed, the state must adjust the number of abortions for the most recent year in order to exclude increases or decreases that are due to changes in methodology and provide a certification by the Governor or his designee that the adjustment is accurate.

HHS made several changes to the proposed regulations in response to comments received. Among the more significant changes, HHS modified the definition of "abortion" to make clear that miscarriages are not included. The rule also clarifies that there is no time limit on expenditure of the bonus funds and that they can be used for statewide programs to prevent out-of-wedlock pregnancies.

HHS did not adopt all of the changes recommended by commenters. For example, several commenters criticized the provision that would allow states to submit data on either the total number of abortions performed within the state or the total number of abortions performed within the state on in-state residents. These commenters felt either that abortions performed on out-of-state residents should not be counted, or that out-of-state abortions performed on state residents should be counted. HHS concluded that many states would be unable to obtain this data.

The final regulations take effect on June 14, 1999. States are required to submit information about methodological changes applicable to data collected for the first bonus period by June 14. HHS will then rank the states on out-of-wedlock birth rates. HHS anticipates notifying the top-ranked states in June or July. They will then have 60 days to submit their abortion data. HHS hopes to award the bonus before the current fiscal year ends on September 30, 1999.

For further information, contact Kelleen Kaye, Senior Program Analyst, Office of the Assistant Secretary for Planning and Evaluation, (202) 401-6634 or Ken Maniha, Senior Program Analyst, Administration for Children and Families, (202) 401-5372. The regulations are available on the internet at www.acf.dhhs.gov/programs/opre/owfin322.htm.

TWO-TIER WELFARE BENEFITS UNCONSTITUTIONAL

SUPREME COURT SAYS STATES MAY NOT PAY LOWER WELFARE BENEFITS TO NEW RESIDENTS

In a major decision affecting welfare recipients, the Supreme Court has ruled that states may not pay lower welfare benefits to new residents. By a 7-2 vote in the case of *Saenz vs. Roe,* the U.S. Supreme Court on May 17 struck down a California law that restricted new state residents' welfare checks for one year to the amount they would have been eligible to collect in their previous state. Once an individual had been a California resident for 12 months, he or she would qualify for full benefits under California's TANF program.

The law was challenged by three women who had moved to California to escape abusive family situations in Louisiana, Oklahoma, and Colorado. Under the law that was struck down, the plaintiff who moved to California from Oklahoma would have received a monthly cash benefit of $190 for a family of three, compared to the $641 that she would receive after living in California for more than a year.

In the opinion, Justice John Paul Stevens declared the law to be discriminatory and a violation of every citizen's right to travel as guaranteed by the constitution. "Citizens of the United States, whether rich or poor, have the right to choose to be citizens of the state wherein they reside…" Justice Stevens wrote. "The states, however, do not have any right to select their citizens."

The ruling negates a provision of the 1996 federal welfare law that specifically allows states to impose upon new residents, for up to 12 months, the welfare rules of the state from which they had moved. It also overturns provisions in at least 14 states that are similar to California's provision. These provisions were typically passed out of concern in these states that their higher benefits would attract poor migrants from other states.

The decision also revives a long-dormant provision of the Constitution that says "the citizens of each state shall be entitled to all privileges and immunities of citizens of the several states." Legal scholars from different ideological perspectives have said that the revival of this doctrine could mean greater protection for fundamental rights in the future.

Mark D. Rosenbaum, Legal Director of the California ACLU, who argued the case before the Court, said, "This morning's decision by the United States Supreme Court invalidating California's durational residency requirement for welfare recipients reaffirms the principle that states may not fence out poor migrants. In our constitutional system, citizens select states; states do not select citizens. The decision will be especially welcomed by mothers and their children fleeing domestic violence who may now settle in California secure that they will not be denied necessary assistance until they can secure employment."

The opinion is available on the internet at http://supct.law.cornell.edu/supct/html/98-97.ZS.html.

MANY FORMER WELFARE RECIPIENTS WORKING BUT STILL POOR, HOUSE COMMITTEE HEARS

In a sometimes rancorous hearing, the House Ways and Means Subcommittee on Human Resources heard from a variety of experts with divergent views on the effects of welfare reform. Cynthia Fagnoni of the U.S. General Accounting Office (GAO) reported on GAO's review of state studies of families who left welfare after state programs were restructured. Based on these studies, adults who left welfare had employment rates of between 61 percent to 87 percent either at the time of follow-up or at some point after leaving welfare. Extrapolating from quarterly earnings in the seven states, GAO estimated that average annual earnings for former recipients ranged from $9,512 to $15,444. According to Fagnoni, "These amounts of annual earned income are greater than the maximum annual amount of cash assistance and food stamps that a three-person family with no other income could have received in these states. However, if these earnings were the only source of income for families after they left welfare, many of them would remain below the federal poverty level."

GAO also found that former welfare recipients in South Carolina and Wisconsin more often reported experiencing deprivations (like inability to buy food) after leaving welfare than while on welfare. At the same time, majorities of recipients in both states disagreed with the statement that "life was better when you were getting welfare."

Howard Rolston, director of the evaluation office of the Administration for Children and Families, stressed the increased rate of employment among current and former welfare recipients. In March

1998, for example, one in three adults who received TANF in the preceding year were employed, as compared to one in five previous-year recipients in March 1992. However, based on data from federal program evaluations as well as Census data, he expressed concern that some families have suffered income losses.

AFDC/TANF and food stamp participation has declined far more sharply in recent years than can be explained by increases in the earnings of poor households, according to a preliminary analysis of data from the Census Bureau's Current Population Survey presented by Wendell Primus of the Center on Budget and Policy Priorities. Primus found a reversal in the trend toward improved incomes among poor single-mother families after states implemented policy changes that tended to restrict eligibility for means-tested programs. While disposable income for the poorest 20% of single-mother families increased about 13.7 percent between 1993 and 1995, their average income fell 7.6 percent between 1995 and 1997 as states began to implement waivers restricting access to means-tested benefits. "We must send a message that we care more about economic well-being and less about caseload reduction," he urged Committee members.

Deborah Weinstein of the Children's Defense Fund reported that by March 1998, only 8 percent of adults who received welfare in the previous year had weekly wages above the three-person poverty line. She reported that the number of children living below half the poverty line increased by almost 400,000 from 1995 to 1997. She expressed concern that people who leave welfare are not getting benefits that they are eligible for, especially Food Stamps and Medicaid.

Two witnesses offered a more optimistic view. Douglas Besharov of the conservative American Enterprise Institute challenged Primus' findings on food stamp participation on methodological grounds. He also argued that analysts should look at household rather than family income since many single-mother families are actually living with other household members and sharing their income. June O'Neill, an economist from Baruch College, chose to look at the income of unmarried mothers as a whole between 1997 and 1988, and found that their average income increased.

The committee also heard from state officials from Wisconsin and Maryland, who presented generally optimistic views about the outcomes of welfare reform in their states. However, both Maryland's Richard Larson and Wisconsin's Jean Rogers stressed the major problems facing families who remain on the rolls and their need for a variety of expensive, intensive services. They reported that their states are moving to address job retention and advancement for those who get low-skill jobs and are beefing up support services such as child support and child care. Maryland is taking steps to ensure that former TANF recipients get access to medical assistance and the EITC and Wisconsin is putting more emphasis on education in order to serve the many poorly educated parents remaining in the caseload. Both state officials urged Congress to maintain current levels of TANF support.

Robert Granger from the Manpower Demonstration Research Corporation offered insights based on the results of the New Hope Program, a pilot program that offered a package of earnings supplements, health and child care benefits, and full-time job opportunities. According to Granger, early program results indicate that this type of program "can substantially increase the work effort, earnings, and income of those who are willing to work full-time, but need assistance to do so." The study also showed that parental participation in the program had significant, positive effects on the well-being of their children. He suggested that "policymakers who want to increase the economic and emotional well-being of low-income families should focus some of their efforts on providing health insurance and improving child care resources."

Committee Chair Nancy Johnson (R-CT) expressed her general satisfaction with the progress of welfare reform but indicated that "we have a long way to go." She expressed her concern about the increases in the number of children in acute poverty and her desire to find out why this is happening. She stressed the importance of using available TANF dollars for purposes like basic education and substance abuse and of ensuring that people get the benefits to which they entitled, like Medicaid and Food Stamps.

Most of the testimony is available on the internet at http://www.house.gov/ways_means/humres/106cong/hr-7wit.htm.

CHILD SUPPORT: PROPOSAL RESTRUCTURES PAYMENTS

HOUSE BILL WOULD INCREASE INDEPENDENT LIVING FUNDS TO FOSTER CARE YOUTH WHILE REQUIRING CUTS TO CHILD SUPPORT PROGRAM

The Foster Care Independence Act of 1999 was approved in May by the House Ways and Means Human Resources Subcommittee. The measure, H.R. 1802 bill creates a new, expanded Independent Living Program for older youth who have aged out of the foster care program. Funding would be doubled from $70 to $140 million. A significant distinction from the current program is that expenditures for room and board for those between the ages of 18 and 21 would be permissible. The bill would require a tie-in to Medicaid. Specifically, in order to receive funds, a state must make as many clients aged 18-21 who have left foster care eligible for Medicaid as is feasible. The bill would be funded by $325 million in cuts to the child support program.

However, while H.R. 1802 has the commendable goal of strengthening the Independent Living program, it is funded by $325 million in cuts to the child support program. According to child support financing expert and CLASP staff attorney, Vicki Turetsky, Athe cut in child support is inappropriate.

Pitting one human services program against another does not achieve better results for children in need. Child support is designed to help low-income families achieve economic independence--including those families started by foster program graduates."

The cuts would make it harder to pay for the laboratory costs for paternity establishment and would hurt those states that rely on the Ahold harmless@ payments as a stop-gap to replace declining TANF collections and incentive payments resulting from falling TANF caseloads and new Afamily-first@ distribution rules. These payments are currently used to help pay for the child support services in many states until new federal funding rules which will enact a federal incentive payment plan, are implemented in 2002.

In the Subcommittee**....[check Johnson amendment, Maria will do in the morn]** In the Subcommittee, Congressmen Dave Camp (R-MI) and Phil English (R-PA) raised concerns about the child support cuts. The Subcommittee Chair Rep.Nancy Johnson (R-CT) indicated she would re-visit how the measure should be funded but she stressed that she wants the bill to be funded and to move forward.

- For additional information or analysis on the child support effects of this bill, contact CLASP Staff Attorney Vicki Turetsky, phone: (202) 328-5145, e-mail: vturetsky@clasp.org.

REPRODUCTIVE HEALTH

TEEN BIRTH RATE DOWN IN ALL STATES

According to data recently released by HHS, the teen birth rate declined for the sixth year in a row in 1997. The teen birth rate declined by 16 percent from 1991 to 1997, with all states reporting a decline in the birth rate of 15- to 19-year-olds during that period. Pregnancy rates and abortion rates for teens also declined during the first half of the 1990's—the period for which these data are currently available.

The teenage birth rate reached a peak in the 1950's. The single highest rate ever recorded was 96.3 births per 1,000 teens aged 15 to 19 in 1957. The teen birth rate fell steadily from the late 1950's to the mid-1980's, reaching a low point of 50.2 per thousand in 1986. It then climbed steeply, reaching 62.1 per 1,000 in 1991. The current downward trend represents a reversal of that increase, but the rate of 52.9 births per 1,000 in 1997 remains slightly higher than the rates in the mid-1980's.

Especially noteworthy has been the 21-percent decline in the rate of second births for teenagers who have had one child. As a result, 17 percent of teens who have had one child gave birth to a second child in 1996, compared with 22 percent in 1991. This is important because a teenager with two or more children is at a particularly high risk for a long list of difficulties. The rate for first births among teens declined more modestly, by 6 percent, over the six-year period.

The greatest decline in teen birth rates was among Puerto Rican and non-Hispanic black teens, for whom the birth rate dropped 25 percent during the six-year period. However, black and Hispanic teenage birth rates are still considerably higher than those for other groups. Birth rates declined for teenagers in all age groups, but they fell more for younger than for older teenagers.

Researchers at the National Center for Health Statistics attribute the declines in teen birth and pregnancy rates to a decrease in sexual activity among teens, an increase in their use of contraceptives, and a shift to more effective contraceptive methods such as injectable and implant contraceptives.

In addition to the decline in births to teens, the out-of-wedlock birth rate among all women declined for the third year in a row. The birth rate to unmarried African-American women is declining much faster than for others: it was lower than in any year since 1969 when this rate was first calculated.

These statistics are contained in the reports, **Declines in Teenage Birth Rates, 1991-1997: National and State Patterns** (www.cdc.gov/nchswww.data/nvs47_12.pdf) and **Births: Final Data for 1997** (http://www.cdc.gov/nchswww/data/nvs47_18.pdf), issued by the National Center for Health Statistics. A recent report from the Alan Guttmacher Institute, **Teenage Pregnancy: Overall Trends and State-by-State Information**, available at http://www.agi-usa.org/pubs/teen_preg_stats.html, also discusses trends in pregnancy, birth, and abortion rates among U.S. teenagers.

WELFARE SANCTIONS: FAILING FAMILY PLANNING VISIT CAUSES DELAWARE GRANT CUTS

Delaware=s Contract for Mutual Responsibility sanctions for failing a family planning visit. Specifically, to get any welfare assistance, an individual must sign the CMR and must document meeting the family planning requirement or risk losing $50 from the welfare grant each month the requirement is not met. About 620 sanctions were imposed between December 1996 and June 1998 on Delaware welfare participants who failed to prove that they had attended a family planning session.

The CMR requires the welfare recipient to obtain Afamily planning information at [a] provider of choice@ and indicates that it is the state=s responsibility to identify service providers Aavailable to clients at no cost.@ While these provisions are intended to be flexible and enhance capacity to make a family planning visit, it appears the CMR requirement is applied universally without assurance that the need for family planning information is established up-front (i.e. a sterile woman may be told to sign a CMR that mandates a family planning visit without establishing that she does not need family planning information for herself; she would be able to appeal her sanction subsequently if she knew about her ability to appeal and if she had the wherewithal to go through this process). It is also possible that among those who received sanctions regarding the family planning visit, some number accomplished the visit. The failure may merely be a failure to document the visit.

The family planning visit is one of 5 Aadult responsibility@ requirements of the CMR. The contract also includes 4 Awork and training@ requirements and Ateen responsibility@ school/training requirements. Of the 16, 600 families enrolled in Delaware=s program by June 1998, 43 percent had received at least one sanction for some mandated activity. Of the 5,000 sanctions imposed for an Aadult responsibility@ activity, the failure to prove that a family planning visit occurred accounted for 12% of the sanctions (failure to prove that a parenting education class was attended accounted for about 61% of sanctions in this category, proof of child immunization was 26% and a little over 1% was due to the failure sign the contract or prove attendance at a substance abuse program).

The sanction findings are in **Carrying and Using the Stick: Financial Sanctions in Delaware=s A Better Chance Program,** a report of Abt Associates. The researchers, David Fein and Wang Lee, also sought to understand the factors that influence who gets a sanction. Among the researchers= conclusions are:

- AThe ABC experience suggests that the existence of severe financial penalties is not sufficient to induce compliance with welfare reform requirements. Despite ABC=s substantial threatened payment reductions, a majority of families had at least one offense.@

- AOne reason [the sanctions may not have a greater deterrence effect] appears to be that clients= circumstances and abilities to understand the rules, rather than unwillingness to meet requirements, have made it difficult for many to meet program requirements.@

- AThe fact that clients who are sanctioned are more socially and economically disadvantaged than those who are not belies the conjecture that many clients accept sanctions because they have ready access to replacement income. The finding also raises the prospect that sanctions may leave recipients who already have relatively modest means even more disadvantages than they were before.

The Abt researchers suggest that the sanctions process could be enhanced by limiting the number of sanctionable offenses, eliminating full-family sanctions, and for some clients, providing services rather than sanctions.

- To get a copy of the report visit www.abtassoc.com or request a free copy from Ms. Margie

Washington, Abt Associates Inc., 4800 Montgomery Lane, Bethesda, MD 20814.

WELFARE MAIL ASTUFFER@: SPIKES CALLS to CALIFORNIA FAMILY PLANNING HOTLINE

In California, the number of calls from welfare recipients to the Office of Family Planning's toll-free line increased significantly in the month of March; a mail-stuffer is believed to deserve the credit. The telephone hotline responds to CalWorks (the welfare program) participants= family planning information inquiries. CalWorks has a Family Planning Information Project which lists the toll-free line on brochures, posters, and other materials.

CalWorks recipients received the family planning information in February as part of a mailing by the state=s Medicaid agency. The Medicaid agency sends out mailings and other social service programs are invited to add material when more can be added without going over the allowable postage rate. Medicaid handles the mailing and the postage, the invited program pays for its own materials. The Medicaid agency codes welfare recipients distinctly from those who receive Medicaid-only so a mailing targeted at welfare recipients is readily achieved. The February Astuffer@ was developed by the Office of Family Planning for CalWorks recipients. The Astuffer@ invited each reader to call the hot line Afor information about no and low-cost family planning services, birth control supplies, education, and pregnancy prevention.@

The number of calls to the toll free line increased during the month of March. Specifically, the total number of referrals (these are people that punch through the automated system to retrieve addresses of providers) statewide in February was 836, in March it went up to 1,346 -- an increase of more than 50%. Callers are given information about family planning service providers through a completely automated telephone system that invites the caller to first choose between English or Spanish and then to get a listing of services that are possible or a listing of approved providers in their area. If the caller wants information about near-by providers, the caller punches the dial pad numbers for their area code and the first three digits of their telephone number. The caller then hears the names, addresses, and telephone numbers of approved family planning providers in their area. This information can be repeated.

Office of Family Planning staff speculate that the Astuffer@ caused the spike in calls because there were few other new initiatives at that time that might have generated the increase. One initiative, a transit shelter advertisement, was limited to Los Angeles County and the increase in calls occurred from calls around the state, not just in Los Angeles County.

SCHOOL PARTICIPATION: CAL-LEARN RESEARCH POSITS PROCEDURAL PITFALLS

A process evaluation of California=s Cal-Learn program identifies a range of operational challenges with implementation. Cal-Learn requires custodial teen parents and pregnant teens who receive welfare to participate in schooling. Participation is measured by report card performance; an average of AC@ or better results in a $100 bonus up to four times a year while an average of "D" or worse causes a $100 sanction up to four times a year. The sanctions apply as well to those who do not submit a report card or are not enrolled in school. Cal-Learn participants are provided intensive case management and support for child care, transportation, and school-related expenses. Participation in Cal-Learn is mandatory through age 18 (or, on a voluntary basis, through age 19) unless a high school degree or equivalent is received sooner. The program is managed by county welfare departments.

Among the challenges identified in the report are:

- Interagency (welfare eligibility, welfare-work, and case management agencies) linkages are difficult and hampered by distinct data systems;

- Dramatic caseload declines have affected the case management agencies which geared up for higher levels of participants; the declines are not fully explained by either the decline in teen births or the decline in the welfare caseload generally. Operational issues that may be contributing include problems finding "nested" teens and a lack of referral codes in the welfare administrative data base.

- Report cards as a performance measure for bonuses and sanctions appear to result in confusion for students since there is a time lag between the performance and the occasion of the sanction; bonuses, in contrast, are issued as separate checks near the time of the report card. Non-traditional education programs often do not use letter grades but use credits make the traditional report card problematic.

- While Cal-Learn can provide financial support for child care, transportation, and school-related expenses, few Cal-Learn participants access this support: 9% utilize child care; 17% access transportation funds; and, 1-3% get help with school expenses such as books or GED testing fees.

- The traditional Adolescent Family Life Program – the Cal-Learn case management model – was strained by additional activities that left case managers (with caseloads of 40) with less time to focus on their clients.

- With regard to the basic goal of school completion, the report notes that "Schools were not given a formal role in the Cal-Learn program even though they have a responsibility to educate pregnant and parenting teens." The researchers also state, "Upon visiting the schools that some Cal-Learn teens attend, we found that schools struggle to serve the often complex educational and psychosocial needs of Cal-Learn students…For the most part schools are unaware of Cal-Learn and do not know which of their students are in the program. Even among the alternative school programs, where pregnant and parenting students tend to congregate, Cal-Learn teens constitute a minority of students."

The report notes that with respect to schooling for teen parents, a new state program for pregnant and parenting teens, Cal-SAFE, is designed to enhance the level and funding and services so that these students academic achievement and employment prospects might improve.

The report, Implementation of California's Cal-Learn Demonstration Project: A Process Evaluation (Program operation from July 1996-December 1997) was undertaken by UC DATA under contract with the California Department of Social Services. The principal investigators are Henry E. Brady and Jane Mauldon.

REPEAT PREGNANCY: CHICAGO PROGRAM ENTHUSED BY FINDINGS

Cradle to Classroom, a pregnancy prevention program aimed at teen mothers in the Chicago public school system, reports new findings it considers surprisingly successful after 2 years of operation. For example, all of the 200 seniors participating in the program in 1998 as well as the 321 seniors from the 1999 class graduated. Program participation by each teen is voluntary.

Cradle to Classroom provides pregnant teens and teen mothers with counseling by a Afamily advocate@, who helps make connections to needed services such as child care, clothing and food, and provides once-a- week home visits. The family advocates must complete a 32 week (6 hours per day) training that covers such topics as pre-natal care, nutrition, adolescent development, and infant care. Last summer 325 started the training; only 135, however graduated and were hired as family advocates. The family advocate is based in the school and her caseload is intimate - each family advocate is responsible for eight Cradle to Classroom participants. AThe family advocate is the key to getting over the hurdles that pregnant and parenting teens face as they try to stay in school@ notes Virginia York, the Board of Education=s staff person responsible for Cradle to Classroom. York adds AIt isn=t easy to be in high school, manage mothering, and address the myriad of issues that poverty creates. These girls, by virtue of showing up at high school, recognize its value. The family advocates help the teen to confront the barriers to realizing graduation - be it child care, eviction, preventing a subsequent pregnancy, or an abusive family member@.

Graduation is one of two goals of the Cradle to Classroom program; the other goal is to enhance the development and well-being of the children of teen mothers. The Afamily advocate@ home visits are focused on family functioning and child development. Among the kinds of things emphasized during the home visit are the importance of reading to a child even in infancy, the different developmentally appropriate ways to play with young children, and well-baby care-- from nutritious meals to immunizations schedules. Cradle to Classroom has a cooperative agreement with the local health department. The focus is a healthy pregnancy. The program reached out to the health department and four hospitals when it discovered that many of the pregnant teens did not have health insurance. This is because the teen=s parent(s), if employed, often were in jobs that provided coverage only for the adult. While the teen and her future baby can typically receive Medicaid, the teen must secure her mother=s approval for herself and York notes, Athe grandmother often is reluctant to have her family associated with Medicaid and any public aid.@ The teen, however, can sign up her infant for Medicaid. The public health department=s pregnancy clinic agreed to Cradle to Classroom=s outreach which told the teens that they could access the services in clinics confidentially. Other health needs of infants have also been addressed. In 1997, the program researched teen parent utilization of the WIC program and found that of the 992 Cradle participants, only 114 were participating the supplemental food program. Through aggressive school-based outreach, by June, WIC participation had reached 898 Cradle participants.

An evaluation of the impact of program participation on the young children is planned. It will consider such issues as the health status of the young children, their school readiness, and sociability. The evaluation be an experimental design.
In order to meet the twin goals, Cradle to Classroom emphasizes the prevention of a subsequent pregnancy. Generally, the program promotes an Aabstinence-first@ message; this is coupled with mandatory monthly meetings about a range of issues which could include family planning. If she fails to participate in this or other aspects of the program, the family advocate will meet with her and discuss steps to ensure it does not happen often. Any girl can decide to stop participating at any time. Of the nearly 2,000 teen mothers (ages 14-19) enrolled in the program since 1997 none has had a second child. The program has not tracked the outcomes for the 6 teen mothers who exited the program over the last two years - most of whom exited because they moved out of the city.

The program has the support of the chief of the city=s schools, Paul Vallas who is seeking $5 million to expand to additional schools in 1999 -2000. The original 40 high schools have been funded at around $2 million.

< For more information on Cradle to Classroom, contact Virginia York at 773-553-2005 or VYork@CSC.CPS.K12.IL.US

NATIONAL SURVEY UNDERSCORES PUBLIC SUPPORT FOR COMPREHENSIVE SEXUALITY EDUCATION

On June 2, Advocates for Youth and the Sexuality Information and Education Council of the United States (SIECUS) released the results of a national poll described as "the most in-depth analysis ever conducted of how Americans feel about sexuality education for young people.

The poll surveyed 1,050 adults nationwide and was conducted by Hickman-Brown Research. Adults in the survey all live with school age children; the sampling error is 3 percent.

Among the findings are:

- More than 8 out of every 10 Americans believe young people should be given information to protect themselves from unplanned pregnancies and STDs, as well as about abstinence;
- More than 8 out of every 10 Americans reject the idea that providing such sexuality education encourages sexual activity
- More than 9 out of every 10 Americans support abstinence as a topic in sexuality education for high school students but 7 out of 10 reject the new federal abstinence unless married provision that precludes contraceptive education.

In addition, most Americans do not believe that contraceptive information itself fosters intercourse. Two-thirds (67%) of Americans disagree with the statement, "Some people believe that giving young people information about contraception in schools sends a mixed message and encourages young people to have intercourse." [27% agree, 5% answered both or mixed, and 1% did not know).

With respect to the related topic of whether intercourse should be limited to the married, the poll reveals that the majority of Americans believe intercourse is appropriate within a committed relationship – whether married or unmarried. Those polled were asked which view is "closer to the way you feel: Sexual intercourse should only occur in marriage, OR sexual intercourse should be reserved for a committed, monogamous relationship, whether or not people are married." Marriage was supported by 33% while "committed, monogamous" was favored by 56% of those polled [10% responded both/mixed/depends while 1% responded don't know].

