

CLASP Update

A CLASP Report on Welfare Developments

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HILL DEVELOPMENTS

With the confirmation of House and Senate Committee chairs this past month, Senator Chuck Grassley (R-Iowa) has become chairman of the Senate Finance Committee, while Rep. Bill Thomas (R-California) now presides over the House Ways and Means Committee and Rep. Wally Herger, also from California, will chair the Ways and Means Subcommittee on Human Resources. According to the rumors and preliminary analyses of these chairmen, each will be faced with future challenges as they work to establish bipartisan support for their agendas. Referred to as a “workhorse” by Sen. John Breaux (D-LA) (*Roll Call*, 1/15/01), Senator Grassley has committed himself to a revival of the Senate Finance Committee, but may face challenges in passing his agenda with the evenly split 50-50 ratio in the full chamber, and in working with several members who will be new to the Finance Committee, as well as a new ranking member, Sen Baucus (D-MT) (*Roll Call*, 1/15/01). Despite this scenario, Grassley, however, appears committed to passing his agenda, which includes a tax-cut package that he hopes to pass by April 15, 2001, an overhaul of the Medicare program, potentially including a prescription drug benefit for seniors, and for next year, social security reform (*Roll Call*). Included in this tax-cut package is a repeal of the estate tax, as well as an abolishment of the “marriage penalty,” (*Roll Call*). Due to Grassley’s “history of working across the aisle” and his “strong independent streak,” Democrats are generally happy about the Senator’s leadership of the Finance Committee (*Roll Call*).

Rep. Bill Thomas, Chairman of the House Ways and Means Committee, appears similar to Grassley in both his agenda and past bipartisan work on certain issues. Chosen over the senior-most member of the Ways and Means Committee, Rep Philip Crane (R-Illinois), Thomas is described as “a spirited policy wonk known for berating allies

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and enemies alike,” (*Washington Post*, 1/6/01). Further characterized by House Speaker Hastert’s spokesman John Feehery as “a legislative tactician who has a proven track record,” Thomas was selected for chairman largely because of Republican belief in his ability to get the Bush agenda passed (*Washington Post*, 1/6/01). As Chairman of Ways and Means, Rep. Thomas will work on issues such as Bush’s proposed \$1.6 trillion tax cut, as well as Bush’s proposals on health care and entitlement reform.

In the past, Thomas has exercised bipartisanship while working with the Clinton Administration on Medicare in 1997 as a part of the Balanced Budget Act. He also demonstrates some moderate tendencies by siding with some abortion rights advocates on occasion, and repeatedly associating with a moderate Republican group, known as the “Lunch Bunch,” (*Washington Post*, 1/6/01). However, despite this background, some predict obstacles on the Ways and Means Committee that may hinder Thomas’ progress with his agenda. Rep. Calvin Dooley (D-California), who has worked with Thomas on Medicare in previous sessions, summarizes, “With a fairly diverse and fractured Republican conference, Bill is going to be challenged to reach a consensus with them and at the same time, any entitlement reform needs to be bipartisan. He’s facing a very, very tough task,” (*Washington Post*, 1/6/01).

Thompson Confirmed to Head HHS

When commenting on welfare and workforce development at his cabinet confirmation hearing, Gov. Thompson discussed his approach to reforming the welfare system in Wisconsin and some future steps for the country:

“Another task we will face, should I be confirmed, is the reauthorization of the “Personal Responsibility and Work Opportunity Act of 1996.” People refer to this as welfare reform, but we didn’t reform the old welfare system. We replaced it with something entirely new.

The changes to the welfare system that I began in Wisconsin and that has spread throughout the country, has been the single most effective job program we have seen. I don’t have a Welfare Department in Wisconsin. I have a Department of Workforce Development.

Before we embarked on changing welfare in Wisconsin, I had a luncheon at the Governor’s Residence with the very people whom the programs were intended to serve—mothers who were on welfare.

I asked them what the major barriers to leaving welfare were and we set out to design the program around their major needs. Our program, called Wisconsin Works or W-2, provides the support necessary for individuals to enter the workforce. For those who still need assistance, we provide financial and employment planners, transportation assistance, job access loans, childcare assistance, and access to health care.

I have always said—as loudly and publicly as I can—that for welfare reform to be successful, you have to make an investment up front. It can't be done on the cheap. The savings to taxpayers—and they are substantial savings—come on the backend as public caseloads decline. Perhaps nowhere has the public payoff for a taxpayer investment been more evident than in the fundamental changes we have made to the welfare system in this country.

As an example of the success, I'd like to share a portion of the most moving letter I have received congratulating me on my nomination. It came from a woman I first met at a luncheon at the residence. Leilani Durate wrote, W-2 “has enabled people to better their lives and to support their families...Thank you Governor Thompson for the creation of the W-2 program and believing in me.” That is the most important action we have taken to date—believing that those we are serving can succeed.

But now it's time to consider the next steps in this process. We must face head on the huge challenges faced by those still receiving direct benefits. As you know, these are often the people with significant health problems or people struggling with substance abuse. We must make a concerted effort to reach these people and provide compassionate, caring assistance.

And we also have a duty to those families who have successfully moved into the workforce. We must do everything in our power to help them continue to move up the ladder of economic success.

Another important step is to sound the call to recruit what President-elect Bush has called the “armies of compassion.” Faith-based communities are closest to those who have the most need of government services. Serving these communities is a responsibility that can and should be shared to reach the greatest number of people in the most compassionate and effective way. Many of these efforts are not just about offering a program or service but about transforming lives.

One lesson we have learned in Wisconsin from the changes to the welfare system is that government alone can't help families succeed. It takes the concentrated effort of government, employers, educators, family and friends, churches and the community.”

Mixed Views on Thompson

Regarded by the Bush Administration as “a leader both in Wisconsin and our nation in reforming welfare and improving access to quality health care,” (*Bush-Cheney Transition News*) Wisconsin Governor Tommy Thompson has been chosen for Secretary of the Department of Health and Human Services, the largest agency in the Federal government in terms of funding, with an annual budget of over \$400 billion (*The Welfare Reporter, Jan 2001*). As the Head of HHS, Thompson will oversee a department of more than 63,000 employees and over 300 programs, including TANF, Medicare, and Medicaid (*The Welfare Reporter*).

During the second of his four terms as Governor of Wisconsin, Thompson pre-empted the Clinton Administration's August 1996 welfare bill, the Personal Responsibility and Work Opportunity Reconciliation Act, by requiring work and time limits on benefits to welfare recipients as early as January 1995 under Wisconsin's "Work Not Welfare," (*Wisconsin State Homepage*). In September 1997, acting under the Personal Responsibility and Work Opportunity Reconciliation Act, Wisconsin became the first state to end AFDC and the entitlement to welfare, by establishing Wisconsin Works, or W-2 as it became known (*Wisconsin State Home Page*). Wisconsin Works, which is administered by the state's Department of Workforce Development, is multi-faceted. In addition to four work options, including trial jobs and community service jobs, W-2 offers supportive services such as transportation assistance and job access loans for work supplies and necessities, and guarantees child care to working participants. According to the Bush-Cheney Transition Team, since W-2 was enacted, Wisconsin's welfare rolls have dropped by more than 93%.

In addition to their praise of Governor Thompson's "innovative agenda" regarding welfare reform, the Bush Transition Team also highlights Thompson's efforts to improve the quality of and access to health care for low-income families. Citing BadgerCare, a Wisconsin health insurance program developed for low-income families whose incomes are too high for Medicaid but go uncovered by their employers, and Pathways to Independence, which provides individuals with access to an integrated system of Medicaid, Medicare, HUD waivers, and other services like Vocational rehabilitation, the Bush administration suggests that this, as well as his welfare reform experience, has prepared Thompson to be "an outstanding Secretary of Health and Human Services," (*Bush-Cheney Transition News*).

Rumored future directions that Gov. Thompson may pursue at HHS suggest further block-granting of social services, potentially Medicare and Medicaid, which would provide the states with greater flexibility in budgeting and administration of such services. Additionally, it is rumored that Thompson will favor market-based solutions and privatization, an idea which is based on his privatization strategies in Wisconsin, such as contracting out the administration of W-2 to non-profit and private firms like Maximus, Inc. Contrary to the Bush Administration's views about Gov. Thompson, several concerns have been raised by advocacy groups, coalitions, and individuals about the appointed Secretary's past record and the implications this has for their constituencies. For example, the National Campaign for Jobs and Income Support has raised the following concerns:

- Studies of welfare leavers in Wisconsin have found that 60% of families who left welfare were "worse off" one year after leaving the welfare rolls in that their incomes had fallen by more than \$1,000 in that year. The state's own leaver study found that the majority of leavers live below the poverty line.
- Among welfare leavers in Wisconsin, between 24% and 38% had no earnings or employment subsequent to leaving welfare.

- In Wisconsin, the number of people who lived in extreme poverty and were receiving food stamps increased more than three times, from 10% in 1989 to 32% in 1997, while nationally, the size of this group remained constant over this time period.
 - Other signs of increased hardship in Wisconsin include an increased demand for emergency services and a rise in the number of single-parents who had difficulty meeting their mortgages, rent and utility bills.
 - In terms of child and family well-being from 1991 to 1998, there was a 32% increase in Wisconsin in the number of children who were removed from their homes and placed in foster care, group homes, or other residential placements.
 - Wisconsin engaged in the supplantation of state dollars with federal TANF money between FY 1998 and FY 2001, spending \$272 million in federal funds to pay for tax cuts and other programs unrelated to the alleviation of poverty. Wisconsin contributed the least amount of state funds required by federal law for its welfare programs and since 1996 has sharply decreased its state contribution to welfare programs.
- The above data was excerpted from *Credit Where Blame is Due: The Reality Behind the Rhetoric About Gov. Thompson's Record In Wisconsin*, available at <http://www.communitychange.org/>.

Initial TANF Implementation and Labor Market Outcomes

Initial TANF implementation in most states solidified a set of policies which focused on rapid job entry for applicants and recipients. By 1997-1998, most states had developed programs which reduced or eliminated exemptions from work activities; increased penalties for failure to comply with work requirements; increased financial supports for families in which an adult became employed; and imposed time limits on cash assistance (State Policy Documentation Project, 2000; U.S. Department of Health and Human Services 2000). A handful of states adopted policies providing for universal or near-universal participation coupled with broad flexibility about the nature of activities in which an individual might be required to participate. More commonly, however, state policies narrowed the range of allowable activities to restrict access to education and training and to focus on rapid job entry. Common state policies included:

- **Applicant diversion policies and practices:** As of October 1999, 20 states required participation in job search while an application for assistance was pending and 23 states might offer lump sum cash payments to families who agree not to pursue an application for assistance (State Policy Documentation Project, 2000). Many states also employed less formal policies of discouraging application until other avenues are exhausted.
- **Requiring job search for many applicants and recipients:** 28 states required job search as the first work-related activity for all non-exempt or job ready adults.

- **Increased use of work experience and community service:** While not used as broadly as some had initially predicted, work experience gained increasing favor as states implemented TANF. The absolute numbers of participants in work experience programs still reflect a small share of the caseload -- about 3.3% of TANF families in 1999. However, excluding individuals in unsubsidized employment, most (51%) of those counting toward participation rates in 1999 were in work experience or community service. By contrast, in FY 1995, only 0.8 % of AFDC families participated in community work experience or other unpaid work activities, only 6.2% of those counting toward the JOBS participation rate (U.S. Department of Health and Human Services).
- **Decreased use of education and training:** The data also suggest a striking drop in participation in education and training since implementation of TANF. The percent of AFDC/TANF families reported as participating in education and training activities fell from about 5.8% of the caseload in FY 96 to about 2.7% in FY 99.

Of course, not every state adopted a work first philosophy, and not every state in which the predominant focus has been work first adopted all of these policy initiatives. However, the fundamental shift to stronger emphasis on job search and work experience and curtailed access to education and training was clear and unmistakable as states implemented TANF. As states implemented TANF, there was a historically unprecedented decline in the numbers of families receiving assistance. It has become clear that much of the caseload decline is associated with increased labor force participation by female-headed households. Studies have consistently found that most families leaving welfare have found work (Isaacs and Lyon, 2000; Loprest, 1999) and that labor force participation has increased among female-headed families. (U.S. DHHS, 2000). In addition, an increasing share of TANF adults are employed while receiving assistance -- 28% in FY 99, as compared with 8% in FY 94. Most employed leavers are in jobs with low earnings and limited or no access to employment benefits. In the Urban Institute's nationally representative study, median wages for working TANF leavers in 1997 were \$6.61 per hour. Moreover, employed leavers are unlikely to receive employer-provided health care coverage or paid sick or vacation leave; in the Urban Institute study, 23% of employed leavers were receiving employer-provided health care coverage (Loprest, 1999). Studies from individual states have reached similar findings. Prior research had found that employment loss was a significant problem for welfare parents entering employment, and that the limited earnings growth for those entering employment was principally associated with working more hours or weeks in a year rather than with growth in wages (Strawn and Martinson, 2000) Many state leavers studies provide limited or no information concerning employment retention and advancement; the studies with some longitudinal data typically suggest some earnings growth over time, but that median annual earnings for adults who have left assistance are probably in the range of \$8000 - \$12,000 (Office of Assistant Secretary, U.S. Department of Health and Human Services, 2000; Cancian, et al,2000).

The States' Response to Retention and Advancement Issues

As evidence mounted that low earnings, lack of benefits and job loss were common among families leaving welfare, the states responded in three main ways. First, states appear to be

focusing primarily on helping low income parents sustain employment; there has been less attention to helping them access better jobs. For example, many states have developed postemployment retention services and there has been increased attention to work supports -- linkages to Medicaid, Food Stamps, Child Care, the Earned Income Tax Credit, and others -- for families leaving TANF and for other low wage workers. Second, some states have developed postemployment advancement services for families leaving TANF assistance. Third, some states have begun to reexamine services for low income parents who are not yet working or are between jobs and to explore policies that combine a strong employment focus with greater attention to job quality concerns.

- **Postemployment retention services:** As of October 1999, most states (34) were providing case management for at least some recipients who became employed or left cash assistance. Most states (32) were providing supportive services aimed at employment retention (other than health care and child care) and/or financial help or incentives. Postemployment supportive services most commonly include transportation aid, purchase of work clothing or tools, and payment of work-related fees. Half a dozen states provide short-term cash payments to help cover work expenses, several offer cash bonuses for keeping or finding jobs or leaving TANF, and several provide cash payments to cover emergencies (State Policy Documentation Project, 2000). Many of these postemployment benefits and services are new and little information about utilization exists. Some working families will undoubtedly be helped by postemployment retention services, but it is unclear whether the new policies will increase steady work among low income parents.
- **Postemployment job advancement services:** As of October 1999, about a third of states (16) had policies to provide post-TANF services aimed at job advancement. These include contracting directly for education, training, employment, and career counseling services; tuition assistance; and, individual training accounts. A small but growing number of states - about half a dozen- are creating broader initiatives that are designed to serve working, low income families generally (State Policy Documentation Project, 2000). In some cases, education and training is provided at the worksite, with services customized to employer needs (Strawn and Martinson, 2000). As with postemployment retention services, it is unclear how many families are actually involved in these initiatives but numbers appear quite small.
- **Changes in strategies for the unemployed:** Beyond creating postemployment services, a third state response to the problems of low wages and job loss has been to change strategies for unemployed parents to place greater emphasis on helping them access better jobs. Most commonly, states are increasing access to postsecondary education or training. In addition, some states are creating incentives for localities to match parents with higher paying jobs as opposed to any job. In 1999 and 2000, a number of states expanded access to postsecondary education or training for TANF recipients. These actions include changing work requirements to allow participation in postsecondary education or training to meet all or most of a parent's work requirement beyond the twelve months that could count toward federal participation rates; using TANF funds to create additional work-study positions; creating separate state student aid programs for low income parents funded with state maintenance of

effort dollars; and stopping the federal or state time limit clock for recipients who are full-time students. (See State Policy Documentation Project, 2000 for a full list of state TANF policies toward postsecondary and Wamhoff and Strawn, forthcoming 2001, for summary of recent developments.) While these state actions may suggest an emerging trend, the overall picture remains one of substantial limitations on access to education and training for TANF recipients in most states.

- Excerpted from *Improving Employment Outcomes Under TANF*, Julie Strawn, Mark Greenberg, and Steve Savner, Prepared for the “New World of Welfare Conference: An Agenda for Reauthorization and Beyond.” Conference papers available at <http://www.fordschool.umich.edu/conferences/final.htm>

Proposals to Increase the Minimum Wage

This year Congress will again consider proposals to increase the federal minimum wage which is currently set at \$5.15 per hour. For a full-time full year worker at the minimum wage, annual earnings are only \$10,300. A proposal sponsored by, among others, Senator Kennedy, is expected to call for an immediate increase of \$.60 per hour, followed by increases of \$.50 on January 1, 2002, and \$.40 on January 1, 2003, which would bring the minimum wage up to \$6.65 per hour.

In addition to these efforts on the federal level, a number of states have established minimum wage laws that mandate a higher minimum than the level set under federal law. The table below, based on data from the US Department of Labor, reflects those state minimums as of January 1, 2001.

State Minimum Wages Laws - January 2001

	2001	2002
Alaska	\$5.65	
California	\$6.25	\$6.75
Connecticut	\$6.40	Index
Delaware	\$6.15	
District of Columbia ¹	\$6.15	
Hawaii	\$5.25	
Massachusetts ²	\$6.75	
Oregon	\$6.50	
Rhode Island	\$6.15	
Vermont	\$5.75	
Washington	\$6.72	Index

Notes: 1. Must be \$1 over Federal.
 2. Must be \$.10 over Federal.

- For more information on minimum wage updates and living wage campaigns, see the Department of Labor’s minimum wage information link at <http://www.dol.gov/dol/esa/public/minwage/america.htm>, the Living Wage Resource Center, which can be accessed at <http://www.livingwagecampaign.org/>.

Welfare Impacts on Children

What is known about the effects on children of employment-based welfare and antipoverty programs? A synthesis of five large scale studies (see sidebar) has recently been released by the Manpower Demonstration Research Corporation. Among the findings reported in “How Welfare and Work Policies Affect Children: A Synthesis of Research” are that income supplements led to positive educational outcomes for elementary school children; mandatory employment services had little and mixed effects; and, the one time-limited program included in the study showed “few impacts on children [which] were mixed: health improved, but positive social behavior decreased.”

Studies Examined

- Florida’s Family Transition Program was evaluated by MDRC under contract to the Florida Department of Children and Families.
- The Minnesota Family Investment Program was evaluated by MDRC under contract to the Minnesota Department of Human Services.
- The National Evaluation of Welfare-to-Work Strategies is being conducted by MDRC under contract to the U.S. Department of Health and Human Services. The Child Outcomes Study, which examines program impacts on young children, is being conducted by Child Trends under subcontract to MDRC.
- The New Hope evaluation is being conducted by MDRC under contract to the New Hope Project, Inc., in collaboration with researchers from Northwestern University, the University of Texas at Austin, the University of Michigan, and the University of California at Los Angeles.
- The Self-Sufficiency Project was conceived by Human Resources Development Canada. The project is being managed by the Social Research and Demonstration Corporation (SRDC) and evaluated by SRDC and MDRC.

MDRC classified the 11 programs into three types and the report describes them as follows:

- Four of the programs offered **generous earnings supplements** designed to make work more financially rewarding by providing families with cash supplements or by increasing the amount of welfare people could keep when they went to work. (One of the programs also supplemented earnings less directly by subsidizing child care and health care beyond the levels provided in the community.) Earnings supplements are intended to increase family resources as well as to encourage parental employment, and in the programs under study they generally succeeded in achieving both of these goals. While some of the

programs with earnings supplements included other components as well, the provision of supplements was the only feature that the four programs in this category shared.

- Six of the programs provided **only mandatory employment services** — such as education, training, or immediate job search — in which parents were required to participate to be eligible to receive cash welfare benefits. Parents who failed to comply were subject to sanctions in the form of reduced welfare grants. The six programs in this category included mandatory employment services without any earnings supplements or time limits. In the programs under study, participation mandates (designed primarily to increase employment) were generally successful in raising employment rates. When mandates were implemented without earnings supplements, participants lost welfare benefits as they gained earnings, so these programs did not usually raise family income or resources.
- One of the programs under study put **time limits** on families' eligibility for welfare benefits, restricting eligibility to a certain number of months in a specified period. This program was a pilot welfare reform initiative implemented prior to 1996 under waivers of federal welfare rules. Until 1996, cash welfare assistance was a federal entitlement that was available as long as it was needed. The federal welfare law of 1996 sets a lifetime limit of five years on cash assistance receipt, but states may impose shorter limits or extend the time limits by using state funds. States may also exempt 20% of the caseload from the limits for hardship reasons. Once a family reaches the time limit, federally funded cash benefits are terminated, but the family normally remains eligible for food stamps, Medicaid, low-income child care assistance, and (where available) state-supported cash assistance. The program with time limits combined them with mandatory employment services and a small earnings supplement; the result was an increase in parental employment but only a modest increase in family income.

As described in the report the main findings are:

- **The programs that included earnings supplements, all of which increased both parental employment and income, had positive effects on elementary school-aged children.** All four programs that provided earnings supplements led to higher school achievement. Some of the programs also reduced behavior problems, increased positive social behavior, and/or improved children's overall health.
- **Adding mandatory employment services did not generally reduce the positive effects of earnings supplements on children.** The only program that included mandatory employment services in addition to an earnings supplement increased parents' full-time employment but generally did not affect children's outcomes beyond having the same positive effects as the program did when it was implemented with earnings supplements alone.
- **The programs with mandatory employment services, all of which boosted parental employment without increasing income, had few effects on children, and those effects were mixed in direction.** These six programs had relatively few noteworthy effects on children. When impacts were found, the effects were about equally likely to be positive as

negative. The pattern of impacts appeared to be more closely associated with particular sites than with program characteristics like mandates.

- **The program with time limits, which led to an increase in parental employment and a modest increase in income, produced few noteworthy impacts on children, and the impacts found did not suggest a consistent pattern of benefit or harm.** Our knowledge base is smallest with regard to the impacts of time limits because only one program had time limits, and this program combined them with mandatory employment services and a small earnings supplement. The program's few impacts on children were mixed: Health improved, but positive social behavior decreased.

MDRC notes a series of caveats that should be considered along with the results. For example, improvements due to earnings supplements were most pronounced for children of long-term welfare recipients and the supplements still leave many families in poverty and children at risk of school failure; the results reported in the study are limited to school age children; and, the research does not assess some of the strategies now underway in states.

The MDRC researchers note:

Welfare reforms and antipoverty programs can have a positive impact on children's development if they increase employment and income, but increasing employment alone does not appear sufficient to foster the healthy development of children. Children living in poverty are at risk of low achievement, behavior problems, and health problems, so it is critical that policies affecting their families enhance children's well-being rather than leaving them at the same level of deprivation and risk that they experienced under the former welfare system. We hope that this analysis will help state and federal policymakers make informed choices that keep the effects on children in focus as they design legislation that affects low-income parents.

- Go to: www.MDRC.org for more on "How Welfare and Work Policies Affect Children: A Synthesis of Research" and other products that are part of the Next Generations Project.

State News of Note- Declines with Time Limits in Maine

Fewer Mainers Rely on Welfare

The number of households relying on welfare in Maine has fallen to a record low, according to the state Department of Human Services.

The state's current caseload is 10,715 households, which translates to 29,960 people who receive Temporary Assistance to Needy Families.

The state saw the welfare rolls swell to their highest point in 30 years in 1993, when there were 23,246 cases, or about 65,000 people who received aid from the program then known as Aid to Families with Dependent Children.

Officials credit the healthy economy, increased child support collection rates and the successful transfer of welfare recipients into the work force for the decline.

Unlike other states, Maine has no time limit on how long people can receive welfare. “If somebody has really been trying everything to get a job, we allow them to stay on,” said DHS spokesman David Winslow.

Recipients must participate in plans to develop job skills. The state can cut the amount people receive when they don’t comply. The state has done that between 400 and 500 times in the last five years, according to Judy Williams, director of the Bureau of Family Independence.

Caseworkers work with welfare applicants with few job skills to develop them in 24 months. After that, DHS tries to place them in jobs and provides them with help such as transportation and child care.

Last year the department placed 6,500 people in jobs.

The state has increased its child support collection from deadbeat parents to more than \$92 million from less than \$50 million in 1994. Some parents refused to pay until the state threatened to take away their driver’s licenses.

And with the expansion of the Cub Care health insurance program, parents don’t feel they need to stay on welfare to maintain coverage for their children, Williams said.

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Washington: Welfare Leavers Working But Still in Poverty

A study in Washington state has been tracking over 3,000 welfare recipients who were on the state’s TANF rolls in March 1999. It is relatively rare to find a study conducting such extensive follow-up with welfare recipients and leavers, as most studies focus on a single point in time. As Marieka Klawitter, the director of the study analysis team, explains, the results of this study could have national policy implications because Washington’s welfare reform program, known as WorkFirst, serves as “a model for how many other states are weaning millions of people off cash assistance through job training, incentives, and time limits.”

The findings indicate that many of those leaving welfare are working, although many also return to public assistance within a short period of time. Furthermore, although wages and overall

earnings have increased for those employed, it is likely that many families are still in poverty. Specific findings from the Washington study include the following:

- Employment increased by nearly 10 percentage points during the course of the study period. For those receiving TANF 1-3 months since March 1999, employment rose from 55% initially to just under 70%. Employment rates also increased for those who left TANF for shorter periods, or who remained on assistance.
- Average wages rose from \$7.20 in March 1999 to \$7.80 in June 2000, while the number of hours worked remained flat, averaging between 31 and 32 per week. This indicates that the increase in earnings observed during the study period was the result of increased wages, as opposed to an increase in the number of hours worked. The average wage of \$7.80 per hour, if earned for a full-time job, would place a family of three over the poverty line. However, someone working the average 32 hours per week would need to earn \$8.50 an hour to place a family of three above the poverty line.
- A minority of those in the study reported receiving benefits at their place of work—less than one-third reported receiving medical benefits, sick leave, or paid vacation time.
- Nearly 60% of those surveyed in March 1999 were no longer receiving TANF in March 2000. Nevertheless, of everyone who had left the rolls during that year, 16% returned to TANF within six months of leaving, and 33% returned within 12 months. The director of the study, Marieka Klawitter, cautions that such cyclicalities may create difficulties for families when time limits are reached.
- Those who stayed off TANF for at least six months were more likely to be better educated and to have recent work experience. They were also less likely to report being in fair to poor health.
- Certain WorkFirst activities increased the likelihood of a recipient finding a job. Pre-employment training increased the likelihood of employment by 13%, while job search increased this likelihood by 10%.
- The study noted that white respondents were less likely to be employed than African-American, Latino, or Asian respondents. Other factors influencing the likelihood of employment were age (respondents over 40 were less likely to be employed) and having young children.
- One-quarter of all recipients reported receiving some kind of mental health care within the past year.
 - Excerpted and adapted from recent press releases and reports from the first year of a five-year survey conducted by a collaborative effort of the University of Washington, Washington State University and the state's WorkFirst partners: Department of Social and Health Services; Employment Security Department; Office of Trade and

Economic Development; and the State Board for Community and Technical Colleges. The full report and press releases are available at www.wa.gov/workfirst.

Grandmother Wins At Nebraska Supreme Court In First Welfare Reform Case

On January 4, the Nebraska Supreme Court released a long awaited ruling in *Bauer v. Rasmussen*, the first opportunity for the Nebraska Supreme Court to interpret Nebraska's Welfare Reform Act. This case is about a low-income grandmother striving mightily to support her grandchildren while gaining more education.

In a unanimous reversal of a lower court decision, the Nebraska Supreme Court ruled the Welfare Reform Act is intended to support further education as a way for low-income Nebraskans to achieve economic self-sufficiency. Therefore, the plaintiff and her grandchildren were in fact eligible for welfare while she attended school and received student financial assistance, despite the state's decision to cut her family's welfare benefits.

Plaintiff Marilyn Bauer, a full-time college student with custody of her grandchildren, was denied public assistance for her grandchildren and herself while she participated in the AmeriCorps U.S.A. program while going to school. The Nebraska Department of Health and Human Services refused to "disregard" the small student financial assistance the plaintiff received through AmeriCorps. This caused a significant loss of welfare assistance for the plaintiff's family, including health insurance for Ms. Bauer. The state acted to cut these benefits despite clear language in the Nebraska Welfare Reform Act that specifically requires all student financial assistance to not be counted when determining the level of welfare benefits.

According to Sue Ellen Wall, staff attorney with the Welfare Due Process Project at Nebraska Appleseed, which represented the plaintiff, "This decision now sets straight something hundreds of low-income families have had problems with the last couple of years: the refusal by the Department of Health and Human Services to recognize education as a route up and out of poverty. Families have been regularly denied the opportunity to pursue education and job training while receiving welfare."

"The State has made a great deal out of the lowering of the welfare rolls," said D. Milo Mumgaard, Executive Director of Nebraska Appleseed. "But behind this lurks the reality of thousands of families pushed off the rolls with little to no help to become self-sufficient. The irony is this circumstance is exactly the opposite of the goal of Nebraska's welfare reform program. We are supposed to be helping families get off welfare for good, not just for the time being. This decision reaffirms what we've known for a long time: what the law really requires."

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REPRODUCTIVE HEALTH NEWS

Teen Parents and Child Support

The following data are drawn from Census Bureau tables on child support collection for 1997. The source of the Census Bureau data is the Current Population Survey, April 1998 Supplement, which has a limited sample size and may include some bias because the data is self-reported. As a result of the limitations of the Census Bureau data, the total number of custodial mothers age 15-17 may differ from other data sources.

In 1997, there were a total of 103,000 custodial mothers, aged 15-17 (of all incomes) in the US. Of those 103,000 custodial mothers, 37,000 were supposed to receive child support in 1997, and 64,000 mothers did not have a support order. Some of the reasons why these 64,000 custodial mothers (age 15-17) did not have a child support order may include the following: the custodial mother did not feel the need to have a legal agreement, the child's other parent was providing all he could provide, the child's other parent couldn't afford to pay, and/or paternity was not established. As minor parents, custodial mothers age 15-17 are often unable to access voluntary paternity establishment in hospitals, and therefore are unable to establish paternity. Furthermore, in many states, it is the parents of the minor custodial mothers that have the legal authority over the decision to pursue child support in these cases, and these parents may not permit their daughters to pursue child support. Of the 37,000 custodial mothers aged 15-17 who were supposed to receive child support in 1997:

- None received the full payment due.
- 10,000 received part of the payment due.
- The remaining 27,000 received no payments.

A subset of this group of 103,000 custodial mothers is the 53,000 custodial mothers age 15-17 living "below poverty." Within this subset, 40,000 custodial mothers did not have a child support order. Of the 13,000 who were supposed to receive child support in 1997:

- 5,000 received part of the payment due.
- None received the full payment due.