For more information about the poll, contact Darryl Figueroa at Advocates for Youth: 202 347 5700 or Lisa Hanock-Jasie at SIECUS: 212 819 9770

HEALTH ED GROUPS SEEK
END of ABSTINENCE UNLESS MARRIED FED PROGRAM

Noting that the 1996 abstinence unless married provisions of the welfare law preclude Ascientific discussions of contraceptive use or protection against sexually transmitted diseases@ five national health education organizations are encouraging Congress to abandon the 1996 provisions in favor of Aeffective sexuality education that is part of comprehensive school health education.@

The March 29 letter was sent to Members of Congress by the American School Health Association, the American Association for Health Education, the Health Education Section of the American College Health Association, the Society of Public Health Education and the Coalition of National Health Education Organizations. The groups urged that the $50 million in federal funds be re-directed to allow more comprehensive approaches to sexuality education defined by local communities. The health organizations noted,

> A...we advocate abstinence-based sexuality education that emphasizes abstinence as the first and best choice for adolescents, but that also include scientific discussion of methods of contraception and disease prevention. Abstinence-based programs also address issues of critical importance to students, such as negotiation, decision-making process, and other communication skills...Furthermore, we believe that eventually most young people will become sexually active in the context of a loving, mutually monogamous, committed relationship. Our education system is not only intended to provide students with the information and skills the need today, but also to prepare them for their future as adults. By not providing yong people with he information and skills they will need for the future, abstinence-only education is inadequate education.@

< For more information, contact Beverly Berkin at the American School Health Association

TEEN PARENT & REPRO RESOURCES

NEW CLASP RESOURCES ON HOW STATES CAN USE TANF FUNDS TO SUPPORT REPRODUCTIVE HEALTH AND TEEN PARENT INIATIVES

The 1996 welfare law gave states increased flexibility to use welfare funds (now called TANF) to support a wide variety of programs and services. Because funding was based on the higher caseloads of the early 1990's, many states have significant amounts of unspent TANF funds. These unspent funds total about $3 billion nationwide. Among the programs that can be funded are family planning services, teen pregnancy prevention initiatives, and services to teen parents.

A set of new resources from CLASP provides information for advocates and agency officials on how TANF funds can be used to support reproductive health and teen parent initiatives. Examples of such initiatives that are described in these publications include:

- For two years, New York's TANF agency has allocated $7 million in TANF funds to the Department of Health to expand existing state-funded family planning services, and a third allocation is expected. Most of the money is used for education and outreach to women of all ages through 62 family planning clinics. Outreach activities include participation in health fairs and presentations at teen workshops, schools, and community forums.
- Florida has allocated $4.5 million in TANF funds to a three-year, five-site demonstration to expand teen pregnancy prevention efforts and develop prototypes that can be replicated across the state. Five sites were selected through a competitive process. The sites will offer multiple service components including family life and sexuality education, medical and mental health services, parent involvement, tutoring, job and career activities, community services activities, arts, sports, and mentoring. Grantees were required to be collaborative community projects with a minimum of three partners and public-private representation. An evaluation has been funded and will be done by teen pregnancy prevention expert Douglas Kirby.
- In Texas, advocates of the Healthy Families America program for at-risk mothers and their babies decided to seek TANF funding after the legislature rejected an attempt to appropriate state funds to the program. In response to their efforts, the legislature allocated $3.1 million in federal TANF funds over two years to add ten Healthy Families Texas sites to the eight that were previously in operation. Postponement of a second birth is among the objectives of the program.
- Philadelphia is using $2.2 million in TANF and Welfare-to-Work competitive grants to support work and post-secondary learning opportunities for teen parents who graduate from high school. Participants will pursue an Associate's Degree or certificate program leading to a career with family-sustaining wages. Case management is provided to help the teens develop the support mechanisms they need to maintain their jobs and pursue their educations while caring for their children. The program satisfies TANF work participation requirements.
- Texas transferred $6 million in TANF funds to Title XX for child care services for teen parents in school. By transferring the funds to Title XX, the state avoided subjecting these teen parents to the TANF time limits.
- A number of states, such as Massachusetts, Rhode Island, Nevada, and Maryland, are using TANF funds to establish "second chance homes" for teen parents and their children, where the parents receive the supervision they need as well as education in parenting skills and in skills to promote their long-term independence.

These and many other examples, along with people to contact and a detailed description of the rules governing the use of TANF funds are described in three publications, which are all available for free on the CLASP website, www.clasp.org. **Tapping TANF: When and How Welfare Funds Can Support Reproductive Health or Teen Parent Initiatives**, is also available for $5.00 by contacting CLASP at (202) 328-5134. Also available are **The TANF Funding Stream: When and How Welfare Funds Can Support Reproductive Health or Teen Parent Services** (4 pages, $1.00), a summary of **Tapping TANF**, and **Frequently Asked Question: Tapping TANF for Reproductive Health or Teen Parent Programs** (14 pp., $2.00).

Start Early, Stay Late: Linking Youth Development and Teen Pregnancy Prevention summarizes the highlights of ACreating Safe Passages for Youth@ a 1997 meeting co-sponsored by the National Campaign to Prevent Teen Pregnancy, Girls Inc, and the National Urban League. The meeting focused on how the fields of teen pregnancy prevention and youth development could better collaborate. The report notes that there are three reasons for the increasing interest in youth development approaches to teen pregnancy prevention:

- teens who become pregnancy commonly engage in other risky behaviors such as poor school performance;
- teens need to be motivated to utilize the information and services made through sex education and clinics and youth development programs can address this issue; and,
- teens who participate in youth development programs may benefit from those programs= which have been demonstrated to be effective at reducing teen childbearing or pregnancy.

Power in Numbers: Peer Effects on Adolescent Girls= Sexual Debut and Pregnancy provides new insights into the influence of peers on sexual decision-making. As noted in **Power in Numbers,** among the findings are:

- much peer influence is positive;
- having older friends of both sexes increases girls= risk of pregnancy; and,
- best friends and the leading crowd -- the Ain crowd@ -- are less influential than we ordinarily assume.

The research was commissioned by the National Campaign to Prevent Pregnancy and was issued along with a condensed version of the findings, **Peer Potential: Making the Most of How Teens Influence Each Other**.

- To find out how to order these and other National Campaign publications visit the web page at www.teenpregnancy.org or call 202 261 5655.

Improving Outcomes for Teen Parents and Their Young Children by Strengthening School-Based Programs: **Challenges, Solutions, and Policy Implications,** a new Center for Assessment and Policy Development report, offers recommendations on how to improve school-based programs for teen parents based on a six-year effort in three communities: Minneapolis, Pittsburgh, and Portland. With respect to education system changes, the recommendations include improved utilization of Title IX, school district centralization of responsibility for teen parents, and implementation of an array of alternative instruction methodologies. Among the service issues addressed are the reluctance of teens to use services, barriers within schools to linking with community-based services, and the capacity limitations of community-based providers.

To get a copy of the report, contact CAPD at 610 664 4540 or visit www.capd.org++++

Teen Childbearing in America=s Largest Cities examines birthrates in the nation=s 50 largest cities - which account for more than 20% of all teen births in the U.S. One of the goals of the Annie E Casey Foundation AKids Count@ data analysis is to determine whether and to what extent births in these cities parallels the national declines in teen births. Among the findings are that the decline in cities may have driven the overall decline. For example, averaging the 50 cities rates, the analysis found that the *number* of births between 1991 and 1996 declined by 13%; in contrast, the decline nationally was only 5%. The report also found variations within the 50 cities. While a handful of cities experienced 30-40 % declines, another small group actually experienced growth.

STATE NEWS

WORKING POOR AND TANF

Massachusetts: Victory for Working Poor. A Superior Court judge has ruled that the Massachusetts welfare commissioner illegally denied benefit extensions for hundreds of families by imposing a stricter income eligibility requirement on working families once they hit the state's two-year time limit on welfare benefits.

The case focused on the state's "earnings disregard," which requires the Department of Transitional Assistance (DTA) to ignore half of a family's earned income before its welfare grant is reduced by a dollar for every dollar of earned income. A DTA regulation eliminated the statutory earnings disregard for families who hit the state's two-year welfare time limit and file for extensions. As a result, any family earning more than its monthly welfare grant ($565 for a family of three) plus $90 was automatically disqualified for an extension. The policy has resulted in the automatic rejection of more than 900 extension requests. Thousands more low-income working families did not request extensions because they were told that they would not be eligible.

Judge Regina Quinlan, on April 26, 1999, ruled that the commissioner overreached her power by imposing a new, unauthorized eligibility requirement on working families once they reach their time limits. Under the ruling, DTA must reexamine the 900 cases to see if they meet other criteria for obtaining an extension, such as the inability to find work after complying with work requirements. The ruling also requires DTA to allow working families who were deterred from seeking an extension to request reinstatement and receive benefits pending an extension decision. For more information, contact Ruth Bourquin, Massachusetts Law Reform Institute, (617) 357-0700, ext. 311.

Maryland: Income Disregard Raised and Working Families Taken "Off the Clock." Based on legislation enacted in the recently concluded session, Maryland will be enacting a new earnings disregard policy and also will implement a policy under which the supplemental benefits paid to recipients who become employed will be paid with state MOE funds and those months will not be counted toward either the state time limit or the TANF time limit. The TANF earned income disregard for families who become employed while receiving TANF assistance will increase from 26% to 35%. Because the disregard is determined based on four weeks of income, it is effectively 41%. All TANF recipients who are working will be exempted from federal and state time limits. Maryland thus becomes one of few states that "stops the TANF time clock" for working families. To avoid the five-year lifetime limits on federal TANF assistance, the state intends to use segregated state funds within its TANF program to pay cash benefits to working families.

The increased disregard and exemption of working families from time limits are not expected to increase state welfare spending because the state has a large pot of unspent federal TANF funds, so that its expenditures for state-funded assistance for working families can be offset by substituting federal funds for other state expenditures. However, the legislation includes a provision that cancels the changes if the Secretary of Human Resources determines that federal TANF funding has declined to the extent that state welfare spending must be increased in order to fund the act. In another act of legislative caution, the provisions of the act expire after three years. The Act was signed by the Governor on May 13 and takes effect on July 1,1999. For more information, contact Richard Larson, Director, Office of Policy Research, Family Investment Administration, (410) 676-7150 , **welfarereform@prodigy.net** or Steve Bartolomei-Hill, Maryland Budget and Tax Policy Institute, (310) 565-0505, SRLABH@aol.com.

New Jersey: Governor Expands Child Care for Working Poor. Governor Christine Todd Whitman announced an initiative to eliminate the waiting for subsidized child care for children of working families. Beginning in July, the $100 million initiative will make child care available to 7,500 children whose families are on waiting lists for subsidized child care around the state. Unspent federal TANF funds will pay for the three-year initiative.

The program will offer vouchers which allow families to choose the child care setting they prefer, including a center or a registered family day care home. The number of vouchers was based on a study done by the Department of Human Services, which found that there are about 7,500 families waiting for subsidized child care. Families will be eligible if they earn $27,700 or less for a family of three.

The $100 million over three years will be added to the $231 million that the state spends annually to provide child care to children of welfare recipients and low-income families. This is more than double New Jersey's 1996 level of child care spending. The initiative is part of a larger five-year package of child care programs that includes development of school-based child care, an increase in state inspection staff, and funding for professional development for child care providers. For more information, contact Wendi Patella, Office of the Governor, (609) 777-2600.

Los Angeles to Launch Major Child Care Effort in Schools. The Los Angeles County Board of Supervisors has approved the creation of the nation's largest after-school child care system. On May 11, the Board decided to allocate $74 million in unspent TANF funds to launch the after-school program, which will be provided at 225 elementary schools with large numbers of children on public assistance. The program will be open at no cost to all public school students.

Officials estimate that as many as 16,000 children will be served by the program, which will begin operating this summer and will expand throughout the coming year. Supervisors hope to eventually increase funding to $120 million and expand access to older children.

The program was established after a year of lobbying by community groups upset by the contradiction between new welfare time limits and a dearth of child care for the parents who must find jobs and leave the welfare rolls.

Unlike many existing after-school programs, the new programs will focus on education as well as recreation. Homework assistance and test preparation will be included, and computers will be available. For more information, contact John Brendt, Los Angeles County Office of Education, (562) 922-6613.

GENERAL WELFARE

Arkansas Legislature Overhauls Welfare Reform Law. The Arkansas General Assembly passed a major overhaul of the state welfare reform law which was enacted in 1997. The legislation addresses many deficiencies in the original legislation, as well as major problems identified during the early implementation of welfare reform. It incorporates many of the recommendations contained in a welfare reform report issued in December by the Arkansas Kids Count Coalition. The law contains the following provisions among others.

- **Coordination with Workforce Investment Boards:** Local Transitional Employment Assistance (TEA) coalitions and local workforce investment boards must demonstrate that their plans reflect each other's input before their local plan is approved.

- **Time Limits:** Exemptions and deferrals from TEA time limits must be granted within 30 days of the client's meeting one of the categories of eligibility for such exemptions or deferrals, rather than at the end of the two-year limit.
- **Education and Training Exemptions from Time Limits:** TEA clients making satisfactory academic progress in education or training and who are expected to complete their degree/program within a "reasonable" period of time are exempted from TEA time limits. No months shall be counted toward the client's time limit while he or she is under the exemption.
- **Protections for Children:** Financial assistance must be continued to children under 18 if their parents are sanctioned due to noncompliance with welfare rules.
- **Assessme nts and Supportive Services :** A more comprehensive assessment of client barriers to work and barriers to increasing their long-term earnings is now required. Caseworkers must inform clients of the supportive services available to address these barriers.
- **Education and Training:** The emphasis on education and training is increased by allowing TEA clients to participate in the education and training they need to obtain jobs that pay wages allowing them to be economically self-sufficient, requiring that supportive services be provided while clients are in education and training, specifying minimum numbers of TEA clients that must be given the opportunity to participate in vocational training and higher education, and forbidding DHS from requiring more than 15 hours of work per week unless DHS demonstrates that additional hours are needed for the state to meet its federally-required work participation rate.
- **Monitoring and Reporting:** DHS must establish a monitoring and reporting system to ensure that clients are receiving the supportive services they need to become job-ready, find and maintain employment, and increase their long-term earnings and employment prospects. DHS also must establish a review and reporting process to monitor the closing of TEA cases due to noncompliance. The agency must also collect data on the number and reasons for Transitional Employment Assistance (TEA), the number of closed TEA cases and families diverted from TEA who continue to receive Food Stamps and Medicaid, data on the educational and work-related skills of TEA families, and other data. \

The legislation is available on the internet at
http://www.arkleg.state.ar.us/ftproot/acts/1999/htm/act1567.htm.

Adapted from *Welfare Reform Update,* Arkansas Advocates for Children and Families, April 1999. For more information, contact Rich Huddleston, Arkansas Advocates for Children and Families, (501) 371-9678 or **aacf@aristotle.net**.

GEORGIA USES TANF FUNDS TO EXPAND SERVICES

The State of Georgia will use TANF funds freed up by the decline in the state's welfare caseload to fund a variety of services to low-income families. In the FY 2000 budget, the Legislature voted to use TANF funds for :

- Expansion of child care services for people moving from welfare to work or other low-income families at risk of going on welfare ($30 million);
- Education and job placement services for men and women based on the Fatherhood Initiative training model ($5 million);
- Substance abuse treatment for TANF clients ($5.7 million);
- The State Nutritional Assistance Program ($2 million).

Other highlights of the budget not funded by TANF include increases in educational spending including $6.7 million in lottery funds for an additional 1,500 prekindergarten slots to accommodate all the children desiring to enroll in Georgia's new universal program and $4 million for after-school programs with a reading component. For more information, contact Laurie Iscaro, Georgians for Children, (404) 365-8948.

Adapted from *Fiscal Facts*, Georgians for Children, April 1999.

RESEARCH OF NOTE

Welfare Reform and Job Displacement.

> A...the effects of welfare reform on some labor ›sub-markets= are likely to be large. First , the labor supply increase from welfare reform is quite large as percentage of groups such as single mothers with than a college degree (12%) or female high school dropouts (9%)[Bartok 1999]. Second- although there is some dispute over this issue within economics-the best evidence suggests that labor demand for lower skill groups is not very responsive to wages. For example, although there is dispute within labor economics over the effects of the minimum wage, the dispute is over whether the effects of the minimum wage on labor demand are zero or small.

...For every two ex-welfare recipients who get a job, one other woman of similar education level is likely to lose a job. Over the long-run, wages for some groups of less-educated women may decline by close to 10%.@

AWill Welfare Reform Cause Displacement?@
Timothy J. Bartok
Employment Research, Spring 1999

RESOURCES

Children and Welfare Reform: A Guide to Evaluating the Effects of State Welfare Reform Policies on Children shares the results of a unique project to assist states in measuring child outcomes in the context of welfare reform programs. The report from Child Trends is intended for use by state welfare agencies, nonprofit organizations, researchers, and others who seek to understand how state welfare policies might influence child well-being. Its three main sections address the "why," "what," and "how" of examining child outcomes in a welfare reform study.

To order a copy of the Guidebook visit Child Trends' website at http://www.childtrends.org/newswort.htm. Copies are free for a limited time.

Steps to Success: Helping Women With Alcohol and Drug Problems Move from Welfare to Work profiles 20 alcohol and drug treatment programs in seven states that are helping women move into recovery, off welfare, and into jobs. The Legal Action Center report identifies key characteristics of the programs (work training, funding for programming, capacity, etc.) and the clients. The report also offers recommendations for improving programs for screening and assessing welfare recipients for alcohol and drug problems, referring them to treatment, and funding treatment.

To order a free copy, send your name and address via e-mail to michellel@lac-dc.org <mailto:michellel@lac-dc.org> or via fax to Michelle Lewis at 202-544-5712.

Designing and Administering a Wage-Paying Community Service Employment Program Under TANF: Some Considerations and Choices is an MDRC Working Paper that explores how wage-based community service employment might work from the perspective of the local agencies participating in the implementation of welfare reform. It concludes that "TANF offers an unusual opportunity for job creation that can at once benefit welfare recipients, taxpayers, the community, and employers" and that "wage-based community service employment has the potential to recreate, in more flexible form, many of the job training options previously available for the most disadvantaged workers, to tailor these to the needs and circumstances of participants and employers, and to serve wider social and economic purposes as well."

To see the report visit MDRC's web site at www.mdrc.org.

New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare is the second report from MDRC's evaluation of the innovative, and widely discussed, New Hope Project in Milwaukee, Wisconsin. New Hope was ambitious, reaching out to all low-income workers in two target areas in Milwaukee and providing a comprehensive package of supports, including affordable health insurance and child care assistance, two critical needs of poor working families. "A major policy challenge for the nation is improving the well-being of low-income workers and their children," said Dr. Robert C. Granger, director of the evaluation. "New Hope set out to make a difference for these families, and it did." The study found that over a two-year period, New Hope increased participants' employment, reduced their poverty, and, perhaps most striking, improved their children's classroom behavior, school performance, and social competence.

< To see the report visit MDRC's web site at www.mdrc.org.

Poverty amid Plenty: The Unfinished Business of Welfare Reform provides the findings of a survey of thousands of clients in 59 social service agencies over a two year period. Among the observations are:

Women and children are showing up in creasing numbers at soup kitchens; and

Significant numbers of adults and children are suffering from poor nutrition, unstable housing and inadequate health care.

The report, issued by NETWORK, offers a set of recommendations to help move people out of poverty.

< To see the report visit NETWORK=s web site at www.networklobby.org or call 202 547 5556 for order information.

CLASP*Update*

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

July 31, 1999

TANF UPDATE

AMOUNT OF UNSPENT TANF FUNDS INCREASES TO $4.2 BILLION

TANF spending data for the first quarter of Fiscal Year 1999 indicates that states' reserves of unspent TANF money are growing. States are allowed to carry forward unobligated TANF funds for use in future years, but such funds can be used for cash assistance only. While TANF funding allocations are based on welfare caseloads in the early 1990s, many states have seen large decreases in their welfare caseloads and are therefore accumulating substantial amounts of TANF money. In the first quarter of FY 1999, states obligated only 55 % of the federal TANF funds they received in that quarter. This brings the total amount of unobligated federal TANF money to $4.2 billion, or 12 % of the total federal TANF funds awarded to states since TANF was implemented. Among the largest unobligated balances are $586 million in California and $238 million in New York.

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Calls for states to spend their TANF funds have come from a variety of quarters. Nancy Johnson, Chairman of the House welfare subcommittee, has written a letter to the Governors urging them to spend these funds or risk seeing them taken away by Congress. And indeed, abortive efforts to divert these unspent balances to other uses have already occurred. The 1996 welfare law gave states great flexibility in spending these funds, and the new regulations make this flexibility even greater than previously anticipated. For example, a narrowed definition of assistance makes it easier for states to use TANF funds to help low-income employed families. (**The Final TANF Regulations: A Preliminary Analysis**, available at www.clasp.org, explains how states can utilize this and other HHS changes in assisting low-income families.)

In a further effort to encourage states to spend TANF money, HHS has issued **Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families through the**

TANF Program, available on the Internet at www.acf.dhhs.gov/programs/ofa/funds2.htm. The guide encourages states to use TANF funds in innovative ways to achieve the goals of the

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FALL 1999 CLASP AUDIO CONFERENCE SERIES

"Looking to the Millennium and the Legislature: Re-visiting Low-Income Programs"

September 24, 1999, Welfare 2000: A Win, Loss, or Draw?
As we approach the year 2000, can we say whether it has been a win, loss, or draw for those who receive welfare (TANF), those who work, and the "disconnected" (neither working nor in TANF)? Clearly, a significant percent of families formerly receiving TANF leave for work. At the same time, others remain "lost". What picture is the most appropriate and what does it mean for state legislatures in 2000? Is it too soon to say what it means for reauthorization of the federal law? *Guests: Peter Edelman, Georgetown University Law Center, Ron Haskins, House Ways and Means Subcommittee on Human Resources, Mark Greenberg, Center for Law and Social Policy*

October 1, 1999, Medicaid Expansion: Reaching More Adults
Many employed, low-income parents are unable to access health coverage. Yet, a little known option under Medicaid law allows states to cover low income working parents – both those who have and those who have never received welfare. Several states have adopted this expansion including Rhode Island, D.C., Wisconsin and Missouri. Who exactly is eligible? What needs to be done to take the option? How can the Medicaid option to cover more adults become an urgent priority in the state legislature? *Guests: Christine Ferguson, WCB, RI Human Services Department, Cindy Mann, Center on Budget and Policy Priorities*

October 8, 1999, Pregnancy Prevention: Tapping TANF for Reproductive Health
In a number of states, local pregnancy prevention campaigns and programs have been funded from unspent TANF funds. The range of efforts include support for second-chance homes for teen parents, home-visiting, youth development programs, male involvement, community awareness, and family planning expansions. How have different states secured TANF funds? Which agency has the lead? What steps should legislatures take to consider expanded or new TANF investments in this area? *Guests:Pam Goodwin, RI Department of Human Services, Cheryl Robbins, FL Department of Health*

October 22, 1999, Job Advancement: New Strategies and Facts
It is common for former welfare recipients to work, but steady work is uncommon. Earnings rise significantly over time, but wages do not; instead, low-income parents work more hours. The starter-job shapes the future employment picture - that is, all things being equal (skill levels, etc.), those who start a job with higher wages, wind up with higher wages over time. What are the trade-offs between work-site and off-site post-employment advancement services? What key policies should state legislatures address? *Guests: Jack Tweedie, National Conference of State Legislatures, Nan Poppe, Portland Community College*

November 5, 1999, Child Care: New Trends and Emerging State Models
There is a lot more child care money than ever before. These dollars can make a difference to families and determine whether they can access child care, how much it costs, and the quality of child care in their communities. Why, despite this new funding picture, are so many welfare families and working families still facing problems securing child care? Learn about new trends at the state level and strategies for ensuring that working poor and welfare families actually are helped by the new child care funds. What are some initiatives that should come before your legislature to address these issues? Guests: Helen Blank, Children's Defense Fund, Joan Lombardi, Child Care Consultant

November 12, 1999, Child Support: What If It All Came Home?
One of the major tensions with the current child support system is that the fathers (and some mothers) who make financial contributions may never see the support benefit their child; the money, instead, reverts to the government. What would happen if child support were realigned as a supplemental income program to help families achieve economic self-sufficiency? What if states "passed-through" not only $50 dollars but all child support - regardless of welfare status? Should a state legislature take this on now? *Guests: Paula Corrigan-Halpern, Metropolitan Family Services, Chicago, Elaine Ryan, American Public Human Services Association, Vicki Turetsky, Center for Law and Social Policy*

December 10, 1999, Job Creation: Setting Up Programs
Already two states have statewide job creation programs (Washington and Pennsylvania). Another dozen localities are off and running with job creation programs designed to provide employment for those who can not find work. Most states have legislative

statute. It identifies numerous uses of TANF and maintenance-of-effort (MOE) funds, including community job creation, job skills training for non-custodial parents, job retention services, extending the hours of high quality preschool programs like Head Start, non-medical substance abuse services, vocational rehabilitation services for the disabled, refundable Earned Income Tax Credits, teen pregnancy prevention programs, among others. The TANF spending data can be found on the Internet at http://www.acf.dhhs.gov/programs/opa/facts/finanfs.htm. Additionally, the Center on Budget and Policy Priorities has released a new paper entitled **Welfare Balances in the States: Unspent TANF Funds in the Middle of Federal Fiscal Year 1999**.

STATE TANF PLAN RENEWALS

Nearly all states will be submitting biennial TANF state plan renewals this fall. Under the federal welfare law, as amended by the Balanced Budget Act of 1997, any state that submitted a TANF state plan after September 30, 1996 will need to renew eligibility status for fiscal year 2000 by filing a completed plan no later than December 31, 1999. This deadline applies to all but four states—Massachusetts, Vermont, Michigan and Wisconsin. These states filed TANF plans prior to September 30, 1996 and were therefore required to renew their state plans by December 31, 1998. HHS sent a Policy Announcement to state welfare agencies last year detailing the requirements and the deadlines for state plan renewal. Transmittal No. TANF-ACF-PA-98-3 is available at http://www.acf.dhhs.gov/programs/ofa/pa98-3.htm.

The HHS Policy Announcement encourages states to submit plans no later than November 1 to ensure that HHS will have adequate time to determine that a plan is complete by December 31 of the fiscal year in which renewal is due. The state plan will be retroactive to October 1 unless a different date is requested. In addition, states are required to consult with local governments and private sector organizations in the development of the plan and to provide at least a 45-day period to receive comments prior to submitting the plan. For a state to allow time to consider the comments and modify the plan, it might need to start the 45-day comment period during the summer in order to complete the plan on schedule.

The state plan renewal must include all of the necessary elements in section 402 of the Social Security Act, 42 USC section 602, including the certifications required in section 402(a)(2)-(7). These include certifications that the state will operate a child support enforcement system and a foster care and adoption system; identification of the state agency or agencies administering the program; certification that the 45-day comment period has been provided; assurance of equitable access for members of Indian tribes; certification that the state has and uses procedures against fraud and abuse; and optional certification if the state has chosen the family violence option.

In addition to the statutory requirements for a state plan renewal, the recently issued final TANF regulations identify a number of items that might or must be specified in the state TANF plan. A state plan must set forth the income and (when applicable) resource standards used in its TANF-funded programs. State MOE funds must be used for "eligible families" who meet the TANF income and resource standards set forth in the state plan. As it is possible for a state to determine that its eligibility levels will vary for different TANF services and benefits, it is likely that some states will list more than one eligibility level. The state plan renewal is an opportunity for states to consider setting different eligibility levels in response to the state flexibility recently set forth in the preamble to the final TANF regulations and in the aforementioned HHS guidance entitled **Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families through the TANF Program**, available at http://www.acf.dhhs.gov/programs/ofa/funds2.htm.

In addition, state plans could include some items that states are required to submit in their annual report. States must submit detailed information on a number of subjects in the annual report under 45 CFR section 265.9(b) and (c). These include, for example, the state's definition of work activities and a description of any non-recurrent short-term benefits provided. The final regulations recognize that the TANF state plan may include some of these same items and specifically allow states to reference the state plan rather than repeat the same items in the annual report. While all states must meet the welfare law's work participation rate requirements or face a fiscal penalty, the final regulations give states significant flexibility over how they define the activities that will be counted toward the work rate. Among the requirements for reporting on non-recurrent benefits, states must describe their diversion policies (eligibility, duration and amount of benefits, etc.), note whether families in diversion programs are made ineligible for ongoing cash assistance, and identify procedures used to ensure that diverted families get access to food stamp and Medicaid benefits.

The state plan renewal is an opportunity for a state to revise its TANF plan to reflect the program that the state has implemented. Most states submitted their first state plan prior to enactment of state legislation implementing the state's TANF program. Thus the renewal plan may be the first time that the TANF plan reflects the state's legislative approach. In addition, the state plan renewal may be a useful catalyst for implementing program approaches that have been under consideration for some time. For example, a number of states have not formally adopted the family violence option but have indicated that they are developing some type of procedures. The state plan renewal is an opportunity to focus a state on whether or not it will formally choose the federal family violence option. (A state can choose the FVO at any time.)

Finally, in a separate but related area, states with waivers granted under the prior AFDC program that want to follow provisions of the waiver instead of inconsistent TANF provisions are also required to submit a separate certification by the Governor by October 1, 1999 concerning claimed waiver inconsistencies. HHS has urged states wishing to claim waiver inconsistencies to submit certifications by July 1. For further information on waiver inconsistencies and time limits, see **States Must Act Immediately to Retain Time-limit Flexibility Under their Waivers**, available at http://www.cbpp.org/5-27-99wel.htm.

- Submitted to CLASP Update by Liz Schott, Center on Budget and Policy Priorities

CONGRESSMEN URGE THAT TANF PERFORMANCE BONUS ADDRESS SOCIAL PROGRAM COVERAGE

The 1996 welfare law includes a bonus for those states which achieve "high performance." What constitutes high performance is to be determined by the Department of Health and Human Services (HHS). Democratic members of the Ways and Means Committee of the U.S. House of Representatives sent a letter in June to HHS Secretary Donna Shalala urging that the performance measures include indicators of Medicaid coverage and food stamp receipt. The Democrats, Pete Stark (CA), Sander Levin (MI), William Jefferson (LA), and Bob Matsui (CA) are concerned about the dramatic declines in participation in these two programs. As Levin noted, "It is our hope that a bonus system that incorporates measures of food stamp and Medicaid receipt using existing administrative data will do much to ensure that states take the necessary steps to enroll low-income families in these key anti-poverty programs."

The high performance bonus provides $200 million for each of the fiscal years 1999-2003. HHS has issued temporary guidance that will reward states based on job entries, job retention, and earnings gains. The Congressmen hope that proposed regulations will give priority to state Medicaid and food stamp participation levels.

CHILD SUPPORT PASS-THROUGH LEGISLATION COULD BENEFIT TANF FAMILIES

On May 13, Senator Herb Kohl (D-Wisc.) introduced legislation to encourage states to "pass through" child support payments to families. The Children First Child Support Reform Act of 1999 (S. 1036) would give states the option to distribute all child support collections, including current support and arrears to TANF and former TANF families. Moreover, states could disregard all or part of these child support collections in determining a family's TANF benefit. States that disregard at least 50% of collections would not be required to calculate or pay back the federal share of TANF collections ordinarily owed to the federal government. A state adopting a pass-through policy could claim support distributed to the family as part of its maintenance-of-effort spending—the state funds it must spend in order to receive its full TANF allocation. The bill would also require that states maintain spending on child support at the highest level that it reached between 1995 and 1998. The bill has received favorable attention from states and advocates. For more information, contact Vicki Turetsky at CLASP, (202) 328-5145 or vturet@clasp.org.

FEDERAL UPDATE

CLINTON ANNOUNCES FOOD STAMP POLICY CHANGES

President Clinton announced three executive actions to change food stamp policy to help low-income working families. These actions were:

- **Issuing guidance making it easier for families to own a reliable car and still receive Food Stamps.** Until now, working families receiving only in-kind (and not cash) benefits through TANF lost eligibility for food stamps if the value of their car exceeded the food stamp program asset limit of $4,650. The new policy guidance allows states to permit families that receive any TANF benefits, whether cash or in-kind, to continue receiving food stamps even if their assets exceed the food stamp program asset limit. This will allow families receiving TANF benefits such as child care or job retention services to continue receiving food stamps while owning a reliable car.

- **Issuing new rules making it easier for states to serve working families.** The new rules give states new options to simplify income reporting requirements to make it easier for working families to report income and for the food stamp program to determine eligibility. For example, families will now be able to report earnings every quarter instead of every month.

- **Initiating a new public education campaign, hotline, and "Food Stamp Toolkit."** Agriculture Secretary Dan Glickman will lead a nationwide public education campaign to educate working families about food stamps through new informational materials and an improved toll-free hotline. A new "Food Stamp Toolkit" will provide state and local leaders with information about how the program can be used to help working families.

In a letter to Governors announcing the changes, Secretary Glickman urged them to complement the federal actions by developing state plans to inform low-income households about food stamps, simplifying their application processes, modifying their procedures to prevent inappropriate denials and terminations, increasing utilization of Food Stamp Employment and Training funds, and participating in a National Summit on Community Food Security.

Detailed information about the Administration's Food Stamp Initiative is available on the Food and Nutrition Service website at http://www.fns.usda.gov/fsp/Clintoninitiative/default.htm. Included are the new guidance and a primer for ensuring access to food stamps to eligible workers and their children.

HOUSE HEARING ON NON-MARITAL BIRTHS

A recent U.S. House of Representatives hearing on non-marital births called by Congresswoman Nancy L. Johnson (R-CT), Chairman of the Subcommittee on Human Resources of the Committee on Ways and Means, reviewed the latest statistics and state strategies related to pregnancy prevention. Also considered at the hearing were possible causes for the decline in non-marital and in teen births. The June 29 session also revealed that Johnson wants to make funding earmarked for the federal abstinence-unless-married initiative more flexible.

In announcing the hearing, Chairman Johnson stated: "Along with the related problem of declining marriage rates among low-income Americans, the increase in non-marital births is the nation's leading social problem. We have found that the nation's shocking level of births outside marriage is correlated with almost all our other social ills. Now, for the first time in several generations, we seem to actually be making progress in reducing the rate of teen births outside marriage and at least stopping the increase in the ratio of all American births that occur outside marriage. We are holding this hearing to find out whether any of the policies we enacted in 1996 are having an impact on the level of non-marital births and to search for additional steps we can take to encourage young people to defer childbearing until marriage."

Both Johnson and Ben Cardin, the only other House member that attended, were interested in knowing what caused the decline in teen births and out-of-wedlock births. A variety of answers were offered. "We can't say how much of the decline is attributable to declines in sexual activity in contrast to increased utilization because the calculation is elusive," suggested Stephanie Ventura of the National Center for Health Statistics. The Alan Guttmacher Institute's Cory Richards offered that 20% of the decline in teen births is due to lower rates of sexual activity while 80% is attributable to contraceptive utilization (including increased use of longer lasting contraceptives) by those who are sexually active. AGI has reported this analysis in the June 1999 issue of The Guttmacher Report on Public Policy. Richard Nathan of the Rockefeller Institute gave some credit to welfare policy stating, "In my opinion, though I cannot prove it, stronger signaling in welfare policy has contributed materially to this decline. Other factors, too – fear of AIDS and new technology (notably Depo-Provera) – have also contributed. But determining causality in this super-sensitive policy area is impossible."

Whether and how states are engaged in reducing out of wedlock births was also discussed by some of the witnesses. Nathan noted that his research has found a lack of connection between the welfare, employment, and health agencies. The preliminary findings of an American Public Human Services Association survey, discussed by witness John Sciamanna, offered a national picture in which the majority of states report spending welfare funds on pregnancy prevention. "States are … expanding past state health department efforts and initiating new TANF-funded programs. Efforts to reduce teen pregnancy are not limited to the TANF arena; pregnancy prevention is a broader issue that spans income groups and must be addressed by a comprehensive approach involving state and local parties, programs and communities-based organizations." The preliminary findings of the APHSA survey include:

- 36 states are funding teen pregnancy or out-of-wedlock birth prevention programs with either federal TANF funds or state Maintenance-of-Effort funds.

- 9 of the 36 states are using TANF funds specifically for abstinence education efforts to supplement TitleV abstinence funds.

- At least 16 of the 36 states are running statewide programs; 14 are funding local initiatives and the rest are combining both approaches.

- The remaining 11 states are using funds to evaluate programs.

The most heated moment of the hearing came in a testy exchange between Johnson and Robert Rector of the Heritage Foundation. As the two discussed abstinence-unless-married education, Johnson mentioned a program in Connecticut that had outstanding outcomes, but was unable to get abstinence-unless-married funds because it provides information on contraception. She indicated interest in setting aside some portion of the abstinence-unless-married federal funds for programs that meet certain performance measures – whether or not they adhere to the eight tenets set forth in the federal law. Johnson then asked Rector if he could support her performance outcomes set-aside. Rector asserted that he did not support this approach and during the back-and-forth with the Chair, suggested that if she wanted to fund programs such as the one in Connecticut, "the TANF surplus" could be used. Johnson stated that she was aware of the available TANF funds but felt it was important that federal abstinence funds be flexible enough to support successful abstinence programs as "a matter of principle."

Most of the testimony is available on the Internet at http://www.house.gov/ways_means/humres/106cong/hr-8wit.htm.

STATE NEWS

Michigan: Governor Approves Drug Testing of Welfare Applicants. Under legislation passed this session, Governor John Engler approved a bill requiring all those who apply for welfare to submit to drug tests in order to qualify for cash assistance. Michigan is the first state to mandate such testing, according to the National Council of State Legislatures. Implementation will begin on October 1 in three counties. However, by 2003, all applicants statewide will undergo drug testing. In addition, welfare recipients will be subject to random testing. Both applicants and recipients that fail their tests will receive drug treatment, according to Governor Engler. Those who fail to comply with drug treatment will be sanctioned. The Michigan legislature also approved a plan to fingerprint welfare applicants to prevent families from receiving assistance under more than one name.

Minnesota: Earned Income Tax Credit Increase: The Minnesota legislature increased the state's version of the Earned Income Tax Credit, which is called the Minnesota Working Family Credit. Under the extension, families with two or more children will get an increase of up to $120 in their tax credits. Families with one child will get up to $64 more. The maximum credit amounts are now $620 for a family with one child and $1220 for a family with two or more children. For most families, the tax credit will increase by 10%. The legislature's vote to cut income tax rates across the board was a major factor behind the credit increase. Minnesota families that are too poor to owe any taxes would not have benefited from this tax cut, and advocates successfully argued for an increase in the Working Family Credit so that these families could share the benefits of the state's good fiscal situation.

- For more information, contact Family & Children's Service, fcspower@aol.com or Nan Madden, nanmadden@uswest.net.

Texas: Legislature Votes to Increase Grants and Child Care Funding. The budget passed by the Texas Legislature and signed by the Governor for the 2000-2001 biennium provides funding for some new initiatives to help TANF recipients. Among the TANF initiatives funded were:

- The first real increase in the basic TANF grant in 14 years. The maximum grant will be pegged at 17% of the federal poverty level, as opposed to the current 16.25%. The maximum grant for a family of three will now be about $201 a month (which is an increase from $188 per month) but will be adjusted upwards annually as the federal poverty level is adjusted. In addition, TANF families will receive an annual grant of $60 per child in August to help cover back-to-school expenses.
- An increase of $80 million over the current biennium in subsidized child care funds. This $80 million will be TANF funds transferred to the Child Care and Development Fund. However, this may not be enough to eliminate waiting lists in all regions of the state which have hovered between 30,000 and 40,000 children in recent years.

- The earned income disregard was increased to 90% of earnings for the first four months. It then reverts to the previous disregard of $120 plus one-third of earnings.

- The Self-Sufficiency Fund, which trains TANF recipients for jobs with good wages, will be doubled from $12 million to $24 million in the coming biennium.

- $12 million will be used to increase case management for TANF clients in order to identify and remove barriers to employment.

A large portion of the TANF funds were used to supplant state spending, including $173 million used to "free up" (supplant) $162 million in state general revenue spending. Much of this swap of TANF for state funds occurred in the utilization of TANF to fund foster care services. While TANF funds supported a net increase of $78 million in foster care services, the use of TANF in this budget strategy is nearly quadrupled from the current budget. This funding change will require federal approval.

The session began with a projected TANF surplus for FY 2000-01 of $580 million. About $100 million of the surplus will remain unspent under the final budget. The Legislature did not fund a number of initiatives that were proposed by advocates, such as temporary housing assistance and child support improvements.

- For more information, contact Patrick Bresette, Center for Public Policy Priorities in Texas, (512) 320-0222, bresette@cppp.org.

Colorado: Denver Agrees to Ensure Due Process. The Denver Department of Human Services (DDHS) reached an agreement with a group of participants in the Colorado Works Program, Colorado's TANF program, to resolve a class action lawsuit brought by Colorado Works participants who had been sanctioned by having their cash assistance reduced. The plaintiffs had alleged that Denver, Adams County, and the State of Colorado had cut clients' benefits without adequately explaining how they had failed to meet welfare requirements or what rights of appeal they had. Instead, sanctioned clients received notices written in bureaucratic jargon that was difficult to understand.

As a result of the agreement, DDHS will not impose any reduction or termination in cash assistance benefits as a sanction without first providing an accurate and completed Pre-Sanction Warning Letter and Notice of Sanction Action. The forms for the letter and notice are included in the agreement. Any sanction imposed without an accurate and completed Pre-Sanction Warning Letter and Notice of Sanction Action will be reversed. Additionally, DDHS agreed to use its best efforts to make sure that each applicant and participant receives copies of information sheets about good cause and sanctions. These information sheets are also included in the agreement. DHHS also agreed to use its best efforts to provide the notice forms and information sheets to participants in their native languages. In particular, Spanish language versions *must* be provided for Spanish-speaking participants. DDHS agreed to provide restitution to Colorado Works participants who have received undue sanctions. It is estimated that the agreement will cost the city $2.2 million for benefits to approximately 1,900 families who were sanctioned. The money is expected to come from funds accumulated because of a dramatic decline in Denver's welfare caseload.

Adams County and the State of Colorado have not settled with the plaintiffs. The trial is set for September 27, 1999 in Denver District Court.

- For more information, contact Maureen Farrell, Colorado Center on Law and Policy, (303) 573-5669, msfarrell@uswest.net.

Wisconsin: New Study Shows Dark Side of Welfare Reform. Wisconsin has long been considered a leader in welfare reform. Welfare caseloads have fallen dramatically since 1986. But a new study from the Institute for Wisconsin's Future shows the dark side of this paring of the welfare rolls. This study, entitled *The Growing Crisis Among Wisconsin's Poorest Families: A Comparison of Welfare Caseload Declines and Trends in the State's Poverty Population, 1986-1997*, shows that Wisconsin has been far more successful in cutting its welfare rolls than in moving people out of poverty.

The study looked at poverty data in Wisconsin from 1986 to 1997, the period when the vast majority of the caseload reductions took place. During this period, a series of welfare reform measures culminating in the passage of the W-2 program sought to replace AFDC with work-based assistance. The major findings of the study were:

- **The number of people in poverty fell much less than the number of people on welfare, despite strong economic growth.** While the number of people on welfare decreased by 67 percent, the number of people in poverty fell by only 11.8 percent.

- **The percentage of poor people who received cash assistance fell dramatically.** The proportion of the state's poverty population receiving cash aid fell from nearly 60 percent in 1986 to under 23 percent in 1997.

- **The number and percent of food stamp households with children that were extremely poor increased sharply from 1989 to 1997.** The proportion of food stamp families with children that had incomes less than half of the poverty level ($6,665 for a family of three in 1997) jumped from about ten percent of food stamp families in 1989 to over 32 percent in 1997.

The report recommends policy adjustments to incorporate skill training and education more successfully into the W-2 program, assist working poor families, ensure that families receiving the rolls receive needed benefits and services, and ensure that W-2 participants are not pushed deeper into poverty.

➢ The report is available on the internet at www.execpc.com/~iwf. It can also be obtained by calling the Institute for Wisconsin's Future at (414) 384-9094.

Pennsylvania: Medicaid reinstated for 32,000 who left TANF. After months of discussions with lawyers and advocates of the poor, the state Department of Public Welfare agreed to reinstate Medicaid to 32,000 citizens who were wrongly deprived of Medicaid when they moved from welfare to work. Until this agreement, former TANF recipients who found work had to return to welfare offices with pay stubs in order to reapply for health coverage. Many former recipients were unaware that they were still eligible for Medicaid, and misinformed workers and computer errors contributed to the problem. The state will now reinstate the families by mailing them "ACCESS" cards pre-programmed with at least two months of coverage. After that, most parents will have to submit income information in order to retain their coverage, although some cases with information already on file will be permanently reopened. Under the new welfare laws, parents leaving public assistance for work are automatically entitled to six months of Medicaid coverage and may qualify for an additional six months.

In addition to reinstating the families that lost Medicaid, the state welfare department has also adopted policies and procedures to ensure that more families are not cut off too soon, including:

- The eligibility computer is being reprogrammed to prevent erroneous cut-offs.

- Welfare office supervisors must now sign off on any Medicaid termination.

- The state will air TV commercials to inform people that they can keep their health insurance even after they leave welfare.

- During the next two months, Pennsylvania will contract with a telephone counseling service to conduct follow-up calls to families who have not returned the paperwork to retain their benefits.

- Working parents will now be able to renew their Medicaid coverage by mail, rather than having to take time off to appear in person.

- When a parent leaves welfare and does not provide pay stubs to a caseworker, the caseworker will use information in state databases or in the family's file to make the determination of eligibility. The welfare department will also work to transfer information from welfare-to-work programs to local welfare offices so that Medicaid can be automatically continued for the families of parents finding jobs.

- For more information, contact Pat Redmond, Philadelphia Coalition for Children and Youth, (215) 563-5848; Ann Torregrossa, Pennsylvania Health Law Project, (215) 625-9111; Richard Weishaupt, Community Legal Services, (215) 981-3773.

REPRODUCTIVE HEALTH AND WELFARE

Family Planning Referral: States Train Welfare Staff

Welfare agency staff in Alaska, Hawaii, Montana, Utah, and Washington are now trained about pregnancy prevention and family planning. While somewhat different approaches are taken in each state, all intend that welfare staff gain the skills necessary for effective referral of welfare clients to family planning services. CLASP is interested in hearing from other states or communities that have similar training programs. If you have information to share, please contact jodie@clasp.org. The following offers highlights from three states:

In **Alaska**, health department official Linda Vlastuin identified the need for a curriculum to train welfare agency staff to work directly with their clients on family planning issues. The goal is not only to develop the capacity for appropriate referral but also to enable welfare agency staff to address basic reproductive health issues. According to Vlastuin, the impetus behind the effort was "to assist families in having intended pregnancies since 50% of the births in Alaska are unintended."

Vlastuin notes that the decision to train welfare agency staff to be information providers regarding family planning was "a logical choice since eligibility technicians have frequent contact with families through welfare eligibility and case management activities."

The training is based on a curriculum called "Talking to a Client about Planning a Family." A major focus of the curriculum is to increase the comfort level of welfare workers in talking with their clients about the need to plan their family size. The curriculum includes techniques for assessing client understanding regarding information and for improving information retention. For example, staff are trained to encourage clients to restate information in their own words. Another area of the curriculum is related to sensitivity to cultural diversity.

"What our curriculum is all about is to assist the eligibility technicians in becoming comfortable in talking with their clients about planning a family," notes Vlastuin. To date, 125 eligibility technicians (intake workers) in all locations statewide have been trained with this curriculum. Local state-funded family planning clinic staff provided the training to eligibility technicians in their community, which also enabled family planning staff to network with welfare staff to increase local collaboration and referrals. The training is one day in length and has been offered individually or in connection with other training. State Public Assistance staff worked with Maternal and Child Health staff to develop the curriculum using Title V funds.

There are no mandates on clients regarding family planning. Instead, the training is designed to make it more likely that clients will weigh how family size fits with employment, family goals, and the benefits of having children that are planned.

➢ For more information, e-mail Linda Vlastuin at ldvlastu@health.state.ak.us or call (907) 269-3428.

In **Montana**, the Women's Health Section formed a partnership with the state's Public Assistance Bureau to create a TANF staff training system. Among the reasons for creating the partnership was the finding that nearly one-third of welfare applicants cite pregnancy as a reason for seeking assistance (31% of respondents to a recent survey). The focus of the effort is assisting families to avoid unintended pregnancies through voluntary referrals for family planning services.

The State Partnership seeks to:

- Foster *local partnerships* between public assistance and family planning agencies;

- Increase the family planning knowledge and skills of TANF case managers and service providers "to integrate planning a family" within case management;

- Increase appropriate referrals to family planning.

Local Partnerships. To foster interaction between the public assistance and family planning agencies a first step taken by the Partnership was a survey of local family planning clinics. The question was whether the clinic had any relationship to the welfare agency. The 20 responding Montana family planning clinics indicated a range of existing contact with the local welfare agency. While some noted they had little contact, just as many had already undertaken local family planning training of the welfare staff. Several already had reciprocal referral arrangements. Four clinics indicated they undertake presumptive eligibility for Medicaid services for pregnant women. Several of the clinics, including those already interfacing with the welfare agency, welcomed a chance to improve relationships between the agencies.

Training and Referrals. About half of the state's 400 case managers and eligibility workers received program training in April. Some number of service providers [e.g. local job training non-profits] also participated. Montana adapted the Alaska curriculum as well as materials from Washington state. In addition, Montana undertook to "train the trainers" so that a core group of Montana family planning trainers could deliver the program. Montana titled its program: "Communicating with Participants: An Introduction to Planning a Family."

According to Jan Lombardi, who oversees the project for the state Department of Public Health and Human Services, "part of our training is to underscore that reproductive health and family planning is voluntary. We had originally thought that a discussion about voluntary referral should be part of the participant's Family Investment Agreement. Then we realized that in Montana, this step signals a potential sanction could result if an appointment was not made or kept. That is not the goal. So instead, referrals are made in a more informal way."

In working with TANF participants, staff are trained to:

- Initiate a family planning conversation when it appears family size may be a barrier to employment and;

- Integrate family planning into a discussion when the participant raises the issue.

However, staff are also told not to embark on these conversations unless they are comfortable with the subject. In fact, brochures on family planning that participants might use are located in a central space in the welfare office; staff are only to disseminate them directly to participants if they feel comfortable in that role.

Funding for the training came through a special grant from the federal family planning program, Title X, as part of a special initiative to encourage Title X agencies to form new partnerships. Lombardi secured the Title X grant and the TANF agency also contributed to the $75,000 project. A second year grant will allow Lombardi to assess the impact of the training.

"This type of project is extremely worth doing," notes Lombardi. "The challenge for different state agencies with different programs is to realize that we are dealing with the same person. We need to minimize barriers between our different programs and take advantage of the opportunities to reach the same person." She feels the training program is evolving and that the year two evaluation will help fine-tune program components. "We expect to learn whether our lessons about non-coercive approaches to working with participants actually succeeded; we hope to get reactions to the materials that participants receive; and we hope to target one community for intensive work. We are excited by this partnership."

- For further information contact: Jan Lombardi, Women's Health Section at (406) 444-7331 or e-mail: jlombardi@state.mt.us.