Family Planning Agencies Link With Other Social Service Providers

In partnership with the State Family Planning Administrators, CLASP collected data in mid-1999 that examined the interaction between state family planning agencies and other social service providers. This study, entitled *Linking Family Planning with Other Social Services: The Perspectives of State Family Planning Administrators*, offered a snapshot of the state family

planning agencies' policies effective at that time. In the fall of 2000, a revisited look at this interaction has revealed policy additions and changes since 1999. CLASP has found that many states have undertaken new initiatives to enhance interaction between family planning and social service agencies in the past year. Some State Family Planning Administrators (SFPAs) that did not report much interaction in mid-1999 are now engaged in a number of new collaborative initiatives, and some SFPAs that were already making progress in this area have continued to do so. For example:

- **New States Tap TANF:** Four of the 16 SFPAs that said their states were not using TANF funds for family planning, reproductive health, or teen pregnancy prevention projects in 1999 now report that they are using TANF funds for these purposes. These states are Michigan, Minnesota, Oregon, and Washington. Among the initiatives begun in these states with TANF funds are home visiting programs, teen pregnancy prevention efforts, and a vasectomy project which offers vasectomies to low-income men who are not eligible for Medicaid, and don't have insurance coverage for these procedures. In addition, two states that were unsure in 1999 if they were using TANF funds for reproductive health/teen pregnancy projects, now confirm that they are. In total, between the 1999 study and the 2000 study, 40 SFPAs have reported tapping TANF for reproductive health/teen parent purposes.
- **TANF Used for Variety of Programs:** New or increased TANF funds are most commonly being used for clinical services, teen pregnancy prevention programs, and outreach or media campaigns. At least six states have reported expansions in clinical services using TANF funds, 13 states have reported new or expanded teen pregnancy prevention programs, and six states are engaged in media/outreach campaigns, with some states involved in multiple initiatives. Among those who have reported expanded clinical services, a group of SFPAs have reported increasing the availability of longer-lasting forms of contraception, such as Depo Provera shots, as initiated in Alabama, Iowa, Kentucky, and New Hampshire.
- **Family Planning Funds Used to Provide Training to Other Social Service Providers:** Eleven SFPAs indicated that their states have used family planning funds, including Title XX, Title X, state or other family planning funds, to provide family planning or reproductive health training to other social service workers. Among these states, family planning/reproductive health training has been provided to public health care coordinators, TANF workers/case managers, WIC staff, community-based social service providers, Healthy Families (home visiting) case managers, juvenile detention center staff, domestic violence, mental health, and substance abuse agency staff. A handful of states have utilized interactive technologies to provide this training, such as in Hawaii, where an interactive video conference was used to train WIC staff. Among the respondents that indicated that their states did not explicitly use family planning funds for this training, at least eight mentioned informal training and or strong working relationships with other social service providers.

- **Interagency Collaboration Through Other Social Service Programs:** Sixteen SFPAs reported new collaboration to reach low-income individuals through other social service programs. At least five states reported new interagency collaboration with WIC, two states, Alaska and Kentucky, have undertaken interagency initiatives that focus on male involvement in family planning, and some SFPAs reported collaborative outreach efforts designed to contact “difficult-to-reach” populations, such as individuals in substance abuse treatment centers and correctional facilities. A couple of states’ family planning agencies, such as those in Georgia, New Hampshire, Montana, and in one rural county in Washington, have developed collaboration and/or co-location with Head Start or early Head Start programs. For example, in one community in New Hampshire, collaboration between Early Head Start and a family planning agency consists of intensive interventions with high-risk families, in which family planning and prenatal staff address reproductive health issues.
- **Employment Linkages:** At least 20 SFPAs reported that they have or are planning interaction with employers or employment programs on the state or local level. In Anchorage, Alaska, for example, at a “one-stop shop” for employment at a TANF job center public health workers now conduct breast and cervical cancer outreach and make referrals to family planning agencies. On the local level, in Alabama and Iowa local family planning agencies have contacted the chicken processing and meat packing plants to offer family planning services.

These expanded outreach efforts and additional services demonstrate some of the new interactions that have occurred between state family planning agencies and social services providers since mid-1999. As these developments continue and improve, the need for shared information on these services and efforts will increase, particularly because this shared information may provide examples for successful implementation and adaptation of new practices in other states. In addition, based on some of the SFPAs’ responses, there continues to be a need for accurate information on the allowable TANF spending that will enable SFPAs to further increase their interaction with other social service providers.

- The full text of this report is available at <http://www.clasp.org/pubs/teens/SFPAfinal12-19.htm>

Resources

The Children's Defense Fund has released a new report, **Families Struggling to Make It in the Workforce: A Post Welfare Report**, that focuses on a group of families who left the welfare rolls since 1996. Overall, the study finds that, "Working families and their children are often casualties in the race to reduce the welfare caseload in America." The major findings from this study indicated that families who left the welfare rolls ended up in low-paying jobs, without benefits, and were forced to seek emergency services from homeless shelters and food pantries. Despite their best efforts, these families' paychecks did not stretch far enough to feed, clothe, and shelter their children. Almost a third of the parents who left welfare for work lost their jobs, and many cycled in and out of the workforce. The full report detailing these and the other findings from this study is available at <http://www.childrensdefense.org/release001214.htm>

Recent child care research, presented in the Urban Institute's recent publication **Child Care Expenses of America's Families**, has found that child care is a major expense for America's working families. Nearly half of America's working families with a child under age 13 have child care expenses that consume on average 9% of their monthly earnings, according to a study from *Assessing the New Federalism*. Low-income families pay an average of 16% of earnings for child care. For more information, visit <http://www.urban.org/news/pressrel/pr010111anf.html>

Early HeadStart shows significant results for low income children and parents, according to a preliminary evaluation from HHS, **Building Their Futures: How Early HeadStart Programs Are Enhancing the Lives of Infants and Toddlers in Low-Income Families**, that shows children in the new child development program performed significantly better in cognitive, language and social-emotional development. Parents in Early HeadStart also showed more positive parenting behavior. For more information, visit <http://www.hhs.gov/news/press/2001pres/20010112.html>

On Friday, February 23 (12:30- 1:30 EST), CLASP will host a live audio conference, **The New Economy and Families: Is Child Poverty Passé?**, which will feature Nashville Mayor Bill Purcell, Marian Wright Edelman, of the Children's Defense Fund, and Larry Aber, of the National Center for Children in Poverty at Columbia University. This conference will include a discussion about the positive news that the child poverty rate has declined to about 17% -- its lowest level since 1979, as well as a discussion of the U.S.'s high child poverty rates in comparison to other developed nations. Other topics include the new vision from the Children's Defense Fund of what it takes to address the needs of children in today's economy; a 2001 bill, introduced in the U.S. Senate, turns that vision into concrete policies. How will the debate about child poverty and programs be reframed to reflect the new economy? What is likely to happen in this Congress that will impact on states? How has the new economy actually affected family well-being across the country? For more information about this audio conference, visit <http://www.clasp.org/audioconference/brochure.html>

CLASP Update

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

April CLASP Update

Work and Parenting: The Widening Gap By Dr. S. Jody Heymann

All working parents must find ways to meet both their job demands and their family's needs. Despite the fact that the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) will be reviewed for reauthorization soon, there has been surprisingly little large-scale research describing the conditions that poor parents face as they try to meet their dual demands of parenting and a job.

In this issue of CLASP UPDATE, we briefly summarize relevant findings

from eight years of national and urban research, we conducted in this area. These studies are more fully described in *The Widening Gap: Why America's Families are in Jeopardy and What Can Be Done About It* (New York: Basic Books, 2000). More information is available at: <http://www.hsph.harvard.edu/globalworkingfamilies>

Caretaking Burden

The poor carry a significantly higher caretaking burden. Forty-one percent of mothers who have been on welfare for more than two years in the past and 32 percent of mothers who have been on welfare for two years or less have at least one child with a chronic condition whose health and

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Contributors: Dr. Jody Heymann, Janellen Duffy, and Linda Perle

developmental needs they must address, compared to 21 percent of mothers who have never been on welfare. Fourteen percent of working mothers who have been on welfare for more than two years, and 11 percent of working mothers who have been on welfare for two years or less have a child with asthma, compared to 7 percent of mothers who have never been on welfare. And because the poor have few or no resources with which to pay for help, those who have disabled children to care for must spend more time directly providing assistance. Of those low-income workers we studied who were caring for a disabled child, 49 percent were devoting more than one working day per month to that care; 15 percent were spending more than the equivalent of a forty-hour workweek per month. (Heymann and Earle, 1999; Heymann 2000).

Workplace Supports

Low-income working parents are significantly more likely than higher-income ones to have few or no days of paid leave. Eighty-six percent had one week or less of paid vacation leave, and 87 percent had two weeks or less of paid leave, even when sick days and vacation days were combined. Only one in twenty working poor parents consistently had at least four weeks of combined paid vacation and sick leave available each year. (Heymann, 2000) Parents living in poverty are the most likely to have no paid leave they can use to care for their children. More than 75 percent of poor parents lacked sick leave some or all of the time they worked, and 67 percent lacked paid vacation leave some or all of the time. Over the course of five years, 78 percent of low-income parents found themselves at times in jobs with no flexibility at all.

Work schedules

In addition, our research found that low-income families are more likely to have to work nights and evenings. Among employed parents, 20 percent of those in the lowest income quartile work evenings, compared to 13 percent in the middle quartiles and 7 percent of those in the highest quartile; for night work the respective figures are 10, 9, and 6 percent. For every hour a parent works between 6:00 and 9:00 pm, his or her child is 1.17 times as likely (or 17 percent more likely) to score in the bottom quartile on math tests. This is the case even after taking into account family income, parental education, marital status, the child's gender, and the total number of hours the parent worked. The children of parents who work nights are 2.72 times as likely (172 percent more likely) to have gotten into trouble and been suspended from school.

Social Supports

Low-income parents are significantly more likely to be at double jeopardy: single, with limited support, and without job benefits. In fact, 38 percent of low-income working mothers in our national studies were - at least some of the time they worked - single, with no grandparents in their households and no paid leave.

Moreover, our analyses showed that twice as many low-income working parents as higher-income parents said they could not rely on family or neighbors for help (since many of them were equally overburdened) and one and a half times as many could not get help and support from coworkers. Four times as many low-income working parents as higher-income ones were

in the lowest quartile of respondents in terms of both outside support and decision-making latitude at work (Heymann, 2000).

Policy Implications

Dangerously, many low-income families are at multiple jeopardy having a high caretaking burden, poor working conditions and few social supports. When existing poverty policies come under scrutiny, the ensuing debate must be informed by an understanding of the circumstances that poor families face. Currently, the social and working conditions they face make it difficult for all - and impossible for many - to succeed at work while caring for their families. Disparities in income are exacerbated by the dramatic disparities in working and social conditions that families at different points in the income gradient face. While economic factors help create the initial inequities, the differences are markedly exacerbated by the public policy decisions our nation has made, including, among others, our failure to ensure that all employees have basic family-related paid leave from work.

- For more information, see Heymann, S.J. (2000). *The Widening Gap: Why America's Working Families are in Jeopardy and What Can Be Done About It*. New York: Basic Books.
- Heymann, S.J., & Earle A. (1999). The impact of welfare reform on parents' ability to care for their children's health. *American Journal of Public Health*, 89(4):502-505.
- Heymann, S.J., & Earle, A. (In press). Low-income parents: how do working conditions affect their opportunity to help school-age children at risk? *American Educational Research Journal*.

Tapping TANF for Child Care

States generally have two options for using federal TANF block grant funds to provide child care services; these funds can be spent directly on child care, or these funds can be transferred from a state's TANF block grant into the Child Care and Development Fund (CCDF) or a state's Social Services Block Grant (SSBG). While there is no limit on the extent to which states can spend TANF funds directly on child care, there are limitations on the amount that may be transferred. At a maximum, 30% of a state's TANF grant can be transferred to the CCDF, and 10% of a state's TANF grant can be transferred into the SSBG. However, no more than a total of 30% of a state's TANF grant can be transferred to both the CCDF and the SSBG. Therefore, if 10% of the state's TANF grant is transferred to SSBG, only 20% of their TANF grant can be directed to the CCDF. In the figures below, TANF funds are spent within the fiscal year reported, while funds transferred to CCDF in FY2000 must be spent prior to the end of FY2002.

Using the above options:

- **More states are tapping TANF for child care:** Between 1999 and 2000, an increasing number of states redirected their TANF funds for child care. By FY2000, 49 states were tapping TANF for child care, whether through direct spending or transfers to the CCDF. This includes five states that were not utilizing TANF to fund child care in FY1999. Overall redirection of TANF on child care increased by 17% from \$3 billion in FY1999 to \$3.5 billion in FY2000. The \$3.5 billion TANF redirection exceeds the total amount of federal funds that were allocated to states under the CCDF in FY2000.
- **Most states transfer TANF to CCDF:** The majority of states transferred TANF funds to the CCDF in FY1999 and FY2000. In FY2000, 44 states transferred \$2 billion in TANF funds to the CCDF. Eighteen states transferred at least 20% of their TANF grants to the CCDF in FY2000, and nationally, states transferred a total of 12% of their TANF grants to the CCDF.
- **A majority of states spend TANF directly on child care:** An increased number of states are spending TANF directly for child care subsidies or child care program improvements. These expenditures are not limited to families receiving TANF cash assistance benefits. In FY2000, 34 states spent a total of \$1.5 billion in TANF funds directly on child care.
- **The single largest redirection of TANF funds is for child care purposes:** Combining both the TANF dollars that are transferred to the CCDF and those spent directly on child care, the percentage of TANF redirected to child care in FY2000 is about 21% nationally. Three states, Florida, Massachusetts, and Wisconsin are allocating as much as 40% of their TANF block grant award to child care, and Indiana is allocating as much as 71% of its TANF block grant to child care.
- **TANF funds represent a major source of federal dollars for child care:** Of the total amount of federal dollars 1) redirected from TANF by states in FY2000, and 2) available to states through the CCDF in FY2000, TANF funds comprised half - about 51%. In 25 states, 40% or more of the total available federal funds for child care from TANF and CCDF in FY2000 were TANF funds.
- Excerpted from *Using TANF for Child Care: A Technical Guide*, available at <http://www.clasp.org/pubs/childcare/tanfccguide.pdf>, and a state-specific chart detailing the transfers and the direct spending of TANF on child care, available at <http://www.clasp.org/pubs/childcare/tanfccfy99-00.pdf>. The transfer and direct figures cited above are based on calculations by CLASP from FY00 ACF-196 federal forms used by states to report TANF data to the U.S. Department of Health and Human Services, Administration for Children and Families, and data gathered by Ed Lazere at the Center on Budget and Policy Priorities.

Bush's Blueprint for New Beginnings

“HHS priority initiatives from the President's "Blueprint for New Beginnings,” (February 28, 2001) available at <http://www.hhs.gov/news/press/2001pres/20010228.html>, includes the following initiatives, as excerpted:

Promoting Safe and Stable Families: The budget proposes funding the Promoting Safe and Stable Families program at \$505 million in 2002, a \$200 million increase over the 2001 level. These additional resources will help states keep children with their biological families, if safe and appropriate, or to place children with adoptive families. The budget also includes a \$60 million increase for education and training vouchers to youth who age out of foster care. This initiative, which would be funded through the Independent Living Program, would provide vouchers worth up to \$5,000 for education or training to help these young people develop skills to lead independent and productive lives.

Creating After School Certificates: The President's Budget creates a new \$400 million after school certificate program within the Child Care and Development Block Grant, raising total funding to \$2.2 billion. The new program would provide grants to states to assist parents in obtaining after-school childcare with a high-quality education focus.

Promoting Responsible Fatherhood: The budget provides \$64 million in 2002 (\$315 million over five years) to strengthen the role of fathers in the lives of families. This initiative will provide competitive grants to faith-based and community organizations that help unemployed or low-income fathers and their families avoid or leave cash welfare, as well as to programs that promote successful parenting and strengthen marriage. The initiative also funds projects of national significance.

Supporting Maternity Group Homes: The budget recommends providing \$33 million in 2002 for maternity group homes, which are community-based, adult-supervised group homes or apartment clusters for teenage mothers and their children. The homes provide safe, stable, nurturing environments for teenage mothers and their children who cannot live with their own families because of abuse, neglect, or other extenuating circumstances.

Encouraging Compassion and Charitable Giving: The President proposes three initiatives to ensure that the Federal Government plays a larger role in providing support to charitable organizations. A compassion capital fund will provide start-up capital and operating funds totaling \$67 million in 2002 to qualified charitable organizations that wish to expand or emulate model programs. In addition, a \$22 million national fund will support and promote research on "best practices" among charitable organizations in 2002. Also, to encourage states to create state tax credits for contributions to designated charities, the budget will propose legislation to allow states to use Federal Temporary Assistance for Needy Families funds to offset revenue losses.

Bush Administration Budget

President's Bush detailed budget plan, which followed his *Blueprint for New Beginnings*, has recently been unveiled. The President's budget includes increases for some programs that will affect low-income families and children, such as education increases, and some funding cuts or reallocation of federal funds. One example of the latter is a cut to the Child Care Development Block Grant (CCDBG) of \$200 million dollars. By introducing a budget request of \$400 million for After-School Certificates within the Child Care and Development Block Grant, but expanding the CCDBG by a lesser amount, \$200 million, the detailed budget cuts the pre-existing funding for child care by \$200 million. This cut arises because of the difference in funding between the new after-school program and CCDBG increase. For further analyses of increases, decreases and reallocation of federal funds, see the following:

- *President's Detailed Budget Submission*, April 9, 2001. Available at <http://www.whitehouse.gov/omb/budget/index.html>
- *Bush Budget: Sacrificing All Else to Tax Cuts*, Democratic Staff of the House Budget Committee, 4/9/01. Available at <http://democraticleader.house.gov/uploads/04-09-01bushaprilbudget.pdf>
- *Summary of Senate Budget Resolution*, Republican Senate Budget Committee Staff. Available at <http://www.senate.gov/~budget/republican/analysis/2001/fy2002summary.PDF>
- *Myth of the 4% Spending Increase*, Center on Budget and Policy Priorities, April 9, 2001. Available at <http://www.cbpp.org/4-9-01bud.htm>

“Mr. Bush has only been president two months and already he's leaving the children behind.

There are many important reasons to try to expand the accessibility of child care. One is that stable child care for low-income families has become a cornerstone of successful efforts to move people from welfare to work.

Members of Congress had that in mind when they allocated \$2 billion last year for the Child Care and Development Block Grant. That was an increase of \$817 million, enabling states to provide day care to 241,000 additional children.

Now comes Mr. Bush with a proposal to cut the program by \$200 million.

Is that his idea of compassion?

The simple truth is that the oversized tax cuts and Mr. Bush's devotion to the ideologues and the well-heeled special interests that backed his campaign are playing havoc with the real-world interests not just of children, but of most ordinary Americans.”

- Excerpted from “The Mask Comes Off” by Bob Herbert, *NY Times*, March 26, 2001.

- *Administration's Budget Underfunds WIC: Budget Would Likely Cause Tens of Thousands of Children to be Turned Away*, Greenstein, Robert, The Center on Budget and Policy Priorities, April 13, 2001. Available at www.cbpp.org/4-12-01bud.htm
- *House Democrats' Analysis of House Budget Resolution: Oversized Tax Cuts Threaten America's Priorities*, March 26, 2001. Available at http://www.house.gov/budget_democrats/congressional_budgets/fy2002/house_gop_02.pdf

Proposals to Add Refundability to the Child Tax Credit

- See also, http://www.cdfactioncouncil.org/child_tax_credit_background.htm to view background information on a proposal to add full refundability to the child tax credit, as well as state-by-state chart detailing how many children would be lifted out of poverty by a \$1000 refundable child tax credit, and state-by-state individual pages. In addition, the briefing paper, *Leave No Child Behind?* by the National Campaign for Jobs and Income Support details both a proposal for a refundable Child Tax Credit, as well as evaluates the distributional effects of the Bush Child Tax Credit. This report is available at <http://www.nationalcampaign.org>

House Welfare Oversight Hearings CLASP Testifies

The U.S. House of Representatives has begun to hold welfare oversight hearings with an eye towards reauthorization. The welfare program, Temporary Assistance for Needy Families (TANF) expires in 2002 along with the Child Care and Development Block Grant, the Food Stamp Program, and federal funding for abstinence education. It is anticipated that Congress may use this opportunity to explore new directions in addressing national poverty and family policy.

On March 15, the House Ways and Means Subcommittee on Human Resources held a hearing on what is known about the effects of welfare reform and on April 3 another hearing focused on work requirements in TANF and other programs.

Regarding impacts to date, Mark Greenberg of CLASP, identified a number of major themes including:

- Since the law was enacted, both the TANF assistance caseload and the nation's child poverty rate have fallen significantly. However, participation in TANF assistance has fallen much more rapidly than child poverty has declined.

- Since 1996, there has been a significant increase in employment among female-headed families. There's broad agreement that TANF has played an important role, but is not the only factor, in these increases in employment.
- Much of the employment for families receiving or leaving TANF assistance, at least initially, is in low-wage jobs. There is evidence of some earnings growth over time, but so far, earnings remain low for most of the affected families
- The fact that many exiting families have low earnings has focused attention on the importance of access to Food Stamps, Medicaid, child care assistance and child support services for families leaving assistance. Studies consistently report sharp declines in participation in Food Stamps and Medicaid after families leave assistance. Probably not more than one-third of working leavers receive child care assistance. Child support enforcement has improved, though most leavers still do not receive child support.
- Families still receiving assistance are a heterogenous group, but generally have more serious barriers to employment than those who have left assistance.
- A group of families with serious barriers to employment is no longer receiving assistance.
- The large gains in employment have resulted in increased income for many female-headed families; at the same time, the average incomes of the bottom 20% have declined since 1994, because losses in public benefits have been as large or greater than gains in earnings.

On the matter of work requirements, Steve Savner of CLASP described state responses as well as apparent effects. In addition he offered the following set of recommendations for reauthorization:

- The purposes of TANF should be revised to include an express goal of reducing family poverty and promoting family economic well-being, and to make explicit that the goal of promoting work includes supporting employment retention and workforce advancement for needy families.
- States should be required to describe in their state plans how TANF and other resources will be used and coordinated in efforts to promote employment retention and advancement and enhance family economic well-being.
- Measures of state performance in TANF should place a strong emphasis on poverty reduction, higher wages, sustained employment and earnings growth.
- In the long run, a shift to outcome-based measures rather than participation rates would be desirable, in the interim, if participation rates are continued.

- The federal agencies should vigorously monitor state and local performance regarding implementation of civil rights and employment rights protections afforded under current law, and should assist participants with vigorous enforcement when appropriate.
- The TANF caseload decline has made it possible for states to make a major redirection of resources to child care. The freed-up resources have also allowed for significant program expansions in other areas, though the existing federal reporting system does not provide a good picture of how funds are being used.
- During the 1990s, teen birth rates declined and the share of children born out-of-wedlock appeared to level off, though remaining at about one-third of all births. These changes began before states implemented TANF. In advancing the law's family formation goals, there is a need for both a stronger research agenda and a recognition of a set of difficult issues about the appropriate role of government.

CLASP *UPDATE* will continue to report on future hearings as they occur.

- Mark Greenberg's testimony can be found at the CLASP web site:
<http://www.clasp.org/pubs/TANF/Mark%20Greenberg's%20testimony%20house%203-15.htm>
- Steve Savner's testimony can be found at the CLASP web site:
<http://www.clasp.org/pubs/jobseducation/4-3%20testimony.htm>

President of National Fatherhood Initiative to Head ACF

Dr. Wade Horn, PhD, clinical child psychologist and current president of the National Fatherhood Initiative has been nominated for the position of Assistant Secretary for Children and Families under the Department of Health and Human Services. In addition to his work at the National Fatherhood Initiative, Dr. Horn is also a member of the U.S. Advisory Committee on Head Start Research and Evaluation within the Department of Health and Human Services. He has served as Commissioner of the Administration for Children, Youth and Families and Chief of the Children's Bureau at HHS from 1989 to 1993. As *CU* goes to press, Dr. Horn has yet to be confirmed for his new position.

As president of the National Fatherhood Initiative, Dr. Horn contributes to both the organization's quarterly newsletter, *Fatherhood Today*, as well as a weekly column in the Washington Times, "Fatherly Advice." His most recent column, "The President's Desk: Marriage Essential to Fatherhood Topic" from the Winter 2001 issue of *Fatherhood Today*, includes Dr. Horn's position on marriage and the link between fatherhood programs and the promotion of marriage. Horn writes,

- "There are those who argue that introducing marriage promotion into fatherhood programs is ill-advised because many of the fathers with whom these programs work are not exactly prime marriage material...Certainly there is something to this argument..."

Nevertheless, the fact that some men need help in enhancing their marriageability should not be used as an excuse to avoid discussions about marriage altogether. Indeed fatherhood programs must be about promoting marriage, for several reasons.

- First, married fathers need support, encouragement and skill-building programs, too.
- Second, programs addressing the problem of fatherlessness need to be as concerned about *prevention* as they currently are about *intervention*.
- Finally, fatherhood programs ought to have as their ultimate goal improving the well-being of children, not just fathers.... On this point the evidence is clear. The most effective pathway for improving the well-being of children is marriage. No other pathway comes close - not child support enforcement, not enhanced visitation, not cohabitation. That's not to deny the importance of child support or that non-resident fathers can make a positive contribution to their children's well-being. But money alone cannot make up for the absence of a father in a child's life, and non-residential fathering involves huge, and in many cases insurmountable, obstacles for effective fatherhood. The inescapable conclusion is this: If we want to make a real difference in the lives of children, we cannot afford to ignore the issue of marriage..."

➤ Quoted from Dr. Horn's article, *Marriage Essential to the Fatherhood Topic*. For the full text, visit <http://www.fatherhood.org/ftoday.htm>.

Supreme Court Strikes Down Restriction On Individual Legal Challenges To Welfare Reform

On Wednesday, February 28, the U.S. Supreme Court struck down a provision that permitted Legal Service Corporation (LSC) recipients to represent individuals in welfare cases only when the cases did not involve challenges to existing welfare law. The provision is part of the exception to the general prohibition on participation in welfare reform litigation that permits a recipient to represent "...an individual eligible client who is seeking specific relief from a welfare agency *if such relief does not involve an effort to amend or otherwise challenge existing law in effect on the date of the initiation of the representation....*" The Court found that this qualification to the exception violated the First Amendment guaranty of free speech because it represented unlawful viewpoint-based discrimination. The 5-4 majority opinion was authored by Justice Kennedy. Justice Scalia wrote the dissent.

The case, *Velazquez v. LSC*, had challenged many of the restrictions that were imposed on LSC recipients by Congress as part of the 1996 appropriations process. In addition to welfare reform representation, Congress imposed other restrictions on LSC recipients, including limitations on representation of aliens and prisoners, class actions, lobbying, attorneys' fees, redistricting activities and abortion litigation. The Court of Appeals for the Second Circuit had rejected the plaintiffs' challenges to most of the restrictions, but enjoined enforcement by LSC of a provision to the welfare reform restriction that limited representation in individual welfare cases to those that did not involve statutory or constitutional challenges to existing law. The Court of Appeals

determined that LSC-funded lawyers and their clients are protected under the First Amendment to the U.S. Constitution, and that the proviso in the LSC restrictions constituted impermissible viewpoint discrimination that violated the free speech guaranty of the First Amendment, finding that it "clearly seeks to discourage challenges to the status quo."

The Supreme Court agreed with the Court of Appeals. However, The Court's decision did not strike down the broader prohibition on welfare reform lobbying, rulemaking or litigation. Nevertheless, the Court's decision does now permit LSC recipients to bring challenges to the legality or constitutionality of welfare laws or regulations when they are brought in the context of an individual's case against a welfare agency. The general prohibition on welfare reform litigation still applies to cases brought on behalf of groups or any other cases where the client is not an individual seeking relief from a welfare agency. The Legal Services Corporation has indicated that it will begin a review of its regulations to make them consistent with the Court's opinion. It is not clear what, if anything, Congress will do in response to the decision.

The Supreme Court distinguished the *Velazquez* case from *Rust v. Sullivan*, the 1991 decision in which the Supreme Court upheld regulations prohibiting doctors funded under a federal family planning program from counseling patients with regard to abortion. The Court in *Velazquez* noted that the abortion counseling activities in *Rust* involved limitations on speech funded to convey a government message on family planning, which Congress has wide latitude to restrict. In contrast, *Velazquez* involved a subsidized program to facilitate private speech by LSC attorneys on behalf of their clients in their claims against the government in welfare cases.

The Court determined that by restricting welfare representation to cases where existing law was not challenged, Congress had distorted the legal system by limiting the arguments that legal services lawyers could make and altering the traditional role of attorneys as advocates for their client's interest. "By seeking to prohibit the analysis of certain legal issues and truncate presentation to the courts, the enactment under review prohibits speech and expression upon which courts must depend for the proper exercise of judicial power."

In his strongly worded dissent, Justice Scalia rejected the reasoning and conclusions of the majority, arguing that *Velazquez* is indistinguishable from *Rust*. Justice Scalia concluded his discussion of the majority opinion by making "...a point that is embarrassingly simple. The LSC subsidy neither prevents anyone from speaking nor coerces anyone to change speech, and is indistinguishable in all relevant respects from the subsidy upheld in *Rust v. Sullivan*.... There is no legitimate basis for declaring 504(a)(16) facially unconstitutional."

Although the *Velazquez* case is clearly a victory for legal services clients and their attorneys, it does not, by any means, constitute a wholesale rejection of the LSC appropriations act restrictions, nor does it guarantee that LSC recipients will be permitted to represent their clients unfettered by Congressional control and oversight. On March 1, 2001 the Supreme Court denied, without comment, the petition that had been filed by the plaintiffs seeking Supreme Court review of other LSC restrictions and implementing regulations. While some people had speculated that the Supreme Court, in its February 28 decision, was signaling a willingness to consider striking down some or all of the other restrictions on LSC-funded programs that were imposed by Congress in 1996, the March 1 action casts doubt on the Court's willingness to do so.

It remains to be seen what impact the Supreme Court's decision will have on the ability of LSC attorneys to fully represent their clients.

For other views on the *Velazquez* decision, visit the following:

- Brennan Center for Justice at NYU School of Law:
http://www.brennancenter.org/programs/prog_ht_velazquez_analys3is.html
- Washington Post Editorial:
<http://www.washingtonpost.com/wp-dyn/articles/A5971-2001Feb28.html>
- New York Times Editorial:
<http://www.nytimes.com/2001/03/01/national/01RULI.html?searchpv=site13>

FAMILY FORMATION & TEENS

Quote of Note

"I think the way you get males to do the things they ought to do is based on demands made of them by women."