Utah's Department of Workforce Services collaborated with Planned Parenthood Association of Utah to host a statewide training on family planning in order to "increase job success by reducing unintended pregnancy." Now, all of the state's "one-stop shops" have staff with family planning referral expertise. One-stop shops, mandated under the federal Workforce Investment Act, the law which consolidated a multitude of federal job training programs, are expected to serve the employment related needs of families of all incomes. In the Utah system, counselors are trained about the full range of referrals so that there is "no wrong door" for those seeking services.

In March, employment counselors received a half day of information designed to help them communicate with TANF and other customers regarding family planning. The sessions were held in three areas of the state; in addition, a television satellite broadcast from one site so that employment counselors in remote areas could participate.
In preparation for the training events, counselors were surveyed about:

- Reasons staff are reluctant to raise family planning issues; and

- Illustrations of current links to family planning.

These findings, in turn, were used to help develop a resource guide for the counselors entitled "Enhancing Employment Plans by the Reduction of Unintended Pregnancies." As stated in the guide, among the key messages the Department of Workforce Services wants TANF counselors to follow are:

- It is DWS policy that appropriate discussions and referrals take place and are part of the employment planning process.

- It is important that all DWS employment counselors recognize their responsibility is to **refer** customers to family planning counseling services; and

- Family planning is defined as an individual's right to manage his or her fertility. The term should not be construed as a reference to a specific birth control method or philosophy.

"I've worked with a lot of audiences but this was a first – a chance to work with employment counselors," notes Tom Klaus, a nationally known sexuality educator and keynote presenter at the training event. Klaus explains that a challenge at the training was to bridge language differences between the employment world and the health world. He also noted that the employment counselors entered the training harboring a concern that they might be expected to become family planning experts. He states, "We underscored that all they needed to do was to be aware of the role that voluntary family planning can play with employment; no new skills are needed to be savvy with referrals."

"Appropriateness" is a key to the employment counselor's referral role, notes Bev Cooper of the Planned Parenthood Association of Utah which co-hosted the training event. "What is expected of employment counselors is that they will open a dialogue on the customer's expectations regarding family size. The conversation ends there if the customer says that the answer is not anyone else's business. But if the customer indicates an interest in getting more information, the counselors know where to send the customer," Cooper explains. She adds, "No one gets sanctioned over family planning."

A Utah law prohibits any state agency from spending state funds on family planning information or services for minors without parental consent. Thus, the state employment counselors were particularly sensitive about conversations with teens. "The training makes it clear that teens can receive a referral; adults might receive a bit more information *as appropriate*," Cooper noted.

➢ For more information, contact Bev Cooper, PPAU at ppau@xmission.com, web site www.xmission.com/ppau or Tom Klaus, Legacy Resource Group at twklegacy@aol.com or (515)

989-3360.

Family Cap Litigation: Massachusetts

"It's sort of like solving the problem of too many cats by urging the people to drown the kittens" is the poetic manner in which the Superior Court of Massachusetts summed up its feelings about the state's family cap policy. However, the Court's legal sense was that there were no grounds for a preliminary injunction that would have stopped the state's policy of excluding newborn children in the calculation of a family's welfare grant. The Appeals Court concurred that existing law did not allow for injunctive relief. At the same time, the Appeals Court characterized the "strategy of placing a ceiling on family aid allotments" as "highly debatable."

- For further information contact Deborah Harris, Massachusetts Law Reform Institute, (617) 357-0700.

NEW WELFARE STUDIES

State Efforts to Replace Lost Federal Benefits for Immigrants Analyzed in Urban Institute Study

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) drastically altered immigrant access to public benefits. With its August 1996 enactment date, federal welfare reform restricted or eliminated eligibility for both legal and undocumented immigrants. Qualified immigrants lawfully residing in the United States prior to the enactment of PRWORA maintain food stamp and Supplemental Security Income (SSI) eligibility. However, Medicaid and TANF eligibility for this same group is now a state option, not a federal entitlement.

Immigrants having arrived after the enactment of PRWORA are ineligible for food stamps and SSI. States can choose to provide substitute programs with state funds. Post-PRWORA immigrants are also subject to a five-year ban on federally funded assistance. If a state decides to offer TANF and Medicaid after those five years, it can only fund such programs with state dollars. Undocumented immigrants can access Medicaid for emergency services only; they are ineligible for all other forms of public assistance—TANF (whether state or federally funded), SSI, and food stamps.

The Urban Institute recently released **Patchwork Policies: State Assistance for Immigrants under Welfare Reform**, which summarizes the choices states face as a result of this shift in immigrant policy. The study also details the decisions made and indicates how they have thus far affected immigrants in each of the 50 states and the District of Columbia. Questions about the future direction of public assistance for immigrants and how this affects the partnership between state and federal government are explored as well.

Key findings from the Urban Institute study include the following:

- While states appear to be filling the gap created by the termination of federal benefits, closer inspection finds that the new substitute programs are limited in reach. Specific groups of immigrants, such as children, elderly persons and the disabled, are targeted. Yet, the largest population, working-age adults, is often excluded from eligibility.

- Even targeted policies may be ineffective. For example, many of the children made eligible for state-funded benefits had not lost benefits as a result of PRWORA. The study indicates that three-quarters of all children in immigrant families are U.S.-born citizens who never lost eligibility. The ineligibility of their parents, however, reduces overall household income and is detrimental to the entire family.

- State programs provide less assistance than previous federal programs. On average, General Assistance (GA) programs for the elderly and disabled provide only 77% of the average monthly benefit provided under SSI. Additionally, many GA programs are time-limited and are intended to provide interim assistance only until immigrants are eligible for federal assistance.

- State policy is mirroring federal policy. Immigrants having entered the U.S. after the enactment of PRWORA cannot receive TANF and Medicaid during their first five years in the country. Over half the states have neither a new or existing state-funded cash assistance or health insurance program available to these families.

- Immigrants may fear accessing benefits for which they are eligible. Concerns about the effect of receiving public benefits on the ability of an immigrant to sponsor a relative or to become a naturalized citizen may have deterred usage of benefits, even when eligibility rules are clear.

> Recently, the Immigration and Naturalization Service (INS) issued "public charge" guidance to answer questions of immigrants who are concerned that use of benefits will have negative immigration consequences. The term "public charge" describes persons who cannot support themselves and who depend on benefits that provide cash assistance, such as TANF or SSI. INS guidance provides answers to questions about the effects of using these benefits for refugees, those applying for a green card, recipients of a green card, and those applying for citizenship. Detailed information is available at www.ins.usdoj.gov and www.gpo.ucop.edu. The National Immigration Law Center (NILC) also features information regarding this and other immigration issues at www.nilc.org.

- ➢ This study, part of the Urban Institute's Assessing the New Federalism Series, is available at www.urban.org

CENSUS STUDY INDICATES LOW-INCOME FAMILES UNABLE TO MEET BASIC NEEDS

Extended Measures of Well-Being: Meeting Basic Needs, 1995, a new report from the Census Bureau, indicates that about 49 million people (one in five Americans) lived in a household whose members had difficulty satisfying basic needs in 1995. Households were counted in this total if they failed to make mortgage or rent payments, failed to pay utility bills and/or had services shut off, did not get enough to eat, were unable to visit a doctor or dentist when necessary, or otherwise could not meet basic expenses. More than half of the 49 million (54%) experienced more than one of these problems. Other key findings of the report include:

- More than one-third of all people living in households with unmet basic needs were children under 18 years old.
- More than one quarter of children (29%) lived in a household in which someone reported difficulty meeting at least one basic need, compared with fewer than 1 in 10 of those ages 70 and over.
- About 1 in 20 people lived in a household whose members sometimes did not get enough to eat.
- Lack of health insurance strongly increased the probability that a person in the household who needed to see a doctor was not able to do so. While only 3.1% of the insured population lived in a household where needed medical care was not obtained, 14.9% of those without health insurance were in this situation.

➢ The data comes from the Survey of Income and Program Participation. The report is available on the Internet at www.census.gov/prod/99pubs/p70-67.pdf.

IMPACT OF HOMELESSNESS ON CHILDREN HIGHLIGHTED

Homeless Children: America's New Outcasts is a new report from the Better Homes Fund that vividly portrays the daily struggles faced by homeless children. Based on data gathered during a six-year federally sponsored study of homeless families and other recent research, the report documents the profound impact of homelessness on children's health, development, school performance, mental health, and well-being. The report notes that the nature of homelessness has changed, with 40 percent of the homeless population now composed of single mothers with young children. The authors of the report estimate that more than one million American children are currently homeless and that family homelessness will increase due to tight housing markets combined with welfare reform. Among the many findings of the study are:

- Homeless children are in fair or poor health twice as often as other children.
- Homeless children go hungry at twice the rate of other children.
- Within a single year, 97% of homeless children move, more than 30% are evicted from their homes, and 22% are separated from their families to be placed in foster care or with a relative.
- Almost one-quarter of homeless children have witnessed acts of violence within their family. An

amazing 92% of homeless mothers have been severely physically or sexually assaulted.

- More than one-fifth of homeless children between 3 and 6 years of age have emotional problems serious enough to require professional care.

- At least one-fifth of homeless children do not attend school. Those who do go to school have more academic problems, are suspended twice as often, and are twice as likely to repeat a grade. Compared to other children, twice the number of homeless students have learning disabilities and three times the number of homeless students have emotional and behavioral problems. Within a single year, 40% of homeless children attend two different schools and 28% attend three or more different schools.

The report calls for immediate steps to combat family homelessness as well as long-term strategies to develop an adequate supply of housing and improve poor families economic resources.

➢ Copies of the report can be obtained by contacting The Better Homes Fund, (617) 964-3834, or by visiting its website at www.tbhf.org.

VIRGINIA STUDY PROVOKES QUESTIONS ABOUT RACIAL IMPLICATIONS OF DEVOLUTION

Largely absent from the discussion of welfare reform has been the question of whether or not the race of the recipient affects the type of services recommended and received. According to a study performed by Dr. Susan Gooden of the Center for Public Administration and Policy at Virginia Tech University, differences based on race do exist, suggesting that federal and state governments should address this concern as decision-making power becomes increasingly localized. Her study, entitled **Race and Welfare Report: Examining Racial Differences in Employment Status among Welfare Recipients**, surveyed 223 female welfare recipients in the Culpeper region of Virginia. This area was selected because of its strong economic performance, as indicated by its low unemployment rate, low crime rate and strong public/private sector partnership. The black and white sample populations chosen were similar in age, length of time on welfare and number of children. Black women from this study had higher levels of education than the white women who participated; a greater percentage had graduated from high school or attained a GED.

Gooden's findings indicate that of participants with higher education levels (high school degree or GED), black recipients were more likely than while recipients to receive lower wages, regardless of job search method. White welfare recipients in the job readiness track had an average hourly wage of $5.17, compared to $4.77 for black recipients. The same result was true of similarly educated participants that instead participated in an individualized job search. White participants had average hourly wages of $5.15 compared to $4.92 for black participants.

Among those recipients having not completed high school, blacks had considerably lower employment rates than whites, regardless of whether or not they were performed an individualized job search or were placed in the job readiness program. 60% of white participants who performed individualized job searches were employed vs. 44% of black participants. Of participants in the job readiness program, only 11% of black participants were employed, compared to 70% of white participants.

In light of her study, Gooden suggests that discussions about employment programs for welfare recipients acknowledge the existence of discrepancies based on race and address these concerns in the form of policies and adequate legal protection. She asks, "As we return to an environment of local discretion, have we offered enough protection to make sure that welfare recipients are not discriminated against in terms of race?" Her policy recommendations include the following:

- Enhanced data collection methods to track individual outcomes of welfare recipients. She states that tracking is vital to the effort of identifying racial disparities. Current data collection methods do not facilitate such a comparison.

- Comprehensive examinations of racial outcomes of welfare reform initiatives as a standard component of design and evaluation of state programs and work-related performance-based contracts.

- Inclusion of federal audits or "testers" (similar to those used to detect housing discrimination) in assessing private sector employment discrimination.

- Expanding state definitions of "hardship exemption" to include discrimination.

➢ The full report can be found on the Grass Roots Innovative Policy Program web site at http://www.arc.org/gripp/eventsUpdates/grippEventsUpdates.html

WAGES AND THE WORKING POOR

Minimum Wage Testimony. Economic Policy Institute economist Jared Bernstein testified on April 27 before the House Education and the Workforce Committee on the proposal to increase the minimum wage from $5.15 to $6.15 by 2001. In the testimony, available at www.epinet.org/webfeatures/viewpoints/minwagetestimonyhtml.html, Bernstein provided evidence that the current proposal would likely lift the earnings of low-wage workers without damaging their employment prospects. Specifically, Bernstein made the following points:

- Even with recent increases, the inflation-adjusted minimum wage is 19% lower today than it was in 1979. The proposed increase would restore the wage floor to slightly above its 1983 level; it would remain 13% below its 1979 peak.

- Historically, increases in the minimum wage have consistently raised the wages of the lowest-wage workers without reducing their employment opportunities.

- Research by economists has found that job losses due to minimum wage increases are non-existent to small.

- The current proposal will disproportionately benefit workers who are adult, female, and minority. Most of the workers reside in low-income families.

- Minimum wage increases reduce poverty, but the effect is small. This is because (1) some of the benefits go to families who are above the poverty line but still have incomes that most people would consider to be low and (2) many poor families are only marginally attached to the labor market. However, because the work effort of poor families has been growing quickly in part due to welfare reform, the poverty-reducing effect of the minimum wage may well increase. Nevertheless, the poor need other income supports, such as the Earned Income Tax Credit, Food Stamps and subsidized child care, in order to escape poverty.

➢ Some of Bernstein's evidence comes from his recent EPI Issue Brief, **The Next Step: The New Minimum Wage Proposal and the Old Opposition**, which is available on the Internet at www.epinet.org/Issuebriefs/Ib130.html.

Oregon Minimum Wage Study. Oregon's highest-in-the-nation minimum wage continues to raise wages for former welfare recipients and other low-wage workers without harming their employment opportunities, according to a new study by the Oregon Center for Public Policy (OCPP). The 1996 voter initiative increased the minimum wage in three stages from $4.75 per hour to $6.50 per hour on January 1, 1999.

The study documents that the lowest-paid Oregon workers experienced increases in their wages, after adjusting for inflation, in the two years following the minimum wage increase. Over 150,000 workers who had been earning less than $6.50 before 1999 have now been lifted up to and above the new minimum wage level. As many as one-half of the welfare recipients moving to work at the end of 1998 likely received a raise because of the 1999 minimum wage increase.

The study authors conclude that "the weight of the evidence shows that a rising minimum wage has been good for working families and good for Oregon."

➢ The full report is available on the internet at www.ocpp.org.

Living Wage Law Approved by Los Angeles County Supervisors. On June 15, Los Angeles became the largest jurisdiction in the nation to adopt a living wage when the County Board of Supervisors voted to require that service contractors who work for the county pay their full-time employees $8.32 per hour for those who have health insurance and $9.46 for those without health insurance.

After extensive debate, the Board refused to extend the law's coverage to part-time workers. Advocacy groups had argued that if the county did not extend the living wage to part-time employees, companies that contract with the county would stack their payrolls with part-time workers to avoid paying the living wage. To prevent this, the supervisors ordered county departments to monitor contractors' staffing to ensure that part-time workers were not being inappropriately used. In another decision that dismayed unions, supervisors also eliminated a requirement that workers be retained when a new company takes over a contract.

Despite the defeats on part-timers and worker retention, labor leaders hailed the county's action as a momentous victory for workers. Labor leaders initiated the call for a living wage nearly two years ago. They argued that the county was actually losing money by paying low wages to its workers, who then turned to the county for welfare and publicly funded health care.
The county living wage ordinance is projected to cover about 10,000 workers. The City of Los Angeles adopted a living wage ordinance in 1997 which will cover between 10,000 and 15,000 workers by the time it is fully implemented. The city ordinance covers service contractors; lessees on city lands such as airports; and financial assistance or subsidy recipients, such as developers. It covers part-timers and has a very strong worker retention protection.

- For more information, contact Pronita Gupta, Los Angeles Alliance for a New Economy, 213-486-9880, pronita@aol.com.

Several other jurisdictions, including San Jose, Baltimore, Boston, Detroit, and Chicago, already have living wage ordinances that apply to some city contractors. Living wage ordinances have also been introduced in Montgomery County, Maryland; Hartford, CT; San Francisco; and Pittsburgh.

- For more information about living wage ordinances and campaigns around the country, contact Christine Silvia, AFL-CIO, (202) 637-5177, csilvia@aflcio.org.

Rethinking Income Support for the Working Poor: Perspectives on Unemployment Insurance, Welfare, and Work is a compilation of papers prepared for and based on a symposium held by the National Governors' Association on September 1, 1998. The symposium focused on the relationship between TANF and Unemployment Insurance (UI). With the advent of TANF time limits, there is concern about former TANF recipients who become unemployed but have already exhausted their TANF benefits. UI may not be available for many of these people because (1) in many states, cost-cutting measures have limited benefits to a smaller percentage of the unemployed, (2) low-income workers, especially women, often fail to meet the minimum monetary qualifications for the receipt of UI benefits because of low wages and sporadic or part-time employment, and (3) low-income women are often disqualified for monetary reasons because they have left their jobs to care for children or other dependents.

Much of the volume focuses on how states can help low-income workers who have exhausted their TANF benefits. The papers address how a safety net for these workers could be provided through the UI system (by making changes such as covering part-time workers and those who quit voluntarily to care for a family member), TANF and related social service programs (by making changes such as stopping the TANF clock for people who are working), a new program of reemployment assistance (as recommended in a paper by Mark Greenberg and Steve Savner of CLASP); and more effective workforce strategies to help former TANF recipients maintain their attachment to the workforce.

The papers include an overview, a discussion of the interaction of work, welfare, and UI, a comparison between the U.S. and European income maintenance and support systems, and several shorter pieces. The overview and executive summaries of the three main articles are available on the NGA web site at http://www.nga.org/CBP/1999June.asp. The Greenberg and Savner article, *Creating a Workforce Development Structure for all Working-Age Adults* is available on the CLASP website, www.clasp.org.

➢ Copies of the book can be purchased for $30 plus shipping and handling via the web page mentioned above or by calling NGA at (301) 498-3738.

RESOURCES

HIGHER EDUCATION. Creating Higher Education Opportunities that Support Welfare-to-Work is a live, interactive satellite event that will examine how colleges and universities can maximize education and training benefits for TANF recipients. The September 30 event (1-2:30 pm EST) is being undertaken by PBS, the University Continuing Education Association and the Welfare Information Network. According to the organizers, the interactive event will address such issues as:

- How some states are allowing continuing education to qualify as a TANF recipient's work requirement;
- How universities have adapted academic programs to meet welfare requirements; and
- Barriers and solutions to expanding TANF recipient access to higher education.

➢ To register as a downlink site, contact www.pbs.org/als.programs/live.

MORE HIGHER EDUCATION. Welfare Reform and the Higher Education Option is a national conference that will be held at Gallaudet University in Washington, DC on September 24-25. It will discuss model programs that several states and institutions of higher education have already created to provide low-income women with college as an option. The conference will also serve as a forum for TANF recipients, educators, advocates, academics, community leaders, researchers, and federal and state policymakers to discuss long-range policy changes needed to provide educational opportunities for low-income women. This event is co-sponsored by the Center for Women Policy Studies, CUNY, McAuley Institute, and Wider Opportunities for Women.

➢ For more information or to register, contact Charles Price at (212) 642-2584.

POVERTY REPORTS. The Poverty Despite Handbook is now available from the Center on Budget and Policy Priorities. This second edition is a resource tool that offers 43 state-by-state tables addressing such issues as:

- Seventy percent of poor families with children in the U.S. include a worker;
- The poverty rate among working families with children increased fifty percent over the past twenty years;
- Two-thirds of parents with low earnings work in services or retail trade; and,
- Almost half of parents in working poor families lack health insurance.

➢ To order a copy, contact CBPP Publications at (202) 408-1080 or e-mail: center@cbpp.org.

ALCOHOL AND DRUG TREATMENT. Integrating Alcohol and Drug Treatment into a Work-Oriented Welfare Program: Lessons from Oregon reviews how this state, considered a leader in this field, developed and operates a program focused on employment. Among the findings of the analysis is that universal drug testing is not a prerequisite for an effective system and that co-location of alcohol and drug professionals in the welfare office facilitates the interface between the two systems. The Mathematica Policy Research Inc. publication was undertaken by Gretchen Kirby, LaDonna Pavetti, Jacqueline Kauff, and John Tapogna.

➢ For order information, contact MPR at (609) 799-0005 or visit their web site at www.mathematica-mpr.com.

HHS WELFARE RESEARCH. Interim Status Report on the Outcomes of Welfare Reform has been issued by the Office of the Assistant Secretary for Planning and Evaluation. The report details the status of research funded through a $5 million Congressional initiative in FY 99. The funds will, in part, support work started in 13 states to develop and monitor indicators of children's health and well-being as well as tracking of families who have left welfare. New projects include research on the impacts of diversion, tracking of employment (using matched social security records), and special studies in Iowa, Los Angeles, and Wisconsin.

➢ To get a copy of the report, visit the web site of the Office of the Assistant Secretary for Planning and Evaluation at www.aspe.os.dhhs.gov.

WORKING POOR FAMILIES. The annual report from the National Center for Children in Poverty at Columbia University indicated that almost two in three poor young children have working parents. Researchers concluded that this was the highest rate in more than two decades and link this trend to welfare reform. Overall, however, the percentage of poor children younger than six fell from 23.2% in 1996 to 22% in 1997. The study also indicates that the child poverty rate has fallen 16% since 1993, after having risen by 52% from 1978 to 1993. Other findings from the study indicate:

- Poverty is increasingly linked to the amount of post-secondary education received by the parents of poor children. Even partial post-secondary education has become far less likely to prevent a family from becoming impoverished.

- Young child poverty rates have grown most quickly in suburban areas. Most poor children still reside in urban or rural areas. However, suburban child poverty rates have grown over time and have fallen more slowly than the rates in urban and rural areas.

- Racial differences are narrowing. The young child poverty rate among Blacks and Hispanics is three times that of whites. But in recent years, this rate has fallen more quickly among these minority groups than among whites.

➢ For a full report, contact the National Center for Children in Poverty at Columbia University, (phone) 212-304-7100, (fax) 212-544-4200; or visit their web site at http://cpmcnet.columbia.edu/dept/nccp.

JOB CREATION. Creating Jobs: Public and Private Strategies for the Hard-to-Employ from the Corporation for Enterprise Development (CFED) and the Center on Budget and Policy Priorities (CBPP) provides a thorough introduction to the use of public funds to create wage-paying jobs in the public and nonprofit sectors as well as to the use of customized business assistance (or economic development) programs to generate additional wage-earning jobs in the private sector. The report begins with essays of modest length (15-20 pp.) that provide an overview of purpose and rationale, program options, past experience, and key choices in each area. These essays are followed by appendices that offer tips for getting started, review potential funding sources, and catalog other useful references and resources for additional information.

➢ Bound copies of the report also can be purchased from CFED by calling (202) 408-9788. The full report with appendices can be found on the CBPP web site at http://www.cbpp.org/6-28-99jc.pdf or CBPP (202-408-1080).

WORKFORCE DEVELOPMENT. Public/Private Ventures will be hosting Working Ventures Practitioners Workshops, October 11-13, 1999. This event seeks to improve the performance of the workforce development field by providing practitioners and policymakers with knowledge and tools needed to operate effective employment programs. It is designed specifically for people who operate workforce development programs in community colleges, nonprofit organizations and employer associations. Sessions will explore promising program strategies and develop practitioner skills and knowledge. The workshop will take place at the Harrison Conference Center in Glen Cove, New York.

➢ Further information can be obtained by contacting Public/Private Ventures c/o Christopher Murray at (212) 822-2410.

FACT OF NOTE

The face of the poor.

"Federal data show that the percentage of children who experience tooth decay has stayed pretty steady over recent years, but the percentage of children with decay who get it repaired has dropped. So for the biggest sufferers, the problem is actually getting worse."

"Many Dentists Won't Fix Poor Children's Bad Teeth; Despite Medicaid Coverage, Treatment Lags"
The New York Times, June 26, 1999

// CLASPUpdate
A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

August 25, 1999

FEDERAL UPDATE

CLINTON LAUDS WELFARE REFORM; URGES CONGRESS TO LEAVE THE MONEY

In a recent address to the Welfare-to-Work Partnership, President Clinton hailed the results of welfare reform. Among the accomplishments he cited were:

- The welfare rolls have been cut in half since January 1993 and are at their lowest level in 32 years.
- All 50 states and the District of Columbia met their FY 1998 requirements for the percentage of people on welfare that have to be in work activities.
- Those who are on welfare today are four times as likely to work as in 1992.
- A new study from the Council of Economic Advisors found that welfare reform has been the single most important factor in reducing the rolls. The Council estimated that welfare reform accounts for approximately one-third of the caseload reduction from 1996 to 1998, while the strong economy accounts for about ten percent of the decline.

Additional data provided by the White House on the work participation rates indicates that about one-third of states would not have met their requirements without the caseload reduction credit. This credit reduces the required participation rates for states whose caseloads have declined. Moreover, not all states met the two-parent work requirement. Of the 41 states subject to the rate because they provide cash assistance to two-parent families, 28 met their requirements and 14 failed to meet them. A total of 35 % of welfare recipients nationally were meeting work requirements.

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CLASP Update Contributor: Marie Cohen; Assistant Editor: Maria Kirby

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FALL 1999 CLASP AUDIO CONFERENCE SERIES
FRIDAYS 12:30-1:30 EST

**"Looking to the Millennium and the Legislature:
Re-visiting Low-Income Programs"**

September 24, 1999, Welfare 2000: A Win, Loss, or Draw?
As we approach the year 2000, can we say whether it has been a win, loss, or draw for those who receive welfare (TANF), those who work, and the "disconnected" (neither working nor in TANF)? Clearly, a significant percent of families formerly receiving TANF leave for work. At the same time, others remain "lost". What picture is the most appropriate and what does it mean for state legislatures in 2000? Is it too soon to say what it means for reauthorization of the federal law? *Guests: Peter Edelman, Georgetown University Law Center, Ron Haskins, House Ways and Means Subcommittee on Human Resources, Mark Greenberg, Center for Law and Social Policy*

October 1, 1999, Medicaid Expansion: Reaching More Adults
Many employed, low-income parents are unable to access health coverage. Yet, a little known option under Medicaid law allows states to cover low income working parents – both those who have and those who have never received welfare. Several states have adopted this expansion including Rhode Island, D.C., Wisconsin and Missouri. Who exactly is eligible? What needs to be done to take the option? How can the Medicaid option to cover more adults become an urgent priority in the state legislature? *Guests: Christine Ferguson, RI Human Services Department, Cindy Mann, Center on Budget and Policy Priorities*

October 8, 1999, Pregnancy Prevention: Tapping TANF for Reproductive Health
In a number of states, local pregnancy prevention campaigns and programs have been funded from unspent TANF funds. The range of efforts include support for second-chance homes for teen parents, home-visiting, youth development programs, male involvement, community awareness, and family planning expansions. How have different states secured TANF funds? Which agency has the lead? What steps should legislatures take to consider expanded or new TANF investments in this area? *Guests:Pamela Goodwin, RI Department of Human Services, Cheryl Robbins, FL Department of Health*

October 22, 1999, Job Advancement: New Strategies and Facts
It is common for former welfare recipients to work, but steady work is uncommon. Earnings rise significantly over time, but wages do not; instead, low-income parents work more hours. The starter-job shapes the future employment picture - that is, all things being equal (skill levels, etc.), those who start a job with higher wages, wind up with higher wages over time. What are the trade-offs between work-site and off-site post-employment advancement services? What key policies should state legislatures address? *Guests: Jack Tweedie, National Conference of State Legislatures, Nan Poppe, Portland Community College*

November 5, 1999, Child Care: New Trends and Emerging State Models
There is a lot more child care money than ever before. These dollars can make a difference to families and determine whether they can access child care, how much it costs, and the quality of child care in their communities. Why, despite this new funding picture, are so many welfare families and working families still facing problems securing child care? Learn about new trends at the state level and strategies for ensuring that working poor and welfare families actually are helped by the new child care funds. What are some initiatives that should come before your legislature to address these issues? *Guests: Helen Blank, Children's Defense Fund, Joan Lombardi, Child Care Consultant*

November 12, 1999, Child Support: What If It All Came Home?
One of the major tensions with the current child support system is that the fathers (and some mothers) who make financial contributions may never see the support benefit their child; the money, instead, reverts to the government. What would happen if child support were realigned as a supplemental income program to help families achieve economic self-sufficiency? What if states "passed-through" not only $50 dollars but all child support - regardless of welfare status? Should a state legislature take this on now? *Guests: Paula Corrigan-Halpern, Metropolitan Family Services, Chicago, Elaine Ryan, American Public Human Services Association, Vicki Turetsky, Center for Law and Social Policy*

December 10, 1999, Job Creation: Setting Up Programs
Already two states have statewide job creation programs (Washington and Pennsylvania). Another dozen localities are off and running with job creation programs designed to provide employment for those who can not find work. Most states have legislative authority (through wage subsidy authorization) to establish publicly funded community service jobs. What are some of the key barriers that existing programs have faced -- and solved? Is the cost prohibitive or cheap compared to what otherwise might occur? *Guests: Wilhelmina Leigh, Joint Center for Political and Economic Studies, Linda Harris, Office of Employment Development, Baltimore*

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The President made his comments at a meeting of the Welfare-to-Work Partnership, an organization created to help businesses hire welfare recipients. Clinton credited the members of the partnership with giving jobs to 410,000 welfare recipients. He reported that more than eight in 10 executives state that they are satisfied with their new hires. Moreover, 65 percent of business leaders surveyed report that welfare-to-work hires have the same or higher retention rates as other employees.

The President also noted that the federal government has hired 14,000 welfare recipients since 1996. Vice President Gore provided new data on this initiative in a separate event at the White House. He announced that 69 percent of the government's welfare recruits were still on the job after one year of employment, as compared to only 37 percent of non-welfare hires in similar jobs.

The President attacked a Republican proposal to cut federal TANF spending in light of the existence of state "surpluses." The President declared, "In every state, there are people who may be working today who might have to leave the work force, for lack of transportation or child care. In every state, there are people who can stay on the job if they get further training. So I say, let's spend this money to develop the human capacity of our people. It will make the economy stronger, and we will all be better off."

Clinton also urged Congress to pass his proposals to (1) reauthorize the Department of Labor welfare-to-work program to include extra funds for adult literacy, education, and to require services for non-custodial fathers; (2) expand child care funding to increase the Child Care block grant, provide tax credits, and improve child care quality; (3) provide 25,000 new housing vouchers so people can live near their jobs; (4) double Access to Jobs transportation funding to $150 million to help communities find ways to help welfare recipients get to work; (5) increase the minimum wage, and (6) provide assistance to areas bypassed by the booming economy. He urged states to ensure that those who leave welfare for low-wage jobs retain access to Food Stamps and Medicaid, expressing concern about the drop in Food Stamp use among low-income people (see GAO story).

In addition to the GAO report on Food Stamps, a new report from the Urban Institute also provides a more tempered view of the success of welfare reform (see Welfare Leavers story). The President's statement is on the internet at www.whitehouse.gov/WH/New/html/19990803.html. The new participation data and press releases about the President and Vice President's announcements are available on the ACF website at http://www.acf.dhhs.gov/.

WELFARE-TO-WORK REAUTHORIZATION PROPOSED

The Clinton Administration has proposed reauthorizing the Welfare-to-Work program, which was authorized to provide $1.5 billion per year in FY 1998 and 1999. In its budget, the Administration proposes to spend an additional $1 billion, to be allocated in FY 2000 and 2001. The reauthorization proposal makes several modifications to the program:

- **Relaxed Eligilibility Criteria:** The eligibility criteria would be modified to make it easier for TANF recipients and non-custodial parents to become eligible. Currently, to be eligible as a hard-to-employ long-term welfare recipient, an individual must meet two out of three characteristics: (1) both lack of a high school degree AND low math or reading skills; (2) a poor work history, and (3) a need for substance abuse treatment in order to be employable. These stringent criteria have made it impossible to serve some people who are hard to employ, such as TANF recipients with poor basic skills who have high school diplomas because their schools promoted them every year regardless of their poor academic performance. The amendments would require a long-term TANF recipient to meet only one of seven characteristics, including lack of a high school degree and poor basic skills, to be eligible for services. A non-custodial parent would have to be unemployed, underemployed, or have difficulty in making child support payments and have a minor child who is a current or former TANF recipient or eligible for another public assistance program.

- **Focus on Fathers:** States would be required to spend at least 20% of their formula funds on non-custodial parents. Currently, states are not required to spend a given percentage of their funds on non-custodial parents.

- **Contracts for Noncustodial Parents:** To receive services, non-custodial parents would be required to enter into an individual responsibility contract with the service provider and state child support enforcement agency in which they agree to cooperate in the establishment of paternity, make regular child support payments, and work.

- **Education and Training:** Stand-alone job training and basic education would be allowable activities. Right now, these activities are allowed only for participants who are also working.

- **Integration with Workforce Investment Act programs:** The WTW state plan would become part of a state's five year workforce investment plan.

- **Increased Resources to Native Americans:** Funds available to Native American tribes would be doubled to help meet the special challenges they face. Moreover, native American tribes would be allowed to submit applications for competitive grants without sign-off from the Private Industry Council.

➢ The Administration's reauthorization proposal is included in H.R. 1482/S. 1317, *The Welfare to Work Amendments of 1999*, introduced by Congressman Benjamin Cardin (D-Maryland) and Senator Daniel Akaka (D-Hawaii). For more information on the legislation, including a comparison to current law, see the Department of Labor's Reauthorization web page, http://wtw.doleta.gov/reauth/default.htm.

FATHERHOOD BILL INTRODUCED IN SENATE

The Responsible Fatherhood Act of 1999, introduced by Senator Evan Bayh (D-Indiana) in mid-July, offers a three-part approach aimed at elevating the issue of fatherhood in the public consciousness. The first section entails authorization for a $25 million challenge grant program "to encourage states and local communities to donate air time from broadcasters to promote the formation and maintenance of married, two-parent families, to strengthen fragile families and promote responsible fatherhood." A $50 million state block grant program would provide support for state and local government, non-profit, charitable, and religious organizations' efforts to promote responsible fatherhood. Finally, the bill would authorize $2 million annually for evaluation purposes and to create a national clearinghouse to assist community and state efforts.

Details of the proposed legislation include modifying the welfare-to-work program by providing enhanced flexibility to states and cities to serve a broader group of low-income, custodial and non-custodial fathers; eliminating some eligibility restrictions; and expanding the use of in-kind services from 50% to 75% for matching grants to encourage broader participation by states that are currently unable to fully match their allotments. To be eligible, a recipient must meet at least one of four criteria: being unemployed, underemployed, have difficulty in paying child support, or have income not greater than 200% of poverty. Additionally, the bill contains a provision encouraging states to pass-through current child support collections to TANF families. If a state passes through up to $75 of collections and disregards it in calculating a family's TANF benefits, it does not have to calculate or repay the federal share of the chosen amount. In states that choose the pass-through option, TANF collections could be used to fund fatherhood initiatives. Finally, the bill would require that the TANF High Performance Bonus grants formula provide for the award of grants "based on a state's effort to encourage and maintenance of two-parent families."

> **Map and Track: State Initiatives to Encourage Responsible Fatherhood, 1999 Edition** has just been released by National Center for Children in Poverty. This study seeks to address the following questions in evaluating state strategies: To what extent are state policies and practices responsive to the complex demographic picture of fatherhood that is emerging? What specific strategies are states developing to promote responsible fatherhood? To what extent are states providing leadership in developing policies and practices that promote responsible fatherhood, from an economic, social and psychological perspective? What are the lessons from the current status of state efforts to promote responsible fatherhood for future state efforts? National, as well as state-by-state, indicators give profiles of fathers and fatherhood in each state, examining issues such as family structure, employment, educational attainment, poverty status, and state activity in collecting child support.
>
> Copies of this report are available for $19.95 from the National Center for Children in Poverty, Columbia University; 212-304-7100 (phone), 212-544-4200 (fax).

PASS-THROUGH LEGISLATION GAINING STEAM

The Child Support Pass-through bill introduced by Senator Herbert Kohl (see July 1999 CLASP Update for details) has gathered some impressive cosponsors from both parties. The list of sponsoring Senators now includes Senators Dodd (D-CT), Rockefeller (D-WV), Snowe (R-ME) and Grassley (R-IA). The bill, S. 1036, would give states the option to distribute all child support collections, including current support and arrears, to TANF and former TANF families. At its annual meeting, the American Public Human Services Association (APHSA) also came out in support of granting states the option to pass through some or all collections, including the federal share, to families.

HUNGER AND FOOD STAMP PARTICIPATION

HUNGER INCREASED DRAMATICALLY IN 1998

New Census Bureau/U.S. Department of Agriculture numbers show a dramatic increase in the number of households suffering from hunger or "food insecurity" between 1997 and 1998, according to the Food Research and Action Center (FRAC). A "food insecure" household is one that does not having access to enough food to meet its basic needs. The data show that 3.7 million more children and 6.4 million more adults were living in households suffering from hunger or food insecurity in 1998 than in 1997. The number of children and adults actually experiencing hunger increased by nearly 2 million, or 23 percent.

About 10.5 million U.S. households—or about 10.2 percent of all households--were food insecure in 1998. Children were nearly twice as likely as adults to be living in hungry or food insecure households as adults. The number of children in hungry or food insecure households rose from 10.36 million in 1997 to 14.04 million in 1998, while the number of adults in such households increased from 15.76 million to 22.21 million. Data from 1996-1998 show that the number of children and adults in hungry or food insecure families fell considerably between 1995 and 1997, but then jumped in 1998 to a level higher than that reported in 1995.

FRAC attributed much of the increase in hunger and food insecurity to the loss of food stamps by many low-income working families, especially those making the transition from welfare to work. Food Stamp participation has fallen by more than 7.5 million people since April 1996.

FRAC praised the Administration's new initiatives to increase Food Stamp access for working families (see July 1999 CLASP Update for details) but called them too modest. FRAC urged federal action to close harmful gaps in food stamp protection including low benefit amounts, unrealistic restrictions on the value of vehicles families can own, and exclusion of legal immigrants and childless adults. "Especially as states implement new welfare laws, and wages stay low, too many people have jobs that don't pay enough to sustain a family," said James Weill of FRAC. "When these families lose food stamp benefits, they go hungry even while working. States must reform their systems in order to get food stamps to these eligible, hungry working families."

- For FRAC's analysis of the USDA/Census data, see www.frac.org/html/news/usdafoodsecuritypr.html.

GAO FINDS STATES DENY FOOD STAMPS TO ELIGIBLE FAMILIES

Participation in the Food Stamp Program has dropped by 27 percent during the past 3-1/2 years, according to a new report from the U.S. General Accounting Office (GAO), a congressional watchdog agency. The monthly average number of participants declined from 25.5 million in FY 1996 to about 18.5 million in the first half of FY 1999. Children accounted for about 48 percent of the total decline in participation in fiscal year 1997. Moreover, children's food stamp participation has dropped more sharply than the number of children living in poverty, indicating a growing gap between need and assistance.

Based on a survey of 49 states and the District of Columbia and analysis of data from USDA and several nonprofit organizations, GAO concluded that the strong economy, tighter eligibility requirements, and welfare reform initiatives are the primary reasons for the decline in food stamp participation. GAO also concluded that some households have had problems obtaining food stamps because some state and local governments have gone farther than federal law permits in limiting benefits. For example, New York City has not permitted households to apply for food stamps at their initial visits, a violation of food stamp law. At least seven states have policies that improperly remove eligible households with children from the food stamp rolls as a sanction for a TANF violation. In addition, several state and local governments have not publicized differences in the eligibility requirements for welfare and food stamps. GAO attributes such violations, in part, to the failure of USDA to promulgate regulations for implementing revisions to the Food Stamp Program enacted almost three years ago. Without regulations, some states believe they can implement requirements that are more stringent. Moreover, USDA has not been as aggressive as it could be in reviewing participants' access to food stamps in some states, according to GAO.

The accounting office recommended that USDA take the following actions:

- Promulgate regulations implementing the 1996 welfare law's food stamp provisions. The regulations should at a minimum require states to inform each applicant of the right to apply for food stamps during the first meeting and forbid states from sanctioning the food stamp benefits of members of the family other than the individual who does not comply with TANF requirements.

- Publicize food stamp eligibility requirements and distinguish them from TANF eligibility requirements.

- Give higher priority to food stamp access when reviewing states' food stamp operations.

➢ The report, *Food Stamp Program: Various Factors Have Led to Declining Participation*, is available in full at www.gao.gov.

NEW WELFARE STUDIES

URBAN INSTITUTE REPORT FINDS WELFARE LEAVERS STRUGGLING

A new report from the Urban Institute indicates that many families who left welfare are struggling to survive. The key findings of the study, which offers the first national picture of the experiences of welfare leavers since the 1996 welfare law, include:

- Most women who left welfare are working in service jobs in the low-wage labor market.
- One-third to one-half of leavers report serious difficulties in providing food.
- Almost 20% report problems paying rent.
- Welfare leavers have jobs similar to those of other low-income mothers, but are less likely to have employer-sponsored health insurance and more likely to report problems providing food or paying rent.

The Institute suggests these findings indicate a need to consider broadening policies now targeted to welfare leavers to include all working poor families. The Institute surveyed a national sample of people who left welfare between 1995 and 1997. Thus, the sample included many people who left welfare before the passage of the 1996 welfare law, although many of them lived in states that had implemented their own welfare reforms earlier.

➢ The Urban Institute report, **Families Who Left Welfare: Who Are They and How Are They Doing?**, is available in its entirety at www.urban.org.

DEVELOPING SOFT SKILLS: NEW GUIDE OFFERS INSIGHTS

Although tight labor markets and high demand for workers currently exist in most regions of the country, many workers---disproportionately young African-American males, former welfare recipients, and the long-term unemployed---remain unable to find jobs. Some researchers and job training professionals attribute this to the lack of "soft skills" among these job seekers. Soft skills, as opposed to hard or technical skills, are broadly defined as the personal traits and social adeptness that enable one to fit into the work environment. Many employers view soft skills as equally as important as, or more important than, technical job skills. In recent research conducted by the Joint Center for Political and Economic Studies for the Annie E. Casey Foundation's Jobs Initiative, a definition of soft skills was developed and used to prepare a guide including 54 programs that offer soft skills training.

Key findings from the research include:

- Welfare recipients are a target population for 40% of the 54 programs surveyed.

- While 63% emphasize the four main skills categories, training for two categories, (1) personal qualities and work ethic and (2) interpersonal and teamwork skills existed at all the programs surveyed.

- Several programs offer training in technical skills and soft skills in tandem. For example, Goodwill Industries of Lane County, Oregon offers training in teamwork skills to those acquiring technical skills for production and manufacturing jobs. Similarly, trainees for telephone and customer services occupations also learn problem solving and communication skills.

- 87% of soft skills training programs offer their graduates follow-up services, including future job placements, job counseling and additional training. Most offer these services for at least a month, while some offer them indefinitely (e.g., Center for Employment and Training, San Jose, CA).

- As measured by job placement and retention rates, ranging from 50%-80%, some soft skills training programs are very successful. Two Chicago programs—Chicago Commons West Humboldt Employment Training Center and the Factory---report 50% placement rates. The STRIVE program's East Harlem Employment Service reports a placement rate of 80%, while the Adult Career Educational Services Program at the Curtis Park Community Center in Denver reports a retention rate of 80% among graduates placed in jobs.

- Features of these 54 soft skills training programs most often credited for their successes in placement and retention include: combining both group and individual instruction; employing teachers and peer counselors whose backgrounds are similar to those of the trainees; and making use of job coaches—people who offer support and feedback to newly-hired workers and give them advice on work-related problems and other issues.

  --Submitted by Wilhemina Leigh, Joint Center for Political and Economic Studies

- **Soft Skills Training: An Annotated Guide to Selected** and **Soft Skills and the Minority Work Force: A Guide for Informed Discussion** can be obtained from the Joint Center for Political and Economic Studies, Office of Communications and Marketing, (202) 789-3500.

STATE NEWS

In **Massachusetts**, state law exempts mothers of **disabled children** from the state's welfare time limits and work requirements; however, the welfare agency limits the exemption to children who receive SSI payments. Litigation now underway challenges the notion that a disabled child is only a child who receives SSI. Significantly, in Massachusetts, exemptions are granted to caretakers of disabled adults; this includes those receiving SSI and those not receiving SSI.

At the July oral argument on the preliminary injunction, the state welfare agency agreed to provide benefits to the families that brought the class action case, pending a decision on the preliminary injunction.

The following is the story of Florence Taylor's story below her treatment by Massachusett's Department of Transitional Assistance (DTA). It is excerpted from a fact sheet developed by attorneys for the plaintiffs:

> Ms. Taylor came to the rescue of baby Doevony in November of 1996 when DSS placed this 5-day-old cocaine addicted newborn with her as a foster child. For almost three years she has bonded with and nurtured this baby – a bond so strong that despite his numerous medical problems, Ms. Taylor adopted Doevony this past June – giving him a permanent family and home. Doevony suffers from a range of medical problems…including developmental delays, vomiting…hyperactivity and physical impairments requiring leg braces. Doevony's medical needs – which require at least 10 to 15 medical appointments a month- prevent Ms Taylor from working. The Department of Social Services, which had legal custody of Doevony while Ms Taylor was a foster parent, did not initiate steps to apply for SSI benefits for him until April 9, 1999 even though the agency clearly recognized that Doevony had special needs. It can take months, or even years, to get a final determination from the Social Security Administration. Meanwhile, Ms Taylor- who was never exempted from the 24-month time clock despite her role as a foster parent of a special needs child – has now reached the end of her time limit. She has provided doctor's certification that she is needed in the home and is essential to care for Doevony, and the local DTA worker has agreed that Ms. Taylor is essential to his care. Nevertheless, DTA denied this family an exemption from the time limit because Doevony is not receiving SSI benefits. On June 15, 1999 a hearing officer upheld this denial – again because of lack of SSI receipt.

- For more information about the case and the different groups involved, contact Deborah Harris or Pat Baker at Massachusetts Law Reform Institute, (617) 357-0700.

Illinois: New budget expands funding for programs. The new budget enacted by the General assembly for the fiscal year that began July 1, 1999 uses TANF and MOE funds to provide increases for a number of programs. These increases include:

- $85 million to increase child care for the working poor. Funding for the state's means-tested child care program has increased from $90 million four years ago to $480 million, mostly due to the addition of TANF funds.

- $8 million to expand domestic violence prevention and intervention services;

- $4.5 million to expand 28 Healthy Families home visiting programs and create 25 new ones;

- $5 million to add 20 new Teen REACH sites providing after-school services to at-risk youth;

- $8.7 million to fund on-site substance abuse assessment of TANF applicants and 2,600 new treatment slots;

- $1.1 million for 500 new substance abuse treatment slots for youths and;

- $338,000 for a pilot program for combined treatment of domestic violence and substance abuse issues.

TANF cash assistance spending will be down substantially from last year due to the rapid decline of Illinois' welfare caseload and the fact that many of the remaining TANF recipients are working and receiving very small grants. Nevertheless, advocates failed in their attempts to gain a TANF increase and funding to hire 300 new caseworkers for the TANF program.

➢ For more information about the Illinois budget, contact John Bouman, National Center on Poverty Law, (312) 263-3830 ext. 250, johnbouman@povertylaw.org.

Tennessee: TANF-Funded Initiatives Enacted: Tennessee will spend $48.5 million of its TANF "surplus" on various new initiatives, which were proposed by the Governor and enacted by the legislature for the fiscal year that began on July 1. The initiatives include:

- $13 million in grant increases for people exempt from work requirements (child-only cases and disabled people). The increase will be $48 a month for a family of 3.

- $13 million for transportation assistance, including a revolving fund to help people buy cars and extended transportation assistance for people who get full-time work or leave TANF due to work income.

- $13 million in child care provider rate increases.

- $7 million set aside for the hard-to-serve, with activities to be determined by the welfare department.

➢ For more information, contact Russ Overby, Tennessee Justice Center at (615) 255-0331 or e-mail tjustice@usit.net.

REPRO AND WELFARE

Teen Parent Diversion from Welfare: Florida

In Florida, a package of new changes to the WAGES welfare law was enacted on June 8. The new law permits a flexible use of TANF funds to assist those not receiving welfare. Included in the law is a new teen parent and pregnancy prevention diversion program.

Under this diversion program, TANF funds will be tapped for services designed to reduce teen pregnancy generally, reduce the incidence of multiple teen pregnancies, and enhance school completion. The law does not specify what these services will include; it merely notes that the TANF funds should be spent on those services not defined as "assistance" by the federal government. This is important because when an individual receives "assistance" (e.g. cash aid) with TANF funds, that individual is then subject to the welfare law's time limits on aid, work requirements, and child support provisions. [For a teen parent, however, federal law does not impose a time limit if she is under age 19 and attending school full-time; the child support requirement does apply.] A range of services are considered "non-assistance" under TANF. For example, counseling, after-school enrichment programs, and pregnancy prevention awareness programs could be provided.

The services of the Florida diversion program can be provided to teens determined to be "at-risk" of pregnancy as well as those who already have a child. The program expects to serve teens in families with incomes below 200% of poverty.

According to Don Winstead, Florida's Welfare Reform Administrator, "We developed the diversion program because we want to move from providing services to those families already on welfare to addressing the causes of welfare utilization. Early out-of-wedlock births is one of the contributing causes. Our new prevention and diversion programs reach out beyond the traditional welfare focus to a broader group of families. We want to strengthen and protect these vulnerable families so they'll be equipped to provide for themselves in the future."

Currently, the state is in the process of developing guidance and rules regarding the program. Responsibility for coordinating program design and implementation rests with the Department of Health. According to Richard Polangin, the WAGES coordinator within the Department, "What the new law will mean is that local WAGES programs can use their funds for teen pregnancy prevention diversion activities. A work group of state and local players will meet soon to recommend program strategies for the 24 local WAGES coalitions. Among the questions we need to assess are what services could be provided and which would be most effective. It's wide open at the moment."

The state's expectation is that the teen pregnancy prevention diversion program will result in "fewer teens getting pregnant and lessened need for TANF" according to Polangin. "We also hope we will see better rates of school completion and improved employment prospects."

On a separate track, the state WAGES Board has approved $2 million in TANF funding for an infant brain development initiative. The funds are to be spent largely for training workers about a new parenting curriculum, developed at Florida State University, and will be used in the state's Healthy Start and Healthy Families programs. Under Healthy Start, pregnant women up to 185 % of poverty are served and under Healthy Families, parents with child abuse related issues. The funds will also pay for materials that will be given to parents such as "Brain Power" a day by day action tool for parents which offers 365 activities to stimulate infants. It is anticipated that teen mothers in both of these programs will receive a particular focus.

- For more information, contact Richard Polangin at 850 413 0225 or e-mail Richard_Polangin@doh.state.fl.us

Florida Health Secretary Seeks $4 Million Increase for Abstinence Education

Sparking concern amongst some family planning advocates, Bob Brooks, Florida Department of Health Secretary, has asked Governor Jeb Bush (R-Florida) for an additional $4 million for abstinence education this year. In recommending that they money be drawn from the $175 million in savings gained from the state's welfare-to-work program, WAGES, Brooks promised not to cut funding for family planning initiatives that emphasize contraception. But if the proposal is accepted, more money will be spent on abstinence education than any other birth-control program. As it stands, the state's budget allocates $5.9 million for "family planning programs that stress contraceptive use to reduce teen pregnancies." Brooks' proposal would raise funding for abstinence education to $8.4 million. However, Brooks noted that "state and federal governments have earmarked $42 million this year on abstinence and family planning in Florida. The extra $4 million being sought strictly for abstinence education pales compared with that total." The state's allocation for abstinence education "is still a minority of the total funds spent by the state," he said.