Charles Murray, February 1, 2001
Remarks at the conference, *The New World of Welfare: An Agenda for Reauthorization and Beyond*, a conference sponsored by the Gerald R. Ford School of Public Policy, University of Michigan

Heritage Foundation on Marriage, Divorce, Non-Marital Births

Asserting that “the erosion of marriage is the principal cause of child poverty, welfare dependence, and a host of other social problems,” Robert Rector of The Heritage Foundation, a conservative think-tank, urged a set of marriage policies when he testified before a Congressional committee in mid-March [March 15, U.S House and Ways Subcommittee on Human Resources]. Specifically, Rector called upon Congress to:

- Set aside 5%-10% of federal TANF funds for pro-marriage initiatives in “at-risk” communities;
- Funding should be made available for: “pro-marriage education in high schools, public ad campaigns, marriage mentoring programs for young

couples at risk of having children out-of-wedlock, pro-marriage counseling and services for pregnant non-married women participating in Medicaid, and divorce reduction programs.”

At the same time as he urged a set aside, Rector recommended a 10% cut in TANF funding in light of caseload declines. Previously, in “Priorities for the President” Rector enumerated a number of other steps related to welfare and marriage that he believes the Bush Administration should act upon since “the growth of illegitimacy and divorce are powerful factors contributing to virtually every other social problem facing the nation.” Among these are:

- cutting TANF funds to states that fail to meet established out-of-wedlock goals, and increasing funds to those that exceed their goals;
- experimenting with programs that reward at-risk individuals for marrying and staying married;
- reserving a share of public housing units for “at-risk couples who marry and remain married.

The elimination of TANF, Medicaid, and food stamps is recommended by Heritage’s Charles Murray as a worthy experiment in the search for strategies to address nonmarital births. Murray urges that the reauthorization legislation should establish a demonstration in one state that would deny such benefits “for girls under 18” who have nonmarital births. Murray contends such a test has value because “we do not know, and cannot know, what the real shape of the reductions in fertility might be across the whole range of reductions in the welfare package unless some state cuts off all benefits (or something approaching that ideal) to some subset of women.” Murray suggested Utah as an ideal state for such an experiment during his presentation at the February “New World of Welfare” conference in Washington, D.C. sponsored by the University of Michigan Gerald R. Ford School of Public Policy.

Other Heritage Foundation publications and materials identify a number of additional initiatives the group wants pursued in the family formation arena. For example, in “A Budget for America” the Heritage Foundation proposed the establishment of an Office of Marriage Initiatives within HHS. To fund the office, some monies would be transferred from TANF, the Child Support Enforcement Program, and the Family Planning program and “about 10 percent of the ACF (Administration for Children and Families) budget for personnel and discretionary programs” should be allocated to the new office. Further, the “Office of Adolescent Pregnancy and Title V Office (abstinence programs)” would be merged into this office. Another budget recommendation would earmark set-asides within the Office of Family Planning such that 1% would be dedicated to evaluation; 5% for marriage initiatives; and, 5% for natural family planning. The Bush Administration budget does not appear to include such funding transfers and earmarks. As explained in the President’s detailed budget, the Administration plans to reduce the “marriage penalty”

as part of the President's tax cut, as well as implement a Responsible Fatherhood Initiative (funded at \$64 million), one component of which is "programs that promote successful parenting and strengthen marriage."

In "Issues 2000" Patrick Fagan noted a series of actions that should be undertaken in 2001 to address marriage and discourage divorce. He argued that "Congress should:

- Increase the bonus to states for reducing out-of-wedlock births among those receiving TANF benefits. Congress has allocated \$100 million--about three cents for every \$100 spent on welfare. This amount should be quadrupled, using money saved as a result of reductions in the welfare rolls.
- Expand abstinence education. The \$50 million per year allocated to abstinence education has greatly altered the national debate on out-of-wedlock births and teen pregnancy. Among teenagers, the out-of-wedlock birth rate is declining. Funding for this successful policy change should be expanded.
- Raise the debate on marriage by creating bonuses for states that achieve an increase in the marriage rate among the poor. Despite the barriers to marriage in the current welfare system, Congress can provide incentives for states to use surplus welfare money to promote marriage among welfare recipients--for example, a special "wedding bonus," followed by bonuses after the first few years of marriage. State bonuses for out-of-wedlock birth reductions without an increase in abortion already are having beneficial effects even though they have been in operation for only a few years. A bonus to increase marriage can be expected to have similar results, especially among unwed couples with children who want to marry but who fear they will lose their welfare benefits or earned income tax credit if they do."

Furthermore, Fagan writes, "Divorce law is a matter of state jurisdiction, but divorce also has many ramifications for federal programs and the federal budget, not the least of them being its effects on poverty, crime, and health care. To educate the public on the real cost of divorce to the taxpayer, the Administration should assemble cost estimates of the effects of divorce on programs from each affected federal agency: Education, Health and Human Services, Housing and Urban Development, Labor, Treasury, and Veterans Affairs. Each agency should be required to estimate the costs it has incurred since 1965."

For additional information, visit:

- <http://www.heritage.org/mandate/budget/pdf/550/550marriageinitiatives.pdf>
- <http://www.heritage.org/mandate/budget/pdf/550/550familyplanning.pdf>

Second Chance Homes

Funding. The Bush Administration budget includes \$33 million for "second chance" homes for young mothers without a place to live. The initiative was also described in the Administration's "Rallying the Armies of Compassion" an effort to expand the types of faith-based groups engaged in the delivery of social services. Specifically, regarding "second chance" homes the document notes:

"Funds would be provided to states for pilot maternity group homes. States would be authorized to make funds available either as certificates to individuals, or as competitive grants to providers, who will be able to use the funds to purchase or operate a facility."

Report. In the final months of the Clinton Administration, the U.S. Department of Health and Human Services (HHS) and Housing and Urban Development (HUD) published a brochure and report on second chance homes. The brochure describes the housing difficulties faced by some teenage mothers, the ability of second chance homes to provide supportive services and the logical funding sources for second chance homes.

- For more information visit <http://aspe.hhs.gov/hsp/2ndchancehomes00/index.htm> and <http://aspe.hhs.gov/hsp/2ndchancehomes00/brochure.htm>.

Homelessness and Young Families Massachusetts Report

Living on the Edge II: A Study on Homeless Young Families in Massachusetts updates a study done a decade earlier that identified teen parent homelessness as a problem in the state. The new study, undertaken by the Alliance for Young Families, analyzed survey responses from 79 service providers (e.g., second chance homes; health agencies; home visitor agencies) and found that:

- A third of teen parents were homeless at some point in 1999.
 - 41% of the homeless teen parents counted in the survey were minors.
 - 60% of the homeless teen parents counted in the survey were African-American or Latino, even though these populations represent only 43% of the teen parent population.
- For more information visit <http://www.youngfamilies.org/Executive%20Summary.htm>

After School Supervision Wanted And Needed YMCA Survey Finds

After School for America's Teens a survey of 500 teens around the country undertaken by the YMCA and released in March found that teens want more after school programming and that teens who are not supervised after school have lower school performance than those who are. Among the findings of the surveyed teens are:

- 59% of the surveyed teens are left unsupervised after school, including over half of teens 16 and younger.
- Surveyed teens that do not engage in activities after school are nearly five times more likely to be D students than those who do.
- 79% of surveyed teens who participate in after school programs are A or B students, but only half (52%) of teens that do not participate get similar grades.
- 67% of surveyed teens would like after school programs that would help them get better grades, develop leadership skills, and be more involved in the community.

The survey was conducted by telephone in January 2001. The statistical significance is plus or minus 4.4% at the 95th confidence level.

- For more information visit <http://www.ymca.net/presrm/news/2001>

Pediatricians Update Recommendations For Teen Mom Services

The American Academy of Pediatrics has expanded its list of recommendations for pediatricians to help adolescent parents and their children. Noting that “adolescent mothers are more likely to have inadequate prenatal care, not finish high school, and be at greater risk for domestic violence and substance abuse” and that their children “are at greater risk for low birth weight, prematurity, and developmental disabilities,” the AAP revised its recommendations to include:

- Pediatricians should ensure that community resources and quality programs are available and used by adolescent parents. These can include competent home visits, sensitive and effective preterm and infant classes, and quality child care programs.
- Promote breastfeeding by all adolescent mothers.
- Assess the risk of domestic violence before and after pregnancy.
- Stress the importance of the adolescent parent caring for the child even if other adults are involved in the caregiving (grandmothers, great grandmothers, etc). These other caregivers need support and education to provide optimal infant development while helping the adolescent to achieve her own developmental milestones.
- Provide contraceptive counseling and services.

- For more information visit <http://www.aap.org/advocacy/releases/febadol.htm>

Resources

Stand For Children Day 2001 will be celebrated on June 1. On that day, "Building Our Voice and Vision for All Children" will consist of Town Hall Meetings across the country to discuss the needs of local children and to develop a clear vision of how communities should support children and families. Stand For Children Day 2001 events will include not only Town Hall Meetings, but book collections, violent toy trade-ins, and enrollments in the Children's Health Insurance Program (CHIP). The results from the thousands of Stand For Children Day 2001 events will be shared at Stand For Children's first convention in Washington, DC at the end of June.

Stand For Children's mission is to build and mobilize a powerful citizen voice to ensure all children the opportunity to grow up healthy, educated, and safe. Volunteers interested in participating in or planning a Stand For Children Day 2001 event should call 800.663.4032, visit the website at www.stand.org, or e-mail tellstand@stand.org. Stand For Children will provide technical support and assistance and will link event coordinators and their events to millions of people nationwide.

Stand For Children is a nonprofit, nonpartisan, national membership organization with Stand For Children members, Teams, and Chapters across the country winning victories for children and families. Stand For Children is an affiliate of the Children's Defense Fund.

Making Welfare Work (For You!), a manual for welfare clients and advocates that explains the Florida welfare program and how to influence decisions in the program, is now available at www.law.ufl.edu/cgr/publications/making_welfare_work.pdf. Funded by the Children's Defense Fund, with funding from the Kellogg Foundation's Devolution Initiative.

The Federation of Protestant Welfare Agencies (FPWA) has issued a report on the cut in New York City's welfare rolls from 1.1 million in July 1995 to 560,000 in July 2000, "DOWNSIDE: The Human Consequences of the Giuliani Administration's Welfare Caseload Cuts." The report discusses over thirty studies from diverse sources which reveal the cuts' human consequences including the following:

- Between a third and a half (or more) of welfare leavers are unemployed, most report very modest or no income, and up to a majority (or more) have also been cut off from food (food stamps) and health care (medicaid) assistance.
- Thousands upon thousands of eligible people have been denied entry to welfare or kicked off.
- Hunger and homelessness remain at high, apparently growing levels, despite economic boom and declining unemployment.
- Unregulated, uninspected child care has become the norm for welfare children whose parents are in welfare work programs.

- An excessive expansion of the WEP workfare program has driven recipients from education and training, replaced paid civil servants with unpaid welfare workers, and sanctioned recipients off welfare rampantly and arbitrarily.

The report is available in PDF format at <http://www.wnylc.net/pdf/misc/downsideadobe.pdf> , in WORD format at <http://www.wnylc.net/pdf/misc/downsidefinalword.doc> and on the FPWA web site at www.fpwa.org .

Join us for the 2001 CLASP Audio Conference Series

The next conference features:

Work/Welfare Requirements: Do They Increase Demand for Child Welfare? Wednesday, May 30

More than one-half of children entering foster care had been recent welfare recipients, according to one analysis. Welfare's emphasis on "work first" could lead to either a decrease or an increase in the need for child welfare services. That is, if the welfare rules lead to parents becoming employed and making social gains, the need for child welfare could decrease; if however, "work first" translates to greater economic and social stress on low-wage parents, foster placements and the need for prevention services could increase. Delaware's welfare program has evaluated this thorny issue. In Colorado's El Paso county, the child welfare system invokes TANF and other assistance programs to be "the primary prevention program for child welfare." What is known about the impact of the welfare (TANF) changes on demands upon the child welfare system? What are new strategies to address these challenges?

GUESTS:

Rutledge Hutson, CLASP
Barbara Drake , El Paso County, Colorado
David Fein, Abt Associates Inc.

- For more information and registration, visit <http://www.clasp.org/audioconference/brochure.html>, or e-mail slupu@clasp.org

CLASP Update

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

June 2001

CHILD SUPPORT: DISTRIBUTION BILLS INTRODUCED IN CONGRESS

A bill recently introduced in the U.S. House of Representatives and three bills introduced in the U.S. Senate would cut back on child support assignment rules in TANF, allow states to eliminate child support assignments altogether, give states options and financial incentives to pay more or all child support to families, and prohibit welfare cost recovery for Medicaid birthing costs.

The current rules, which determine whether the government or the family keeps child support collections, are very complicated and have resulted in some states improperly keeping some of the money which should have gone to families. Under current law, a family must assign (sign over) its rights to support to the government in order to receive TANF cash assistance. Even after a family leaves welfare, the state and federal governments keep much of the support as repayment for welfare benefits.

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Contributors: Naomi Seiler and Vicki Turetsky

Both welfare and former welfare families would benefit under the legislation. The largest group of families in the child support program are “welfare leavers.” 41% of families in the program are former welfare recipients, while 22% families are current welfare recipients. (The remaining 37% are mostly low-income families who have never been on welfare and would not be directly affected by the legislation).

The newly introduced legislation includes:

- H.R. 1417. On April 4, 2001, Rep. Nancy Johnson (R-CT) and Benjamin Cardin (D-MD) introduced the “Child Support Distribution Act of 2001”. The bill is identical to their bipartisan legislation that passed the House 405-18 last year. It includes child support assignment and distribution provisions, mandatory review and adjustment of child support orders for TANF recipients, funding for low-income fatherhood programs, and other child support provisions.
- S. 685. On April 3, Sen. Evan Bayh (D-Ind.) (with Sen. Kohl and Snowe and 9 other co-sponsors), introduced the “Strengthening Working Families Act of 2001,” which includes assignment and distribution provisions, other child support measures, funding for fatherhood and marriage programs, an Earned Income Tax Credit expansion for larger families, a restoration of Social Services Block Grant funding, a tax credit for employer-sponsored child care, and expanded funding of the foster care independent living program.
- S. 918. On May 21, Sen. Snowe (R-ME) introduced the “Child Support Distribution Act of 2001,” which includes child support assignment and distribution provisions and other child support measures.
- S. 916. Also on May 21, Sen. Herb Kohl (D-Wis) introduced the “Children First Child Support Reform Act of 2001,” which includes assignment and distribution provisions only.

In most respects, House and Senate bills have identical assignment and distribution provisions. All bills would limit the amount of support that states can keep by eliminating the requirement that welfare applicants assign their rights to support owed to them before they went on welfare. The bills also allow states to distribute all or more money to families that have left welfare, and create financial incentives for states to pass-through and disregard support to families still receiving welfare.

The main difference between the bills is that the House bill requires states to eliminate the “federal tax offset exception,” by requiring states to pay to former welfare families those collections recouped from obligors’ federal income tax refunds. By contrast, the Senate bills give states an option to pay families the federal tax offset collections. Under the 1996 welfare law, collections are currently paid to the state first when the family is on assistance, but paid to the family first once the family has left assistance. The one

exception to this “family first” rule is when the collection is made through the IRS tax offset procedure. About half of overdue support is collected through federal tax offsets.

In introducing his bill, Sen. Kohl said:

“This legislation finally brings the Child Support Enforcement program into the post-welfare reform era, shifting its focus from recovering welfare costs to increasing child support to families so they can sustain work and maintain self-sufficiency. After all, it’s only fair that if we are asking parents to move off welfare and take financial responsibility for their families, then we in Congress must make sure that child support payments actually go to the families to whom they are owed and who are working so hard to succeed.”

- For more information see the text of all four bills at <http://thomas.loc.gov/cgi-bin/bdquery> ; in addition, legislative updates will be posted periodically on the CLASP website: <http://www.clasp.org/>

CHILD SUPPORT: THOMPSON URGES CHANGES IN DISTRIBUTION LAW

HHS Secretary Tommy Thompson, testifying at an April 25 hearing of the Senate Appropriations subcommittee responsible for labor, health, and education gave a ringing endorsement of child support distribution reform legislation. In response to a question from Senator Herb Kohl (D-WI), a lead sponsor of distribution reform, Thompson admitted that he did not know whether the Administration would endorse the legislation. However, he said that he personally supports the bill, adding:

I will do everything I possibly can do to convince them if they are not.
But I dare say if we could get your bill introduced, you are going to find this Administration fully behind you in support of it and I hope you push it hard and I would love to be able to be called to testify at a hearing.

In Wisconsin, then-Governor Thompson conducted a demonstration of the first “pass through” program in the nation to turn back 100% of monthly child support collected on behalf of families receiving TANF cash assistance. In the demonstration, the support is completely disregarded, or not counted as income, in calculating the amount of the family’s welfare check. Other states, including Vermont, Connecticut, and Georgia, have conducted full pass-through demonstrations, but Wisconsin is the only state to disregard the entire amount.

Before 1996, the federal government required states to pass through and disregard the first \$50 of collected support. However, the 1996 Personal Responsibility and Work Opportunity Act repealed the pass-through requirement, and left it to states to decide whether and how much support to pass through to families receiving welfare. About half of states decided to continue a pass through. Two states increased the pass-through and

disregard, Connecticut to \$100 and Nevada to \$75, and in New York, Governor Pataki is proposing a \$100 disregard. By contrast, Minnesota adopted a full distribution policy, but does not disregard any of the income for TANF purposes.

A recent evaluation of Wisconsin's program conducted by the Institute for Research on Poverty found that:

- Fathers subject to the full pass-through are more likely to pay support.
 - Fathers are more likely to establish paternity.
 - The effects are larger for fathers whose children are new to the welfare system, suggesting that the policy effects will become stronger over time.
 - The pass-through policy did not increase net government costs.
- For more information see the IRP study is at www.ssc.wisc.edu/irp; a January 1999 state-by-state chart of pass-through policies are posted on the CLASP website at www.clasp.org. For a copy of the Secretary's testimony or to see the hearing webcast go to:
<http://www.kaisernetwork.org/healthcast/appropriations/hhsbudget/april01>

LEAVE NO CHILD BEHIND ACT INTRODUCED

The Act to Leave No Child Behind, a measure conceived by the Children's Defense Fund and developed in conjunction with an array of organizations was introduced on May 23 by Senator Chris Dodd (D-CN) and Congressman George Miller (D-CA). The Act is designed as a comprehensive measure that addresses the needs of all children. It has 12 specific titles to improve the lives of children including:

- Ensuring health insurance for every child and their parents
 - Ending child hunger through expansion of food programs
 - Lifting every child out of poverty—half by 2004, all by 2010
 - Fully funding quality Head Start, child care, and preschool programs
 - Making sure every child can read by fourth grade and leaves school ready for work and life
 - Providing all children with quality after-school and summer programs
 - Protecting all children from neglect and abuse
- For more information about how each title would impact children in every state visit:
<http://campaign.childrensdefense.org/>

PRESIDENT URGES FAITH-BASED ATTACK ON POVERTY

Speaking at Notre Dame on May 21, President Bush promoted his faith-based initiatives while acknowledging that government “will never be replaced by charities.” Bush suggested faith-based efforts should be the focus of the next wave of welfare “reform.” Excerpts of the President’s remarks follow:

Welfare as we know it has ended, but poverty has not. When over 12 million children live below the poverty line, we are not a post-poverty America. Most states are seeing the first wave of welfare recipients who have reached the law's five-year time limit. The easy cases have already left the welfare rolls. The hardest problems remain -- people with far fewer skills and greater barriers to work. People with complex human problems, like illiteracy and addiction, abuse and mental illness. We do not yet know what will happen to these men and women, or to their children. But we cannot sit and watch, leaving them to their own struggles and their own fate

Much of today's poverty has more to do with troubled lives than a troubled economy. And often when a life is broken, it can only be restored by another caring, concerned human being. The answer for an abandoned child is not a job requirement -- it is the loving presence of a mentor. The answer to addiction is not a demand for self-sufficiency -- it is personal support on the hard road to recovery

So I have created a White House Office of Faith-based and Community Initiatives. Through that office we are working to ensure that local community helpers and healers receive more federal dollars, greater private support and face fewer bureaucratic barriers. We have proposed a "compassion capital fund," that will match private giving with federal dollars.

We have proposed allowing all taxpayers to deduct their charitable contributions -- including non-itemizers. This could encourage almost \$15 billion a year in new charitable giving. My attitude is, everyone in America -- whether they are well-off or not -- should have the same incentive and reward for giving.

And we're in the process of implementing and expanding "charitable choice" -- the principle, already established in federal law, that faith-based organizations should not suffer discrimination when they compete for contracts to provide social services. Government should never fund the teaching of faith, but it should support the good works of the faithful.

- For more information and to see the complete speech visit: <http://www.whitehouse.gov/news/releases/2001/05/20010521-1.html>; for additional information on the White House faith-based proposals

visit:<http://www.welfareinfo.org/faithbase.htm> and
<http://www.ombwatch.org/ombwatcher/ombw20010529.html#chr>

WAGE SUPPLEMENT PILOT: FLORIDA

"Passport to Economic Progress", a new cash assistance pilot project authorized in Florida (SB 1672) allows two counties to take a number of steps to improve incomes for current and former welfare recipients. PEP provides for an earned income disregard of \$300 and 1/2; transitional education and training, child care and transportation services for up to 4 years after leaving welfare; and, a wage supplement for full-time workers who leave welfare that brings the family's income up to 100% of the federal poverty level for up to 1 year.

According to Cindy Huddleston of Florida Legal Services, "the wage supplement up to 100% of poverty is a real break-through for us in the state. Up to now, the goal of Florida's TANF program has been to get families off welfare, not get them out of poverty. But finally the Florida Legislature recognizes that this goal is short-sighted. For the first time, they are concerned that 92% of working families who leave welfare are still in poverty and acknowledge that wage supplementation may be necessary to lift them out of poverty. We are very hopeful that this signals a real change in the direction of the program.

Huddleston also notes that the decision by the legislature to extend supports to welfare leavers for up to 4 years is "a recognition that jobs often pay too little to allow a family to live off initial wages." She also says, "The hope is that access to education and training, along with supports, can help with wage progression and job advancement." Huddleston cautions, however, "whether these good ideas can translate into effective programming remains to be seen. Outreach must be aggressive to ensure that eligible families reap the benefits of the additional supports in this legislation."

The legislative analysis of the bill reported that nearly 60% of the 120,000 Florida families that have left welfare since 1996 did so due to employment; however, this finds "most of them (92%) at or below the federal poverty level." Huddleston underscores how the data made a difference noting, "The state legislature moved on the measure because legislators wanted some kind of a program that focused on transitional services and wage supplementation. They were troubled by statistics that suggest that, although caseloads in Florida have been dramatically reduced by welfare reform, family incomes have only modestly increased and most families remain in poverty. The pilot seeks to address this phenomenon."

- For further information contact: Cindy Huddleston, Florida Legal Services phone (850) 385-7900; e-mail: cindy@floridalegal.org; the legislative analysis is at: <http://www.leg.state.fl.us/data/session/2001/Senate/bills/analysis/pdf/2001s1672.ap.pdf>

JOB TRAINING TARGETED AT THE FULL FAMILY: CHICAGO DEMO

Shortly after the 1996 welfare reform, Jobs for Youth/Chicago proposed a Full Family Partnership Program to provide job readiness, job placement, and support services to both parents in young couples, rather than working with one of the parents as an individual. The Department of Labor funded a three year demonstration, from July, 1997 through June, 2000. This note describes the demonstration and its evaluation, results of which will be released in December, 2001.

Jobs for Youth/Chicago has helped low income youth prepare for, find, and keep private sector jobs for over 20 years. Each year, they work with over 1000 youth. Core services include: (1) a two to three week job readiness workshop that enhances skills such as resume writing, interviewing, on-the-job demeanor, and career planning and (2) job placement services that draw on a large network of employers in the Chicago area.

The Full Family Partnership program differed from the traditional services at Jobs for Youth/Chicago in two major ways:

- Both parents enrolled in the program and received the core services to become employed or to locate a better job.
- Couples received enhanced support services such as assistance in locating child care and securing child care subsidies, help in finding housing for the family unit, and assistance in working with welfare program officials.

To enroll in the program:

- Both parents had to be low income and at least one, typically the mother, needed to be receiving TANF.
- The couple was to be in a stable relationship, although they did not have to be married or cohabiting.
- At least one of the partners had to be a parent, although the couple didn't need to have a child together.
- One partner—typically the mother—had to meet Jobs for Youth's usual age eligibility requirement of 17 to 24. The other partner—typically the father—could be older.

An evaluation of the program commenced in 1998 with funding from the U.S. Department of Labor to look at earnings-related outcomes. Funding from the Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services allowed the evaluation to also look at parents' welfare transitions and the ways in which various supports and barriers influence these transitions, including receipt of other government assistance, support from family and community, and access to child care and other local services.

The evaluation compares Full Family Partnership participants to mothers and fathers served through the standard program at Jobs for Youth and to parents who participated in the Job Training Partnership Act/Workforce Investment Act (JTPA/WIA) program during the same time period and in the same service areas. Random assignment was not used, thus the evaluation relies on statistical techniques to adjust for measured and unmeasured differences—beyond the enhanced services of the Full Family Partnership Program—between the demonstration participants and comparison groups. The evaluation has both qualitative and quantitative components, and draws on many data sources, including questionnaires and interviews, information systems data collected by Jobs for Youth and JTPA/WIA, and earnings and government assistance data maintained by the Illinois Department of Employment Security and the Illinois Department of Human Services.

A final report of the evaluation will be available in December, 2001. Interim findings reveal that:

- Participants in the demonstration come from many different family configurations. The majority of couples have a child together, some with married and some unmarried parents, although the family types also include mothers with boyfriends who are not the father of the child.
 - Recruitment of couples in “stable relationships” is challenging.
 - Preliminary results suggest that participants in the demonstration are more likely to be placed in a job and have greater earnings gains during and after the program than do other participants at Jobs for Youth.
 - Child care is a key challenge to employment for both fathers and mothers enrolled in the demonstration, although more mothers than fathers miss work and leave jobs due to child care problems.
- This article was submitted to **CU** by Rachel Gordon, Assistant Professor, Department of Sociology and Institute of Government and Public Affairs, University of Illinois at Chicago.
- For more information about the evaluation contact: ragordon@uic.edu or Carolyn Heinrich, 919-962-2789, cheinric@email.unc.edu. For details about the Full Family Partnership program, contact Terese McMahon at Jobs for Youth/Chicago, 312-782-2086

IS THIS THE FAR SIDE?

“DUMPSTER DIVING”: OREGON

Bob Mink, Oregon’s Department of Human Services’ Director acknowledged “we shot ourselves in the foot on this” when it was revealed that welfare applicants were being advised to root through trash dumpsters as a money saving device.

Prompted by a complaint from an offended welfare recipient, the state Department of Human Services undertook an investigation to learn the source of the materials and the extent of utilization. The investigation, which followed the complaint, media coverage, and a letter from a number of members of the state Senate revealed that the money-saving hint about using dumpsters was part of material excerpted from a book “1001 Ways to Stretch a Dollar” and was first circulated four years ago by a contracting agency hired to work with welfare clients in two communities. Over the years there had been several complaints and, more recently, other offices as well as state staff had used the materials.

The “dumpster diving” story and investigation led to a report which recommends that the state, among other actions, undertake sensitivity training for staff as well as contractors and create opportunities for client input about materials and training.

- For more information see the report from the investigation: <http://www.ocpp.org/2001/ddreport.pdf>; newspaper coverage: <http://www.registerguard.com/cgi-bin/birdcast.cgi> ; and critiques and a copy of the money-saving tip sheet: <http://www.ocpp.org/2001/nr010430.htm>

REPRODUCTIVE HEALTH & FAMILY FORMATION

Secretary Thompson Testifies that Abstinence-Only Education is Underfunded.

Appearing before the Senate Appropriations subcommittee responsible for labor, health, and education on April 25, HHS Secretary Tommy Thompson suggested that both abstinence only education and comprehensive sex education should both be supported but that there is a current imbalance between the two. The Secretary suggested that abstinence education receives \$93 million compared to \$135 million for “birth control” education.

Senator Arlen Specter, Chair of the Subcommittee set up the question as follows:

“Mr Secretary, one final subject, and that is the issue of family planning and birth control, and abstinence-only education. This subcommittee has taken the lead in appropriating funds in the past for abstinence-only education. The controversy exists as to some contending that to talk about abstinence only is unrealistic because the facts of life being what they are, unless birth control devices are provided simultaneously that the abstinence only education will not work. My own view has been that there’s room in our budget and room in our society for both efforts, family planning and their approach, which may include birth control as they project their programs. But separate programs for abstinence only education, where a large part of our society which feels so strongly that birth control ought not to be made available, out to have an opportunity with abstinence only education to see if that will provide an answer...”

Secretary Thompson responded:

“The President has taken a very strong position that they should be treated equally. And currently, there’s an under funding on the abstinence side, about \$93 million compared to \$135 million on the birth control side. And there’s a movement afoot to evaluate our programs to try and make them more equal, and this is something that the President feels very strong about, Senator, and we’re working on that.”

CU contacted HHS to identify how \$93 million and \$135 million of federal spending were calculated. According to HHS, spending on abstinence-only education comes from three sources: the 1996 program added to the Maternal and Child Health block grant in 1996 (\$50 million), the community based abstinence-only funds approved in 2000 (\$30 million) and the Adolescent Family Life Act education monies (\$12 million). The \$135 million expenditure is an estimation of the funds spent on family planning services to adolescents from Title X (out of a \$254 million allocation). Thus, the Secretary’s numbers compare specific investments in education to investments in clinical services.

- For more information including the full testimony and a webcast of the hearing go to: <http://www.kaisernet.org/healthcast/appropriations/hhsbudget/april01>.

House Hearing on “Welfare and Marriage.” With a focus on how states have used TANF funds to “promote marriage and family formation” Chairman Wally Herger (R-CA) held a hearing of the House Subcommittee on Human Resources of the Committee on Ways and Means on May 22. Herger opened the hearing by noting the effects of family structure on children, and asking what government should, and can, do to help people form permanent relationships.

In the first panel, witnesses from Arizona and Oklahoma testified on their states’ efforts to lower divorce rates, and the president of “Marriage Savers” spoke of his organization’s efforts to lower divorce through couples mentoring at religious institutions. While Representatives Watkins of Oklahoma and Johnson of Connecticut were enthusiastic about the potential to educate people about marriage, several Democrats sounded notes of caution. Representative Cardin pointed out that such programs have limited track records, and that programs should avoid putting people into marriages involving domestic violence and other problems.