Sue Idtensohn, president of Planned Parenthood of Orlando, noted that Brooks should push for more funds for all sex education programs, saying, "We know kids are having sex – I think abstinence education is wonderful, but I think it should be part of a comprehensive curriculum of sex education." Barbara Zdravecky, president of the Florida Association of Planned Parenthood Affiliates, said, "Abstinence is one answer, but for many children, it is not an option. The jury is still out on how the Bush administration and Dr. Brooks are going to handle family planning." 1997 statistics indicate that Florida's teen birth rate has fallen to its 1980 level, at 58.2 births per 1,000 females between 15-19 years old. The WAGES board will meet next month to vote on Brooks' request.

--Excerpted from the Kaiser Daily Reproductive Health Report, July 20, 1999.
--Note that on August 16, 1999 the WAGES State Board approved the $4 million allocation.

County in Wisconsin Explores Need for Second Chance Homes

> A sixteen year-old mother moves between living on the street and living with her mother's ex-husband. Sometimes she takes her child with her and sometimes she doesn't. The 14 year-old daughter of an alcoholic gave birth and her mother showed up at the hospital drunk. Another 14 year-old mother was forced to marry a man who physically abuses her. A 15 year-old mother lives with a physically and emotionally abusive mother who fails to provide for food and basic necessities. All of these young mothers and their children need a second chance and states can use TANF to give them such as chance.
>
> **The Adolescent Parenting Coalition's**
> **1999 Second Chance Homes Needs Survey**
> **Brown County, Wisconsin**

TANF funds generally cannot be used to assist an unmarried minor parent unless she is living with her parents, guardians or other adult relatives. However, there is an exception for minor parents who have experienced abuse or neglect or who have no appropriate adult with whom to live. In fact, federal law requires states to help such teens locate a "second chance home" or other appropriate living arrangement.

The TANF legislation defines a "second chance home" as an entity that provides minor parents with a "supportive and supervised living arrangement" in which they "are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children." Although states are not required to provide second chance homes to these minors (only to help them locate one), the American Public Human Services Association reports that at least 16 states are operating or planning to operate such homes.

One community in Wisconsin is trying to assess its need for such a home. Brown County asked service providers working with pregnant and parenting teens between the ages of 13 and 20 to review their caseloads and identify teens needing either long or short-term shelter. The service providers considered safety, homelessness, imminent risk of homelessness and abuse or neglect when making their assessments.

In 1997, this informal survey identified 44 separate pregnant and parenting teens in need of a second chance home. In 1998, the survey revealed 39 such teens. In 1999, service providers reported that 51 pregnant or parenting teens needed shelter. The 1999 survey also asked providers to identify the reasons second chance homes were needed. Thirty-eight of the 51 girls lived in a home where they were subjected to physical or sexual abuse. Twenty were neglected by their own parents. Twenty-two lived in overcrowded conditions that put them at risk of homelessness. Nine lived in homes with family members suffering with a mental illness while 6 of the girls struggled with their own mental disorder.

Due to declining caseloads, most states have not spent all of their TANF allocation. Given these "surpluses" states could follow the lead of Brown County and ascertain whether second chance homes are needed. If there is a need, state could consider tapping TANF to support second chance homes.

➢ For more information about the Needs Survey done in Brown County Wisconsin, contact Paula Van Straten, President Adolescent Parenting Coalition, Co-chair Second Chance Homes Committee, at (920) 431-3127.

  For resources on Second Chance Homes and other teen parent living arrangements see: **Tapping TANF: When & How Welfare Funds can Support Reproductive Health or Teen Parent Initiatives**; **Seeking Supervision: State Policy Choices in Implementing the TANF Minor Parent Living Arrangement Rule**; and **Seeking Safe Haven: Two States' Approaches to the Minor Parent TANF Living Arrangement Rule** at www.clasp.org and **Second Chance Homes**, *Washington MEMO*, May-June 1999, APHSA.

Arizona Approves Home Visiting Program

The Arizona legislature has appropriated $250,000 in TANF funds to the Department of Health Services for FY 1999 to 2000 to establish a nurse home visitation program for single women under the age of thirty who are receiving TANF. The legislation requires that the program provide nursing and other home visitation and transportation services focusing on a variety of issues, including the prevention of child abuse and neglect, health care, future childbearing decisions, education completion, and workforce entry.

➢ For more information, contact Patty Angelini, Arizona Coalition on Adolescent Pregnancy and Parenting, (602) 265-4337.

RESOURCES

MEASURING POVERTY. Poverty Ain't What it Used to Be: The Case for and Consequences of Redefining Poverty, published by the Institute for Policy Studies at Johns Hopkins University, examines the inaccuracy of the current government poverty index. It notes that the establishment of the official poverty line in 1964 was based on 50% of the median pre-tax income for a family of four. Comparatively, this same federal measure now represents only 30% of the median pre-tax income of the average-sized American family. This study offers alternative methods for determining the poverty index, examines the practical and policy implications of each, specifies a preferred approach, and finally, demonstrates the potential impacts of different options on employment and training programs for the poor.

➢ To obtain a copy of this report, contact the Sar Levitan Center for Social Policy Studies, Institute for Policy Studies, Johns Hopkins University, (410) 516-7169.

CHILDREN AND WELFARE. A new publication from Child Trends, **Children and Welfare Reform: A Guide to Evaluating the Effects of State Welfare Policies on Children**, addresses the "why", "what", and "how" of examining child outcomes in welfare reform studies. It focuses on providing the tools for the initiation or augmentation of a study of child well-being in designing and analyzing welfare reform studies. Specifically, the three sections discuss why child outcomes may be affected by adult-focused welfare programs; what aspects of child well-being should be studied, according to researchers and state and federal officials; and how this issue is being researched broadly, providing analysis of the strengths and weaknesses of each approach.

- Additional copies can be obtained by contacting the Publications Office of Child Trends at (202) 362-5580.

YOUTH AND WORKFORCE DEVELOPMENT. WIA Youth Policy Councils: Key to the Future for a Generation of Challenge explains the Workforce Investment Act, specifically with regard how it defines a Youth Council, how such an entity would function, and how it can address the needs of neglected youth in poor communities. Broadly, they represent the union of major resource and delivery systems that have youth as their primary focus. Because the Workforce Investment Act asks communities to create more comprehensive programs and assume greater responsibility as well, the Youth Councils have the opportunity to bring together previously disjointed programs helping youth and improve the qualities of such programs. This manual begins by examining the sections of WIA that creates Youth Councils, while exploring some of the operational and implementation issues that local areas need to consider. It discusses the opportunities offered by Youth Councils and offers strategies for capitalizing on them as well.

- To obtain a copy of this report, contact the Sar Levitan Center for Social Policy Studies, Institute for Policy Studies, Johns Hopkins University, (410) 516-7169.

HIGHER EDUCATION AND WELFARE-TO-WORK. The PBS Adult Learning Service, in conjunction with the University Continuing Education Association and the Welfare Information Network, is sponsoring a live, interactive satellite event that will examine how colleges and universities can maximize education and training benefits for TANF recipients moving from welfare to work. Among other information, it will provide: examples of states allowing continuing education to qualify as "work", knowledge of how universities, state governments, and community leaders have adapted academic programs to meet welfare requirements, and barriers facing educators and policymakers interested in expanding higher education opportunities for TANF recipients, alongside possible solutions.

- To register as a downlink site, go to www.pbs.org/adultlearning/als/programs/live/welfare-to-work/index.html. The live broadcast, entitled "Successful Transitions," will air on September 30, 1999, 1:00 - 2:30 pm EST. Contact PBS customer support at (800) 257-2578 with questions.

CLASP*Update*

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

September 27, 1999

FEDERAL NEWS

HHS ISSUES SECOND REPORT ON TANF

The U.S. Department of Health and Human Services issued its second annual report on the TANF program in August. The 249-page report, which brings together a large amount of data that has already been published, offers a generally upbeat interpretation of the data. However, it does acknowledge that there are problems and challenges, as well as data deficiencies which make it difficult to fully assess the impact of the welfare law. The findings include:

Employment and Earnings

- There has been a dramatic increase in employment among welfare recipients. The percentage of TANF adults who are working has increased from 7 percent in 1992 to 13 percent in 1997. And all states met the work participation rate requirement for all families in FY 1998, although only 29 met the FY 1998 standard for two-parent families.

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CLASP Update Contributors: Marie Cohen, Martha Nguyen & Lisa Plimpton

- A variety of studies show that the majority of welfare recipients have worked since leaving the welfare rolls. The percentage of single mothers with incomes under 200% of poverty who are working increased from 44% in 1992 to 57% in 1998.

- The average earnings of employed TANF recipients increased from $506 per month to $553 between 1997 and 1998.

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**"Looking to the Millennium and the Legislature:
Re-visiting Low-Income Programs"**

September 24, 1999, Welfare 2000: A Win, Loss, or Draw?
As we approach the year 2000, can we say whether it has been a win, loss, or draw for those who receive welfare (TANF), those who work, and the "disconnected" (neither working nor in TANF)? Clearly, a significant percent of families formerly receiving TANF leave for work. At the same time, others remain "lost". What picture is the most appropriate and what does it mean for state legislatures in 2000? Is it too soon to say what it means for reauthorization of the federal law? *Guests: Peter Edelman, Georgetown University Law Center, Ron Haskins, House Ways and Means Subcommittee on Human Resources, Mark Greenberg, Center for Law and Social Policy*

October 1, 1999, Medicaid Expansion: Reaching More Adults
Many employed, low-income parents are unable to access health coverage. Yet, a little known option under Medicaid law allows states to cover low income working parents – both those who have and those who have never received welfare. Several states have adopted this expansion including Rhode Island, D.C., Wisconsin and Missouri. Who exactly is eligible? What needs to be done to take the option? How can the Medicaid option to cover more adults become an urgent priority in the state legislature? *Guests: Christine Ferguson, RI Human Services Department, Cindy Mann, Center on Budget and Policy Priorities*

October 8, 1999, Pregnancy Prevention: Tapping TANF for Reproductive Health
In a number of states, local pregnancy prevention campaigns and programs have been funded from unspent TANF funds. The range of efforts include support for second-chance homes for teen parents, home-visiting, youth development programs, male involvement, community awareness, and family planning expansions. How have different states secured TANF funds? Which agency has the lead? What steps should legislatures take to consider expanded or new TANF investments in this area? *Guests: Sharon Perry, KY Cabinet for Families & Children, Cheryl Robbins, FL Department of Health*

October 22, 1999, Job Advancement: New Strategies and Facts
It is common for former welfare recipients to work, but steady work is uncommon. Earnings rise significantly over time, but wages do not; instead, low-income parents work more hours. The starter-job shapes the future employment picture - that is, all things being equal (skill levels, etc.), those who start a job with higher wages, wind up with higher wages over time. What are the trade-offs between work-site and off-site post-employment advancement services? What key policies should state legislatures address? *Guests: Jack Tweedie, National Conference of State Legislatures, Nan Poppe, Portland Community College*

November 5, 1999, Child Care: New Trends and Emerging State Models
There is a lot more child care money than ever before. These dollars can make a difference to families and determine whether they can access child care, how much it costs, and the quality of child care in their communities. Why, despite this new funding picture, are so many welfare families and working families still facing problems securing child care? Learn about new trends at the state level and strategies for ensuring that working poor and welfare families actually are helped by the new child care funds. What are some initiatives that should come before your legislature to address these issues? *Guests: Helen Blank, Children's Defense Fund, Joan Lombardi, Child Care Consultant*

November 12, 1999, Child Support: What If It All Came Home?
One of the major tensions with the current child support system is that the fathers (and some mothers) who make financial contributions may never see the support benefit their child; the money, instead, reverts to the government. What would happen if child support were realigned as a supplemental income program to help families achieve economic self-sufficiency? What if states "passed-through" not only $50 dollars but all child support - regardless of welfare status? Should a state legislature take this on now? *Guests: Paula Corrigan-Halpern, Metropolitan Family Services, Chicago, Elaine Ryan, American Public Human Services Association, Vicki Turetsky, Center for Law and Social Policy*

December 10, 1999, Job Creation: Setting Up Programs
Already two states have statewide job creation programs (Washington and Pennsylvania). Another dozen localities are off and running with job creation programs designed to provide employment for those who can not find work. Most states have legislative authority (through wage subsidy authorization) to establish publicly funded community service jobs. What are some of the key barriers that existing programs have faced -- and solved? Is the cost prohibitive or cheap compared to what otherwise might occur? *Guests: Wilhelmina Leigh, Joint Center for Political and Economic Studies, Linda Harris, Office of Employment Development, Baltimore*

To register or order a tape, visit our web site at www.clasp.org. Questions? Call the CLASP Audio Conference Hotline, (202) 797-6535.

Income and Poverty

- While income of female-headed families increased from 1993 to 1997, there is preliminary evidence that the bottom quintile may have experienced income losses between 1995 and 1997. (The Center on Budget and Policy Priorities has issued a report that discusses this income decline in more detail; see article "Poverty Studies" on page 14.)

- The poverty rate, as measured by the Census Bureau's official poverty measure, has fallen to 13 percent from 15 percent in 1993. (However, as described in "Poverty Studies" on page 14, an analysis by the Children's Defense Fund finds a disturbing increase in the number of children living in families with incomes below half of the poverty line, when public assistance benefits and taxes are accounted for.)

- Enrollment in Medicaid and Food Stamps has fallen, and HHS has taken initiatives to encourage states to ensure that all eligible families receive these benefits.

Welfare Caseloads and Expenditures

- Welfare caseloads are at their lowest level since 1969 and the number of welfare recipients fell from 14.1 million in January 1993 to 7.3 million in March 1999.

- Our ability to understand the reasons for case closures is severely limited by the fact that States reported 56.1% of cases were closed for "other reasons," without specifying what these reasons are. Of the remaining cases, 21.7% were closed due to employment, 15.5% due to state policy, and 6.2% due to sanction.

- States continue to make large investments in their welfare programs and do not appear to be engaging in a "race to the bottom." States have spent or committed to spend 90 percent of their TANF federal block grant funds, and all states met their minimum maintenance-of-effort requirements in 1997 and 1998, with some states spending more. States have also increased to $652 million the amount of TANF funds transferred to the child care block grant.

State Policy Choices

- Twenty states now require immediate participation in work (as defined by the state, which could include activities like education or training), 6 states require participation in work between 45 days and 6 months of receipt of cash assistance, 23 states require participation within 24 months, and 2 states use other timeframes.

- Currently, 28 states are using the federal five-year limit, 6 states are using "intermittent" time limits up to a total of five years, 8 states are using shorter time limits than five years, 5 states are providing some type of supplement to families exceeding the five-year limit, and 5 states have time limits for adults only.

- So far, 27 states have included in their TANF plans diversion payments or services to families applying for TANF benefits. Diversion benefits include lump-sum payments or services to help parents find work.

- Until now, 27 states have certified that they will offer special treatment to victims of domestic violence under the Domestic Violence Option, and 4 more states are in the process of obtaining certification.

- Child support collections have risen dramatically, from $8.4 billion in 1992 to $14.4 billion in 1998.

- Of the approximately 10 million children who needed federally funded child care, only about 1.25 million received assistance in 1997.

The report also provides some demographic and financial data on TANF families. The average number of persons in TANF families was 2.1, with an average of 2 children per case, which is unchanged. The percentage of child-only cases has risen steadily to 23.4 percent of TANF families, but the rate of increase seems to be slowing. There has been little change in the racial composition of TANF families.

The full report is available on the internet in PDF and Word Perfect formats at http://www.acf.dhhs.gov/programs/opre/director.htm. It includes many tables with state-by state data on caseloads, spending, participation rates, policies, child support collections, demographics, child care funding, and tribal TANF programs, as well as summaries of recent research.

Despite the generally optimistic conclusions drawn by HHS, two new studies provide some reasons for caution about the welfare changes. These studies are discussed in the article "Poverty Studies" on page 14.

CLINTON MOVES TO SUPPORT UI REFORMS

President Clinton is taking action to support state initiatives that expand unemployment insurance (UI) to cover workers on family leave. On May 24th, Clinton directed the Secretary of Labor to "propose regulations that enable States to develop innovative ways of using the Unemployment Insurance (UI) system to support parents on leave following the birth or adoption of a child." This step will help in those states where UI legislation has been introduced (e.g. Massachusetts, Vermont and Washington) and in others in which a UI campaign targets state legislative sessions that start in January 2000.

To help with state UI campaigns, The National Employment Law Center has recently issued **Expanding Unemployment Insurance for Workers on Family & Medical Leave** which explains the President's initiative and its impact. The report notes that "the President's action is not a mandate imposed on the states. Rather, it paves the way for states, at their option, to enact UI legislation that is consistent with the regulations adopted by the Administration." In explaining the value of linking UI and paid family medical leave the authors note:

> "The federal Family and Medical Leave Act (FMLA) of 1993 stopped short of providing paid family and medical leave. As a result, large numbers of working families, especially those families headed by women working in low-wage jobs, are not able to take advantage of the 12 weeks of job-protected leave provided by the federal law. A national survey found that 64% of workers who needed to take advantage of the FMLA did not because they could not afford to do so.
>
> Access to unemployment benefits is also on the decline, due largely to the failure of the UI system to keep pace with the changing needs of today's workforce, which includes a dramatic increase in the number of women, low-wage and contingent workers. Nationally, the proportion of the unemployed receiving unemployment benefits has dropped from an average of 49% in the 1950's, and over 75% during the 1974-75 recession, to just 35% in the 1990's (with significant variation from state to state)."

- For further information contact Maurice Ensellem at the National Employment Law Project 212 285 3025 or e-mail emsellem@nelp.org. The web site is: http://www.nelp.org.

STATE NEWS

WELFARE CHANGES IN CALIFORNIA HEAD TO GOVERNOR

Governor Gray Davis of California has been presented by the legislature with five welfare bills. If signed into law, among the new policies, the following will be in place:

Study time: allows up to 6 hours of preparation time per week to count toward the hourly work requirement; the number of hours may increase 2 years from now after an assessment by the Department of Social Services;

Subsidized employment: creates demonstration projects (up to 5) to provide subsidized employment to participants after the welfare-to-work time limit;

Supportive services: guarantees supportive services for employed CalWORKs recipients, and clarifies the availability of technical assistance in self-employment programs;

School attendance: improves notice and mediation procedures before CalWORKs school attendance sanctions can be imposed.

Language: requires that English proficiency be considered at appraisal.

Felony convictions: exempts persons convicted of felony drug convictions from the lifetime CalWORKs and Food Stamp prohibition under limited circumstances. Persons must be in treatment, have completed treatment, be willing to undergo treatment, have been convicted more than 5 years previously, or are not currently using drugs, to qualify.

Child care: increases the age at which CalWORKs children are entitled to child care from 10 to 12.

According to Casey McKeever of the Western Center on Law and Poverty, "while we have not heard the Governor will veto any of these bills there are, at the same time, no express guarantees of the Governor's willingness to sign any of the bills." The Governor has until October 10th to act.

- For more information, contact Casey McKeever at the Western Center on Law and Poverty: 916-442-0753 x 12.

WELFARE CHANGES IN ILLINOIS: GOVERNOR VETOES SOME, APPROVES OTHERS

Governor Ryan of Illinois signed five bills on welfare and work issues. Among the changes enacted, these bills will:

Child care: allows low-income families who are not on welfare to receive child care assistance so that they can attend school or job training;

Oversight: provides for annual review and improvements in the information the Illinois Department of Human Services provides to TANF applicants and recipients about their rights, responsibilities and opportunities under the TANF program and gives oversight to the Family Self-Sufficiency Advisory Council;

Jobs skills: creates job skills enhancement pilot programs for newly employed current and former TANF recipients;

The bills create two new programs which cannot yet begin because they were not yet funded in the budget. One is a program of **no-interest loans** to low-income families to help them succeed in work or education. The other unfunded program would allow localities to distribute funds for **homelessness prevention** services such as rent, security deposits, utilities, and mediation.

The Governor also vetoed two bills. One of these bills would have required the Illinois Department of Human Services to pass through two-thirds of child support income to families who are receiving TANF assistance and who have earnings from employment. He also vetoed a bill which would have provided assistance to parents who stay home with their babies for the first 12 months after birth.

- For more information, contact the National Center on Poverty Law, 312-263-3830: Margaret Stapleton, ext. 234 or mstapleton@povertylaw.org, or John Bouman, ext. 250, johnbouman@povertylaw.org.
- Adapted from *Illinois Welfare News*, September 1999. See www.povertylaw.org.

NEW YORK: LEGISLATURE REJECTS TANF CUTS, ADOPTS NEW PROGRAMS

The Governor and Legislature approved the new state budget in August. The Legislature rejected the Governor's proposals to cut TANF spending by denying additional rental assistance to families facing eviction and imposing full-family sanctions for welfare rule violations. The budget includes funding for several new initiatives:

EITC: Expands the state Earned Income Tax Credit for low income workers by $125 million;

Child care: Provides $600.5 million in new spending for child care, including $362 million in TANF funds and $33 million for universal pre-kindergarten;

Jobs: Provides $13 million for a new "subsidized employment" program for TANF recipients, to be administered by community-based organizations. Participation in the program will be limited to one year and employers are required to "make reasonable efforts to retain individuals served by the program."

- For more information, contact Cristina Di Meo, Welfare Reform Network, (212) 777-4800 or Don Friedman, Community Food Resource Center, (212) 894-8094.

DIVERSION: STATE POLICY CHOICES

Formal cash diversion programs offer families an up-front, lump sum payment in lieu of ongoing cash assistance payments. This **CU** report draws on data from the State Policy Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities. SPDP tracks TANF policy decisions in the 50 states and the District of Columbia. The project collects information on state policy, not practice. The information on diversion programs reflects policies in effect as of the end of 1998.

The 23 states with formal diversion programs are Alaska, Arkansas, California, Colorado, Connecticut, Florida, Idaho, Iowa, Kentucky, Maine, Maryland, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, South Dakota, Texas, Utah, Virginia, Washington, and West Virginia. Two of the 23 states–Colorado and Ohio–authorize counties to decide whether to implement diversion programs, and leave many of the related policy decisions to the counties.
The maximum amounts of diversion payments vary among the states. Most states limit the amount of a diversion payment to some number of months of cash assistance benefits for which a family would be eligible, most commonly three months of benefits. In most states, the exact amount of the diversion payment is determined on a case-by-case basis depending on a family's need, not to exceed the maximum amount. California policy does not set a maximum amount; case managers have discretion to determine the diversion payment amount based on emergency needs.

In 12 of the 23 states with diversion programs, a family that receives a diversion payment is ineligible for another diversion payment for some period of time. In five of these 12 states, a family can only receive a diversion payment one time. In the other seven states, a family cannot receive a second diversion payment for a period of time ranging from 12 to 60 months after receiving a diversion payment.

In 15 of the 23 states, a family that receives a diversion payment is ineligible for ongoing cash assistance for some period of time. In eight of these states, families that receive diversion payments forego cash assistance eligibility for a longer period of time than the value of the diversion payment in regular cash benefits. For example, in three states, a family is ineligible for ongoing cash for two times the number of months' cash benefits to which its diversion payment is equal.

Federal policy does not consider diversion payments TANF "assistance," so states need not count months in which a family receives a diversion payment against the 60-month TANF time limit or require families that receive diversion payments to assign child support rights to the state. Eight states have chosen to count receipt of diversion payments for purposes of state time limits. Two more states count receipt of a diversion payment against the time limit only if a family later receives ongoing cash assistance. Four states require a family that receives a diversion payment to assign its child support rights to the state.

In addition to the formal cash diversion programs described here, states may impose requirements that a family must meet prior to submitting an application for TANF cash assistance or while the application is pending. These types of requirements may result in informal diversion from cash assistance. State policies on these requirements and other application issues will be described in the next issue of CLASP Update.

- For 50-state comparison tables on diversion programs and more detailed descriptions of each state's policies, visit the SPDP website, http://www.spdp.org.

REPRODUCTIVE HEALTH AND WELFARE

$20 MILLION "OUT-OF-WEDLOCK" BONUSES GIVEN to 5 STATES

Under the 1996 welfare law the 5 states with the greatest reductions in out-of-wedlock births which also reduce their abortion rates win $20 million each. HHS has awarded bonuses to Alabama, California, the District of Columbia, Massachusetts and Michigan based on the reductions achieved between 1994 and 1997.

In making the awards, HHS Secretary Donna Shalala stated, "The welfare reform law transformed the welfare system not only by requiring work and parental responsibility, but also by focusing on the reduction of out-of-wedlock and teen births," said Secretary Shalala. "This is an important way to help reduce the risk of welfare dependency, and we're pleased to be making this first award of bonuses to these states and the District of Columbia."

For this year's bonus, rankings were based on birth statistics from 1994 and 1995 compared to 1996 and 1997. The top five states become potentially eligible for the bonus. In order to receive the bonus, the five states then must also show a decrease in their abortion rate between the most recent year and 1995, where the abortion rate is measured as the number of abortions divided by the number of births. The bonus is calculated based on out of wedlock births among teens and older women and among those receiving and those not receiving welfare.

The reductions achieved by the bonus awardees were — California, 5.7 percent; District of Columbia, 3.7 percent; Michigan, 3.4 percent; Alabama, 2.0 percent; and Massachusetts, 1.5 percent. While it might have been expected that the winners would be clustered among those who started with the worst problem (thus, the most readily able to improve), the winning states began with significantly different levels of the problem. In the 1994-95 baseline period, the winning states ranked nationally with respect to the percent of births to unmarried women as follows: California (21); District of Columbia (1); Michigan (12); Alabama (13); and Massachusetts (40).

According to HHS, "More evidence is needed to fully understand the range of factors contributing to the decrease in the proportion of out-of-wedlock births in these particular states. Three of the four years covered under the first bonus predate enactment of the welfare reform law in August 1996, which required all states to develop strategies and goals for reducing out-of-wedlock births as part of their state welfare reform plans. However, even before enactment of the 1996 law, some states began encouraging parental responsibility under the welfare reform waivers that the Clinton Administration granted to 43 states."

The difficulty in ascertaining which factors may contribute to the decline is underscored by a very "quick and dirty" CLASP review of several welfare-related factors that might be assumed to reduce out of wedlock births: family cap (the exclusion of a newborn child from the family's grant calculation), individual responsibility agreements (IRAs) that include a reproductive health component, and special referral procedures for welfare recipients seeking family planning services.

Welfare and Fertility Linked Policies in Bonus States			
State	*Family Cap*	*IRA*	*Referral*
Alabama	*No*	*Yes*	*Yes*
California	*Yes*	*Yes*	*Yes*
District of Columbia	*No*	*No*	*No*
Massachusetts	*Yes*	*Yes*	*Yes*
Michigan	*No*	*No*	*No*

Within this set of policies, it is not possible to find one that is common to all of the winning states. Further, among the winning states, two have not implemented any of these fertility linked policies, two have adopted all, and one a mix. Again, this underscores the difficulty of ascribing a common policy to the bonus winners.

The bonus money is treated like any other dollar under Temporary Assistance for Need Families (TANF). In other words, even though the bonus is viewed as an incentive for states to undertake programs regarding pregnancy prevention, the monies may spent on any activity reasonably designed to achieve the goals of TANF. TANF goals are wide ranging and, in addition to those that address out of wedlock births, include those that relate to employability and economic self-sufficiency. At the same time, it is possible for a winning state to decide that the $20 million will be earmarked for reproductive health related programs.

In future issues, CLASP Update will report on how the bonus states plan to spend their winnings.

- For more details visit this HHS web site: http://www.acf.dhhs.gov/news/oowstate.htm

HOUSING AND WELFARE

In **North Carolina**, Governor James Hunt proposed and the legislature enacted the allocation of $3 million in unspent TANF funds for housing assistance for families up to 200% of the poverty level. According to Sorien Schmidt with the North Carolina Justice Center, "housing is a definite barrier for families trying to maintain a stable lifestyle so they can work consistently."

A Request for Proposals (RFP) has been issued for a one year county pilot program. Counties are to apply in conjunction with local non-profit housing agencies or the public housing authority. The fiscal agent will be the county Department of Social Services. The maximum grant to a county will be $500,000. Counties will be required to contribute $1 of local match for each $2 in TANF funds that the state contributes. In addition to the cash match, localities can provide in-kind match above the required cash amount. This improves their ranking in the grants competition. It is anticipated that around 6 counties will be awarded grants.

Among the selection criteria are:

- The extent of need, including whether there is an area "mismatch…between the affordable housing stock and the location of jobs or transportation to jobs";
- Whether there is a plan to help meet housing needs beyond the period of the project (e.g. "giving participants of this project priority for Section 8 housing";
- The extent to which the proposal helps eligible families retain or obtain employment.

The details of financing of the pilot remain unresolved. At issue is whether to tap federal TANF funds or state TANF funds ("MOE" or maintenance of effort funds). As Bill Rowe of North Carolina Justice and Community Development Center notes "the federal rules make the clock tick when a family receives TANF 'assistance'. We read 'assistance' for shelter to be assistance and to avoid that problem for families who are off TANF we think the cleanest way to address this is to use state MOE funds"

- For more information, contact Bill Rowe at (919) 856-2177 or e-mail Bill@NCJustice.org.

In **Kentucky,** $4 million of $19 million in unspent TANF funds is now earmarked for housing supports. The funding is designed to help former TANF recipients "move toward home ownership." The initiative was announced by the Governor but most details have yet to be worked out. Fundamental issues regarding how the money should be spent are in negotiation between the welfare agency and the state housing finance agency. One possible approach is to target the funds to those families participating in the HUD Family Self-Sufficiency program to reduce the cost of home ownership. According to Alan Dahl of the Homeless and Housing Coalition of Kentucky, "The $4 million is welcome and so is the notion of homeownership by low income families; however, we also have TANF families facing a shelter crisis and we are trying to get some of the TANF funds set aside for rental assistance and homeless crisis assistance. Because the clock is already ticking on these families, it does not hurt and only helps these TANF families if they get housing help while on welfare. They then stand a chance of coming up on the wait list for Section 8 on-going housing subsidies."

- For more information, contact Alan Dahl with the Coalition at (502) 223-1834.

In Miami-Dade county, **Florida**, Fannie Mae has developed a Homeownership Through Work Initiative designed to assist former welfare recipients become homeowners. The Initiative expects to provide former welfare recipients "with an incentive to stay with their current employers or the flexibility of moving to another employer while becoming an intricate part of their community." The concept of employer-assisted housing in which a corporation helps its employees with financing the purchase of a home is not new; what is novel is the notion that the same principles should be used to assist former welfare recipients. Fannie Mae is working in partnership with the Miami-Dade WAGES Coalition, Greater Miami Neighborhoods, the Mayor's Office, Miami-Dade Housing Agency and the Miami-Dade Family Self-Sufficiency Program.

The program addresses the difficulty low wage families have with down payments by allowing three sources to help with down payments: employers, a community funding pool, and the Family Self-Sufficiency Program. Fannie Mae encourages area employers to participate in the program by stressing that housing brings stability to the employee, the employer, and the community.

Under the employer track, employees are encouraged to stay with a particular employer because the company provides the participant with a direct loan that must be repaid upon sale of the home; alternatively, the company can make the loan a grant which is forgiven at the end of a certain time period — not to exceed 5 years. The loan amount is the total of the borrower's savings plus a match from the employer.

The community funding pool encourages employees to remain in the workforce regardless of employer. A community non-profit manages the pool and provides the employee with a forgivable loan (structured like the specific employer loan) when the employee is able to provide verification of two years of employment.

The third source of down payments is the Family Self-Sufficiency Program, a HUD program which establishes an escrow account for participants.

Program participants are required to make a financial contribution: 1.5% of the sales price or $1,000, whichever is greater. They are also required to participate in home ownership counseling.

To be eligible, an employee must be working full time. In addition, participants must be former welfare recipients who are currently earning less than 100% of the area median income or be non-welfare working poor wage earners who have been employed for two years but earn 50% or less of the area median income.

"We are basically just out of the starting gate on this program but mighty enthusiastic about community buy-in already and the potential to make a difference" notes Shalley Jones, Director of Fannie Mae's South Florida Partnership Office. "We are working with employers to increase their engagement in this project. Employers are anxious to hold onto good employees, including those formerly in the welfare system, and this gives them another tool. The biggest hurdle we've had so far is simply the newness of the idea."

In terms of the program's targeting strategy, Jones explains, "we went into this knowing we wanted to target former welfare recipients but we also wanted to allow the working poor to participate. Since there are other mortgage products for certain working poor families it felt comfortable weighting this project to former welfare recipients.

- For more information, contact Shalley A. Jones at: shalley_a_jones@fanniemae.com

HOUSING AND WELFARE RESOURCES

The **Affordable Housing Policy and Welfare Reform Listserv** is designed to facilitate the exchange of information on the intersection of housing and welfare policy among housing and welfare professionals, researchers, policy analysts, and others. To subscribe to this Center on Budget and Policy Priorities service, send an e-mail to majordom@lists.cbpp.org that reads: subscribehousingwelfare.

The Use of TANF Funds to Provide Housing and Homelessness Assistance: Implications of the Final TANF Rules has just been released by the Center on Budget and Policy Priorities and can be found on their web site: www.cbpp.org.

Housing and Welfare Reform: Strategic Intersections in Place-Based Strategies is the latest Welfare Information Network (WIN) compilation of essential resources. The WIN series "Resources for Welfare Decisions" and this August publication on housing resources can be found at the WIN web site: www.welfareinfo.org.

DISABILITY

VICTORY IN CHALLENGE TO WELFARE DOUBLE STANDARD FOR DISABLED CHILDREN IN MASSACHUSETTS

In a decision issued August 30th, the Massachusetts Superior Court struck down state welfare department regulations that required disabled children to meet a much stricter standard than disabled adults in order to qualify for exemptions. The court found that the Legislature had determined that caretakers of disabled children "are doing what society wants them to do and cannot realistically enter the workforce."

Under existing DTA rules, disabled children must receive federal SSI disability benefits — a very strict standard — in order for their caretakers to qualify for an exemption, while disabled adults need only a doctor's certification of disability. Getting an SSI decision may take months or even years, during which time the parent must meet the work requirements. The parents in the lawsuit provided medical documentation that they were caring for severely disabled children, but DTA denied them exemption from the work rule and time limit, which eventually caused them to lose their benefits [See **CU** August 25, 1999].

The court held that "There is certainly nothing in either the language, purpose or history of the [Welfare Reform] Act to indicate that the Legislature intended to provide less protection to caretakers of disabled children who wish to remain at home than to caretakers of disabled adults. It is plain that the Legislature did not intend that it be significantly more difficult for the caretaker of a disabled child to obtain an exemption than the caretaker of a disabled adult."

"The Legislature recognized that parents of disabled children have a first priority to make sure that their children's daily needs are met," said Deborah Harris, staff attorney at Massachusetts Law Reform Institute. "The court has had to step in yet again to order the welfare department to follow the law."

- For more information about the case, contact Deborah Harris or Pat Baker from Massachusetts Law Reform Institute, (617) 357-0700.

POVERTY STUDIES

STUDIES FIND INCREASE IN EXTREME POVERTY SINCE WELFARE REFORM AND WIDENING INCOME GULF BETWEEN RICH AND POOR

The number of American children living in families with incomes below one-half of the poverty line rose to 2.7 million in 1997, up by 426,000 from the previous year, according to an analysis of Census data by the Children's Defense Fund (CDF). One-half of the poverty line in 1997 was $6,401 per year for a three-person family or $8,200 per year for a family of four.

Unlike reports from the Census Bureau, the CDF report uses a definition of income that accounts for taxes and the value of certain non-cash assistance, such as Food Stamps. The increase in extreme poverty among children is particularly disturbing because the economy has been unusually strong. Before the 1997 increase, the number of children living below half the poverty line had dropped for four straight years, according to the CDF analysis.

CDF attributes much of the increase in child poverty to the declining role of public assistance in protecting children from economic hardship, due to the 1996 welfare law and state policy changes. The report devotes special attention to the role of food stamps. The loss of food stamps by families leaving the welfare rolls for work (many of whom are still eligible) and by most legal immigrants was a major factor behind the increase in extreme poverty among children, according to CDF.

In order to repair the safety net for America's children, CDF recommends outreach to ensure that families leaving TANF keep their food stamps, as well as the restoration of food stamp aid to legal immigrants. CDF also recommends expanded work supports like child care and transportation, effective job training, and special attention to the needs of families experiencing multiple barriers to employment. The report, *Extreme Child Poverty Rises Sharply in 1997*, is available on the internet at www.childrensdefense.org.

A study from the Center on Budget and Policy Priorities (CBPP) also provides alarming indications of increasing hardship among the poorest children in the wake of welfare system changes. The study, also based on Census data, shows that the average earnings and incomes of low-income female-headed families with children rose substantially between 1993 and 1995. But the average incomes of the poorest 20 percent of female-headed families with children fell from 1995 to 1997 as state welfare changes and the 1996 federal welfare law took effect. The income of this poorest quintile fell an average of $580 per family over that period.

CBPP's analysis suggests that this decline in the fortunes of the bottom quintile of single-mother families was caused largely by sharp reductions in the support these families received from public assistance programs. More than three-quarters of the income loss suffered by this quintile resulted from declines in means-tested assistance. These reductions exceeded earnings increases, resulting in an overall income decline for these families. These declines were much greater than what would normally occur due to an improving economy. Moreover, as CDF discusses as well, large numbers of working poor families that qualify for Food Stamps and Medicaid appear not to be receiving them.

In conclusion, the report cautions against "pronouncing welfare reform an unqualified success" and argues that "too much emphasis has been placed on caseload reduction and insufficient attention paid to income and poverty outcomes." The report, entitled *The Initial Impacts of Welfare Reform on the Incomes of Single-Mother Families,* is available on the internet at www.cbpp.org

Two weeks after releasing its welfare reform report, the Center on Budget released another report that demonstrates a widening gap between rich and poor in the United States. According to the report, *The Widening Income Gulf*, the after-tax income gaps between those with the highest incomes and all other Americans have widened sharply since 1977 and are projected this year to reach their widest point in recent decades. Using Congressional Budget Office data, the Center found that the after-tax income of the richest one percent of the population is projected to more than double between 1977 and 1999, while the average income for middle fifth will increase by only 8 percent and the bottom fifth will see a drop of 9 percent. As a result of these widening income disparities, the richest 2.7 million Americans are expected to have as much after-tax income in 1999 as the 100 million Americans with the lowest incomes.

The private economy is responsible for most of the widening income gap, but federal tax policy has also played a role. The Center found that tax policy changes since 1977 have provided the top one percent of households with an average tax cut worth more than $40,000 in 1999. For the full report, see www.cbpp.org.

RESOURCES

Overcoming Roadblocks on the Way to Work examines the key program challenges faced by the five organizations participating in Bridges to Work, a reverse commuting demonstration funded by the federal government and several private foundations. The analysis was undertaken by Public/Private Ventures. Interest in transportation programs for inner-city workers is growing as a result of the strong economy, welfare to work requirements and the availability of federal funds. Based on P/PV's experience with Bridges to Work, however, running a reverse commute program is not as simple as it seems. Successful efforts are likely to depend more on the development of strong workforce development practices as on efficient, affordable transportation. The report examines several critical operating issues, describes how the sites responded, and offers practical suggestions to program managers and policymakers.

- To order a copy send $10 to PPV, Communications Department, 2005 Market Street, Suite 900, Philadelphia, PA 19103

Job Creation Prospects and Strategies, edited by Wilhelmina A. Leigh and Margaret C. Simms, Joint Center for Political and Economic Studies, is the first volume of The Black Worker in the 21st Century, the Joint Center's signature series on economic policy issues. This book looks at the current demand for African American labor and strategies policymakers can use to increase that demand in the future. The contributing authors in this multiauthor volume draw on both national statistics and original research to examine this issue. Included are: (1) documentation about the persistence of racial and gender disparities in employment; (2) an analysis of barriers to black employment that stem from employer perceptions, exclusion from informal job networks, isolation from the job-generating suburbs, and other circumstantial forces; (3) an examination of the job-generating effectiveness of Empowerment Zones and the need to adjust zone subsidies so that employers find it more attractive to invest in labor than in capital improvements; (4) a paper recommending that public policy should assist the strongest subsector of black-owned-firms—those in emerging industries—as these firms hold the greatest potential for expanding minority hiring; and (5) a study which concludes that incentives that lower business costs, in general, are especially helpful to black-owned businesses.

- To order the book go to the publications section under "economics and business" at the web site of the Joint Center, www.jointctr.org.

Welfare Reform: Assessing the Effectiveness of Various Welfare-to-Work Approaches, a report issued by the General Accounting Office in September 1999, reviews research on the effectiveness of various welfare-to-work approaches. Research on rapid employment approaches, education-based approaches, and a combination of the two were examined in the context of improving employment-related outcomes for welfare recipients and other low income women with children. Research findings on the effect of welfare recipients' educational attainment, including postsecondary education, on the education attainment of their children were also assessed.

- To download a copy of this report, go to the GAO website at http://www.gao.gov/new.items/newtitle.htm. Contact Gale C. Harris at (202) 512-7235 or Sigurd R. Nilsen at (202) 512-7003 with questions about the report.

CLASP*Update*

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

October 16, 1998 (ISSN 1085-7354)

State Spending and Welfare

■ **New GAO Report Provides Striking Data.** A new General Accounting Office report provides some striking data about the initial fiscal effects of TANF implementation for the states and federal government. TANF implementation allowed most states to cut state spending while receiving increased federal dollars, at the same time that caseloads were falling.

As a result, even with reduced state spending, most states have had more available funds per recipient. This does not, of course, mean that states are actually providing more assistance per recipient; the report, "**Welfare Reform: Early Fiscal Effects of the TANF Block Grant**," provides little information about how TANF and state funds are actually being spent. The report does underscore, however, that many states now have significant additional resources that could potentially be available to support employment and address the needs of low-income families.

The report compares federal and state spending from 1996 with available funding and fiscal requirements of the TANF block grant structure. Among the key findings:

- **For most states, TANF resulted in more federal funds for 1997 than for 1996.** Not all states participated in TANF for the full year in 1997. However, if all states had drawn down their full TANF grants in 1997, they would have received about $1.4 billion more under TANF than they received in 1996 for the same set of programs, i.e., an increase from $15 billion to $16.4 billion. Forty-five states were eligible to receive more in 1997 than 1996. The amounts varied between states: the median increase was 9%, but at one extreme, Indiana qualified for 70% more; while at the other extreme, Pennsylvania received 7% less.

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Contributors: Mark Greenberg; Alan Houseman; Maria Kirby; Paula Roberts

NEW FROM CLASP

Child Support Reports

- ***OCSE Guidance for States Seeking Permission to Operate a Linked Local Automated Child Support System Rather Than a Single Statewide Automated System*** by Paula Roberts describes the latest changes regarding waivers in the new law entitled the Child Support Performance and Incentive Act of 1998 (CSPIA). If a state does not wish to create a single statewide automated data processing and information retrieval system, it may seek a federal waiver allowing it to link separate local systems into a statewide system. CSPIA provides new guidance on when and under what conditions such waivers should be granted, and how they should be funded. 6 pages, September 1998.

- ***Federal Guidance on Alternative Penalties Related to Automation Failures*** by Paula Roberts gives a brief summary of the alternative penalties and the qualifications from the latest child support automated systems legislation entitled The Child Support Performance and Incentive Act of 1998 (CSPIA) which established a system of fiscal penalties for states which fail to meet their FSA and/or PRWORA automation requirements. She also describes how the new penalty system will function pursuant to the Action Transmittal 98–22 issued by the federal Office of Child Support Enforcement. 6 pages, September 1998.

- ***New GAO Study About Child Support for Families Leaving Welfare*** by Paula Roberts gives a summary of the findings from the released GAO study that examines the possibility that families leaving welfare will actually obtain child support income to either supplement their wages or replace the public benefits lost when the family reaches its TANF time limit. The study suggests that unless there is major improvement in the child support program, the majority of families leaving welfare due to time limits will not receive substantial amounts of child support. 5 pages, September 2, 1998.

- ***Proposed Federal Child Support Legislation Providing Access to IVD Information and Remedies in Non-IVD Cases*** by Paula Roberts gives a detailed description of S. 2411, introduced July 31, 1998, by Senator Hutchinson of Texas. The stated purpose of this bill is to "expand child support enforcement through means other than programs financed at Federal expense." 6 pages, August 21, 1998.

REGISTER NOW!

Winter 1999 CLASP Audio Conferences

Can welfare recipients who find jobs get out of poverty? A number of programs around the country are focusing on two key components that will be discussed in “Jobs and Wages: Programs that Promote Retention and Advancement.” <u>See the enclosed brochure for more information</u>.

Follow the registration instructions to get your discount—and remember, the entire can staff listen in around the speaker phone and/or invite to your office a group of key players. We encourage you to <u>use the audio conference as a “briefing” to spark discussion</u> on job retention and wage advancement in your community and state.

- **TANF implementation allowed states to reduce state spending in 1997 below 1996 spending levels.** Under TANF, states are required to meet a maintenance of effort obligation of 80% of a historic state spending level (or 75% if the state meets federal participation rate requirements.) If all states had dropped to the 80% MOE level in 1997, the required state spending level would have been $11.1 billion, as compared to actual state spending of $14.1 billion for the affected programs in 1996.

- **Even with reduced state spending, TANF implementation resulted in more total available funding for most states.** The GAO considered how much funding states would have had in 1997 if the prior AFDC-related funding formulas were still in effect, and then compared that amount to how much states would have had if they had been in TANF for the entire year while maintaining an 80% maintenance of effort. The GAO concluded that the amount available to states under the TANF formula for 1997 was $4.7 billion larger than states would have had under the old AFDC formula. The median increase was 22%, with 46 states having more resources.

- **Since caseloads were falling at the same time that federal resources were increasing, TANF resulted in the possibility of more spending per recipient.** For the nation as a whole, the GAO calculated that federal resources per recipient increased from $1,193 to $1,647, while state resources per recipient declined slightly, from $1,125 to $1,110. Note however, that this calculation says nothing about what states actually did with the money or whether it actually resulted in additional assistance or services; it merely demonstrates that the capacity was there to do so if states chose to do so.

- **Not all TANF funding was used.** Under the TANF statute, funds not obligated in a year are available for the state's use in future years. In 1997, the GAO found that 31 states carried over a combined total of more than $1.2 billion.

The report includes state-by-state charts on the fiscal impact of the shift to TANF and on the impact on potential resources available in each state.

The report includes an extended discussion of state approaches to rainy day funds (i.e., keeping funds in reserve), issues arising around use of the federal contingency fund, and recommends that HHS consult with states and explore options to get better information about states' plan for their unused TANF balances.

While the report provides helpful information about the extent of additional potential resources in 1997, it provides little new information to address the basic question of how states are spending their TANF and maintenance of effort funds. The report provides some illustrative examples of states that have increased spending on employment services and child care, and of states that were able to use additional federal funds to free up state funds and achieve budgetary savings. However, the report does not seek to quantify how TANF and MOE funds were spent in 1997 or compare those expenditures to patterns of prior years.

While the GAO report focuses on 1997, it seems clear that the magnitude of available funding for states would have further increased in 1998, as caseloads have continued to fall since that time. Accordingly, as states approach their 1999 legislative sessions, it will be important for administrators, legislators, and other concerned persons to seek to develop some measure of the magnitude of unobligated TANF funds and to explore the array of alternatives for potential expenditure of those funds.

- Contact Mark Greenberg (mhgreen@clasp.org) and Steve Savner (ssavner@clasp.org) at CLASP for more information about issues and choices in spending TANF funds and meeting MOE requirements.

- For CLASP's latest publications on TANF and maintenance of effort funds for community service employment initiatives, child support assurance programs, child care expansions, expanding access to education and training, and working family support, visit CLASP's web page (www.clasp.org). CLASP also contributed to a valuable resource for potential legislative initiatives, "**Reinvesting Welfare Savings,"** available from the Center on Budget and Policy Priorities (www.cbpp.org).

- The GAO Report "**Welfare Reform: Early Fiscal Effects of the TANF Block Grant"** GAO/AIMD-98-137 (August 1998) can be located at www.gao.gov/new.items/ai98137.pdf.

■ **NCSL Report Traces TANF, MOE Money.** In "**Where Does the Money Go? A Look at Innovative Spending Strategies,"** the National Conference of State Legislatures (NCSL) examines spending through TANF as well as the Welfare to Work block grant. The following excerpts are from the July 1998 NCSL publication by Dana Reichert:

Most states are spending their TANF and state maintenance of effort (MOE) dollars in traditional ways: cash assistance, employment services, child care, and emergency assistance. Some state legislatures have gotten creative. They have appropriated TANF and MOE money in new and innovative ways:

- **Tax credit for low-income families:** Established in statute, Virginia provides a state earned income tax credit for working families who qualify. MOE dollars will be used to provide the actual credit to families.

- **Substance abuse treatment:** Allows non-medical substance abuse treatment for welfare recipients using MOE dollars. New Mexico established two programs—one targeted at Native Americans TANF recipients; the other at non-native TANF recipients.

- **Individual Development Accounts:** Allows welfare recipients and low-income individuals to establish special savings accounts to be used for purchase of a home, educational advancement, or to start a business. Indiana is using MOE dollars to fund the establishment of 800 accounts, and will provide $3 for every $1 deposited by recipients.

- **Tuition vouchers:** Gives selected welfare recipients an opportunity to further their education by attending a community college or technical college. Colorado has required the development of a tuition voucher using TANF dollars, using job market information to identify emerging labor trends and high-earning potential jobs.

- **Teenage pregnancy prevention:** Develops a strategy focused on reducing teenage pregnancy. Florida uses MOE funds for teen pregnancy prevention and focuses services in areas with high teen pregnancy rates.

- **Services for Teen Parents:** Helps teen parents by providing assistance with GED or high school completion, job counseling and support services. Illinois has targeted MOE dollars for a program to serve teen parents.

- **Utility Assistance:** Helps recipients pay for utility bills. Arizona targeted TANF dollars to provide recipients with help paying the high cost of utilities.

- **Immigrant Services:** Provides services to legal immigrants who are TANF eligible. Illinois and New Jersey have used MOE dollars to provide nutritional services to immigrants who lost eligibility for food stamps. Children's nutrition, naturalization and employment assistance are a part of Illinois' program.

- **Homeless Shelter:** Grants services to homeless or at-risk families at local shelters. Illinois uses MOE to provide homeless or at-risk families with access to support services, counseling, and local shelter services. Arizona provides a similar service.

- **Transportation Services:** Services and benefits to help recipients with transportation barriers to employment. Michigan and Kentucky are using MOE dollars to fund the development of transportation services.

- **Expanding Head Start:** Expands child care services that prepare at-risk children for kindergarten. New Mexico and California is using MOE funds to provide services targeting pre-kindergarten preparation.