In the second panel, CLASP’s Theodora Ooms testified on the need for increased research on marriage and family structure at the federal level. Patrick Fagan of the Heritage Foundation urged the federal government to provide states with clearer guidelines on how to carry out the marriage goals of PRWORA, and other witnesses spoke on the benefits, risks, and feasibility of encouraging marriage, especially among low-income populations. Laurie Rubiner of the National Partnership for Women and Families urged the committee to refrain from making “a walk down the aisle” the only ticket out of poverty for low-income women. Several witnesses also noted that many programs, such as those addressing teen pregnancy, can decrease out-of-wedlock births.

Witnesses were divided on several issues, including the wisdom of earmarking TANF funds for marriage-related programs. Herger ended the hearings by noting the need for more research on marriage and its effects.

Cal-Learn Evaluation Finds Greatest Impact Among Out of School Teen Parents.

The 1996 welfare law precludes states from providing TANF assistance to minor parents who are not participating in school. States define participation and design their own programs (a number of states, including California, had established programs under federal waivers, prior to 1996).

California's program, "Cal-Learn" is different than most other states in a number of ways, including that education performance rather than daily attendance triggers the welfare agency's response. The welfare agency provides both bonuses and sanctions related to school progress and graduation, not school attendance. Upon graduation (GED or diploma) a Cal-Learn participant can receive a \$500 check made out in her name; while in school, her family's grant may be increased or decreased up to \$400 per year depending upon whether her submitted report card shows a C average or higher.

The second key feature of Cal-Learn is that it includes intensive case management designed to assist pregnant and parenting teens with the help they need to receive either a high school diploma or a GED. Much of the case management is provided through community based organizations where staff specialize in work with parenting teens.

Cal-Learn is mandatory for all custodial parents under age 19 who receive welfare. Those who are 19 can voluntarily participate.

A multi year evaluation of Cal-Learn finds that **the program is most effective among those teen parents who were out of school but who had not been held back a grade.** Graduation rates (defined in the study to include GED) among such teens age 18 and over was 14 percentage points higher than those teens who did not participate in Cal-Learn.

The finding that the program's impact was greatest amongst those who were out of school differs from the findings from Ohio's LEAP program. LEAP provides bonuses and sanctions based on school enrollment and attendance and found the benefits of the program were limited to those who were enrolled in school at the time of entry. The Cal-Learn researchers postulate that tying incentives to school attendance may be "a behavior that in-school teens probably found easier to comply with than did out-of-school teens. In addition, LEAP case managers were placed in schools, whereas Cal-Learn case manager usually were not."

The research examined the impact of "full Cal-Learn" which included both the financial incentives and the case management and compared it to a group which received only financial incentives, a group which received only case management, and a group which

received no treatment. “Full Cal-Learn” had a greater impact than financial incentives alone or case management only.

As excerpted and adapted from the study, the Cal-Learn findings also show:

- **Teens in the Full Cal-Learn group graduate at a significantly higher rate than those in the No Treatment group.** The survey data indicate that among evaluation teens who were 18 or older, 32% of Full Cal-Learn teens graduate compared to 24% of the No Treatment teens. By their 20th birthday, an estimated 47% of the Full Cal-Learn group and 33% of the No Treatment teens graduate.
- **Although they graduate at a significantly higher rate than No Treatment teens, about half of Full Cal-Learn teens still fail to graduate by age 20.**
- **The impact on graduations is concentrated exclusively in GEDS.** Among teens aged 18 and over, the survey data show 13% of Full Cal-Learn teens earning GEDS compared to 6% of the No Treatment group. The survey data show no differences between the two groups in the rates at which teens earn high school diplomas. The survey data show no differences between the two groups in the rates at which teens earn high school diplomas.

With respect to employment outcomes:

- **Graduating (diploma or GED) increases the probability of work by about 20 percentage points.** It also increases quarterly earnings by between \$332 at age 19 and \$563 at age 20.

With respect to welfare receipt:

- **An 11 percentage point difference between graduate and non-graduates at ages 18 and 19 vanishes almost entirely by age 20.**

With respect to fertility impacts:

- **Full Cal-Learn did not have any effect on subsequent childbearing among participants, according to the survey data.** Although teens who were enrolled in school or college had lower rates of subsequent childbearing and lower reported rates of unprotected sex than teens not enrolled in school, the effect of Full Cal-Learn on school enrollment (as opposed to its impact on graduation) was only modest.

About 28% of Cal-Learn teens conceived after entering the program. The likelihood of additional births varied by marital, contraceptive, and schooling status. The report notes, “it appears that being married or having a steady boyfriend puts teens at higher risk of subsequent births than not having a steady boyfriend.” 34% of those married at the time of the first interview and 31% of those with steady boyfriends conceived an additional

child. Not surprisingly, those teens that reported not using contraception at the first interview were more than twice as likely to be pregnant by the second interview. Being in school has a strong correlation with contraceptive practice. “Teens who were enrolled in school or college were substantially more likely to protect themselves against pregnancy and less likely to actually become pregnant than non-enrolled teens (whether graduates or dropouts)...Among teens age 18 and over...graduates not in college were about as likely as dropouts to be in the to be in the group at highest risk of pregnancy (26%).

Among the recommendations (excerpted) in the report:

- Expand outreach to out-of-school teens
- Change the incentives policy to offer higher progress or graduation bonuses to teen who attend and graduate from high schools than to teen who earn a GED (an option that has possible drawbacks as well as possible advantages)
- Those teens who do graduate from high school should be encouraged to continue their education in college and to gain the skills that could make them ore economically secure
- Programs should be designed and funded so as to provide sufficient educational and psycho-social supports for teens [who have serious educational or other deficits]

➤ For more information visit: <http://ucdata.berkeley.edu/>

Expanded “Learnfare” Reinstated in Florida. In its last session, the Florida state legislature had rescinded an expansion of a school attendance requirement established under the federal welfare law [See CU June 2000]. The 1996 welfare law precludes minor parents from receiving federal welfare assistance unless they are participating in school (and living in an approved arrangement). In Florida, the state expanded upon the education provision by mandating that all children who receive welfare be subject to a school attendance requirement. While the legislature decided to do away with the expansion in the last session, it reinstated it this session.

According to Cindy Huddleston with Florida Legal Services, "the reinstatement of Learnfare (HB 277) is a disappointment but not a surprise. We are disappointed because we thought the cost of administering the program uses limited resources that would be better spent on getting at the root of poor attendance -- the need for alternative educational strategies, the need for attention to basic needs of kids who come to class and more. We also thought that given the size of the teen parent population in our state it would be best to target resources at that population, the one mandated by the federal law."

➤ For more information, contact: Cindy Huddleston, Florida Legal Services
Phone: (850) 385-7900; e-mail: cindy@floridalegal.org

TANF Funding for Teen Parents: AZ Gov Vetoes Stay-in-School Bill. Arizona Governor Jane Hull (R) vetoed a measure that would have provided \$2.5 million over two years for support services designed to keep pregnant and parenting teens in high school. The Governor suggested that the TANF funds were needed to meet more pressing expenses, but others, including Patty Jo Angelini, director of the Arizona Coalition on Adolescent Pregnancy and Parenting, say that the state has a surplus of funds. In addition, Angelini asserts, the investment of TANF funds in schooling for pregnant teens help prevent their likely entry into the welfare system so the state should “invest a few dollars now because if you don't, they will be on welfare.”

The bill passed the State Senate by a vote of 17 - 10 and the House by 47 - 5. Had it been enacted, the bill would have funded case management services through school districts with matching funds. The Governor also rejected a \$250,000 (annually) pilot project to outreach to teens with negative pregnancy tests that would have been run by county health departments. Another proposal to tap TANF in support of family planning (\$1.25 million annually) was also rejected by Hull. “Our Governor is talking out of both sides of her mouth. She vetoes a bill to remove the kid’s cap [see “Family Cap Decapitated and Reinstated” in this issue of **CU**] because she says that women need to be more responsible. Then she goes and vetoes this bill which gives women the tools needed to take responsibility for their lives.”

The Governor did sign into a law an after-school program in communities with high rates of teen pregnancy, youth substance abuse and youth violence. The bill provides for \$4 million over three years for middle school children and includes a provision that outreach efforts must be made to target younger siblings of teen parents and those teens with negative pregnancy tests. “It took us two years to get this bill passed but we are very pleased with the end result. It is a comprehensive approach to teen pregnancy prevention and we commend the Governor for signing this bill,” Angelini said.

A key issue is whether TANF funds are available for new projects. At the end of fiscal year 2000, Arizona reported \$35.1 million in unobligated (not allocated) TANF funds and another \$65.5 million in unliquidated (allocated but not yet spent) funds. This represented 11% of the state’s TANF funds. While it is possible that in the intervening months much of these unspent funds have been obligated and liquidated, it is also the case that Arizona was one of five states to receive a bonus of \$20 million for the reduction of out of wedlock births. According to Angelini, “The Governor is worried that case loads will rise and we may end up with a short-fall, but the failure to spend TANF funds - including the bonus - on direct services for teen parents and their children is short-sighted. We already know that this very population is the one that is often most of need of welfare and an investment now could both help delay a repeat birth and could potentially avert the need for cash aid in the future.”

The Arizona Coalition on Adolescent Pregnancy and Parenting (ACAPP) along with such groups as the Arizona Family Planning Council and the Arizona Catholic Conference plan to go back to the state legislature with these bills next year.

- For more information, contact Patty Jo Angelini at the Arizona Coalition on Adolescent Pregnancy and Parenting—602-265-4337 and acapp@azteenpregnancy.org

Final Birth Data for 1999 Includes Record Low Teen Births. Among the findings from the latest National Vital Statistics Reports (April 17, 2001) is that:

In 1999:

- Birth rates for teenagers fell to an all-time low.
- The birth rate for 10-14 year olds was at a record low (0.9 births per 1,000).
- The birth rate for 15-19 year olds was at a record low (49.6 births per 1,000).
- The birth rates for unmarried 15-17 year olds declined 20 percent since 1994.
- The birth rates for unmarried 18-19 year olds declined 10 percent since 1994.

At the same time, “the number of births to unmarried women, the birth rate and the percent of births that were to unmarried women each rose 1 percent or less.” The growth in the number of births was mostly attributable to a rise in the number of unmarried women in the childbearing ages. The growth in the rate between 1998 and 1999 was a tenth of one percent: it went from 44.3 to 44.4 births per 1,000 unmarried women. The growth in the percent of all births between 1998 and 1999 occurring to unmarried women was two tenths of one percent: it went from 32.8 to 33.0.

- For more information and the full report go to:
http://www.cdc.gov/nchs/data/nvsr/nvsr49/nvsr49_01.pdf

“Family Cap” Decapitated and Reinstated: Arizona. Arizona’s Governor Jane Hull (R) has vetoed a measure that would have killed the state’s family cap policy. Under a family cap, a child conceived by a welfare recipient does not receive the incremental increase typically available to an additional child in the family. In vetoing the measure Hull stated that the cap is appropriate because, “Embedded in the policies of welfare reform is the concept that individuals must accept at least some of the consequences of their own life choices, an idea I support.”

The Governor also focused on consequences to the state if the family cap policy were lifted for newborns in welfare families. Fiscal estimates suggest that the additional \$72 families would have received each month for an otherwise “capped” child would cost the state \$3.3 million annually. The Governor indicated that it was important, in her view, to continue the cost savings to meet budget needs.

The measure had passed the state Senate by 22-7 and the House by 34-24.irate that the Governor had vetoed the bill, a number of legislators from both chambers led an attempt to override the veto but this effort failed.

According to Patty Jo Angelini of the Arizona Coalition on Adolescent Pregnancy and Parenting “Hull’s veto is a tribute to her view that the state’s TANF surplus is more important than the well-being of a newborn. Ironically, there isn’t really a budget shortfall.” Tara Plese of the Arizona Catholic Conference notes that “there is no clear evidence that taking \$72 away from a newborn in Arizona means that other births will be averted – the research from New Jersey and Arkansas leaves many questions unanswered. Some research suggests that there is an increase in abortion. It also begs the question of whether any immediate savings will cost the state more in the long haul as the child experiences a greater depth of poverty. Furthermore, the state is adding insult to injury by not providing cash aid to the infant at the same time as keeping the infant’s child support.”

- For more information contact Patty Jo Angelini at: angelini@azteenpregnancy.org or Tara Plese at: TPLese@diocesephoenix.org

“Capped” Children Can’t Be Denied Child Support: Indiana. *Williams by Ricard v. Humphreys* is a class action lawsuit in which the Indiana Civil Liberties Union (ICLU) represented children who are denied Temporary Assistance for Needy Families (TANF) cash assistance due to Indiana’s “family cap” rule. Under Indiana law, children who are born 10 months or more after a family begins to receive TANF cash assistance cannot, themselves, receive any cash assistance -- this is the “family cap” rule. Yet, the state of Indiana still took the child support of these children to reimburse the state for cash assistance paid out, even though the cash assistance was not paid for the children.

The ICLU argued that, although the law allows the state to be reimbursed with the child support of children to whom the state provides cash assistance, the Takings Clause of the United States Constitution prohibits the state from taking the child support of children subject to the family cap because those children do not receive any cash assistance in return for the taking of the child support.

U.S. District Court Judge Hamilton agreed, and issued both a preliminary and permanent injunction for the children, holding that the State action violated the Takings Clause. Under the order the State was required to immediately stop taking the child support of these children. The Court also granted ancillary notice relief to the class, under which the State must provide notice to the class members of their right to seek a review of the State’s actions and a determination as to whether or not the State owes them money because the State took child support of a capped child. The case is published at 125 F.Supp.2d 881. The State did not appeal.

The preliminary injunction was issued on Oct. 6, 2000. The decision granting us summary judgment was issued on Dec. 5, 2000 and the final permanent injunction was issued on January 4, 2001.

- This article was submitted to **CU** by Jacquelyn E. Bowie, ICLU .
- For more information contact plaintiffs' attorneys: Jacquelyn E. Bowie, Indiana Civil Liberties Union, 1031 East Washington Street, Indianapolis, IN 46202-3952, tel. 317 635-4059; fax 317-635-4105, email: iclu@aol.com.

Poverty the Largest Predictor in Teen Births. Douglas Kirby and research colleagues at ETR Associates in Santa Cruz, Calif., reviewed 1991 to 1996 data from California zip codes with at least 200 females between the ages of 15 and 17 to predict the effects of race and ethnicity, marital status, education, employment, income and poverty and housing on birth rates among young teens. The researchers found that within a zip code, the percentage of families living below the poverty level was highly correlated to the birthrate among young teens in the same area and "remained by far the most important predictor" of the teen birthrate, followed by the percentage of adults with a college education. Race and ethnicity were "only weakly" related to birthrate, but the effect of college education was greater among Hispanics than among either whites or blacks. Unemployment was highly related to teen birthrates in some racial or ethnic groups, but not in others.

- For more information and to see the article go to:
<http://www.agi-usa.org/journals/toc/fpp3302toc.pdf>

Emerging Answers: Research Findings on Programs to Reduce Teen Pregnancy by Douglas Kirby, Ph.D. identifies "what works" in preventing teen pregnancy. Kirby's review of available experimental studies found that several programs that focus on sex—as well as some that do not address sex at all — sustain positive effects on delaying the onset of sex, improving contraceptive use, or preventing pregnancy among adolescents. *Emerging Answers*, published by the National Campaign to Prevent Teen Pregnancy found one intensive program that combines sex education, comprehensive health care, and activities such as tutoring that has been shown to have positive impacts on sexual and contraceptive behavior, pregnancy, and births among girls for as long as three years.

Emerging Answers says that the jury is still out about the effectiveness of abstinence-only programs. That is, current evidence about the success of these programs is inconclusive. This is due, in part, to the very limited number of high-quality evaluations of abstinence-only programs available and because the few studies that have been completed do not reflect the great diversity of abstinence-only programs currently offered. However, the early evidence about abstinence-only programs is not encouraging.

The Campaign notes the following highlight:

- The report cites eight programs as having strong evidence of success — five are sex education programs, two are service learning programs (i.e., community service combined with group discussions and reflection), and one is an intensive program that combines sex education, comprehensive health care, and activities such as tutoring.
 - The overwhelming weight of evidence reviewed in the report shows that sex education that discusses contraception does not hasten the onset of sex, increase the frequency of sex, nor increase the number of sexual partners.
 - Family planning clinics probably prevent a large number of teen pregnancies — although there is remarkably little evidence to support this common-sense view. However, several rigorous studies have indicated that when clinics provide high-quality educational materials, discuss the adolescent patient's sexual and contraceptive behavior, and give a clear message about that behavior, clinics can increase contraceptive use, although not always for a prolonged period of time.
 - While substantial numbers of sexually experienced female students in schools with school-based or school-linked clinics obtain contraceptives from those clinics, and while students obtain large numbers of condoms from schools when schools provide those condoms in private locations and with few restrictions, studies measuring the impact of such programs on contraceptive use have produced mixed results. However, as is the case for sex education, studies have consistently shown that making condoms or other contraceptives available in schools does not hasten or increase sexual activity.
- For more information and to view a summary of *Emerging Answers* and related materials visit www.teenpregnancy.org/053001.

Teen Living Arrangements: Outcomes in Non-Traditional Families Nuanced. Many teens today live in other than the basic “nuclear” family with two, married biological parents. In an analysis of outcomes for teens who live in different family types, researchers from the Urban Institute conclude that while the most favorable outcomes are for those teens who live with biological, married parents those teens who living in a single parent household generally fare as well as those who live in a blended household (where a parent has remarried and the teen is not biologically related to the new spouse) for a number of outcomes. For black teenagers, the research finds instead, that living in a blended household is linked to better outcomes compared to living with a single parent. With respect to co-habitation, the findings indicate that, particularly for whites and Hispanics, the behavioral outcomes for teens are significantly worse when compared to living with a single mother.

The researchers looked at measures of (1) emotional or behavioral problems (2) level of school achievement, and (3) suspension or expulsion from school.

- For more information and to review the study, visit http://newfederalism.urban.org/html/series_b/b31/b31.html

Privacy Rights of Young Adults. When HHS Secretary Tommy Thompson suggested that the Bush Administration would tell parents about the health care given to their adolescents, the American Academy of Pediatrics responded vociferously. At issue is whether patient privacy rules will be changed and will allow parents access to their child's medical records for information, including abortion, mental health or substance abuse. Joe M. Sanders, Jr., M.D., executive director, American Academy of Pediatrics decried this possibility, stating that "Such a change would go against everything pediatricians have learned over the years about providing quality health care to adolescents ." Sanders added that "Physicians and young people have identified the issue of confidentiality as a significant barrier to health care. As a result of our experience, the Academy joined major medical groups 12 years ago in issuing a joint statement,"Confidentiality in Adolescent Health Care" (<http://www.aap.org/policy/104.html>). The views of the American Academy of Pediatrics were endorsed as well by the Society for Adolescent Medicine.

- For more information see: Statement by Secretary Thompson on Patient Privacy Regs <http://www.hhs.gov/news/press/2001pres/20010412.html> and AAP's Information on the Patient Privacy Regs: <http://www.aap.org/moc/indexmoc2.cfm>

CLASP HOSTS NATIONAL AUDIO CONFERENCES

It's easy to register for CLASP's audio conferences. Below is information about our July audio conference and information on how to register.

Job Instability: How Does the Income See-Saw Play Out for Children? July 13, 2001 12:30 (EDT)

Income from work is not guaranteed; jobs end. In addition to a job market structure that fosters short-term positions, some employees have difficulty holding onto jobs either because necessary supports are absent (e.g. child care) or because the skills needed to sustain work are missing. Employment instability is a more frequent issue for those on the lower end of the income scale. What are the costs to child development? If instability has particularly harsh consequences for children, what workforce policies and programs can anticipate and ameliorate them?

GUESTS:

Kris Moore, Child Trends

David Ellwood, The Kennedy School of Government, Harvard University

Heather Boushey, Economic Policy Institute

- For more information about this and other audio conferences and registration information please visit: <http://www.clasp.org/audioconference/brochure.html>

CLASP Update

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

JUNE 25, 2001

TANF: STATES FACING 5-YEAR TIME LIMIT

While a number of states have time limits on welfare assistance that are shorter than the federal 5 year time limit, some states implementing a 5 year time limit are concerned that it may soon pose problems for families. The federal law allows states to exempt up to 20% of their caseload. But given the dramatic decline in the caseload (about 50% since 1994), there is ample worry that the 20% exemption will be insufficient to cover large numbers of families that are attempting to “play by the rules” but are still having difficulties finding work. In addition, the vast majority of those “left behind” have serious barriers to employment. Some states have responded to this impending problem by instituting policies that allow families to “stop the clock” if they meet certain requirements or to continue receiving some of level of assistance (through the state or through the 20% exemption) after the federal five-year limit is reached.

The federal law passed August 13, 1996 but states had up to one year to begin implementation. Thus, the point at which families first will “hit” the five-year limit will vary between states.

Recently, in anticipation of the federal time-limit:

New Jersey implemented a policy (effective April 1) allowing individuals working 20 hours a week to elect to close their TANF cases, stopping the federal time clock. Under the state’s “Supplemental Work Support Program,” however, families will still qualify for \$200 per month for up to two years if their earnings are below 250% of the federal poverty level. (See accompanying article for more information.)

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Contributors: Sean Hartigan, Susanna Montezemolo, and Rachel Schumacher	

Pennsylvania recently created the “Time Out Initiative,” which becomes effective on July 2. This program will provide Time-Out benefits for certain families that are working or participating in employment and training activities for a specified number of hours per week. Victims of domestic violence, non-parental caretakers, and individuals enrolled in full-time, post-secondary educational activities are also eligible for benefits, subject to hours requirements. Benefits can last for a maximum of 12 months, except in the case of kinship caregivers, for whom benefits can last indefinitely.

- For more information, see <http://www.pabulletin.com/secure/data/vol31/31-12/517.html>

Maryland will utilize state funds to provide full grants to families who are complying with the welfare rules when they reach the time limit. The “state-only” dollars will be tapped only after the state exceeds the number of families that can be helped under the 20% federal exemption. The legislation (S.B. 541) indicates that families are considered compliant if they are either working towards self-sufficiency or addressing barriers to self-sufficiency.

Other jurisdictions, such as the **District of Columbia, Arizona, California, and Rhode Island**, will reduce but not eliminate benefits upon expiration of the 60-month federal time limit. **Michigan** and **Maine** use state funds to continue cash benefits in full after 60 months, and **Vermont** does so under a waiver. **New York** provides noncash benefits (equal in value to TANF cash) from a state “safety net” program for TANF families that reach the 60-month limit. (See accompanying story.)

- For more information, see: <http://www.cbpp.org/3-28-01wel.htm> and *Welfare Reform: Time Limits Under TANF*, by Gene Falk, Emilie Stoltzfus, Holly Goodliffe, and Courtney Schroeder, Washington, D.C.: Congressional Research Service, February 2001.

A number of other states are currently grappling with how to best serve their families approaching federal TANF time limits. In **Minnesota**, provisions in Governor Ventura’s budget would extend assistance beyond the 60-month limit, as would measures introduced in the state House and Senate, though the House bill is more restrictive than both the Governor’s and Senate’s proposals. And an **Illinois** bill attempts to ensure fair application of the 60-month limit by prescribing a set of administrative procedures that force state caseworkers to consider families’ overall situation (i.e. medical assistance needed, other benefits retained, etc.) before terminating TANF assistance.

Some states have looked towards employment policies to blunt the effect of impending time limits. **Cuyahoga County, Ohio** (which includes Cleveland) is developing a program to provide Transitional Jobs, paid work for 15 to 40 hours a week, for families becoming ineligible for cash assistance because of the state’s 36-month welfare time limit. Additional employment services will be offered to participants in this new program to help them transition into unsubsidized employment. A pending proposal in New York would provide 8,000 transitional paid jobs for those unable to find work on their own.

SCHUMER, STARK INTRODUCE CHILD POVERTY REDUCTION ACT

Senator Charles Schumer (D-NY) and Representative Fortney Pete Stark (D-CA13) introduced S. 1027 and H.R. 2166, the Child Poverty Reduction Act, in the Senate and House on June 13 of this year. The bills seek to add a fifth purpose to the Temporary Aid for Needy Families (TANF) program “to reduce poverty of families with children in the United States.” The current four purposes of TANF allow for funds to support activities reasonably calculated to (1) assist needy families so children stay with their families; (2) end needy parent “dependency” by promoting work and marriage; (3) prevent out of wedlock pregnancies; and (4) encourage two-parent family “formation and maintenance.”

The bills would provide \$150 million in annual high performance bonus rewards to be distributed among states that reduce their child poverty rate from the previous year’s rate.

Tom Coffey, aide to Senator Schumer, hopes that the bill will not engender much controversy because it is financially modest and its goal of reducing child poverty should not be particularly controversial. According to Coffey, one potential political predicament is that some legislators may worry that adding the child poverty purpose to TANF could lead to a slippery slope of additional—and undesirable—changes to the purposes section of the law.

Senator Paul Wellstone (D-MN) has already signed onto the bill on the Senate side. The House bill was introduced with 15 cosponsors. According to Sean McCluskie, aide to Representative Stark, many Democratic members of Congress support the bill, but some are reluctant to sign on as cosponsors. Even though the bill is low-cost, co-sponsorship may be read as acceptance of spending generally; some members of Congress are concerned that co-sponsorship could lead to their being portrayed as fiscally unrestrained in next year’s midterm elections. Nevertheless, McCluskie hopes for little controversy over the bill.

According to Mark Greenberg, Senior Staff Attorney at CLASP, “this bill represents an important step in the efforts to make poverty reduction a central theme in TANF reauthorization.”

CLASP will continue to monitor this legislation.

- For a copy of the bill, go to: <http://thomas.loc.gov> and search for S. 1027 and H.R. 2066.

SUPPLEMENTAL WORK SUPPORT: NEW JERSEY

The TANF clock stops in New Jersey for working families that voluntarily close their TANF cases; these families can qualify for \$200 each month as a work support for up to two years if earnings remain below 250% of the federal poverty level. The statewide initiative, the “Supplemental Work Support Program,” became effective on April 1, 2001.

According to state guidance, the new program meets the TANF goal related to “promoting job preparation” and work among needy parents. Three eligibility criteria must be met in order to participate in the new program:

- The family must be an active TANF case and have received benefits for at least the last six months;
- The client must have been continuously employed for at least four months prior to entering the new program and must agree to continue working; and
- The employment must average at least 20 hours per week.

According to Gene Martorony of New Jersey’s Department of Human Services, “we promoted this initiative because it enhances stability for families on low wages. The more financially stable the family, the more likely the family is able to avoid a return to TANF. Basically, the goal is give the family the flexibility to meet its financial needs on a monthly basis—whether the need is to pay for books, help with a car repair, or get additional day care.” With respect to participation until earnings reach 250% of poverty, Martorony notes that “we know that low wage working families cannot thrive without support—that’s why we already provide child care for two years and help with transportation; by giving families up to 250% of poverty flexibility to make purchases they need when they need them we are adding another piece to help make low wage work feasible and hopefully, help the family move beyond low wages to higher wages.”

Families involved in the Supplemental Work Support program will be treated like other post-TANF recipients in that they can receive up to two years of child care benefits, specified transportation assistance, receipt of full child support payments, and 24 months of extended Medicaid if otherwise not available due to earnings.

The plans for outreach include state-generated mailing labels for each county so the welfare agency at the local level can send a letter about the program to those families identified as likely meeting the three requirements for the Supplemental Work Support (SWS) program. Community and faith-based organizations will also begin a “door-knocking” program to let eligible families know about the program. Once participating, the family’s income and continued eligibility is verified on an annual basis. Martorony indicates that “the Department’s expectation is that the take-up on SWS will be up to 2,000 individuals in a few short months.”

- For further information contact Gene Martorony, Deputy Director, Family Development, New Jersey Department of Human Services at (609) 588-2401.

INFANT CARE: MONTANA SUPPORTS EARLY PARENTING

A new two-year pilot effort in Montana called "Program for At Home Infant Care" is designed to enable parents to stay with their infants rather than leave them with other caregivers in order to go to work. The \$250,000 initiative will provide parents the same rate as the subsidy available for an infant care slot in a family child care home. The funds will provide for 55 "slots" per month over the two years. The underlying concept, according to Linda Fillinger of the state's Department of Public Health & Human Services is that "caregiving is work." Montana officials are researching possible funding sources for this pilot project and are exploring the possibility of using state funds that count as meeting the TANF maintenance of effort requirement.

No one family could access the support for more than a total of 24 months. In addition, the child must be no older than 24 months of age. The program will reimburse the family for more than one child if all the children are under the age of 24 months. Participating families are simultaneously ineligible for cash grants through TANF and ineligible for subsidized child care outside the home. In order to be eligible, a family's income cannot exceed 150% of the poverty level—which is the same level as eligibility for the Child Care Development Fund in Montana. Families also must have been working and must have had income below 150% of the poverty level prior to the birth of their child.

"The goal is to increase the number of infant slots. Those slots need to be saved since they are at a premium in our state," Fillinger noted. The program is modeled after a similar one in Minnesota. (See CU October 2000.)

The state plans to mandate that families submit and participate in an education/training program plan focused around child development. Participants will be encouraged to link with available child development programs, such as Early Head Start, Even Start, Early Literacy Programs, home study child development programs established by Healthy Mothers/Healthy Babies, or such classes offered through the child care resource and referral network.

In its early planning, the state is considering a couple of steps to encourage participation by eligible families. One step would be a mailing from the state to all families that receive subsidy through the CCDF program. A second action would be through the resource and referral agencies working with families having difficulty or anticipated to have difficulty locating infant care. The resource and referral agencies would be provided information packets by the state agency that they could hand out to families.

"We have worked with WEEL, a statewide low income families organizing and advocacy group, which also participated in our planning session, and we have a clear sense that members of WEEL and other low income families would be interested in participating," noted Fillinger.

Wendy Young, with WEEL, notes that the organization's interest in at-home infant care was membership-driven; "low income families saw by the need for their caregiving work to viewed as such." WEEL decided that to move the idea, the concept should be "targeted" at several potential "players" the legislature, the Montana Early Childhood Advisory Council as well as the welfare agency. A bill was drafted but after work with the Advisory Council, the pilot was established without specific legislative authority. According to Young, the key arguments that move the idea were "there is a critical lack of infant care throughout the state and where there is limited infant care, staff turnover is high. Research shows that a permanent caregiver throughout the first year of an infant's life is essential for the child's development. Those arguments were powerful enough, but we combined it with the fact that infant care expenses almost always exceed what a welfare mom would be able to bring home in earnings. This is a win-win for the state and the recipient: The state is able to spread limited funds more broadly for child care, and a parent can nurture her own infant on an on-going basis."

The state expects to undertake an evaluation to assess utilization and cost savings and will likely be released soon after completion of the pilot.

- For more information contact: Patti Russ at Pruss@state.mt.us or call (406) 444-0309; to contact WEEL call 1- 800-543-2530

REPRODUCTIVE HEALTH FAMILY FORMATION

America's teenagers were less likely to become pregnant in 1997 than at any time since 1976, when national data on pregnancy rates first became available, according to a new report from the Centers for Disease Control and Prevention (CDC), which updates trends in pregnancy and births in the United States. The teen pregnancy rate fell 19 percent from its all-time high in 1991 to reach a record low of 94.3 pregnancies per 1,000 women aged 15-19 years in 1997.

- **Trends in Pregnancy Rates for the United States, 1976-97: An Update.** NVSR 49, No. 4. 10 pp. (PHS) 2001-1120 can be viewed and downloaded by visiting: http://www.cdc.gov/nchs/data/nvsr/nvsr49/nvsr49_04.pdf

Pre-delivery maternity leave is needed by over 25% of working women, according to a study of 1,635 Georgia women employed during pregnancy published in the June issue of *Obstetrics and Gynecology*. The authors suggest that maternity leave policies may be inadequate for some women. The study finds statistically significant evidence that many women are advised to stop working for medical reasons months before the delivery date. Highlights of the study include:

- ❑ 27.7% of study participants had been advised by a doctor or nurse to stop working during their pregnancy, generally because the women exhibited signs (such as high blood pressure, vaginal bleeding, swelling, and stress) of premature delivery or having a low birth weight baby.
- ❑ Two significant predictors of whether a pregnant woman would be advised to stop working was whether she had had a previous pre-term birth and whether she had been hospitalized during the pregnancy. Women who were advised to stop working were more likely to have adverse pregnancy outcomes.

According to the authors, pre-term births and low birth rates are increasingly common in the United States, which may increase the number of women who require pre-delivery leave. Some women in certain-size companies can take up to 12 weeks of unpaid leave through the Family and Medical Leave Act (FMLA), but this is financially burdensome for many. And a woman who uses paid maternity leave before a baby's birth sacrifices the amount of time she can stay away from work after the baby is born. This suggests that more must be done to ensure that women with pregnancy complications are able to take medically-necessary maternity leave. As one of the authors said (*Reuters Health News Service*, 5/31/01), "Since FMLA leave is unpaid, there is an economic incentive for pregnant women to work hard and long throughout pregnancy. They must save up cash, sick leave and vacation time so that they can afford maternity leave. Most pregnant women are healthy and can do this. If you have a pregnancy complication, you can't."

- To view a copy of the study, go to:
http://www.acog.org/from_home/publications/green_journal/2001/ong12706fla.htm

NEW CLASP CHILD CARE AND CHILD SUPPORT PUBLICATIONS

State Initiatives to Promote Early Learning: Next Steps in Coordination of Subsidized Child Care, Head Start, and State Prekindergarten, a new CLASP paper, describes the challenges states face as they grapple with two key social goals: the need to promote school readiness for children and the need to support working families given increasing labor force participation among mothers with young children. The findings of the paper, by Rachel Schumacher, Mark Greenberg, and Joan Lombardi, are based on examinations of three states with significant experience in developing a major early education initiative and coordination of subsidized child care, Head Start and state prekindergarten systems. The profiled state initiatives are the Georgia Prekindergarten Program, Massachusetts's Community Partnerships for Children initiative, and Ohio's state funding of Head Start and expansion of Head Start partnerships with child care programs.

The paper analyzes the five areas in which states face challenges and describes state responses to these challenges: developing comprehensive vision; expanding fiscal resources; addressing regulatory differences among programs and funding streams; implementing early education initiatives across structures and constituencies; and tracking progress and measuring results.

While there are encouraging and promising approaches to collaboration among subsidized child care, Head Start, and state prekindergarten in each of our study states, the authors conclude with recommendations calling for expansion of the federal role in promoting comprehensive state initiatives to promote early learning. Specifically, they recommend that the federal government should provide incentive funds to states to promote universal access to early care and education services based on acceptance of multi-year strategic plans crafted by states. In addition, the authors urge the creation of a coordinating initiative between the U.S. Department of Health and Human Services (Head Start Bureau and the Child Care Bureau) and the U.S. Department of Education; the authors also encourage cross-program coordination and collaboration among Head Start, child care, and Department of Education-funded programs in key areas, such as workforce development, coordinated data and research, and identification of inconsistencies among federal funding stream rules.

- To get a copy of the summary, full report, or state report visit:
<http://www.clasp.org/pubs/childcare>
- To order a free copy while supplies last, contact CLASP Publications:
1616 P Street NW, Suite 150, Washington, DC 20036

State Initiatives to Promote Early Learning: Next Steps in Coordinating Subsidized Child Care, Head Start, and State Prekindergarten by Rachel Schumacher, Mark Greenberg, and Joan Lombardi. April 2001

- Publication # 01-8 - [Policy Brief](#)
- Publication # 01-9 - [Full Report](#)
- Publication # 01-10 - [Georgia's Experience](#)
- Publication # 01-11 - [Massachusetts' Experience](#)
- Publication # 01-12 - [Ohio's Experience](#)

An Ounce Of Prevention And A Pound Of Cure: Developing State Policy On the Payment of Child Support Arrears By Low Income Parents, a paper by Paula Roberts, contains a brief description of state policies and practices that may contribute to the accumulation of unrealistically high support arrears, describes steps states might take to avoid this problem in the future, and provides a framework for deciding how much of already accumulated arrears—if any—states might want to forgive.

- To view the Executive Summary, visit:
http://www.clasp.org/pubs/childenforce/ArrearagePaper.htm#_Toc514748488
- To view a PDF version, visit:
<http://www.clasp.org/pubs/childenforce/Arrearage%20Paper.PDF>
- To order a hard copy while supplies last, contact CLASP Publications:
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CLASP HOSTS NATIONAL AUDIO CONFERENCES

It's easy to register for CLASP's audio conferences. Below is information about our remaining audio conferences for the 2001 series "Low Wages in the New Economy: Implication for Families" and information on how to register.

Child Health Insurance: What Expansion Options Increase Coverage Best? September 14, 12:30-1:30 EST

Medicaid and CHIP now provide a number of avenues for expanding health insurance coverage for poor children—and, in some circumstances, for poor parents. Other coverage options are less well known. A few states have moved forward with the family coverage option. For example, the federal Medicaid agency is expected to finalize a rule by early 2001 that lets states expand Medicaid coverage for 19 and 20 year olds, as well as for "medically needy" persons. At the same time, a large group of low-income children are not now covered—legal immigrant children—but efforts underway could offer significant relief. What are new options for expansion coverage under Medicaid and CHIP? How has one state moved forward with the family coverage option? What can be done to serve immigrant children and to reach eligible citizen children of immigrants who are uninsured?

GUESTS:

Cindy Mann, Health Care Financing Administration
Leighton Ku, Center on Budget and Policy Priorities
Laura Oven, Children's Action Alliance, Arizona

Housing: What Do Suburbs or PHAs Spell for Low Income Kids & Parents? October 19, 12:30-1:30 EST

The Gatreux Project in Chicago moved low-income families into suburban neighborhoods; researchers who studied the project found significant, positive outcomes for Gatreux children. Now HUD's "Moving to Opportunity" program has been evaluated and it is anticipated the findings will be at least as positive. At the same time, under HUD's HOPE VI program some inner-city housing authorities have undertaken after-school initiatives and other actions designed to address family well-being. What positive outcomes for children are evident from "Moving to Opportunity"? Are they concentrated in educational attainment? Are there positive outcomes for parents? What supports for working parents have PHAs implemented that have been most helpful for family well-being?

GUESTS:

Barbara Sard, Center on Budget and Policy Priorities
Jens Ludwig, Georgetown University
Renee Glover, Public Housing Authority, Atlanta

Life at Low Wages: What Work and Child Rearing Choices Do Parents Face?

November 2, 12:30-1:30 EST

Work and family can be at odds—especially when work schedules create caregiving conflicts. When children are sick or have special needs or when there are other family demands, work performance often flags or fails unless the work place provides flexibility. When there is no flexibility at work, the "Sophie's choice" may be missed or never scheduled medical appointments. How much does family caregiving interrupt work life? What are the particular issues faced by low-wage workers as they try to parent and stay employed (e.g. neighborhood safety)? In an era when few adults are left at home, are historic family supports now inadequate in times of crisis or for on-going family care needs? What are some policy options that could begin to address these issues?

GUESTS:

Katherine Newman, Kennedy School of Government, Harvard University
Jody Heymann, Harvard University Center for Society and Health
Lauren Smith, Boston Medical Center

Teen Parents & Welfare: Do Diverted Teens Become the Unemployables?

November 16, 12:30-1:30 EST

Minor parents were a target of the 1996 welfare law: Explicit mandates require these minors to participate in school and to live in an approved arrangement in order to receive federal cash aid. It appears that taking aim at these teens may have caused many to not apply, created confusion and assistance denial for those who sought help, and led to disproportionate declines in welfare participation by teens compared to older parents in some localities. If teen parents who don't enter welfare fall further behind in education, what are the implications for them as they become twenty-somethings? If such teen parents are not found and engaged in schooling, will they become perpetually poor earners? Are they more likely to have more children as teens and be more impoverished as adults? What steps can be and are being taken to address this challenge?

GUESTS:

Jodie Levin-Epstein, CLASP
Jody Raphael, Center for Impact Research
Pat Baker, Massachusetts Law Reform Institute

Reauthorization: What Looms for 2002?

December 7, 12:30-1:30 EST

The welfare law expires in 2002. Congress is expected to address not only the programs that end, such as the Temporary Assistance to Needy Families (TANF) program, the child care development block grant, abstinence programs, and the food stamp program, but Congress also may take up child support, child welfare, and more. Does the new economy provoke new ways of thinking about these programs? What specific initiatives are expected to emerge? Will marriage be in the forefront or will workers' economic needs dominate the debate? What impact should states and localities anticipate?

GUESTS:

Deepak Bhargava, Center for Community Change
Rebecca Blank, The Ford School of Public Policy, University of Michigan
Mark Greenberg, CLASP
Ron Haskins, The Brookings Institute

- **For more information about this and other audio conferences and registration information please visit: <http://www.clasp.org/audioconference/brochure.html>**

CLASP Update

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

July 2001

Labor Demand Policies

by Timothy J. Bartik

In my just-published book, *Jobs for the Poor: Can Labor Demand Policies Help?*, I argue that U.S. efforts to reduce poverty would be more effective with greater use of tax credits and wage subsidies to encourage employers to hire the poor (“labor demand policies”). Why are these types of policies needed? First, despite the strong U.S. economy in the 1990s, the U.S. economy still needs millions of more jobs. For example, for every non-elderly poor household to have one full-time full-year worker, the U.S. would need an additional nine million jobs.

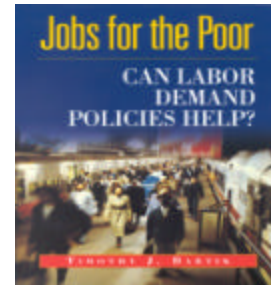
Second, welfare reform and job training policies do not create a sufficient number of jobs. Pushing low-income individuals into the labor market does not have a one-for-one multiplier effect on job creation. Adding to the low-education labor force decreases wages for low-education workers (supply exceeds demand). Employers respond to these lower wages by creating additional job openings for low-education workers. But this employer response is modest. Research suggests that over a five year period, a boost to the low-education labor supply will increase the corresponding labor demand by around one-half of the added labor force. More than half of the added labor force may get jobs, but this only means that other workers are displaced from jobs. Labor demand policies are needed to offset displacement effects and wage reductions, and to create more jobs.

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Contributors: Alan Houseman, Jennifer Mezey, Susanna Montezemolo, Theodora Ooms, Nisha Patel, Linda Perle, Melissa Powell, Elise Richer, and Nicole Williams	

Two types of labor demand policies are needed. First, we should encourage strong overall labor demand in weak local labor markets or during recessions. We should enact a modified version of the New Jobs Tax Credit of 1977-78. This tax credit would provide a subsidy for employment expansions in local labor markets with high unemployment. During recessions, studies suggest this tax credit would offset one-quarter of the expected job loss.

However, boosting overall labor demand is insufficient to deal with poverty. Research shows that each one point reduction in the overall unemployment rate reduces the poverty rate by 0.6 points. With unemployment currently between 4 and 5% and poverty between 11 and 12%, lowering overall unemployment to zero, even it were possible, would not eliminate poverty. Therefore, we also need labor demand policies that are more targeted on the poor.



My recommendation is that we adopt a modified form of the "MEED" wage subsidy program used in Minnesota during the 1980s. This subsidized employment program would have the following characteristics:

- ❑ **Allocate subsidies in a discretionary manner using local agencies.** Wage subsidies that are allocated as entitlements to employers, such as tax credits for hiring disadvantaged groups have been subject to abuse by some employers, who receive subsidies for individuals who would have been hired without the subsidy. Instead, a local agency with expertise in dealing with both employers and disadvantaged groups should select and match employers and disadvantaged individuals for subsidized jobs, targeting the matches with the greatest long-run earnings effects, as explained below.
- ❑ **Target subsidies at small non-profits and small businesses for new jobs that offer good career opportunities.** Subsidies should go for newly created jobs to minimize the chances of displacing current employees from jobs. Subsidies should go to both public and private sector jobs, as both can offer good opportunities. Targeting smaller organizations avoids political problems, as conservatives object to subsidizing big government and liberals object to subsidizing big business. In addition, smaller organizations are more likely than large organizations to have their hiring decisions affected by a subsidy. Subsidies should go to employers that are willing to “rollover” successful hires under the subsidy program into regular permanent jobs.
- ❑ **Target the subsidies at low-income individuals who are least likely to be steadily employed on a full-time basis without the subsidy.** Subsidized jobs increase long-run earnings by increasing an individual’s sustained full-time employment experience. Such employment experience increases job skills, particularly the “soft” job skills of getting along with supervisors, co-workers, and customers. Local administrative agencies should identify individuals who are least

likely to be fully and steadily employed by examining the individual's characteristics, such as previous employment experiences, and results of trial job searches. Previous subsidized employment programs have generally been quite successful in targeting their jobs on persons who otherwise would not have been employed.

- **Provide relatively generous subsidies for no more than six months.** Subsidies should be relatively generous because employers are making large changes by creating a new job for an individual who otherwise would not be employed. The original MEED program provided wage subsidies of up to \$8.65 per hour (year 2000 dollars). Studies of subsidized employment programs suggest that most of what can be learned from a subsidized employment experience is learned in six months.

For a targeted labor demand program to create millions of jobs, tens of billions of dollars in annual funding would be required. Obviously this is politically infeasible at present. However, we can experiment with subsidized employment programs at the state and local level as part of welfare reform and workforce development efforts. Some small-scale community service jobs programs have been created in a few states and cities. Such experiments with subsidized employment programs will develop experience about how best to manage such programs. If successful, such experiments may lead to support for a larger subsidized employment policy in the future.

- Timothy J. Bartik is at the W.E. Upjohn Institute for Employment Research (www.upjohninst.org). This research was supported by the Russell Sage and Rockefeller Foundations, but may not reflect their views. *Jobs for the Poor* is available for purchase at http://www.russellsage.org/publications/titles/jobs_poor.htm.

Wade Horn Confirmation Hearing

Over a month after initially scheduled, the Senate Finance Committee held a confirmation hearing for Wade Horn, President Bush's nominee for Assistant Secretary for Family Support. His hearing was originally slated for May 16, but he was removed from consideration at the last minute because of controversy surrounding his nomination according to reports in *Hill News* (May 23, 2001). Though Horn enjoys support from both conservatives and liberals, several progressive organizations expressed reservations about his nomination, largely based on recommendations he made in a 1997 Hudson Institute report.

A clinical child psychologist by training, Horn was a political appointee in the former Bush administration. Within the Department of Health and Human Services, he served as Commissioner for Children, Youth, and Families and Chief of the Children's Bureau. Most recently, as President of the National Fatherhood Initiative, Horn has worked to

improve child well-being by attempting to increase the number of children growing up with involved, committed, and responsible fathers. Horn advocates that the best way to improve child well-being is through marriage, but he also acknowledges, “We don’t have a father to spare.”

Bipartisan support for Horn became evident at the time of the hearings. He has received support from several Democrats, including Senator John Rockefeller IV (D-WV); Senator Evan Bayh (D-IN); and Isabel Sawhill, Senior Fellow in Economic Studies at The Brookings Institution. In his keynote address at the Fourth Annual National Summit on Fatherhood this past June, Bayh said, “President Bush made a very good decision in nominating Wade Horn for a senior position at the Department of Health and Human Services. I think that’s an excellent choice, and I intend to do everything I can to support Wade.”

Despite strong backing from several individuals, groups ranging from progressive fatherhood organizations to the National Organization for Women (NOW) Legal Defense Fund protested his nomination. Prior to the June 21 hearing, NOW Legal Defense Fund circulated a memo, which was signed by roughly thirty national, state, and local organizations. The groups expressed fears that Horn would “give preference to two-parent married households” when distributing benefits that are in limited supply. They cited recommendations Horn and co-author Andrew Bush listed in a 1997 Hudson Institute paper, “Fathers, Marriage, and Welfare Reform.”

During the confirmation hearing, Sen. Rockefeller introduced Horn and asked him a question that gave him an opportunity to discuss the controversial recommendation that states give married families preference over single families when dispensing benefits. Horn responded by clarifying that the paper was written several years ago to start the discussion about the marriage goals in TANF, which he thinks it has succeeded in doing. However, after receiving much thoughtful criticism, he has changed his mind and no longer agrees with those suggestions. In fact, when the Hudson Institute asked if they could reprint the paper this year, Horn agreed under the condition that he have the opportunity to update it and remove that recommendation. He has since made these changes, but the paper has not yet been reissued. Horn said he now believes that marriage should be encouraged “at the front end” by helping couples who want to marry get skills to make their marriages work. He stressed that these preventive efforts encourage strong relationships and discourage those that are weak or destructive. He cited that 10-15% of couples who receive premarital education do not get married because after the instruction they determined it would be best to walk away from the relationship.

In his formal testimony, Horn emphasized the goal of putting children’s needs first. He also mentioned a willingness to improve job retention and career advancement skills among former welfare recipients, build upon the decline in teen pregnancy rates, and enhance efforts to collect child support from non-custodial parents. If confirmed, Horn would have authority over welfare policy, child care, child support, foster care, adoption, Head Start, and refugee services. At this time, the Committee vote has not been scheduled.

Child Support and Fatherhood Hearing

A hearing on child support and fatherhood proposals was held by the Subcommittee on Human Resources of the House Committee on Ways and Means on Thursday, June 28, 2001. A panel of members of Congress was followed by a panel of researchers, advocates and state administrators.

Rep. Nancy Johnson (R-CN), who introduced the Child Support Distribution Act of 2001 (HR 1471), spoke on how giving families the child support collected on their behalf would help those families, and catalyze increased non-custodial parent participation in the program. She also favored providing employment and training services to low income, non-custodial fathers who owe substantial arrearages. Rep. Christopher Cox (-) and Rep. Michael Castle (- DE) discussed ways to reform the tax system to help parents who do not receive the support that is ordered.

Nathaniel Young (Director of Virginia's child support program and President of the National Council of Child Support Directors) identified the need for prevention of out-of-wedlock births. He recommended that the process of funding the child support program and distribution of collected support be simplified. He also asked that the cap on child support incentive payments be lifted. Jeffery Johnson (President and CEO of the National Center for Strategic Nonprofit Planning and Community Leadership) discussed successful demonstration programs in which child support agencies partner with neighborhood organizations to provide one-on-one case management and peer support to young, low-income fathers. He expressed support for HR. 1471 and agreed with Rep. Johnson that creating better arrears management plans is essential to empowering young fathers to pay child support. Following Mr. Johnson's statements, Mr. Raymond Byrd discussed how his participation in a fatherhood program positively changed his life.

Ron Haskins (Senior Fellow at the Brookings Institution and Senior Consultant for the Annie E. Casey Foundation), Elaine Sorenson (Principal Research Associate at the Urban Institute) and Joan Entmacher (Vice President and Director of Family Economic Security at the National Women's Law Center) agreed:

- ❑ Since the passage of PRWORA in 1996, child support enforcement has made a positive difference in children's lives. In 2000, \$17.9 billion was collected in child support, a fifty percent increase from 1996;
- ❑ Despite this improve ment, many poor families are still not receiving support; and,
- ❑ There is a critical need to help poor non-custodial parents obtain employment so they can pay child support.

Haskins expressed support for H.R.1471, noting that if fully implemented it would give \$900 million directly to families. He also praised the fatherhood portion of the bill and asserted that fatherhood and marriage are inseparable issues. Sorenson noted that many non-custodial parents have the same economic challenges as custodial parents and need

similar assistance, especially employment programs. Entmacher agreed and stated that more research was needed on poor non-custodial parents. Such research would better equip federal, state and county officials to help these fathers make permanent behavior modifications that would improve the well-being of their children. Specifying that child support makes up one third of family income for poor families, Entmacher also recommended that distribution be simplified as a means of fostering family unity instead of family division.

- For links to the hearing testimony go to:
www.house.gov/ways_means/humres/107cong/hr-7wit.htm

Legal Services: Welfare Reform and Advocacy

As reported in an earlier *CLASP Update*, at the end of February the U.S. Supreme Court struck down an important provision relating to the restriction on welfare reform litigation that Congress imposed in 1996 on civil legal services programs funded by the Legal Services Corporation (LSC) in the case of *Legal Services Corporation v. Velazquez* ___ U.S. ___, 121 S. Ct. 1043 (Feb. 28, 2001). This article will review the impact of *Velazquez* on representation by LSC-funded programs of clients in welfare cases.

In *Velazquez* the Court struck down the exception to the “suit for benefits” provision of Section 504(b)(16) of the 1996 Appropriations Act (that had been incorporated each year in subsequent appropriation provisions). That provision had limited representation by LSC-funded programs of individual clients who are seeking relief from a welfare agency to those cases that did not involve challenges to existing welfare reform statutes or regulations. The Court held that such a qualification on representation constituted impermissible viewpoint discrimination that violated the First Amendment to the U.S. Constitution. As a result of the *Velazquez* decision, LSC programs are now permitted to make any legal argument necessary to effectively represent the individual client, including challenging the validity of a welfare reform statute, regulation, policy or practice under Federal or state statutory or constitutional law.

The Supreme Court decision in *Velazquez* did not address any of the numerous other LSC appropriations act restrictions or requirements that Congress imposed in 1996. Shortly after rendering its decision in *Velazquez*, the Supreme Court denied the plaintiffs' Petition for Certiorari, which had sought review of the other appropriations restrictions enacted in 1996 that had been upheld by the Court of Appeals for the Second Circuit. Thus, all of the other LSC appropriation restrictions, including the general restriction on participation in challenges to welfare reform, and the prohibitions on class actions, attorneys' fees, lobbying and rulemaking, remain in effect.

In a June 20, 2001 Program Letter to LSC program directors, LSC staff provided interim guidance on how it plans to address the exception to the "suit for benefits" provision of its welfare reform regulation, 45 CFR 1639, in light of *Velazquez* and pending the adoption of revisions to the regulation. In essence, LSC indicated that the effect of the decision is to

render the exception invalid and unenforceable. The Program Letter states that "[h]enceforth, an individual eligible client seeking relief from a welfare agency may be represented by a recipient [of LSC funds] without regard to whether the relief involves an effort to amend or otherwise challenge existing welfare reform law."

However, the Program Letter also notes that the other provisions of Part 1639 remain in effect, including the general prohibition on litigation challenging laws or regulations enacted as part of an effort to reform a Federal or State welfare system, and the restrictions on rulemaking and lobbying, including grassroots lobbying. The lobbying and rulemaking restrictions remain subject to another exception that permits the use of non-LSC funds to comment in a public rulemaking or to respond to a written agency or legislative request for testimony or information on a welfare reform effort.

Representation of Individual Clients: LSC programs may represent individual TANF applicants or recipients to obtain relief from the application of a State or Federal welfare reform law in the administrative fair hearing process, may seek judicial review of an adverse decision, and, as a result of *Velazquez*, may directly challenge existing statutory law or formal regulations in the course of that representation. Similarly, in states where implementation of TANF has devolved to the counties, LSC programs may represent individual clients before courts and administrative agencies when the clients are adversely affected by county policies. In the course of that representation, LSC programs may now challenge county ordinances or formal regulations. Thus, LSC programs representing clients adversely affected by a welfare agency's action may now challenge both the application and the validity of the agency's regulation or policy, or the law on which such a regulation or policy is based. LSC programs may bring these challenges on statutory grounds. They may also challenge policies, statutes or regulations on the grounds that they violate State or Federal constitutional provisions. For example, if as a result of a welfare agency policy the agency failed to provide a client with adequate notice and an opportunity for a hearing before termination of assistance for failure to participate in a work program, an LSC program may now challenge the constitutionality of the policy under the due process decisions emanating from *Goldberg v. Kelly*.

In addition, LSC programs may challenge General Assistance policies and practices on statutory and constitutional grounds. In representing disabled children facing loss of SSI or attempting to obtain SSI, LSC programs may now challenge the regulations interpreting the statutory criteria as inconsistent with the SSI statute or Constitution. Similarly, in Food Stamp representation, LSC programs may now challenge Federal laws or regulations issued by the U.S. Department of Agriculture on statutory or constitutional grounds. Finally, assuming an alien is eligible for representation under 45 CFR 1626, LSC programs can now challenge Federal and State laws and regulations affecting aliens on statutory and constitutional grounds.

Representation of Group Clients: Neither the Court nor the LSC Program letter addressed whether an LSC program is permitted to represent a **group client** before an administrative agency or court and seek to challenge a welfare law or regulation on behalf of the group. The statutory "suit for benefits" exception to the restriction on welfare reform

representation that was addressed in *Velazquez* applies only to individual representation, not to representation of group clients. At least until the LSC regulation is revised to clarify the scope of the exception under *Velazquez*, LSC programs should refrain from challenging welfare law and regulations on behalf of group clients. In addition, since the class action prohibition remains in effect, LSC programs may not represent (or participate in any way in representing) classes of individuals adversely affected by a welfare law or regulation.

In conclusion, the Supreme Court's decision in *Velazquez* is a great victory for legal services and will significantly expand the ability of LSC-funded programs to serve the legal needs of their individual clients in welfare cases and to challenge in court the welfare reform statutes and regulations that have such a major impact on their lives. However, the decision will not have any direct impact on the work that LSC programs may do on behalf of group clients and does not permit representation in welfare reform class action cases.

Family Formation/Reproductive Health

Surgeon general report on sex ed. On June 28, 2001, the long-awaited report on sexual health and responsibility, *Call to Action*, was released by the US Surgeon General Dr. David Satcher. The report provides comprehensive and broad definitions of sexual and responsibility, and describes sexuality as an “integral part of human life.” The report stresses the need for collaboration and the creating common ground so that all levels of society can utilize better approaches to sexual health and responsibility.

Call to Action begins with a description of the various challenges associated with sexual health and responsibility:

- ❑ Five of the ten most commonly reported infectious diseases in the U.S. are STDs, including chlamydia, HIV, and HPV.
- ❑ Over 100,000 children are estimated to be victims of sexual abuse per year, and the proportion of women in current relationships subject to sexual violence is estimated at eight percent. Twenty-two percent of women, and two percent of men, are estimated to be victims of rape.
- ❑ Sexual orientation “is usually determined by adolescence, if not earlier, and there is no valid scientific evidence that sexual orientation can be changed” yet stigmatizing behavior is often a cause of psychological distress for homosexuals.
- ❑ For persons with developmental, physical or mental disabilities, their sexuality and sexual needs are often ignored, exploited or abused.
- ❑ Nearly one-half of all pregnancies in the U.S. are unintended.
- ❑ The above challenges typically have a disparate impact on women, adolescents, low-income, and minorities.

The report then discusses the roles of family, school, media, religion, law, health care professionals and the availability of reproductive health services in affecting the sexual outcomes of the U.S. population. Possible interventions are then discussed, although the report states that only types of interventions that have not been rigorously evaluated are

abstinence education and “religion based programs”, thus the effectiveness of such programs are not definitive.

Steps for the future are outlined for three areas, including :

- ❑ Increasing public awareness of issues relating to sexual health and responsible sexual behavior;
- ❑ Providing the health and social interventions necessary to promote and enhance sexual health and responsible sexual behavior; and
- ❑ Investing in research related to sexual health and disseminating findings widely.

Above all, the Surgeon General’s report stresses the need to address this “serious public health challenge” through a national dialogue that includes honest and respectful communication. Through this national dialogue, education needs to take place for the entire lifespan, using scientific evidence, comprehensive approaches that include information on abstinence and birth control, addressing disparities and often-neglected populations, and at all levels of the community.

- To view the report, go to the link on the Surgeon General’s website at <http://www.surgeongeneral.gov/library/sexualhealth/default.htm>.

Thompson Announces New Abstinence-Only Education Grants . U.S. Secretary of Health and Human Services Tommy G. Thompson has announced a new program to award over \$17.1 million in newly-created Community-Based Education Grants. The grants will go to 49 communities to develop and implement abstinence-only education for youth ages 12-18. They come in two forms: three year implementation grants, worth \$15.6 million; and one-year planning grants, worth \$1.5 million, which go to training and community assessment activities. According to Thompson, “it is clear that choosing abstinence is the surest protection against disease and unintended pregnancy. These grants will help create an environment that supports teenagers who choose to postpone sexual activity” (HHS press release, 8/6/01). The Community-Based Education Grants are in addition to those available through the abstinence-only program established in the 1996 welfare law. While the substance of the programs are intended to be similar, unlike the 1996 provision, the Community Based grants are awarded directly to local projects rather than through the state. In addition, the Community Based grants have restrictions on the types of organizations that can receive the awards.

- To see the list of awardees visit <http://www.hhs.gov/news/press/2001pres/20010706.html>

Transitional Jobs: CLASP and CBPP Host conference

One promising technique for helping people who have trouble finding a job through the job search or job readiness programs offered by many TANF agencies is to place them in a

temporary, subsidized job which serves as a transition from unemployment or cash assistance to the unsubsidized workplace. Transitional jobs differ from workfare in that participants are paid a wage (instead of working off their grant), thus becoming eligible for the Earned Income Tax Credit, as well as gaining work experience employers value. Such programs are currently allowed under TANF regulations, and over the past few years, more than 40 of these programs have sprung up across the country, varying greatly in their details, but all committed to the principle of helping people gain work experience through a temporary, subsidized job. The programs are funded with TANF and/or Welfare-to-Work funds, while a subset which target refugees are funded by the Office of Refugee Resettlement.

A core group of about ten such programs has joined together to form a network of transitional jobs providers, to share best practices, gather information about program outcomes, and increase the profile of transitional jobs in general. The network includes both large, well-established programs in Washington state and Philadelphia, as well as smaller programs in San Francisco and St. Paul. Newer programs, such as Cuyahoga County's, which targets recipients reaching their time limits, are also involved. The transitional jobs network plans to hold a conference every year to bring together interested parties, including current practitioners and administrators, policy groups, and representatives from sites considering establishing such a program.