Welfare-to-Work: The Budget Reconciliation Act of 1997 established a new Welfare-to-Work (WtW) Block Grant focused on providing assistance to recipients who have multiple barriers to employment, or on non-custodial parents who face similar challenges to becoming wage earners for their children (75% of the funds are made available to states through formula grants; private industry councils—or alternates designated by the governor—are to administer 85% of these monies, and the remaining 15% is distributed by the governor.) Most states are using funds to provide employment-related services like job readiness, basic education, work experience, and subsidized employment. States also are extending these same services to non-custodial parents. Many states focus on additional support services like child care or career counseling. A few states have gone further—here are some of their innovations detailed in state plans:

- **Transportation:** Most WtW plans address transportation and will provide participants with increased access to transportation services. States are using both the 85% and 15% money to fund projects. Some states will be providing bus passes, others have developed work groups to come up with more comprehensive strategies that address transportation needs.

- **Domestic Violence and Substance Abuse:** Kentucky is using its 15% money to develop pilot projects aimed at recognizing the relationship between substance abuse and domestic violence. The program will be sponsored by the department of Mental Health and the Division of Substance Abuse.

- **English as a Second Language:** A few states are targeting services to help participants become literate in English. States are using both the 85% and 15% money to fund projects.

- **Work-Related Expenses:** Texas is using the 85% money to provide a wide range of support services, including money for tools, equipment and uniforms that are work related.

- **Immigrants:** Texas and Wisconsin are using the 15% money to fund programs geared towards providing wide-ranging services to immigrants. Texas will target refugees and Wisconsin is targeting Southeast Asian populations.

- **Crisis Management Hotline:** Tennessee is using 85% money to fund a hotline designed to help participants deal with emergency situations that may prevent them from daily employment. Hotline workers will be trained to help broker situations like domestic violence emergencies, finding transportation if a car breaks down, or daycare for sick children. Workers will also act as mediators between employers and participants.

- **Incentive Payments:** Vermont is using the 85% money to provide participants with monetary rewards for completion of certain activities. Rewards range from completion of an assessment or job finding workshop for $25, $50 for continual work to $100 for educational grade achievement or completion of a vocational class.

- **Individual Development Accounts (IDAs):** A few states are using grant funds to fund the development of IDAs that allow participants to save money for educational goals, first home, or to start a business. These accounts match deposits made by participants to help facilitate savings.

- **Relocation Assistance:** New Mexico will provide help with moving expenses if participants move to a location where they are likely to find employment.

➢ For additional information on TANF, state MOE, or WtW expenditures, contact Dana Reichert at NCSL's Denver office: (303) 830–2200.

After Welfare: Will there be Child Support Income?

In August 1996, the cash welfare program known as Aid to Families with Dependant Children (AFDC) was abolished and replaced by Temporary Assistance to Needy Families (TANF). One of the premises of TANF is that single parent families should not rely on public assistance for long-term support. Rather, they should use welfare as a short-term income source, moving quickly to become self-supporting through a combination of wages and child support. To underscore the temporary nature of public assistance, TANF places a five-year lifetime limit on the receipt of federally funded benefits. States may choose to provide assistance for an even shorter period of time.

The General Accounting Office (GAO) has just released a study examining the possibility that families leaving welfare will actually obtain child support income to either supplement their wages or replace the public benefits lost when the family reaches its TANF time limit. The study suggests that—unless there is major improvement in the child support program—the majority of families leaving welfare due to time limits will not receive substantial amounts of child support. The GAO report three distinct, but related, issues:

- How states which have experimented with time-limited welfare benefits in the past few years fared in obtaining child support for families which reached their time limit;

- How the most successful child support programs generally fare in obtaining child support for families receiving public assistance; and

- The implications of time limits for both families and the child support program.

Experience of States with Time-Limited Welfare. The GAO looked at data on families in Connecticut, Florida, and Virginia who had reached a state time limit established prior to TANF. The analysis sought to determine whether the state had been successful in obtaining child support for the families prior to termination. What the GAO found is disturbing because of its implications for both the families and the child support program. Most families did not receive child support because the child support program was unable to carry out its basic functions: to locate missing parents, establish paternity, and obtain support orders. Among the findings:

- In each state, a vast majority of the families which reached their time limit had **no child support** collected for them during the 12 months before their assistance was terminated; frequently this occurred because the family didn't even have a support order; and,

- The major reason families did not have an order was the failure to locate the non-custodial parent.

  What makes this particularly disturbing is that when an order is established and the support is collected, child support payments can significantly boost family income. Even when collection efforts are not totally successful, the GAO notes that mean monthly child support actually collected ranged from 22 percent to 60 percent of the mean grant received in the month before termination.

Child Support Services in High-Performing States. The GAO also looked at two states—Minnesota and Washington—with relatively high-performing child support programs. The goal here was to identify the *potential* of child support as an income source for those terminated from TANF due to the time limits if the child support system functioned reasonably well. To assess the possibilities, the GAO selected child support cases for families receiving AFDC which were opened in 1992 and which remained open for five years (the TANF time limit). In those cases:

- About two-thirds of the families received some child support in the last 12 months of the five-year period. The mean amount collected in the last 12 months was more than $2,000 per case. Collections in AFDC cases that remained open for the entire 5-year period were somewhat lower than this, however.

- A relatively small percentage did not have a child support order.

Implications. The GAO concluded that child support *could be* an important supplement to the income of post-TANF families. However, unless states dramatically improve the performance of their child support programs, it is unlikely that child support *will be* such an income supplement.

While the GAO cites a variety of actions to improve performance, its primary emphasis is on the need to improve parent locate services. In this regard, the GAO distinguishes what needs to be done on existing cases from strategies which may be more appropriate in new cases.

➢ For a copy of **Child Support an Uncertain Income Supplement for Families Leaving Welfare,** GAO/HEHS 98-168 (August 1998) visit GAO's web site (www.gao.gov). Paper copies can be ordered by calling (202) 512-600 or faxing a request to (202) 512-6061. Copies can be also be obtained by mail from U.S. General Accounting Office, P.O. Box 37050, Washington, D.C. 20013.

➢ For more information, contact Paula Roberts at CLASP (proberts@clasp.org), or visit www.clasp.org for an expanded version of this article.

Civil Legal Assistance

■ **Civil legal assistance is the focus of a new statewide planning process.** The legal services programs funded by the Legal Services Corporation together with other civil legal assistance providers and state bar associations are currently seeking to improve civil legal assistance in each state. To assist this ongoing planning process, The Project for the Future of Equal Justice, a joint project of CLASP and the National Legal Aid and Defender Association, has prepared a "Discussion Draft" designed to provide state planners with a framework to evaluate their civil legal assistance system. (A copy is available at the Project's web site: www.equaljustice.org.)

A comprehensive, integrated statewide system has three overall objectives. Some potential users of the system recognize that they could benefit from legal assistance, and they want to use the judicial or administrative system for help. These users need to know where and how they can get access to effective, high quality legal assistance. Some potential users do not recognize that could benefit from legal assistance, but they might seek help if they recognized that the situation could be addressed in that manner. This group needs information and education and may require outreach activities. Some potential users recognize—either before or after outreach and education—that they could benefit from legal assistance, but for whatever reason, choose to do nothing, solve the problem themselves, seek out assistance from a non-legal third party, or access the judicial system pro se. These users need to know their options and perhaps receive support for self-help or other assistance short of legal representation.

A comprehensive, integrated statewide civil legal assistance system has six essential capacities. It must:

- increase awareness of rights, options and services by all segments of the low-income population within the state, including hard-to-reach groups;

- ensure that services are accessible from all parts of the state and include centralized or coordinated "advice and brief services" providers organized throughout the state as well as easily accessible centralized or coordinated intake systems that include telephone screening, case evaluation and referral;

- ensure the collective capacity through a community of advocates to provide a full range of civil legal assistance services to all clients, regardless of their location or the forum within which their legal problem is best resolved.;

- ensure high quality civil legal assistance throughout all parts of the state including the capacity and flexibility to identify and respond to new and emerging legal trends and changes in the nature of the legal problems of low-income persons;

- ensure statewide coordination and support for providers of civil legal assistance including state-level resource development, effective monitoring, analysis, and timely distribution of information regarding all relevant legal developments, coordinated advocacy in all state-level legal forums, and coordinated statewide education and training activities and;

- ensure coordination among states and nationally.

To accomplish these far-reaching goals, all civil legal assistance leaders within the state will have to take responsibility for—and provide leadership to ensure—effective civil legal assistance throughout the entire state through ongoing planning and management processes. An effective statewide, integrated system should respond to the most critical statewide legal needs, address legal needs unique to or disproportionately experienced by specific segments of the low-income population, and undertake advocacy that will result in the longest-term benefits on issues of greatest significance to low-income persons.

➢ For more information, contact Alan Houseman (ahouse@clasp.org) at CLASP.

Reproductive Health and TANF
Teens and TANF

■ **Proposed New Jersey Legislation Would Eliminate Nation's First Family Cap.** In New Jersey, assemblywoman Charlotte Vandervalk (R) has introduced legislation to repeal the family-cap provision of the state's welfare policy in response to a Rutgers University study that indicated it precipitates abortions among New Jersey's welfare recipients, the *Bergen Record* reports.

Vandervalk, chair of the Assembly Health Committee, initially opposed New Jersey's 1997 welfare provision capping payments to women choosing to have more children while on welfare, a provision supported by Gov. Christine Todd Whitman (R). The provision's recent connection with abortion has stimulated calls for reform. Vandervalk "said she considers the policy discriminatory and punitive to women and their families."

The Rutgers study states that the family-cap policy "appears to be responsible for about 240 more abortions per year among welfare recipients," and Vandervalk said "many say the study gives fresh ammunition to those who oppose the policy." She added, "[T]he (study) really brought it to the surface. We just didn't know then what we know now."

Lenora Lapidus, legal director for the American Civil Liberties Union of New Jersey, said, "I don't think any legislator in the state wants to have a policy that coerces poor women to have abortions." The ACLU is challenging the provision in state Superior Court, and arguments are scheduled for Sept. 17. The state initially disputed the study's findings, and has refused to release the report to the public. Jacqueline Tencza, spokesperson for the state Department of Health Services, said, "I think the message of personal responsibility is an important one—that families, not government, should be taking care of children."

Vandervalk and co-sponsor Assemblywoman Joan Quigley (D) will formally introduce the legislation this week, and state Sen. Diane Allen (R) will introduce similar legislation in the Senate.

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■ **Massachusetts Welfare and Teen Parent Evaluation.** As part of reforming welfare eligibility, Massachusetts implemented residency and education requirements for teen parents. To better understand the effects of the new rules on teens in Massachusetts, the legislature funded researchers at Boston University (BU) to conduct a short-term study to evaluate the state's Teen Living Programs (TLPs)—structured residential programs for those teen parents on TANF who are unable to live at home or with adult relatives. Study findings are based on interviews with current and former TLP residents, and on site visits to the TLPs. The BU study also analyzed the effects of welfare reform on the broader population of teen parents, most of whom are not living in TLPs, by analyzing state agency administrative data.

Interviews with current and former TLP residents revealed a wide range of views about their experiences in the TLPs. Outcomes for former residents (over varied amounts of time) included: 65% reported engaging in some education or training experience since exiting the TLP; 44% reported having been employed at some point after leaving the TLP; 25% reported being currently employed; 71% reported currently receiving welfare; 16% reported having been homeless at some point after leaving the TLP; 28% reported having become pregnant since leaving the TLP; 14% reported having experienced some type of abuse; 13% reported having called the police for domestic violence; 18% reported that a suspected child absue report had been filed on behalf of their child; and most teens reported some formal and informal supports.

Numerous relationships were found between outcomes and client characteristics. In terms of program characteristics, longer stays in the TLPs were associated with positive outcomes such as completion of education or training, current employment, and fewer child maltreatment reports.

The site visits to the TLPs found that TLP staff had positive feelings about the TLP model and the comprehensiveness of services the model offers. Sites reported difficulties with the provision of follow-up services because of limited staff time.

Using administrative data supplied by the Department of Transitional Assistance (DTA) and the Department of Social Services, two cohorts of teen parents (one pre-welfare reform and one post-welfare reform) were compared. No significant cohort differences were found in terms of percent of closed cases or the time until cases were closed. No differences were found between cohorts in percentage of child maltreatment reports or substantiations. Statistically significant differences were found among the two cohorts in terms of their housing status (public or private), language (but not race), work status and reason for case closure.

DTA is currently considering changes to the program to better serve teens and prepare them for self-sufficiency in the future.

■ HHS Selects Mathematica to Evaluate Abstinence Program.

Mathematica Policy Research, Inc. has been selected by the Department of Health and Human Services to undertake the national evaluation of abstinence education funded through a provision that was part of the 1996 welfare law. Funding for the evaluation, however, was not part of the 1996 welfare law but rather was included in the 1997 Balanced Budget Act. That measure included a provision for up to $6 million over two years to be made available for research on abstinence education programs authorized by the 1996 law.

The 1996 abstinence education provision provides for federal funds and a state match of close to $0.5 billion over 5 years; the funds are largely restricted to eight abstinence education themes spelled out in the law. Funded programs are expected to teach such themes as "sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects" and that "a mutually faithful monagomous relationship in the context of marriage is the expected standard of human activity."

The evaluation will include a focus on program effectiveness in reducing rates of sexual activity, pregnancy, births, and the incidence of sexually transmitted diseases. The results of this study will be of particular importance in light of the current status of existing research. The absence of demographic data of participants and control groups from many of the available state studies to date has made data difficult to interpret. In addition, a comprehensive review of evaluations of abstinence programs concluded that "Even though abstinence-only programs may be appropriate for many youth, especially junior high and middle school youth, there does not currently exist any scientifically credible, published research demonstrating that they have actually delayed (or hastened) the onset of sexual intercourse or reduced any other measure of sexual activity...The weight of the evidence indicates that these abstinence programs do not delay the onset of intercourse. On the other hand, this evidence is not conclusive, because all but one of these evaluations had significant methodological limitation that could have obscured program impact." (Doug Kirby, *No Easy Answers: Research Findings on Program to Reduce Teen Pregnancy*, March 1997)

Six sites will be selected for the study; the "most intensive" abstinence-only education programs will be the primary focus. Although many statewide initiatives exist, their scope is considered too long-term and broad to be considered "intensive." Therefore, smaller geographic areas whose impact will be more concentrated are more likely to be chosen.

The Mathematica researchers who will be conducting the evaluation are Rebecca Maynard and Barbara Devaney. Preliminary findings are expected to be available by August 2000, with a final report due 12 months later.

Earlier products will include a summary of the types of programs that have been funded through the new program and a research synthesis on the effects of abstinence education.

■ **House Examines Administration and Use of Abstinence-Unless-Married Sex Education Grants.** On September 25th, the House Commerce Subcommittee on Investigations and Oversight heard testimony on early implementation of the new federal abstinence education initiative established in the 1996 Welfare law. The hearing began with testimony from Dr. Peter Van Dyck, acting associate director of the Maternal and Child Health Bureau, the agency responsible for distribution of grant funds. Many of the questions focused on the actions of specific states with regard to proper use of the funding and adherence to the guidelines delineated in the 1996 welfare law. For example, members asked why California had not yet drawn from its $5.7 million grant, and if the state of Rhode Island had altered the definition of abstinence education such that the result was not consistent with federal guidelines. With respect to California, Dr. Van Dyck stated that the state is "participating" but has "not drawn down their money." Congressman Joe Burton (R-TX), chair of the Subcommittee, stated "I get the impression that the Clinton Administration's heart is really not in the abstinence program. I feel you are doing as little as possible. To this charge, Van Dyke noted that abstinence program "does form the pillar of our overall program. We are very committed to this." In response to the suggestion that Rhode Island was out of compliance with the law, Van Dyck asserted that the federal agency was "firm" in ensuring that states were in compliance. He added that money was not released until submitted program components agreed with federal rules.

Later testimony from state officials of Louisiana, Virginia, and South Carolina revealed that the early stages of implementation have not come without debate and controversy. For example, in South Carolina, a $1.3 million grant was awarded to Heritage Community Services, a Charleston-based organization. In materials submitted as part of the testimony, Susan Fulmer, a director from the University of South Carolina's Department of Health Promotion and Education questioned Heritage's proposed curriculum and evaluation. In a local press story, she noted that the texts which Heritage plans to use were rejected by South Carolina school advisory committees and "were judged medically inaccurate and overly explicit and graphic for middle-school students" (*The State*, Columbia, South Carolina, August 9, 1998). Program officials disputed Fulmer's interpretation and plan to precede with their decision to fund the Heritage abstinence education program.

Daniel Richey, Louisiana State Coordinator for the Governor's Program on Abstinence, stated that while many public health officials assert that they support abstinence as the best option for teens, these public health professionals also say "it doesn't work." The National Coalition for Abstinence Education echoed this theme. NCAE spokesman Peter Bradt asserted that "There has been a concerted attempt by some in the public health establishment to water down, and, in some cases to even violate the intent of the law. This subversive effort has been successful in too many states."

■ New Reproductive Resources

- **"Will Welfare Reform Reduce Teen Childbearing?"** This new release from the Urban Institute's New Federalism project notes the following:

> "Abstinence programs may or may not reduce teen pregnancy. The researchers report that, as yet, no rigorous evaluations of abstinence programs are available; enforcement of statutory rape laws are likely to have only a modest impact on teen childbearing; and the minor teen parent living arrangement rule may or may not diminish subsequent childbearing; while there is an association between living with parents and longer periods between births, there is no evidence that one causes the other."

The researchers, Richard Wertheimer and Kristen Moore of Child Trends, Inc., also look at other policies directed at teens (not necessarily only those receiving welfare) and offer assessments of their likely impact.

➢ The full report is available at www.newfederalism.urban.org.

- **"Toward More Perfect Unions: Putting Marriage on the Public Agenda"** addresses topics such as: why marriage has declined; why it is now emerging on the public agenda; benefits of marriage for children, adults, and society; and goals and principles to guide an inclusive, nonpartisan marriage agenda.

- To order a copy of the report from the Family Impact Seminar, send $22 to FIS, 1730 Rhode Island Avenue, N.W., Suite 209, Washington, DC 20036-3101.

The Poverty Picture

■ **Massachusetts Study Finds Earnings Inadequate.** **"**With housing and day care consuming half their income, working parents in Massachusetts earn far less than they need to cover their families' minimum needs…

In Boston, for example, a single parent of one infant needs to earn $47,244 a year to provide adequate food, housing, and full-time care in the home or in day care facilities, according to the study released by the Women's Educational and Industrial Union in Boston...

The minimum standards called for in the study are well beyond the reach of at least 40 percent of low-wage workers in Massachusetts whose take-home pay is $14,000 to $35,000 a year, the study found…

The study said that a subsistence wage for families in other cities or in rural areas starts around $25,000 and can be much higher because of the costs of keeping a car running for transportation to work.

The study—one of seven state studies in a series being coordinated by Wider Opportunites for Women, a Washington advocacy group—argues that the federal minimum wage of $5.15 an hour is inadequate. It also argues that such measures of income as the federal poverty guidelines used to determine food stamp eligibility are outdated at a time welfare reform has required that women who had been on public assistance enter the work force."

- Excerpted from "**Study: Families Don't Earn Enough to Cover Needs"** by Kimberly Blanton, *Boston Globe*, September 23, 1998

■ **Oregon Study: Poverty Does Not Drop with Decline in Welfare Rolls.** Recent dramatic reductions in welfare caseloads should not be equated with a reduction in the number of poor Oregonians, according to a new study released by the Oregon Center for Public Policy. Two years after the passage of federal welfare reform, Oregon's welfare rolls are lower than they were in 1969, but the number of poor Oregonians is likely one-third *higher* than in 1969.

"The Oregon Department of Human Resources regularly showcases the tremendous decline in Oregon's welfare caseload and implies that it is winning the war on poverty and that welfare reform is a success," said Sheketoff. "But an analysis of the numbers shows that Oregon is helping a smaller percentage of the poor.

These claims were made as the Center for Public Policy released a report commissioned from ECONorthwest, an economic consulting firm.

"While work has always been more profitable than receipt of public assistance, just because someone is working doesn't mean they are not poor," noted Sheketoff. The 1998 Federal Poverty Level for a single-parent, two-child family is $13,650 per year, or $1,138 per month. If the parent leaves welfare for a full-time job at $6 an hour, Oregon's current minimum wage, gross earnings will provide only 91 percent of the poverty level. Federally-funded Food Stamps and the federal Earned Income Tax Credit lift the working family out of poverty each month and off-set their child care costs and state income taxes. At $10 and $12 per hour jobs, however, a three-person family's spendable income is less than poverty, due to a phase-out in the state's subsidy for child care, a phase-out of the Earned Income Tax Credit, and the loss of Food Stamp benefits.

"Oregon's cash assistance caseload has declined much faster than the Food Stamp caseload. Many families who left cash assistance—or avoided enrolling—failed to secure incomes sufficiently high to move them out of poverty and off the Food Stamp program," added Sheketoff, who noted that about one-quarter of welfare recipients who leave welfare for work only obtain part-time employment. And he cited the recently released study by the Manpower Demonstration Research Corporation for the U.S. Department of Health and Human Services of the welfare program in Portland. This study showed that more than 79 percent of the welfare recipients were still below poverty two years after leaving the public assistance rolls.

In December 1997, Health and Human Services Secretary Donna Shalala was quoted in *The New York Times,* stating "The whole point of this [welfare reform] is to eliminate poverty in the United States, not just get people off welfare." Sheketoff stated that Oregon's Department of Human Resources officials "also need to recognize that caseload reduction is not a sign of whether welfare reform has been a success. The issue is poverty, pure and simple."

➢ To get a copy of the study, "Comparing Recent Declines in Oregon's Cash Assistance Caseload with Trends in the Poverty Population," send $5.00 to the Oregon Center for Public Policy at OCPP, P.O. Box 7, Silverton, OR 97381-0007 or e-mail info@ocpp.org, or call 503-873-1201.

Resources

- **"Building Opportunities, Enforcing Obligations Impact: Implementation and Interim Impacts of Parents' Fair Share"—**a new report from the Manpower Demonstration Research Corporation (MDRC) on the largest national demonstration program for unemployed noncustodial fathers of children on welfare—finds mixed results. Interim findings show that the seven-site Parents' Fair Share Demonstration (PFS) has succeeded in increasing the fathers' child support payments, which was a key goal. However, the program has not yet improved the fathers' employment and earnings. PFS was the first major national effort to develop and test a program aimed at fathers who are behind in their child support payments because they are unemployed. Increasing child support payments was a goal of the federal legislation authorizing the demonstration, but PFS also aimed, more broadly, to improve the men's employment and earnings—and to assist them in playing a wider constructive role in their children's lives.

➢ Copies of the Executive Summary are available from MDRC, 16 East 34th Street, New York, NY 10016; (212) 532-3200, phone; (212) 684-0832, fax. Or you can find a copy on the web at www.mdrc.org.

- **"Welfare to Wages: Strategies to Assist the Private Sector to Employ Welfare Recipients**," published by the Charles Stewart Mott Foundation, brings forth new research which evaluates the performance of current welfare-to-work initiatives. The data presented was collected in two phases. The first involved interviewing business owners in Baltimore, Detroit, and Orlando in an effort to discover their understandings, expectations, and experiences with the welfare-to-work movement. The second segment focused on analyzing the size and types of firms hiring welfare recipients based on data matches provided by the states of Florida, Maryland, Missouri, and Oregon.

  Its major findings cite the need for welfare agencies, advocates, and recipients to gain a better understanding of the opportunities and realities of the labor market. Emphasis is also placed on the importance of educating the private sector about the challenges of welfare-to-work efforts. It concludes that successful transition efforts for welfare recipients must include elements of continuing social supports, job retention emphasis, and career advancement. The study offers ten specific strategies for connecting welfare recipients and employers and assistance in guiding local efforts for working with the labor market.

➢ Copies of this report can be downloaded from the Foundation's web site (www.mott.org). It also is available free of charge by writing the Mott Foundation at 1200 Mott Foundation Building, Flint, MI 48502; sending an e-mail message to infocenter@mott.org; or calling the Publications Hotline, 1-800-645-1766.

- **"From Generation to Generation: The Health and Well-Being of Children in Immigrant Families"** is a recently completed two-year study published by the National Research Council and the Institute of Medicine. It examines the health status of immigrant children, finding that most children in these families start off at least as healthy as children with U.S.-born parents. However, as immigrant children become integrated into American society, their health status deteriorates for reasons that were unclear from the research. The information included in this study summarizes the relevant research literature and demographic descriptions of immigrant children and families, assesses the delivery of health and social services available to these groups, and makes recommendations for further research needed to improve existing data and current public policy discussion.

- To obtain a copy, contact National Academy Press, 2101 Constitution Avenue NW, Washington, DC 20055; Phone: 1-(800)-624-6242; Fax (202) 334-2451. It can also be ordered via Internet at http://www.nap.edu/bookstore. Total cost of the full report is $47.95 plus $4.00 for shipping and handling.

Taylor Institute Publications/Conference

- **"Trapped by Poverty, Trapped by Abuse—New Evidence Documenting the Relationship Between Domestic Violence and Welfare"** (1997), a research compilation providing an overview of several recent studies in the area of domestic violence and welfare receipt, has been updated (1998) with new research on the impact of domestic violence on welfare participants.

- **"The Family Violence Option: An Early Assessment (1998**)" provides a first look at how the 50 states, District of Columbia, and Puerto Rico are handling the issue of domestic violence in their welfare caseloads and which states have chosen the Family Violence Option under the new federal welfare law.

- An April 16–18 **Trapped by Poverty/Trapped by Abuse Conference** in Ann Arbor, Michigan, is now being planned. Advocates, policy makers, welfare department staff, researchers, and grassroots organizations are invited to share information about the relationship of domestic violence, work, and welfare; learn about new research data; discuss innovative service delivery approaches; help determine policy implications, and envision a new research agenda.

- To order a report or register for the conference, contact the Taylor Institute at (773) 342-5510; (773) 342-0149 (fax); or via e-mail at taylorinstitute@worldnet.att.net. For new research data, conference information, and other project news, visit the Institute's web site at http://www.ssw.umich.edu/trapped.