This year's conference was held on June 27 – 29, when CLASP and the Center on Budget and Policy Priorities hosted about 80 people from around the country for several days of discussion about transitional jobs programs. The network decided to hold the conference in DC to highlight the importance of the upcoming TANF reauthorization discussions. To that end, Sheri Steisel from the National Conference of State Legislatures gave an overview of the reauthorization process and where funding for transitional jobs programs might fit in. The conference also provided a communications training to assist program operators in communicating their message about their programs' successes to funders and legislators. Indeed, many visitors took advantage of their presence in DC to visit with their state's Congressional delegations, to bring lawmakers' attention to this often overlooked set of programs.

Most transitional jobs programs offer a number of support services and educational opportunities to their participants, in an effort to help them retain employment and advance their careers. The conference hosted a number of workshops centering on how to assist those who have been termed "the hardest to serve," as well as reaching out to traditionally underserved populations. One workshop discussed the challenges of serving limited English speakers, while representatives from Youth Build and the Service and Conservation Corps discussed serving young adults. Workshops were also held on lessons which could be learned from similar programs targeting the disabled and recently released offenders.

- For more information on Transitional Jobs or the network, contact Elise Richer (ericher@clasp.org, 202-328-5192) or Steve Savner (ssavner@clasp.org, 202-328-5118)

WORKFORCE DEVELOPMENT: CLASP REPORT ON INDIVIDUAL TRAINING ACCOUNTS

Adult and dislocated worker training services funded by the WorkForce Investment Act of 1998 (WIA) must generally be paid through vouchers called Individual Training Accounts or ITAs. CLASP is monitoring ITA implementation and a new preliminary report has been issued. The CLASP report provides an overview of the requirements of the law related to training services and early examples of ITA policies that have been developed in local workforce investment areas. The paper examines how local areas have chosen to make policy determinations in three areas: eligibility for training services, priority for training services, and limitations on ITAs.

WIA, which replaced the Job Training Partnership Act, is intended to reform the nation's workforce development system and devolves many policy decisions to the state and local levels. Because many of the decisions about eligibility and priority for training services are left to local workforce investment areas, policies have the potential to vary widely by locality. Local areas are currently at various stages of policy development and implementation.

WIA is intended to streamline federally funded employment and training programs and increase access to services. However, there are concerns about whether low-income individuals are actually receiving access to needed services. Funding available for training services may be inadequate, and the "work first" philosophy in some local areas may limit individuals to low-cost core services (such as job search), rather than providing access to training services (such as occupational skills training).

The CLASP report reviews the most current local WIA plans and ITA policies available to us from 76 local workforce investment areas as of February 2001. Among the key findings:

- **Eligibility for training services.** In many local areas it appears that caseworkers will play an important role in determining eligibility for ITAs and will have significant discretion in doing so. Most local plans simply state that once individuals have met federal statutory requirements for eligibility, training services will be provided after interview, evaluation, assessment and/or case management. However, some local policy documents provide additional details about the process that will be entailed in gaining access to and approval for an ITA.

For example, the **Atlanta** Regional Workforce Board's sample ITA policy for its five local WIBs suggests the following additional requirements, which focus upon the characteristics of the training:

- Training must result in a self-sufficiency wage without the aid of public assistance

- Training must be at least 12-quarter hours per week to accommodate Unemployment Insurance requirements
- Training must generally be within a reasonable commute of the local area
- ITA policies will apply to Pell/HOPE funds
- ITAs may be used for training-related expenses

The city of **Baltimore**'s policy appears to require substantial work by individuals attempting to access training. Individuals are required to complete the following steps when submitting applications for training:

- Attend an in-depth ITA orientation workshop
- Receive an application packet and justify that the chosen career has high growth projections
- Research the career choice and compare training providers
- Conduct interviews with providers, graduates, and persons working in field

Applications that receive an 80 percent or higher rating are approved for training.

- **Priority for training services.** Many local plans merely restate the federal requirement that if it is determined that funds are limited, priority for training services will be given to low-income individuals and public assistance recipients. However, some local policies also specify criteria for applying priorities.

For example, the policy in **Montgomery County**, Maryland (in the greater Washington, D.C. area) utilizes a "most in need-most likely to benefit approach" which appears to focus upon barriers of individuals attempting to access training.

Most in need criteria include:

- Lack of a high school diploma
- Disabilities
- Multiple job losses in the past year
- Being age 40 or older
- Limited English proficiency

Most likely to benefit criteria include:

- Being identified for early intervention
- Being likely to benefit from "value added" training that is brief, readily available and cost effective

The city of **Philadelphia**'s policy focuses on income levels and establishes that individuals will receive priority for training services in the following order:

- Those receiving TANF or other supplemental public supports

- Those who fall below the Lower Living Standard Income Level (\$29,390 for a family of four in 2000)
 - Those who earn less than 75 percent of the Philadelphia Self-Sufficiency Standard
 - Those who earn 76 to 99 percent of the Philadelphia Self-Sufficiency Standard
- **Limitations on ITAs.** While both state and local workforce investment boards (WIBs) have the authority to set limitations on the amounts and durations of ITAs, most states have left decisions about ITA limitations to local boards. Of the 76 local areas from which we received plans and policy documents, only 25 provided specific information on the ranges and limitations on ITAs. The caps on dollar amounts established by local boards from which we received information range from \$1,000 to \$10,000, with some boards setting different caps for different types of training. Maximum durations established by the WIBs range from six months to two years and also often depend upon the type of training.

Although at this early stage there do not appear to be any clear trends in the way local areas have chosen to structure ITA policies, we expect to see further advancements in the both the development and implementation of ITA policies in the coming months. As local areas begin establishing ITAs and as performance measurement data becomes available, our understanding of the impact of ITAs on low-income individuals' access to training services should be enhanced.

- For more information and the full report go to:
www.CLASP.org/pubs/jobseducation/ITAPreliminaryMay2001.pdf

Child Care Interim Final Rule: CLASP Comments

States will be rewarded for efforts to make quality child care more affordable and accessible for low-income families under final child care rules tied to a “High Performance Bonus.” The High Performance Bonus provides \$200 million to reward states that achieve the four goals (including promotion of jobs, work, and marriage) related to the welfare program, the Temporary Assistance to Need Families program .

In proposed regulations issued in 1999, HHS had specified the performance measures upon which states would be evaluated for this bonus but these did not include child care. Instead, these proposed regulations included measures related to job entry and employment retention, earnings gains, Food Stamp participation by working poor families, participation in Medicaid or CHIP by adults and children in families leaving TANF, and the share of children below 200% of poverty in married couple families. In response to advocacy by CLASP and many other organizations and individuals, HHS included a child care measure in the final TANF High Performance Bonus Regulations which were released on August

30, 2000. This measure outlined the factors to be considered in evaluating a state's delivery of child care services but did not provide many specifics.

Child care is a crucial work support for low-income families who are trying to achieve self-sufficiency. Thus, it is a critical piece of meeting TANF purposes. However, low-income families face many barriers when they try to obtain quality child care for their children. They must pay a high percentage of their income for care – an average of 35% of income for families below poverty compared to 7% for families above poverty. And too often, despite the benefits that children can gain from high quality child care, the care that low-income parents generally have access to is of poor quality.

HHS issued its final rule (technically, an “interim” final rule subject to public comment but which goes into effect immediately) on May 10, 2001. The final rule provides details on how the measures of child care delivery will be calculated:

- ❑ **Child care accessibility.** HHS will compute the percentage of children in a state who meet the maximum federal income eligibility requirements for subsidies under the Child Care and Development Fund (CCDF) Block Grant, 85% of State Median Income (SMI), who are served by the state. (85% of SMI is the maximum income eligibility standard under federal law for most families in the CCDF subsidy system; states can set lower income eligibility limits.)
- ❑ **Child care affordability.** Under this measure, HHS will compute four ratios of child care co-payments to family income for families in four income ranges (below 100% of the federal poverty level; 100 to 124%, 125 to 149%, and 150 to 175% of the federal poverty level). HHS will also compute a fifth ratio measuring the number of children in the state who are income eligible for CCDF-funded services under state income eligibility rules compared to the number of children in the state who are eligible under federal income eligibility rules. HHS will rank each state on each of these five ratios and combine the rankings to determine the state's overall affordability ranking.
- ❑ **Child care quality.** HHS will compute a ratio measuring the amount that the state and the parent pay for child care for children receiving subsidies to the market rate for child care in the children's child care providers' markets. HHS will rank states on two ratios – one for center-based care rates and one for non-center-based care (family day care homes, relative care, etc.). These two rankings will then be combined for a state's overall quality ranking.

In our comments to the interim final rule, CLASP agreed with HHS's decision to look at the combination of accessibility, affordability and quality when seeking to measure state performance in providing child care services. A state should not be considered a high performer solely because it maximizes the number of children receiving subsidies, at the expense of the affordability and quality of care that can be purchased. Examining all three dimensions is important in an effort to measure state performance.

CLASP also supported the accessibility measure. HHS's decision to determine the number of children served who were below 85 percent of State Median Income rather than below a state income eligibility limit is appropriate since a state will not appear to be a higher performer on this measure simply because its state eligibility rules are more restrictive than those of other states. We proposed several changes to the rule's affordability and quality measures in order to promote simplicity and help HHS more accurately evaluate and reward state performance. However, despite these suggestions, we urged HHS to implement this child care rule. The TANF High Performance Bonus is a very important tool in rewarding the creation of systems that truly support low-income families. This child care rule should be implemented as part of the High Performance Bonus in order to reward states whose child care subsidy systems are effectively providing this crucial work support to low-income families with children.

- For CLASP's comments and recommendations, see <http://www.clasp.org/pubs/childcare/CLASPCCBonuscomms.pdf>
- See <http://www.acf.dhhs.gov/news/welfare> for the For High Performance Bonus Regulations and the child care interim final rule.
- For related background on child care see U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau, Access to Child Care for Low-Income Working Families, <http://www.acf.dhhs.gov/programs/ccb/research/ccreport/ccreport.htm>. See also Deborah Lowe Vandell and Barbara Wolfe, Child Care Quality: Does it Matter and Does it Need to be Improved, <http://aspe.hhs.gov/hsp/ccquality00/ccqual.htm>

Also New From CLASP

- ❑ **“Welfare and Marriage Issues”** was the topic of the House Human Resources Subcommittee hearing on May 22. Theodora Ooms of CLASP testified along with a variety of other witnesses. The link to all of the hearing testimony is: <http://waysandmeans.house.gov/humres/107cong/hr-5wit.htm>
- ❑ **Leveraging Youth Employment Systems to Prevent Unintended Pregnancy** by Marie Cohen, the first study of its kind, presents the results of a nationwide survey of youth employment programs and of interviews with local and national youth employment program staff. Unplanned pregnancy affects youth employment programs when clients drop out or are unable to secure and retain employment. The study reviews details of findings showing that most youth employment programs see unintended pregnancy and childbearing as significant barriers for program participants to successful program completion and transition to the labor force. The study also reviews some innovative and promising pregnancy prevention programs that have been set up by youth employment programs, including referral arrangements, educational workshops, and counseling sessions.

- To get a copy of the **Leveraging**
<http://www.clasp.org/pubs/teens/leveragingyouthemployment.pdf>

CLASP HOSTS NATIONAL AUDIO CONFERENCES

It's easy to register for CLASP's audio conferences. Below is information about our remaining audio conferences for the 2001 series "Low Wages in the New Economy: Implication for Families" and information on how to register.

Child Health Insurance: What Expansion Options Increase Coverage Best? September 14, 12:30-1:30 EST

Medicaid and CHIP now provide a number of avenues for expanding health insurance coverage for poor children—and, in some circumstances, for poor parents. Other coverage options are less well known. A few states have moved forward with the family coverage option. For example, the federal Medicaid agency is expected to finalize a rule by early 2001 that lets states expand Medicaid coverage for 19 and 20 year olds, as well as for "medically needy" persons. At the same time, a large group of low-income children are not now covered—legal immigrant children—but efforts underway could offer significant relief. What are new options for expansion coverage under Medicaid and CHIP? How has one state moved forward with the family coverage option? What can be done to serve immigrant children and to reach eligible citizen children of immigrants who are uninsured?

GUESTS:

Cindy Mann, Health Care Financing Administration
Leighton Ku, Center on Budget and Policy Priorities
Laura Oven, Children's Action Alliance, Arizona

Housing: What Do Suburbs or PHAs Spell for Low Income Kids & Parents? October 19, 12:30-1:30 EST

The Gatreux Project in Chicago moved low-income families into suburban neighborhoods; researchers who studied the project found significant, positive outcomes for Gatreux children. Now HUD's "Moving to Opportunity" program has been evaluated and it is anticipated the findings will be at least as positive. At the same time, under HUD's HOPE VI program some inner-city housing authorities have undertaken after-school initiatives and other actions designed to address family well-being. What positive outcomes for children are evident from "Moving to Opportunity"? Are they concentrated in educational attainment? Are there positive outcomes for parents? What supports for working parents have PHAs implemented that have been most helpful for family well-being?

GUESTS:

Barbara Sard, Center on Budget and Policy Priorities
Jens Ludwig, Georgetown University
Renee Glover, Public Housing Authority, Atlanta

- **For more information about this and other audio conferences and registration information please visit:** <http://www.clasp.org/audioconference/brochure.html>

CLASP Update

A CLASP Report on Welfare Developments

Jodie Levin-Epstein, Editor

August 2001

New CLASP Publication on State Policies Toward Child Support Arrears and Forgiveness

Every state has a program to assist parents in collecting child support; despite recent improvements, nearly \$72 billion dollars in child support arrears are owed in cases using this program. Each year, this figure goes up when new arrears accumulate because current support is not fully paid.

There are many reasons why such a large amount of arrears have accumulated. They include:

- ❑ non-custodial parents who go to great lengths to avoid their obligations;
- ❑ inaccurate records;
- ❑ the inability to quickly modify orders to reflect a change in circumstances; and
- ❑ obligations that are beyond the ability of low income non-custodial parents to pay.

Obligations that are beyond the means of the payor may be the result of state policies that set unreasonably high initial orders

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Contributors: Christine Grisham, Paula Roberts, and Vicki Turetsky

Acting Editors: Susanna Montezemolo, Melissa Powell, and Theresa Steed

(e.g., imposition of substantial retroactive arrears and/or collection of Medicaid-funded birthing costs, high interest payments).

Non-custodial parents should be expected to support their children, and it is quite appropriate for states to adopt policies that maximize the amount of support going to children. However, states are also beginning to recognize that the cumulative effect of some of these policies leaves low-income fathers with overwhelming child support arrears. In some instances, the amount will never be paid and the state will carry large amounts of arrears that cannot be collected on its books.

Some states have begun to address this issue by developing arrears forgiveness policies. The legal and public policy issues inherent in these policies as well as some of the pilot projects going on in this area are examined in a new CLASP publication entitled *An Ounce of Prevention and a Pound of Cure*.

The report recommends a four step process for states interested in dealing with this issue.

Step 1. Assess the caseload. Conduct an analysis of who owes arrears, to whom the arrears are owed (the family or the state), how much is owed, the source of the arrears (support, interest, fees, costs), the age of the debt, any differences between intrastate and interstate cases, and the debtor's current economic situation.

Step 2. Examine state policies and practices that might be contributing to the problem. Undertake an honest assessment of current policies and practices in setting and enforcing support orders to identify the reason that substantial arrears have accumulated.

Step 3. Develop a strategy for preventing problems in the future. As a result of the analysis undertaken in Step 2, the state might want to change some of its policies so that less arrears will accumulate in the future.

Step 4. Assess whether to forgive arrears in existing cases. In addition to the preventive strategy, states will have to decide whether they wish to develop a forgiveness policy for arrears that have already accumulated. Such a policy might be tied to current financial status (e.g., income below the poverty line) or behavior (e.g., a non-custodial parent's successful completion of a fatherhood program or regular payment of current support for a given period of time).

Following these steps can lead to good public policy in which the rights and responsibilities of parents and children are weighed in the light of new knowledge and emerging public policy.

- The Executive Summary of *An Ounce of Prevention and a Pound of Cure* is available at:
<http://www.clasp.org/pubs/childrenforce/ArrearsForgivenessExecutiveSummary.htm>

- The full report is available at: <http://www.clasp.org/pubs/childenforce/Arrearagepercent20Paper.PDF>.
- To order a tape of CLASP's audio conference "Child Support Amnesty: Does Debt Forgiveness Buy Better Parenting?" and to find out more about the session, go to: <http://www.clasp.org/audioconference/brochure.html>.

Overview of Funding Bills for Fatherhood Programs Pending in Congress

A number of bills pending in Congress include funding for fatherhood programs. In the U.S. House of Representatives, Rep. Nancy Johnson (R-CT) and Rep. Benjamin Cardin (D-MD) are sponsoring H.R. 1471, the "Child Support Distribution Act of 2001." The Johnson-Cardin bill combines child support distribution reform and funding for fatherhood programs. A version of this legislation passed the House last year by a vote of 405-18.

The Johnson-Cardin bill includes \$140 million for federal competitive grants program administered by the U.S. Department of Health and Human Services (HHS) to be awarded to public and private entities, including community- and faith-based organizations. All participants in funded programs must be low income. Projects eligible to compete for federal funding must be designed to address all three of the following purposes:

- ❑ **To promote marriage** through such activities as counseling, mentoring, information dissemination about family violence and the advantages of marriage, enhancing relationship skills, controlling aggressive behavior, marriage preparation, premarital counseling, marital inventories, divorce education and reduction, mediation;
- ❑ **To promote successful parenting** through such activities as counseling, mentoring, information, pre-pregnancy family planning, money management, encouraging child support payments, encouraging regular visitation; and
- ❑ **To help fathers and their families avoid cash welfare and improve their economic status** through such activities as job search, job training, subsidized employment, education, job retention.

Under the Johnson-Cardin bill, preferences are given in the grant competition to projects that propose clear and practical methods to encourage and sustain marriage; encourage child support payments; include collaborative arrangements with other agencies (such as workforce investment boards, domestic violence programs, child support and child welfare agencies); focus on new fathers; or focus on recruitment. The legislation includes a number of domestic violence provisions, funds a national clearinghouse on responsible fatherhood, and provides \$6 million to conduct evaluations.

In the Senate, Sen. Evan Bayh (D-IN) has reintroduced legislation to create a state block grant to fund fatherhood programs and media campaigns. Three bills contain the Bayh fatherhood provisions in the Senate and House:

- ❑ **S. 685, the “Strengthening Working Families Act of 2001.”** Sen. Bayh and several other moderate Democrats and Republicans introduced a package that includes child support distribution reform, fatherhood and marriage block grants, Earned Income Tax Credit expansion, Social Services Block Grant restoration, employer child care, and Promoting Safe and Stable Families funds. Co-sponsors include Senators Bayh, Breaux, Clinton, Graham, Kohl, Lieberman, Rockefeller, Carper, Dodd, Johnson, Landrieu, Lincoln, and Snowe.
- ❑ **S. 653, the “Responsible Fatherhood Act of 2001.”** Senator Bayh also introduced a stand-alone bill with identical fatherhood provisions to S. 685. This bill does not include child support distribution or other provisions.
- ❑ **H.R. 1300, the “Responsible Fatherhood Act of 2001.”** Rep. Julia Carson (D-IN) introduced this companion bill to S. 653.

The Bayh fatherhood legislation creates two state block grants, one for fatherhood programs funded at \$250 million over 5 years, and one for fatherhood media campaigns funded at \$150 million over 5 years. Eligible programs include public and private entities. Under the Bayh provisions, 50 percent of the participants must be low income.

State governors must certify that the state will use the funds to promote or sustain marriage and promote responsible fatherhood (including promoting responsible parenting and helping fathers and their families avoid or leave cash welfare and improve their economic status). The services identified in the Bayh legislation that are eligible for funding are very similar to those in the Johnson-Cardin bill. The legislation includes a number of domestic violence provisions, funds a national clearinghouse for responsible fatherhood, and provides \$1 million to conduct evaluations.

- To view these bills, search <http://thomas.loc.gov>.

House Human Resources Committee Holds Hearing on Fatherhood, Second Chance Homes, and Child Welfare Budgetary Issues

The House Ways and Means Committee, Subcommittee on Human Resources held a July 11th hearing on elements of the U.S. Department of Health and Human Services, Administration for Children and Families’s (ACF) FY02 budget. The hearing covered a variety of budgetary issues regarding programs aimed at low-income families.

Issues discussed at the hearing included the following:

- ❑ **Children of Incarcerated Parents.** Chairman Wally Herger (R-CA) noted his interest in a budget proposal that would establish a program to mentor children of incarcerated parents. Dennis Williams, the Acting Secretary for Management and Budget, testified that many mothers in prison were formerly the sole providers for their families, and that although several government programs exist, additional programs would have a high payoff.
- ❑ **Fatherhood and Child Support.** Rep. Benjamin Cardin (D-MD) expressed concern that the administration had not linked child support distribution reforms to the fatherhood initiatives in its proposed budget. Rep. Nancy Johnson (R-CT) suggested that states create ways to help noncustodial fathers reduce significant debt to enable them to pay their current child support.
- ❑ **Teen Pregnancy and Second Chance Homes.** Rep. Johnson expressed concern about funding maternity group homes because she believes the focus should be on reducing teenage pregnancy. She referred to a program within her district that stressed abstinence and provided contraceptive education in which no participants had become pregnant.
- ❑ **TANF Funding.** Reps. Cardin and Lloyd Doggett (D-TX) both questioned Williams about the lack of continuation of TANF supplemental grants for FY01. Since the TANF supplemental grants are not extended for the fiscal year, there is a gap between FY01 and the reauthorization of the “Personal Responsibility and Work Opportunity Reconciliation Act” (PRWORA). Chairman Herger responded by saying that Congress continued funding the grants in the budget resolution.

➤ For more information, visit <http://waysandmeans.house.gov/>.

Overview of the Teen Self Sufficiency Project in El Paso, Colorado

City, county, and community service agencies in El Paso county, Colorado recently merged to form a new system that supports local teens. The El Paso county Department of Human Services administers the Teen Self Sufficiency Program, which recognizes that teenagers aging out of foster care, those in families receiving Temporary Assistance to Needy Families (TANF), and other local teens have similar needs. Various funding sources and programs have been combined, and participating agencies have united and created a more streamlined, comprehensive service delivery system that targets local teenagers through both the Teen Self Sufficiency Program and the Teen Resource Center.

The new service delivery system in El Paso county is intended to better serve teens receiving benefits from the Department of Human Services and other local teens, particularly those aging out of foster care. The Teen Self Sufficiency Program and the Teen Resource Center are products of a collaborative effort between El Paso county, the city of Colorado Springs, and 30 community partners. The programs emphasize education, employment, skill development, and personal responsibility, all of which assist teens as they move toward self sufficiency. Most services and activities are streamlined and offered at little or no cost to teens and their families.

The Teen Self Sufficiency Program provides services and activities to all teens and young adults receiving services from the Department of Human Services. Eligible teens can include those receiving TANF, Kinship Care (child only TANF), Food Assistance, Independent Living Services (Title IV-E), Medicaid, and Supplemental Security Income (SSI).

The Teen Self Sufficiency program provides myriad services, some of which include:

- ❑ **Basic living skills training**, including nutrition, money management, good decision making, teen support group, parenting and fathering classes, housing, career planning, goal setting, relationship building, and health referrals.
- ❑ **Education opportunities**, such as GED, high school diploma, financial aid, college test preparation, and computer lab access.
- ❑ **Community Services**, including career counseling and decision making, education, pre/post employment training, parenting/nurturing classes, income tax preparation, and relationship building
- ❑ **Employment opportunities**, such as work skills, labor laws, internships, apprenticeships, work opportunities, and job fairs.

The Teen Resource Center provides self-sufficiency services and activities at a city community center weekday afternoons. It is available to all local teens and their families, and there are no program or eligibility requirements to participate in services and activities.

Funding for the Teen Self Sufficiency program is primarily provided through TANF funds, matching local funds, and in-kind donations. The program will continue to be operated through mini-grants, in-kind donations, private donations, and community partners. More than 900 teens have participated in the program's activities since the Teen Resource Center opened in 2000; a second Teen Resource Center will open this month.

- For more information, contact the Teen Self Sufficiency Program at (719) 444-5211. The program Coordinator is Marie Parker of the El Paso County Department of Human Services in Colorado Springs, CO.

New Survey Reveals Young Singles' Views on Marriage

Barbara Dafoe Whitehead and David Popenoe, co-directors of the National Marriage Project at Rutgers University, recently released new survey findings of young adults' attitudes toward love and marriage. The piece, "Who Wants To Marry a Soul Mate?," was the preface to the third annual report entitled *The State of Our Unions 2001: The Social Health of Marriage in America*.

The most striking finding addressed the shifting views on marriage evident in single adults ages 20-29. Instead of focusing on marriage as a social institution—which considers the union the basis for economic, parenting, or religious partnership—young adults seem to focus on a need for a soul mate, someone with whom they can enjoy a lifelong deep emotional and spiritual connection.

The highlights of the survey indicate that single young adults:

- ❑ **Want their partner to be a soul mate:** Nearly all (94 percent) of the young singles interviewed want a spouse to be a "soul mate, first and foremost," and 88 percent believe that there is a soul mate waiting for them. More than 80 percent of the women surveyed said that it is more important that their husbands communicate their deepest feelings than earn a good living.
- ❑ **Place less importance on marriage as a social institution:** Fewer than half (42 percent) of the single young adults believe it is important to find a spouse who shares their religion, and over half (62 percent) agree that it is "okay," though not ideal, for an adult woman to have a child on her own if she has not found the right man to marry.
- ❑ **Fear divorce:** Over half (52 percent) of the single adults surveyed say that one of their biggest concerns about getting married is the possibility that it will end in divorce.
- ❑ **View cohabitation as a way of assessing compatibility:** Young adults view cohabitation as a way to investigate a prospective partner's character, habits, and capacity for fidelity before marriage. Six out of ten of the never-married young adults believe that living together before marriage is a good way to avoid divorce, and four out of ten will insist on living with their partner before they marry in order to ensure that they are compatible.
- ❑ **Distinguish casual sexual relationships from potential soul mate relationships:** Roughly half (54 percent) of the young singles can identify people with whom they would have sexual relations but would not want to marry (65 percent of single men,

41 percent of single women), but 76 percent say that if they meet a person with whom they think they could have a long term relationship, “they will try to postpone sex until they really know each other.”

- ❑ **Establish economic independence before marriage:** Eight out of ten of the single adults surveyed plan to establish economic independence before getting married, and they say that their education and career development both come before marriage at this time in their life. A large majority (82 percent) agree it is unwise for a woman to rely on marriage for financial security.
 - ❑ **Don’t think marriage is just about raising children:** Only 16 percent agree that the main purpose of marriage is to have children.
 - ❑ **Are divided over whether marriages should stay together if there are children:** Four out of ten young adults in the National Marriage Project survey agree that “when there are children in the family, parents should stay together even if they don’t get along,” as compared with 15 percent of the adults in the general population.
 - ❑ **Don’t think government should promote marriage:** Eight out of ten young adults agree that marriage is “nobody’s business but the two people involved.” Nearly half (45 percent) believe that the government should not even be involved in licensing marriages.
 - ❑ **Think government should discourage divorce:** A large majority (88 percent) believe that the divorce rate is too high and the nation would be better off if there were fewer divorces. Roughly half (47 percent) think that laws need to be changed to make divorces more difficult to obtain.
- For more information, see the survey results in the report *The State of Our Unions 2001: The Social Health of Marriage in America* available online at <http://marriage.rutgers.edu/publicat.htm>.

Correction from June 25 Issue

In the June 25 issue of *CLASP Update*, we reported that Arizona “will reduce but not eliminate benefits upon expiration of the 60-month federal time limit.” However, Arizona does not use the federal time limit except in privatized Arizona Works communities. The time limit in force in the state allows for 24 months of eligibility within any consecutive 60-month period. Upon the expiration of that time limit, Arizona allows benefits to continue to children, therefore reducing but not eliminating family benefits. CLASP regrets the error.

CLASP Update

A CLASP Report on Welfare Developments

October 2001

Jodie Levin-Epstein, Editor

TANF CHILD CARE BIGGER THAN CCDF

The Impact of TANF Funding on State Child Care Subsidy Programs

describes the growing use by states of federal welfare block grant dollars to help fund child care subsidy programs and to assist low-income working families with child care needs. Since passage of the 1996 welfare law, the nation's welfare system has changed dramatically, significantly affecting both the need and resources available for child care in states. In the past five years, the labor market improved in ways unforeseen in 1996. Employment increased among low-income mothers, and the number of families receiving welfare declined by more than 50%. Under the law, though, each state receives a block grant of Temporary Assistance for Needy Families (TANF) funds each year, with block grants staying essentially constant through 2002. As case assistance spending has declined, states have been free to reallocate TANF dollars to other needs and purposes. The single biggest redirection has been to child care. The principal source of federal funding for low-income child care assistance has been the Child Care and Development Fund (CCDF, also called the Child Care and Development Block Grant, or CCDBG), the federal portion of which amounted to \$3.5 billion in 2000.

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Contributors: Myra Batchelder, Sara Davis, Christine Grisham, Camille Holmes, Rutledge Hutson, Susanna Montezemolo, Paula Van Straten	

From CLASP's analysis of the available data on state commitment of TANF for child care, there are a set of key trends in the states:

- ❑ Nationally, the redirection of TANF to child care in Federal Fiscal Year 2000 (FFY 00) was larger than the entire federal portion of the CCDF allocation -- \$3.9 billion vs. \$3.5 billion.
- ❑ Federal TANF funds represented as much or more of the state's child care budget than did federal CCDF funds in fifteen states in FFY 00.
- ❑ While only one state transferred the maximum amount possible from TANF to CCDF in FFY 00 (Louisiana transferred 30%), 18 states transferred 20% or more. The most common transfer amount is 20%, because states seek to maximize their transfer options by redirecting 20% to CCDF and 10% to SSBG.
- ❑ States committed about 25% of all TANF funds transferred or expended in FFY 00 to child care, with 16 states committing more than 25%.

Thus, TANF funds now comprise a substantial portion of state child care resources in many states, and the availability of TANF funds has been a principal reason for expansions in child care spending since 1996.

- For a copy of the CLASP report, authored by Rachel Schumacher, Mark Greenberg, and Janelle Duffy, please visit:
<http://www.clasp.org/pubs/childcare/TANFChildCareFullReport.pdf>

SAFE AND STABLE FAMILIES BILL CONSIDERED IN HOUSE

In a bi-partisan effort, Wally Herger (R-CA) and Benjamin Cardin (D-MD), introduced H.R. 2873, the Promoting Safe and Stable Families Amendments of 2001, ([Title IV-B, subpart 2, of the Social Security Act](#)), on Monday, September 10, 2001. This bill would have reauthorized the Promoting Safe and Stable Families program for five years and increased the funding by \$200 million annually (from \$305 million to \$505 million) for 2002 to 2006. In addition, the bill would have amended the Independent Living Program and added funding (\$60 million) to provide education and training vouchers to young people aging out of foster care. The bill would also have created a new discretionary program (\$67 million) for mentoring children of incarcerated parents.

On September 25, 2001, the bill was marked up in the Human Resources Subcommittee of the House Ways and Means Committee. As the Chairman's mark, Herger introduced an amendment as a substitute for the original bill. The amendment did not include the increased funding for Promoting Safe and Stable Families, but reauthorized it, with modest changes, at the current levels for two years. The voucher and mentoring provisions of the bill were eliminated. Herger contends that the events of September 11th and the resulting uncertainty about future needs for emergency spending make any non-emergency spending imprudent. Cardin argued that the increased funding was requested by the President and already in the budget, that all the funds Congress decides to spend in the next few weeks will have to come out of Social Security. He noted that the full Committee has some hard choices to make, but insisted that the Subcommittee has a responsibility to advocate for the most vulnerable children and families. As a result,

Cardin introduced an alternative amendment which would have restored the increased funding for Promoting Safe and Stable Families in the original H.R. 2873.

The Cardin amendment was defeated on a party line vote of 8 to 5. The Herger amendment was adopted on a voice vote with the Democrats abstaining. The next step will be action in the Full Ways and Means Committee.

- For more information, please contact Rutledge Hutson at rhutson@clasp.org or (202) 328-5166.

THE CIVIL RIGHTS AND RACIAL JUSTICE INITIATIVE

The Civil Rights and Racial Justice Initiative is a new effort of the Project for the Future of Equal Justice to promote effective collaborations among legal services organizations and civil rights and racial justice organizations.

Civil rights, racial justice and legal services organizations often serve the same communities: they are low-income; they are more often than not women; they are sometimes disabled, sometimes gay, lesbian or transgendered; and, they are disproportionately African-American, Asian, Latino/a, Native American and indigenous populations.

The Initiative is exploring how successful partnerships can lead to innovative strategies, increased resources and better coordination to address the substantive needs of the diverse low-income communities we serve. The Initiative is reaching out to civil rights and racial justice organizations to identify opportunities to collaborate and share resources.

As the Initiative has begun to engage these issues, we have begun to identify many perceived barriers to collaboration with civil rights and racial justice organizations and engagement of issues that specifically impact marginalized low-income communities. These include Legal Services Corporation (LSC) restrictions, absent or inadequate civil rights training, lack of staff diversity, the impact of staff diversity on the direction of advocacy programs, changes in the legal landscape and judiciary, insufficient information about the work of civil rights and racial justice organizations, inadequate training on effective community outreach strategies, intake procedures and many more.

The upcoming National Legal Aid and Defender Association (NLADA) Annual Conference has taken on the challenge of engaging some of these issues in its substantive law training track on “Serving the Needs of Racial Ethnic and Language Minority Communities.” This track will present an important opportunity to begin to focus as a legal services community on the specific needs of racial, ethnic and language minorities in low-income communities. The Initiative has participated in the planning of this track and will look for other opportunities to engage this work in other NLADA events.

In addition on May 31 and June 1, LSC and NLADA cosponsored a conference on diversity in the legal services community. The conference highlighted, among other diversity issues, the concern that legal services programs were doing less discrimination-based advocacy – and less race-based advocacy in particular – than they could do and that they had done in past years. Increasing discrimination-based advocacy was listed as one of the top six priority diversity issues coming out of the conference. Some of the conference attendees’ recommendations for increasing discrimination-based advocacy included strengthening relationships with anti-discrimination organizations; state planning to build capacity that will support discrimination-based advocacy; and incorporating training around discrimination-based advocacy into the core curriculum of all NLADA trainings.

Developing solutions to these kinds of challenges is critical to fulfilling the promise of equal justice. An effective pursuit of equal justice must include the development of specific strategies to overcome racial, ethnic, and language barriers, including barriers to collaborations among minority groups. Civil rights and racial justice organizations can serve as resources to the legal services community as can legal services organizations that are already working on civil rights and racial justice issues.

Legal services programs currently bring successful environmental justice litigation, serve immigrant populations in partnership with national civil rights organizations, and use testers to uncover discrimination in employment and housing, for example. Often this type of work is accomplished within the boundaries of LSC-restrictions and in cooperation with community groups and civil rights organizations.

The Initiative will highlight the success stories of legal services organizations leading the way in holistic, systemic, race-based, collaborative, multi-culturally competent and other advocacy that addresses civil rights and racial justice issues. The Initiative will also provide a forum for exchanging information around successful strategies for this work.

- If you would like to learn more about the Initiative, provide examples of effective civil rights and racial justice collaborations from your practice, or share resources and suggestions with the Initiative, please contact Camille Holmes at the Center for Law and Social Policy at cholmes@clasp.org. The Project for the Future of Equal Justice is a joint project of NLADA and CLASP.

OUT-OF-WEDLOCK BONUS

The 1996 welfare reform law mandated states to develop goals and strategies for reducing out-of-wedlock births. The law also awards an annual bonus for up to five states that both reduce their ratio out-of-wedlock birth rates and their abortion rates. Each “winning” state typically receives \$20 million.

Out-of-wedlock birth rates are measured—using data from the last two available years—by dividing the number of births to unmarried women by the total number of births. Abortion rates are measured by the number of abortions divided by the total number of births between the current year and 1995.

The Bonus Awards. On September 21, 2001 the federal Department of Human Services announced the third annual award of the out-of-wedlock bonus. This year’s bonuses use data comparing 1996 and 1997 birth statistics with 1998 and 1999 birth statistics. Based on this data, three states became potentially eligible for the bonus. To receive the bonus, these three states must also show a decrease in abortion rates between the years 1995 and 2000.

Only three states showed a decline in out-of-wedlock birth rates: the District of Columbia’s rate decreased 3.976% by this measure, while Alabama’s declined 0.249% and Michigan’s declined 0.009%. The 1996 welfare law stipulates that \$20 million is awarded to up to five states that qualify for the out-of-wedlock bonus. Since less than five states qualified in 2001, the law provides that each bonus state is to receive \$25 million.

Listed below are the bonuses awarded since the 1996 law was enacted.

Three States Win Bonus in Three Consecutive Years		
1999	2000	2001
AL	AL	AL
DC	DC	DC
MI	MI	MI
CA	AZ	
MA	IL	

The Future of the Out-of-Wedlock Bonus. There is growing consensus that the out-of-wedlock bonus formula may be rewarding demographic changes rather than actual investments by states in new programs. In an interview with CLASP Update, Ron Haskins, of the Brookings Institution and formerly the staff director of the House subcommittee responsible for welfare, noted “There is good reason to doubt that the bonus enacted in 1996 for states that reduce their illegitimacy and abortion rates are operating effectively. In fact, there is no discernable reason why some states win the bonus and others don’t; states that win do not seem to have operated special programs of any type.”

In a related development, Rep. Wally Herger (R-CA), Chairman of the House Ways and Means Subcommittee on Human Resources, introduced H.R. 2892 on September 14, 2001. The bill would suspend the out-of-wedlock bonus for one year.

For more information:

- To view the final rule on implementing the out-of-wedlock bonus, search the Federal Register website for “Bonus to Reward Decrease in Illegitimacy Ratio” Volume 64, No. 71, April 14, 1999. http://www.access.gpo.gov/su_docs/aces/aces140.html.
- To view the Health and Human Services press release on the 2001 awards, see the website <http://www.acf.dhhs.gov/news/press/2001/wedlock.html>.
- To view the National Center for Health Statistics’ birth rate ratios and state rankings, see the website <http://www.cdc.gov/nchs/about/otheract/welfare/welfaredata.htm>.
- To view Rep. Herger’s bill that proposes suspension of the out-of-wedlock bonus for one year, see the website <http://thomas.loc.gov/> and search by “HR 2892”.

TANF AND MARRIAGE: UTAH AND MICHIGAN FUND PROJECTS

The passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 established marriage as a public policy issue by including “family formation” goals in three of the four listed purposes of the welfare (TANF) program: “to end dependence of needy parents on government benefits by promoting job preparation, work, and marriage”; “to prevent and reduce the incidence of out-of-wedlock pregnancies”; and “to encourage the formation and maintenance of two-parent families.” While most states have made some effort to work towards these family formation goals, up until this month, only Oklahoma and Arizona, have created initiatives specifically designed to strengthen and promote marriage. Recently both Utah and Michigan have established projects also dedicated to the strengthening and promotion of marriage.

The Governor’s Commission on Marriage in Utah has been in existence since 1998, but recently received \$600,000 from TANF “Rainy Day” Funds to support four specific projects aimed at the formation and maintenance of two-parent families.

- ❑ The *Engaged Couples Education Pilot Program* involves the development of a 24-minute informational video (in Spanish and English) geared to couples looking to marry or remarry that will be distributed through county clerks offices when a couple applies for a marriage license, as well as at churches, libraries, family resources centers, and universities.
- ❑ In conjunction with the *“Fragile Families” Pilot Program*, the Commission will provide low-income families, newlyweds, couples in second-marriages, co-habiting couples, and prisoner families with vouchers for counseling and mediation services. Through collaboration with existing home visitation programs, the commission plans to support these families by providing them with marriage enrichment materials.

- ❑ Along with *Utah State University Extension Services* the Commission will both review existing marriage support curriculum to be used at family resource centers and develop a web site to provide the public with marriage enrichment information.
- ❑ Finally, the Commission will continue to *promote yearly conferences* which take place during Marriage Week when successful long-term marriages in Utah are honored and recognized.
 - For more information regarding Utah’s marriage promotion policies see: www.utahgift.org

Michigan recently allocated TANF funding for both a marriage initiative and a fatherhood initiative as a means to pursue family formation goals. The \$250,000 set aside for the marriage initiative will allow counties to better support and strengthen marriages through voluntary programs open to those who are eligible for TANF benefits. The initiative will focus its work on marital counseling, domestic violence counseling, family counseling, and programs to build effective communication, anger management, and parenting skills.

The fatherhood initiative of Michigan received \$1,000,000 in TANF funds to help eligible fathers develop the skills needed to encourage greater connection with their children and the mothers of their children. This initiative will develop programs to provide parental guidance, children’s financial support, vocational training referrals, job placement, as well as informational programs on infant care, food preparation, and skills for effective communication and anger management.

For more information regarding state activity around TANF’s family formation goals, see:

- Theodora Ooms, CLASP, Testimony <http://www.clasp.org/marriagepolicy/toomstestimony.pdf>
- APHSA report: “State Efforts to Promote Marriage, Family Formation and Prevent Family Disintegration” by Kathryn Dyjak, *Washington Memo*, September/October 2001, vol. 13, no. 5. For more information, visit: <http://www.aphsa.org>

TEEN PARENTS: USING PARAPROFESSIONALS FOR HOME VISITS

The Potential of Home Visitor Services to Strengthen Welfare-to-Work Programs for Teenage Parents on Cash Assistance, by Meredith Kelsey, Amy Johnson, and Rebecca Maynard, examines whether a “large-scale effort to address the fertility behaviors of teenage parents, while simultaneously strengthening parenting skills and [welfare-to-work program] participation, can be effective when provided at a more reasonable cost by using paraprofessional home visitors.” Previous research has shown that home visiting services using professional nurses (which is more costly than utilizing paraprofessionals) has been effective. Specifically, a model developed by Dr. David Olds and his colleagues has been evaluated at several sites over

many years and has been found to reduce the likelihood of rapid successive births among young mothers (teens and older); this model also demonstrated higher rates of work and self-sufficiency of participating mothers and reduced abuse or neglect of children. In contrast, the addition of *paraprofessional* home visitor services appears to have had little impact on teen parents' outcomes related to economic well-being and education. It did significantly affect contraceptive use, particularly among the latter half of the demonstration period, which should reduce unintended pregnancies and births in the long run.

The study examines the Teenage Parent Home Visitor Services Demonstration program, which was intended—through the use of regular home visits by paraprofessionals—to reduce the long-term welfare dependence of young parents and to improve the well-being of young parents and their children. The program operated from March 1995 to September 1997 in Chicago, Illinois; Dayton, Ohio; and Portland, Oregon. It provided paraprofessional home services to teenagers who were first time parents on welfare and mandatory participants in the Jobs Opportunity and Basic Skills (JOBS) welfare-to-work program. In total, the study consisted of 2,396 young mothers, about half of whom were participants in the home visiting demonstration and the JOBS program; the other half participated in a control group that received only the JOBS services.

Home visitors were expected to meet with their teen parent clients every week, with visits designed to last between 45 minutes and an hour. The paraprofessional visitors were to focus particularly on four needs of these young parents:

- ❑ Parenting skills
- ❑ Effective Family Planning
- ❑ Health and health care
- ❑ Other sources of support besides welfare, particularly child support and paternity establishment

Outcomes. The following educational, economic, and reproductive health outcomes compare the teen parent group participating in the home visitation demonstration program with the teen parent group that received only the standard welfare-to-work JOBS services. All percentage differences listed below between the two groups of teen parents are statistically significant. The 2001 evaluation reported outcomes include:

- ❑ School Enrollment—Home-visited teen parents spent more time in education relative to other mothers that received only the JOBS services (24% versus 21%).
- ❑ Educational Attainment—Even though home-visited teen were more likely to attend schooling, overall gains in degrees were not found. However, among some subgroups in the sample, such as those teen parents not living with their own parents at program enrollment, a higher proportion among home-visited teens did receive their high school diploma.

- ❑ Job Training—About 20% of all teen parents in the study participated in job training. Home visited teen parents were slightly less likely than regular JOBS services teen parents to participate in job training activities (18% versus 23%), which may be due to increased participation in educational participation or differences by program site and the relative skills of their staff.
- ❑ Employment—About 80% of all teen parents in the study were employed during follow-up. Home visited teen parents were slightly less likely than regular JOBS services teen parents to be employed (36% of the months versus 41%). These results may also be due to differences in program sites and their staff.
- ❑ Economic Well-Being—The home visitor services did not significantly affect the overall economic well-being of the teen parents, although the home-visited parents did have slightly higher earnings. Given that the home-visited teens had lower rates of employment, their higher earnings are attributable to more hours worked and/or higher hourly wages.
- ❑ Income Sources—Sources of income included earnings, cash welfare and food stamps. The proportion of income coming from earnings increased in the second year to about 46% for both home-visited and JOBS-only teen parents. However, this did not result in lower levels of AFDC or food stamp benefit receipt for either group.
- ❑ Medicaid Receipt—There was no change in reliance on Medicaid because of the home visitor services. About 85% of teen parents in both groups were eligible during the first year following enrollment, and the rate fell to about 70% by the end of the second year.
- ❑ Sexually Transmitted Diseases and Contraceptive Use—Home visitor services lowered exposure to STDs through unprotected sexual intercourse and decreased risks of unintended pregnancy through increased use of passive forms of contraception. Condom use among home-visited teens was greater (25% versus 19%), as well as use of NorPlant and Depo-Provera (22% versus 17%), and a corresponding higher overall contraceptive use rate (75% versus 68%).
- ❑ Pregnancies and Births—While home-visited teen parents did increase their use of contraception relative to the JOBS-only parents, lower pregnancy and birth rates were not observed. Over one-third of the mothers had a repeat pregnancy over the follow-up period and about 15% gave birth. Just under 10% of mothers from both groups reported having an abortion over the same period.

Co-author, Johnson, speculated that two factors may explain the fact that pregnancy and birth rates did not decrease among the home visited mothers. “One likely reason we did not observe lower pregnancy and birth rates is that the higher rates of Norplant and DepoProvera usage did not result until late in the demonstration period, after we had retrained staff on delivery of family planning services.” Johnson further suggested that “the effectiveness of contraception is diminished by the failure of many young mothers to

use the method consistently or correctly.” Johnson was hopeful “that the higher rates of passive contraceptive methods, in particular, would generate greater spacing between births in the future—not an insignificant achievement.”

Implementation Issues. An earlier 1999 evaluation of the same demonstration project highlights several key implementation issues. According to Johnson, the effectiveness of home visitor programs—and thus the outcomes of participants—is widely divergent owing to the various ways program goals are planned, staffed, and delivered. This problem is also referred to in the 2001 report: the report authors state that the “function of the individual site environment and the messages that home visitors conveyed to program teens” affected the teen parents’ outcomes (p. 8). Some of the differences in outcomes between the home-visited teens and JOBS-only services teens are thus caused by differences across programs: outcomes like educational attainment, job training activities, and employment rates.

A second key problem of the demonstration project centers on the paraprofessionals’ lack of training. In the middle of the demonstration program, additional training for the home visitors was provided, including retraining on the delivery of family planning services and the reemphasis of the importance of focusing on this goal. This appears to have affected outcomes for the teen parents’ pregnancy and births, where younger participants (who were more likely to be affected by the midstream adjustment) had lower rates of pregnancy than older participants (p. 10). These differences, however, were not statistically significant.

- For more information on the demonstration’s outcomes, see *The Potential of Home Visitor Services to Strengthen Welfare-to-Work Programs for Teenage Parents on Cash Assistance* by Meredith Kelsey, Amy Johnson and Rebecca Maynard.
<http://www.mathematica-mpr.com/PDFs/potential.pdf>
- For more information on the demonstration’s implementation issues, see *The Teenage Parent Home Visitor Services Demonstration—Providing Home Visitor Services to Teen Parents on Welfare: An Analysis of Key Implementation Features* by Amy Johnson
<http://www.mathematica-mpr.com>
- For more information on the home visitation demonstrations staffing professional nurses, see the article by David L. Olds, Charles R. Henderson, Jr., Harriet J. Kitzman, John J. Eckenrode, Robert E. Cole, and Robert C. Tatelbaum “Prenatal and Infancy Home Visitation by Nurses: Recent Findings” in *The Future of Children*, Vol. 9 No. 1, Spring/Summer 1999.

TEEN PARENTS: SECOND CHANCE HOMES IN WISCONSIN

By Paula Van Straten, Prenatal Care Coordinator
St. Vincent Hospital, Green Bay, WI

HELP! My name is Ashley, I am 15 and I have a 6-week-old baby girl named Samantha. My dad is a coke addict. My mom's boyfriend lives with us and hits her all the time. He eats all our food and tries to touch me every time I walk past him. I need a safe place for my baby and me.

This is the type of story that far too many professionals hear from pregnant or parenting teen moms. Home is not a safe place to be the teens are desperately seeking a safe, stable and supportive home for their young family. Second Chance Homes provide safe shelter and guidance while expecting responsibility from the teen mom

Last year, group of advocates in Wisconsin got together and began to look at what was needed to make Second Chance Homes a reality in Wisconsin. Under current Wisconsin child welfare laws, minors cannot be in out of home care without a court order. Court orders are very difficult to obtain. Championed by Representative Sue Jeskewitz, a bill has been written that allows homeless pregnant or parenting minors to live in second chance homes without a court order.

The bill was just announced and is being looked at for co-sponsorship. The prognosis is good. The bill does not include any dollars to support programming. However, the good news is that this is an important first step. This bill will allow communities to develop homes that will be safe, stable, and supportive. The newly formed advocacy group Wisconsin Association of Second Chance Homes (WASCH) will continue to pursue funding for this initiative. Life can be difficult as the baby of a teen mother, but it can be catastrophic if your mom is 16 and has no safe place to live. Wisconsin has begun to step up to the challenge of providing for these extremely vulnerable young families.

- For more information on how Wisconsin organized this effort contact the author at (920) 431-3127.

“GAG RULE” PROPOSAL ON TANF GRANTEES DROPPED: MN

In some states, opponents of abortion are attempting to impose a “gag rule” that would deny state family planning funds to entities that provide any abortion referrals or other abortion-related services with other funds. As noted in a recent *Guttmacher Report on Public Policy* review, Ohio and Missouri have gag rules in effect on the use of state family planning funds, while similar provisions were introduced (but did not pass) this year in Minnesota and Wisconsin. Attempts to apply a “gag rule” domestically parallel a “gag rule” imposed on federally-funded international family planning grantees. That rule prohibits international family planning dollars from going to any foreign nongovernmental organization that provides counseling or referral for abortion, or that advocates for the legality of abortion.

In Minnesota, an effort to impose a “gag rule” on groups awarded federal Temporary Assistance to Needy Family (TANF) funds for a proposed teen pregnancy prevention initiative was recently thwarted, as was an effort to prevent TANF dollars from being used for family planning services.

This may be the first attempt to put a “gag rule” on service providers explicitly funded for projects through TANF.

In 2001, Governor Jesse Ventura (Independent) proposed tapping roughly \$20 million in TANF funds for a new community-based teen pregnancy prevention initiative. As the measure moved through the legislative process, abortion opponents attached language stating:

No funds awarded . . . may be used for medical services, including family planning medical services, or for the provision of abortions. Any organization or an affiliate of an organization which provides abortions, promotes abortions, or directly refers for abortions, shall be ineligible to receive funds under this section.

Federal law already stipulates that TANF funds may not be spent on abortion. The Minnesota language went much further. It would have prevented TANF funds from providing abortion referrals or discussing abortion as an option with clients *with its non-TANF funds*. This would have meant, for example, that an organization such as a Planned Parenthood, which provides referrals for abortion, could not receive a TANF grant in order to undertake a teen pregnancy prevention media campaign or a school dropout prevention project, even though such programs do not promote abortions.

According to Catherine Weiss of the American Civil Liberties Union (ACLU), Supreme Court precedents would forbid a state from denying TANF funds to a health provider simply because the provider offered abortion services and referrals using separate non-TANF funds. Weiss states that the Supreme Court “has drawn a critical distinction between restrictions the government imposes on the use of its *own* funds and restrictions it attempts to impose on the use of *non-government* funds.” The denial of government funding based on a provider’s separately funded and administered abortion referral and services “would impermissibly penalize the provider for assisting women in exercising their constitutional right to terminate a pregnancy.”

TANF also explicitly allows states to use TANF funds for “pre-pregnancy” family planning services, and an increasing number of states are doing so. Anti-abortion advocates in Minnesota, however, wanted to preclude the teen pregnancy prevention initiative from using TANF funds for family planning services. Legislative language from the state House of Representatives included the family planning restriction even though the community based teen pregnancy prevention development initiative did not reference family planning services, but rather called for the following strategies: youth development programs, after-school enrichment programs, youth mentoring programs, academic support programs, and abstinence until marriage education programs.

The teen pregnancy prevention initiative was part of a larger health and human services bill that included other anti-abortion provisions. The wrangling over the provisions continued until the last day of the fiscal year, threatening to leave the state government unfunded, and could have forced it to shut down. Governor Ventura and state legislators cut a deal that eliminated the anti-abortion restrictions in the bill but also eliminated the governor’s TANF funded teen pregnancy initiative. Ultimately, the TANF funds were re-directed to expand existing children and youth

initiatives, which may in turn contribute to teen pregnancy prevention. However, these funds address the issue on a much less comprehensive scale.

Commenting on the legislative wrangling, Health Commissioner Jan Malcolm said that she finds it “puzzling and ironic” that anti-abortion supporters insisted on . . . dropping the teen pregnancy initiative as a trade-off for keeping abortion restrictions out. She believes the best way to deal with the abortion issue is to prevent unintended pregnancies” (Debra O’Connor, St. Paul Pioneer Press, June 29, 2001).

Nancy Nelson, Executive Director of the Minnesota Organization on Adolescent Pregnancy Prevention and Parenting (MOAPPP), commented that “[t]he opportunity to use the TANF reserve to prevent welfare dependency by preventing teen pregnancy through community-based youth development initiatives was lost for this session.”

- For a summary on states’ gag rule activities relating to state family planning funds, see “The States at Midyear: Major Actions on Reproductive Health—Related Issues” by Adam Sonfield in the August 2001 edition of *The Guttmacher Report on Public Policy*. <http://www.agi-usa.org/pubs/journals/gr040408.pdf>
- CLASP is interested in learning whether and when any “gag rule” language is attached to TANF funded initiatives in other states. Please contact Jodie Levin-Epstein or Christine Grisham if you have any information at jodie@clasp.org or cgrisham@clasp.org.

NEW RESOURCES

How Children Fare in Welfare Experiments Appears to Hinge on Income, a new Children’s Defense Fund (CDF) report, written by Arloc Sherman, finds that children fare best in welfare-to-work experiments when such programs increase the overall family income level. Programs that successfully employ their clients but do not increase income have, at best, a mixed impact on child well-being and may have a negative impact on it.

The report examines 16 welfare-to-work experiments. The programs encouraged welfare recipients to work but had different effects on income. The report measures child well-being in terms of school progress, behavioral and mental health, and overall health.

Major findings of the report indicate that:

- ❑ Programs that increase workforce participation for clients and increase income are associated with overall positive effects on child well being.
- ❑ Programs that increase workforce participation for clients but decrease income are associated with overall negative effects on child well-being.

- ❑ Programs that increase workforce participation for clients and have no effect on income are associated with overall mixed effects on child well-being.

The results of the report suggest that welfare-to-work programs can have a positive effect on children if they focus not only on the employment of parents, but also on increasing each family's income level.

- For a copy of the report and the accompanying tables and appendices, visit: <http://www.childrendefense.org/release010822.htm>.

The Health of Poor Urban Women: Findings from the Project on Devolution and Urban Change is a recently published report, written by Denise F. Polit, Andrew S. London, and John M. Martinez. This new study looks at the health care needs of female welfare recipients (and former recipients) in large urban areas. The findings illustrate how women's health problems can be a large barrier to successful employment. In past legislation, individuals that were unable to work due to health reasons were excused from mandatory participation in welfare-to-work activities. In the 1996 PRWORA welfare bill that changed and a twenty percent exception rule was enacted per state that allowed exceptions for "good cause". This study brings up the question, does the 20% exception rule account for everyone on welfare that has health needs that put them at a disadvantage? Some of the significant findings of this study include:

- ❑ Women who are welfare recipients (and their children) had substantially higher rates of physical and mental health problems than did national samples of women and children – and their health problems were often multiple and severe.
- ❑ More than 70 percent of the women in the study faced at least one of eight health-related barriers to work.
- ❑ Women with multiple health problems (and women who had been physically abused) were more likely than other women to have been sanctioned by the welfare agency in the previous year.
- ❑ Welfare leavers who were not employed had the most compromised health situations: They tended to have high rates of health problems, lack insurance, and experience high levels of unmet health needs.

This report effectively shows why the health needs of women welfare recipients and their children need to be taken into consideration when constructing effective policy. Health problems can be a significant barrier to a woman's entry into the workforce as well as can constrain her ability in the workplace. In addition, health problems can cause failure of compliance with welfare participation requirements, which draws into question current sanctioning policies. It is also an especially critical policy to develop mechanisms to ensure that women who leave welfare maintain health insurance.

- For a copy of the report, visit: <http://www.mdrc.org/Reports2001/UC-HealthReport/UC-HealthRpt-ExSum-2001.htm>

Making Welfare Reform Work Better: Improving TANF Program Results For Recipients With Alcohol and Drug Problems – Recommendations for TANF Reauthorization, by Gwen Rubenstein of the Legal Action Center, recommends changes in the welfare (TANF) system to better address the needs of those with substance abuse problems. As excerpted from the paper, the recommendations include

Regarding funding of benefits and services:

- ❑ Adding alcohol and drug treatment to the list of defined work activities that count toward an individual's work requirement and towards a State's participation rate
- ❑ Ending Medicaid's ban on reimbursement for residential addiction treatment services
- ❑ Exempting alcohol and drug treatment from the definition of "medical services" to allow States to improve their use of TANF funds for treatment
- ❑ Creating a "promote prevention" initiative to provide alcohol and drug prevention services for parents, particularly teen parents, and children in TANF families who are at risk

Regarding eligibility:

- ❑ Ending the ban on TANF assistance and food stamps for individuals with drug felony convictions, or narrow the ban so it does not apply to those in treatment or recovery
- ❑ Exempt individuals in alcohol and drug treatment – or on a waiting list to receive treatment – from the Federal time limit

- To receive a copy of the paper, please fax a request to 202-544-5712 or visit <http://www.lac.org> for more information.

CLASP HOSTS NATIONAL AUDIO CONFERENCES

It's easy to register for CLASP's audio conferences. Below is information about our remaining audio conferences for the 2001 series "Low Wages in the New Economy: Implication for Families" and information on how to register.

Life at Low Wages: What Work and Child Rearing Choices Do Parents Face? November 2

Work and family can be at odds - especially when work schedules create caregiving conflicts. When children are sick or have special needs or when there are other family demands, work performance often flags or fails unless the work place provides flexibility. When there is no flexibility at work, the "Sophie's choice" may be missed or never-scheduled medical appointments. How much does family caregiving interrupt work life? What are the particular issues faced by low-wage workers as they try to parent and stay employed (e.g. neighborhood safety)? In an era when few adults are left at home, are historic family supports now inadequate

in times of crisis or for on-going family care needs? What are some policy options that could begin to address these issues?

GUESTS:

Katherine Newman, Kennedy School of Government, Harvard University
Jody Heymann, Harvard University Center for Society and Health
Lauren Smith, Boston Medical Center

Teen Parents & Welfare: Do Diverted Teens Become the Unemployables? November 16

Minor parents were a target of the 1996 welfare law - explicit mandates require these minors to participate in school and to live in an approved arrangement in order to receive federal cash aid. It appears that taking aim at these teens may have caused many to not apply, created confusion and assistance denial for those who sought help, and led to disproportionate declines in welfare participation by teens compared to older parents in some localities. If teen parents who don't enter welfare fall further behind in education, what are the implications for them as they become twenty-somethings? If such teen parents are not found and engaged in schooling, will they become perpetually poor earners? Are they more likely to have more children as teens and be more impoverished as adults? What steps can be and are being taken to address this challenge?

GUESTS:

Jodie Levin-Epstein, CLASP
Jody Raphael, Center for Impact Research
Pat Baker, Massachusetts Law Reform Institute

Reauthorization: What Looms for 2002? December 7

The welfare law expires in 2002. Congress is expected to address not only the programs which end: Temporary Assistance to Needy Families (TANF) program, child care development block grant, abstinence, and food stamps but also may well take up child support, child welfare, and more. Does the new economy provoke new ways of thinking about these programs? What specific initiatives are expected to emerge? Will marriage be in the forefront or will workers' economic needs dominate the debate? What impact should states and localities anticipate?

GUESTS:

Deepak Bhargava, Center for Community Change
Rebecca Blank, The Ford School of Public Policy, University of Michigan
Mark Greenberg, CLASP
Ron Haskins, The Brookings Institute

- **For more information about this and other audio conferences and registration information please visit: <http://www.clasp.org/audioconference/brochure.html>**

CLASP Update

A CLASP Report on Welfare Developments

November 2001

Jodie Levin-Epstein, Editor

LEGAL SERVICES: WELFARE REAUTHORIZATION ADVOCACY

In the July 2001 issue of *CLASP Update*, we reviewed the implication of *Legal Services Corporation v. Velazquez*, 531 U.S. 533 (Feb. 28, 2001) on representation by LSC-funded programs of clients in welfare cases. That article did not focus on welfare reauthorization. This article will review what work LSC-funded programs can do during welfare reauthorization.

The Congress and a wide variety of interest groups are about to embark on a critical debate about the reauthorization of the TANF block grant structure, the reauthorization of the Child Care and Development (CCDF) Block Grant, and issues concerning child support, child welfare, immigrant eligibility for public benefits, marriage and family formation, and the Medicaid program. LSC-funded programs and staff should participate in this fundamental and far-reaching debate and may do so as long as they act consistent with the statutory and regulatory prohibitions described below. Indeed, LSC-funded programs have significant information and insights about the impact of TANF and other welfare reform programs that may be very important for policy makers to hear as they consider changes to TANF, Child Care and other programs affected by the welfare reauthorization process.

Permissible Activities Related To Welfare Reauthorization: LSC-funded programs may not attempt to influence pending or proposed legislation. However, they may educate the following people and groups about welfare reform and TANF:

- Administrative officials
- Legislators
- Client groups
- Other grassroots and community organizations
- Other non-profits and providers of human services

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Contributors: Myra Batchelder, Sara Davis, Christin Driscoll, Christine Grisham, Alan Houseman, Rutledge Hutson, Nisha Patel, Paula Roberts, Vani Sankarapandian, Vicki Turetsky

- Human services organizations that lobby
- Other advocacy organizations that are not LSC funded
- Other LSC-funded programs
- Foundations, IOLTA programs and other funders of human services
- Coalitions of human services groups

LSC-funded programs may participate in discussions with other entities and may analyze the pros and cons of the particular proposals that are to be considered during the welfare reauthorization debate in Congress. LSC-funded programs may also synthesize research on TANF and other programs and draw policy conclusions from this research.

Although LSC-funded programs may not lobby on welfare reform proposals, they may coordinate their activities with other advocacy groups. LSC-funded programs may discuss and analyze welfare reform proposals with other advocacy groups and provide analyses about various proposals to other groups. LSC-funded programs may participate in joint task forces and training programs operated by other LSC-funded programs or by non-LSC funded entities and which include advocates from non-LSC funded programs, pro bono programs or private attorneys. LSC-funded programs may discuss legislative developments regarding welfare reauthorization in task force meetings and other settings.

PLEASE NOTE: The Center for Law and Social Policy (CLASP) is moving its offices *effective November 19, 2001:*

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LSC-funded programs may also track legislative and policy developments regarding welfare reauthorization and inform clients, other LSC-funded programs, attorneys representing eligible clients and others about the content and status of new or proposed statutes or policies and explain how such developments would affect eligible clients. In addition, LSC-funded programs may publish newsletters and other written materials which report the content or status of pending or proposed legislation or policies regarding welfare reauthorization and explain how such legislation or policies would affect the rights and responsibilities of low-income clients, as long as they do not include information that would constitute grassroots lobbying.

LSC-funded programs may educate clients about proposed legislation or policies regarding welfare reauthorization and analyze and explain proposed changes and their effects to individual or group clients. LSC-funded programs may also advise their individual or group clients about the clients' rights to participate in legislative proceedings and to communicate directly with elected or administrative officials about their views of welfare reauthorization. LSC-funded program staff may advise specific individual or group clients whom they are representing how legislation is enacted, and the procedures for testifying. They may also identify the clients' elected representatives. However, LSC-funded program staff may not prepare testimony for their clients, assist clients when they are testifying or train clients to lobby.

Prohibited Activities: The key prohibitions become extremely important as the Congress begins to consider actual legislation relating to welfare reauthorization. LSC-funded programs may not attempt to influence the passage or defeat of any pending or proposed legislation of the Congress. However, under what is known as the Cohen-Bumpers Amendment, LSC-funded programs and their employees may use non-LSC funds to respond to written requests from governmental agencies or officials thereof, elected officials, legislative bodies, committees, or members thereof made to the employees or LSC-funded programs to (1) testify orally or in writing; or (2) provide information, which may include analysis of, or comments upon, existing or proposed legislation, or drafts of proposed legislation.

Such responses to requests may be distributed only to parties who make the request or to other persons or entities to the extent that such distribution is required to fully comply with the request. In addition, no employee of an LSC-funded program may solicit or arrange a request from any official to testify or otherwise provide information in connection with legislation regarding welfare reauthorization. LSC-funded program employees may inform agency or legislative officials who contact them that, in order for the LSC-funded program to respond to the request, the official must put the request in writing. Moreover, non-LSC funded advocacy organizations, non-profit providers of human services, church representatives or others may arrange to request an LSC-funded program to testify.

However, under no circumstances may LSC-funded programs engage in any grassroots lobbying under the guise of responding to a request for information or testimony or in any other form. Grassroots lobbying includes any communication which contains a direct suggestion to the public to contact public officials in support of or in opposition to pending or proposed legislation, regulations, executive decisions or votes by the electorate.

Attorneys, paralegals and others who work for LSC-funded programs may engage in prohibited activities on their own time acting for themselves as citizens if the work is truly on their own time. However, if program staff members do act on their own time, they must be extremely careful to inform those with whom they are working that they are doing such work as citizens on their own time. In addition, program staff acting on their own time may not do work on behalf of clients, a client group or the legal services program. They can only act on behalf of themselves as citizens or on behalf of a group with which they are associated or to which they belong. Moreover, such staff may never use program funds, facilities, phone, Xerox machines, and the like when acting on their own time.

In conclusion, during the next year the work on welfare reform will focus on the legislative arena as Congress begins to consider reauthorization of TANF and related welfare reform issues. LSC-funded programs are encouraged to engage in those legislative activities around welfare reform that are not prohibited or that are specifically permitted under the various exceptions to the appropriations act provisions and the LSC regulations.

HHS WANTS PUBLIC'S PROPOSALS FOR TANF

The TANF program goes up for reauthorization before Congress in 2002. HHS is inviting any organization or member of the general public to provide their comments about what changes they would like to see the Administration propose for TANF reauthorization. This request appeared in the October 17th 2001 *Federal Register*. Comments are due by November 30th, 2001.

- Submit comments through the mail to: TANF Reauthorization Ideas, Office of Family Assistance, 5th Floor East, Aerospace Building, 370 L'Enfant Promenade, SW, Washington, DC 20447.
- Comment electronically or view others comments online at OFA's website: <http://www.acf.dhhs.gov/HyperNews/get/tanfreat/tanfreat.html>
- For further information, contact Ann Burek, Senior Program Specialist, Office of Family Assistance, ACF, at 202-401-4528 or by email at aburek@acf.dhhs.gov.
- To view the HHS request in the Federal Register, go to http://www.access.gpo.gov/su_docs/aces/aces140.html and search the Notices under Volume 66 with the search term "page 52773".

RECENT CONGRESSIONAL HEARINGS SUMMARIES

House Subcommittee Holds 2nd Hearing On Welfare Reform. On October 16th, the Subcommittee on 21st Century Competitiveness, a House of Representatives Committee on Education and the Workforce subcommittee, held its second hearing examining welfare reform, entitled "Welfare Reform: Success in Moving Toward Work."

Witnesses included Dr. Lynn Karoly, Director, Labor and Population Program & Population Research Center, RAND Institute; Mona Garland, Wisconsin Works (W-2) Director, Opportunities Industrialization Center of Greater Milwaukee; LaShaunda Hall, former Wisconsin Works participant; Rodney Carroll, President and CEO, The Welfare to Work Partnership; Martha Davis, Legal Director, NOW Legal Defense and Education Fund; and Jennifer Brooks, Director, Self-Sufficiency Programs and Policy, Wider Opportunities for Women (WOW). The hearing focused on work requirements under TANF, and all witnesses emphasized the importance of education and training. Subcommittee members present included Chairman Howard McKeon (R-CA), Rep. Michael Castle (R-DE), Rep. Johnny Isakson (R-GA), Rep. Patsy Mink (D-HI), Rep. Betty McCollum (D-MN), and Rep. Ruben Hinajosa (D-TX).

Lynn Karoly described a HHS-funded research project that Rand is conducting, the goal of which is to hold other factors (e.g., economic factors) constant to try and determine the "net effect" of TANF policies. Key conclusions from the Rand analyses are that work requirements increase employment rates and earnings, and decrease welfare and Food Stamp use; have no impact on income at 2-year follow-up, but may affect poverty; produce no clear change in marriage or fertility. In responses to questions, Karoly stated that many outcomes can be attributed to strong employment opportunities, but that we now face a difference prospect and can expect job loss among leavers.

Mona Garland stated that preparing individuals for employment is not enough; more focus on incumbent worker training, on retention and advancement, and on employers is

needed. She described home-based visits being used to serve "the unreachable" in Milwaukee, adding that faith-based organizations have been very helpful in this effort. In her recommendations for reauthorization, Garland stated that the 20% hardship exemption is currently sufficient in Wisconsin, but should be reconsidered as the numbers may change. She also stated that SSI and disability services need to be formalized into a seamless system with TANF.

LaShaunda Hall described her personal story about overcoming childhood abuse, drug and alcohol abuse, and domestic violence. She went on to describe her experience of getting a GED and retaining employment, and said that she is currently working on a bachelor's degree. In response to a question about the experiences of other W-2 participants, Hall explained that she could only speak about her own experience, but that she thought success depended on attitude.

Rodney Carroll spoke about his experience hiring welfare recipients at UPS's Philadelphia hub in 1996. He stated that welfare recipients hired had a 92% retention rate compared to 60% overall retention rate for UPS workers in the same jobs in Philadelphia. He stated that five years is not long enough for some people to move to self-sufficiency. In response to a question about what type of training and supports the most successful hires have, he replied that workplace literacy and a mentor either inside or outside the company are crucial to making the transition to work.

Martha Davis summarized what is known from the research on education and training programs for welfare recipients. She then explained that while in a strong economy states have had the flexibility to allow education and training activities even though they were not countable (due to the high number of TANF recipients in employment), in a weakening economy states may not be able to do so unless they are countable. In response to a question about recommendations for actual changes in legislation, Davis stated that the following should be relaxed: 1) the 12-month limit on vocational educational training; 2) the 30% restriction on the percentage of individuals on TANF participating in work activities who can be counted toward a state's federal work participation rate; 3) the prohibition on use of federal TANF funds for post-secondary education.

Jennifer Brooks described the decline in the number of TANF recipients participating in education and training. She explained that while caseloads are down and most welfare leavers are working, many are not working steadily and many are back on the rolls within a year. Brooks described WOW's work on the Self-Sufficiency Standard and explained that work supports can lower the amount families need to earn to be self-sufficient. She recommended that HHS reward states that meet locally-based self-sufficiency goals for welfare leavers; identify higher-wage jobs that meet employer, worker and community needs and support the entrance of welfare leavers into those jobs; encourage post-secondary education participation, provide supports such as child care, and count such education as fulfilling work requirements; provide literacy programs that strengthen basic skills in the context of employment; increase the number of families that receive work supports; are responsive to barriers that impede success in obtaining and retaining employment; and "stop the clock" for families receiving TANF who are working.

Direct links to materials authored by CLASP staff and cited in hearing testimony:

- W.K. Kellogg Foundation, *Workforce Development: Employment Retention and Advancement Under TANF*. (Sept. 2001). Available: <http://www.clasp.org/pubs/jobseducation/technical%20paper.pdf>
- Julie Strawn, *Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform*. (Center for Law and Social Policy, 1998). Available: <http://www.clasp.org/pubs/jobseducation/beyond.pdf>
- Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to Help Low-income Parents Sustain Employment and Advance in the Workforce*. (New York: Manpower Demonstration Research Corporation, 2000). Available: <http://www.mdrc.org/Reports2000/SteadyWorkGuide.pdf>

House Committee Considers Economic Recovery and Assistance to Workers. On October 16, the House Education and Workforce Committee held a hearing on “Economic Recovery and Assistance to Workers.” The only witness was Secretary of Labor, Elaine Chao.

In his introduction Chairman John Boehner (R-OH) pointed out that there will be many layoffs stemming from the September 11th disaster, and that the Department of Labor (DOL) will be responsible for securing the safety net for dislocated workers. A letter signed by the committee’s 22 Democratic members requesting additional hearings where representatives of workers would also have an opportunity to speak was submitted at the hearing.

According to Chao, in addition to Unemployment Insurance (UI) and emergency assistance offered by the DOL, President Bush’s 2002 budget proposal calls for \$6 billion in aid for workers, which would primarily be distributed through state-level agencies and the system of one-stop employment centers. Chao also highlighted actions taken by the administration in response to the September 11th attacks, which included a \$25 million grant to displaced workers in New York, \$2.5 million to buy computers and provide services to workers in New York, and extensions on filing for benefits.

The President’s plan to help workers would offer federal funding of unemployment benefits for workers in NY, VA, and in any states which demonstrate a 30% increase in their unemployment rates. Moreover, benefits would be extended an additional 13 weeks, from 26 to 39 weeks.

The administration also plans to devote \$3 billion towards national emergency grants, which state governors could distribute towards the provision of unemployment benefits, health benefits, training, etc. The \$3 billion would come from the \$40 billion already set aside following the attacks. Again, states that experience a 30% increase in their unemployment rate would be eligible to apply. With the decision-making process placed in the hands of each governor, each state would then have the “flexibility” to design spending plans specifically tailored to its own needs. Furthermore, the administration is asking for Congressional support in allowing the application of these national emergency grants towards COBRA payments for displaced workers.

In response to concerns raised by some committee members, Chao assured them that governors would have the flexibility to use the national emergency grants to cover workers previously

considered ineligible for benefits. Grants could also be used to provide benefits for workers who were unemployed prior to Sept. 11, as long as the governor established a connection between the attacks and diminished employment opportunities.

Chao emphasized the idea that while new programs would be accompanied by a long and complicated implementation process, the boosting of current programs would be highly effective in helping workers immediately. In speaking about the national emergency grants, Chao stated that grants would be determined by DOL "career professionals" who are accustomed to disbursing funds. Also, there would be very few regulations or guidelines accompanying these grants, since state DOL's are very comfortable with the program, and would know how to implement it within their states.

Chao also pointed out that additional help would come in the future through the President's \$70 billion economic stimulus package.

Despite a NJ member's calculations that \$3 billion would not be enough to cover even the COBRA payments of displaced workers, Chao assured the committee that the \$3 billion would be adequate.

Senate Committee Examines Job Training. On October 4th, the Senate Committee on Health, Education, Labor and Pensions held a hearing entitled "Job Training: Helping Workers in a Fragile Economy," designed to examine early implementation of WIA.

Witnesses included: Emily DeRocco, Assistant Secretary, Employment and Training Administration; Thomas Menino, Mayor of Boston and Vice President of the United States Conference of Mayors; Harry Van Sickle, County Commissioner, Union County, PA; Rebecca Yanisch, Commissioner, Minnesota Department of Trade and Economic Development; and Sigurd Nilsen, Director, Education and Workforce and Income Security, General Accounting Office (GAO). The GAO released its report on WIA implementation at this hearing. Senators in attendance were: Full Committee Chairman Edward M. Kennedy (D-MA), Employment, Safety and Training Subcommittee Chairman Paul Wellstone (D-MN), Hillary Clinton (D-NY), Jim Jeffords (I-VT), and Patty Murray (D-WA).

In light of the events of September 11th and a weakening economy, the hearing took on particular importance in addressing the ability of the WIA system to respond to increasing need for training for dislocated and low-income workers. Senator Kennedy opened the hearing stating that he wants to ensure that the system can respond to those in need, and that job training is a crucial investment for both workers and businesses in order to build a strong economy. Senator Wellstone applauded recent bi-partisan efforts to stop WIA cuts and reiterated that WIA should be key to any economic stimulus plan.

Assistant Secretary DeRocco testified that the Department of Labor believes that the workforce system and one stops are a critical part of the safety net in both good times and bad, and feels that the WIA system has "made great strides" in its implementation phase. When asked by Senator Kennedy how the system can respond to increased need when significant numbers of individuals are already not receiving training, she responded that training was not as necessary

during good economic times when individuals could make use of services that offered them rapid reemployment. She did note, however, when questioned by Senator Wellstone, that there was not sufficient evidence to know for sure whether this was the case. Sigurd Nilsen of the GAO said that if those easier placements possible in a good economy lessen, he does not know how well the system will respond, noting that most existing funds have been already obligated by states (this was reiterated by Commissioner Van Sickle). DeRocco further insisted that the Department could meet emergency needs, despite the current draw on existing emergency Labor funds.

Senator Clinton commented that the system has to be better prepared to deal with current realities, and urged that there be better guidance from the federal level and an examination of the rules that may hinder the system's ability to respond.

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Working Families are Focus of Senate Subcommittee. The “Strengthening Working Families Act of 2001”, S. 685, was introduced on April 3, 2001, by Senator Evan Bayh (D-IN) and 12 original co-sponsors, including Senators Breau (D-LA), Clinton (D-NY), Graham (D-FL), Carper (D-DE), Dodd (D-CT), Johnson (D-SD), Kohl (D-WI), Lieberman (D-CT), Rockefeller (D-WV), Landrieu (D-LA), Lincoln (D-AR), and Snowe (R-ME). Referred to the Senate Finance Committee, the legislation was reviewed during an October 11, 2001, subcommittee hearing, chaired by Senator Breau. Senators Rockefeller, Bayh, Carper, Thomas, Breau, and Kyl were all in attendance.

The legislation includes a number of provisions related to low-income families, including child support assignment and distribution changes, state block grant funding for fatherhood programs, restoration of the Social Services block grant, reauthorization and increased funding for the Promoting Safe and Stable Families child welfare program, expanded funding under the Earned Income Tax Credit expansion for larger families, and support for employer-sponsored child care.

Two low-income parents, Mary Frank and Freddie Belton, testified about their circumstances. Among other observations, both parents testified that fathers are discouraged from paying child support by current distribution rules, which require that states, and not families, keep child support payments as welfare cost recovery. Other witnesses testifying in support of the legislation included Sharon Daly, the Vice President of Catholic Charities, and Christine James-Brown, the President and CEO of United Way of Southeastern Pennsylvania, and Rodney Carroll, the President and CEO of the Welfare to Work Partnership.

- Two summaries of S. 685 appeared in the June and August issues of CLASP UPDATE. For more information, please visit the CLASP website at <http://www.clasp.org>
- Please contact Vicki Turetsky at vturet@clasp.org for further information about S. 685 and related child support distribution bills.

CHILD SUPPORT: NEW ARREARS FORGIVENESS POLICY IN CALIFORNIA

Custodial parents of children receiving foster care services under Title IVE of the Social Security Act may be required to pay child support. If the support is not paid, it is classified as “child support arrears” and may be pursued as a debt owed to the state.

The wisdom of this policy has been questioned because it can undercut efforts aimed at family reunification in two ways. *First*, the parent may try to work too many hours in order to keep current in payments. This may interfere with that parent’s ability to participate in the activities (e.g., parenting classes, counseling) required by the reunification plan. *Second*, the parent may focus on reunification efforts and fail to pay the support. Substantial arrears then accrue. When the family reunites, the parent has to struggle to both support the child and pay off the arrears. The strain can cause reunification efforts to fail.

California has recently enacted legislation designed to address these issues. AB 1449 requires the development of standards for determining when it is in the child’s best interest to even refer a case for child support enforcement. The standards must consider whether the payment of support will be a barrier to implementation of the proposed reunification plan and whether imposition of a support obligation will compromise the parent’s current or *future* ability to support the child. This should reduce the number of cases inappropriately referred for child support services. The legislation also requires the development of standards under which arrears (and any accrued interest) may be compromised in some cases. In the future, when a low or moderate income custodial parent reunites with her/his child, and the child has been living with a relative or guardian, foster care or TANF arrears owed to the state may be forgiven. In a state like California that widely uses kinship foster care, this change could help many families.

FAMILY CAP: GAO FINDS MANY FAMILIES AFFECTED; CALLS FOR MORE STUDY

About 108,000 TANF families in 20 states had their cash grant “capped” in a single month last year according to a GAO study released in October. This represents about 9 percent of the total number of TANF families in the 20 states. It also represents a loss, on average, of about 20 percent of the cash assistance that otherwise might be made available to the families.

A “family cap” or “child exclusion” policy excludes from the family’s grant calculation a child born into a welfare family. This policy is in place only in the 20 studied states (another 3 states have grants that don’t fluctuate based on family size, independent of the timing of the birth of the child). The 1996 federal welfare law is silent on the subject of “family cap” policy but under the law’s broad flexibility, states may establish such policies. Virtually all of these 20 states passed their family cap law prior to the 1996 federal welfare law (implementation was allowed under the old welfare program, AFDC, if the state received a federal waiver of AFDC rules). While federal waivers required an evaluation, no such evaluations are required any longer; states also are not required to report on numbers of families capped.

The 108,000 figure is, according to the GAO, “a minimum number of families who may have been affected during 2001.” This is because the number is only for a single month and additional

families may have been capped at different points throughout the year. An earlier CLASP study sought to collect more than one month's data and hints at the extent to which the 108,000 figure understates how many families are affected by the provision. For example, Arizona reports that about 660 families were capped in one month in 2000; however, about 1800 were capped over twelve months between 1995-1996; New Jersey's one month figure is 7,265 compared to a sixty month total of 28,000 between 1993-98.

Another reason the 108,000 is a "minimum" figure is that according to officials in California, the most populous state, the state's number is likely to increase over time since the number reported to the GAO came early in California's implementation. (This is unlikely to be the case in other states since virtually all state family cap legislation was enacted before the 1996 welfare law and implemented either before or around that time period).

While nearly 1 in 10 TANF families is capped in the 20 states, there is significant variation among the states. For example, Illinois reports that 19.6% of its total TANF families were capped in an average month in 2000, while Tennessee reports 0.6% of its families were capped. [See accompanying table]

Family cap states	Average monthly number of capped-benefit families	Capped-benefit families as a percentage of the state's total TANF families, in an average month
Based on 20 states	107,554	8.9
Arizona	662	1.9
Arkansas	451	4.0
California	53,417	9.5
Connecticut	1,741	6.4
Delaware	382	7.8
Florida	1,581	2.3
Georgia	3,949	7.5
Idaho	No data	No data
Illinois	17,137	19.6
Indiana	5,054	13.8
Maryland	848	3.2
Massachusetts	6,410	14.6
Mississippi	1,551	10.4
Nebraska	485	4.6
New Jersey	7,265	14.1
North Carolina	3,675	7.6
North Dakota	130	4.5
Oklahoma	373	2.4
South Carolina	164	1.0
Tennessee	317	.6
Virginia	1,962	6.0
Wisconsin	No data	No data
Wyoming	No data	No data

Source: General Accounting Office, "Welfare Reform: More Research Needed on TANF Family Caps and Other Policies for Reducing Out-of-Wedlock Births", (GAO-01-924), September 2001.

The GAO report examined existing studies to try and ascertain the impact of the family cap on out-of-wedlock births. The agency contends that the available research suffers from limitations that make it impossible to ascertain the impact of the family cap. The GAO states that “we cannot conclude that family cap policies reduce the incidence of out-of-wedlock births, affect the number of abortions, or change the size of the TANF caseload.” The GAO recommends, that if appropriate the HHS research agenda should be revisited and consideration given to get more information about “how best to prevent and reduce out-of-wedlock pregnancies.” The report was undertaken at the request of three House members, Congressmen Donald Payne (D-NJ), Charles Rangel (D-NY), and Christopher Smith (R-NJ).

- For information on how to access a copy of the GAO report, “Welfare Reform: More Research Needed on TANF Family Caps and Other Policies for Reducing Out-of-Wedlock Births”, visit the GAO homepage at <http://www.gao.gov>, or send an email to info@www.gao.gov, or call (202) 512-6000.
- For a copy of CLASP’s “Excluded Children: Family Cap in a New Era” visit: <http://www.clasp.org/pubs/teens/excludedchildren.htm#top>

SUNY GETS GRANT AWARD TO STUDY TEEN PREGNANCY PREVENTION

A \$285,000 non-competitive grant award has been made to the State University of New York (SUNY) Research Foundation to provide an in-depth analysis of the implementation of family formation and pregnancy prevention programs in 19 states and 26 counties within those states in light of TANF. The central research question that will be addressed is: What are the major policies and programs operating in the state, using TANF or MOE funds, addressing these goals? The project is to be completed in September 2002.

REDUCING OUT-OF-WEDLOCK BIRTHS: FINANCIAL BONUSES TO INDIVIDUALS?

Rep. Wally Herger, Chairman of the House subcommittee responsible for welfare reform, recently asked at a hearing on welfare and marriage: “what can or should we do to help young couples and new parents form more permanent relationships including, when appropriate, marriage?”

The *LA Times* reported September 24, 2001 that Wade Horn, Secretary of the Administration for Children and Families at the federal Department of Health and Human Services, “supports financial incentives [to encourage marriage and two parent families], such as West Virginia's \$100 monthly bonus for welfare parents who are married. He is also open to more radical ideas, such as identifying young women who are at risk of getting pregnant and promising them \$5,000 if they have their first child after marriage.”

Two recent demonstration proposals have been put forward that provide financial incentives to “young couples” who marry before the birth of a child. The table below offers specifics on the

two proposals; Isabel Sawhill from the Brookings Institution and the National Campaign to Prevent Teen Pregnancy tests an incentive through an increase in the child tax credit, and Robert Rector from the Heritage Foundation utilizes grants through a demonstration.

	Isabel Sawhill	Robert Rector
Proposal:	Child tax credit "baby bonus"	A demonstration testing a program participant bonus
Eligible Population:	Young couples with earnings who marry before the birth of their child.	An identified "high risk group" of girls younger than 18 who meet certain criteria (listed below).
Bonus Amount:	Up to \$10,000	Up to \$10,000
Proposal Details:	<p>Up to \$10,000 is awarded if the young couple stays married until the child is five years old. A couple may receive no more than two bonuses.</p> <p>For those with limited earned income, the credit might be partially refundable. Single parents would continue to receive existing benefits like the Earned Income Tax Credit (EITC) and the child credit.</p> <p>It's a "good idea" to condition the bonus award on the "willingness" of the parents to seek premarital counseling in cases where the marriage was "clearly triggered" by the birth of the child.</p> <p>The idea "could be tried out in one state initially and carefully evaluated".</p>	<p>All girls under 18 are eligible to be offered the financial reward if they meet the following "high risk" criteria:</p> <ol style="list-style-type: none"> Participates in abstinence and pro-marriage mentoring programs; Graduates from high school; Does not have a child before age 21; Is married to the father of her first child at the time of that child's birth, and the two parents remain together as a married couple for at least one year after the child's birth, during which time the father works to support the child; and, Does not have a child out of wedlock or an abortion prior to the birth of her first child. <p>Criteria should be structured so that the high risk group equals about 25% of the population.</p> <p>Once the girl has a child, and continues to meet the criteria, \$2,000 may be awarded each subsequent year until the child is five years old.</p> <p>Experimenting using "model programs" should be one step taken to increase marriage and reduce out-of-wedlock births.</p>

Source: Isabel Sawhill, *American Experiment Quarterly*; Summer 2001, Vol. 4, No. 2.

Source: Robert Rector, Handout, Feb 18, 2000, 'House Ways & Means Speaker Series on Welfare Reform', sponsored by the Ways & Means Human Resources Subcommittee, Brookings Institution, and American Enterprise Institute.

- For a recent hearing statement from Rep. Wally Herger on welfare and marriage issues, see the following website: http://www.house.gov/ways_means/humres/107cong/5-22-01/5-22herg.htm
- To learn more about Wade Horn's statements regarding marriage and low-income populations, see the article, "THE NATION; Welfare Chief Affirms Marriage; Benefits: New federal director wants to give poor people government incentives to tie the knot," in the September 24th, 2001 issue of *The Los Angeles Times*.

- For more information about Sawhill's and Rector's views related to marriage, see their articles in the Summer 2001 American Experiment Quarterly magazine, which can be viewed at <http://www.amexp.org/>.

NEW RESOURCES

Red Flags: Research Raises Concerns About the Impact of “Welfare Reform” on Child Maltreatment. A new report by CLASP's Rutledge Q. Hutson discusses the impact of “welfare reform” on our nation's children. As TANF reauthorization debates get underway, there are likely to be many discussions about the impact of TANF. A critical component of those discussions should include consideration of the law's impact on children and their families. One of the ways that TANF could impact child and family well-being is through its effects on the incidence of child abuse and neglect. While research on such impacts has been limited, the existing research raises red flags. It is not conclusive, but there are suggestions that some of the policies adopted under TANF may be increasing maltreatment, particularly rates of neglect. There are also indications that the effects may be most concentrated in more disadvantaged families. We need more research to provide definitive answers. In the meantime, however, we should not assume existing policies are trouble free and we should look for ways to ensure that children are not put at increased risk as parents move from welfare to work. The paper concludes with a set of reauthorization recommendations to move us toward that goal.

- To read the report, please visit <http://www.clasp.org>
- For more information, please contact Rutledge Hutson at rhutson@clasp.org or (202) 328-5166.

Workforce Investment Act: Better Guidance Needed to Address Concerns Over New Requirements is a new report that was issued by the General Accounting Office on October 4th. The report's key findings are:

1. *Continued lack of agency integration at One-Stops:* Mandatory one-stop partner agencies are, in many cases, still not fully integrating their funds, programmatic efforts and information systems to ensure that clients can access all federally funded workforce services through One-Stops. The report details how some of this lack of integration comes from the particular mandates, client populations, and existing financial obligations faced by individual agencies, which prevent them from being able to devote more of their resources to the envisioned "universal" system.
2. *Decreasing training options for job-seekers:* WIA is providing training services to fewer clients. The GAO cites a variety of reasons, including a detailed account of how training providers are deciding against becoming "eligible providers," or are decreasing the number of programs for which they will accept WIA funding, because of WIA's confusing and burdensome application and data collection requirements—all for participation in a system that is referring comparatively few people to training. The GAO notes a variety of reasons for why so few clients are being referred to training. Some local areas have adopted a "work first" approach to

WIA that has diverted job-seekers to non-training activities, or to seek employment without training. Many local areas have complained that the amount of resources required for other activities, like the creation of One-Stop centers, has allowed fewer funds for training. And State and local agencies told the GAO that the performance measures expected for adult and dislocated worker training programs - along with the data collection requirements necessary to prove such performance, and the possible sanctions if they could not document such outcomes - had moved them to discourage their One-Stops from offering many training options to their clients, and particularly to those who might be "hard to serve".

3. *Decreased business participation on Workforce Investment Boards (WIBs):* Private-sector members on state and local WIBs have been frustrated with the operation of the boards (e.g., they are too large and inefficient), and with the amount of input they have had in shaping the boards' priorities. For example, the boards' preoccupation with statutory compliance issues related to the creation of WIA-mandated systems has allowed less opportunity for private-sector representatives to air their concerns related to their business experiences.

The GAO's primary recommendation is that the federal agencies responsible for WIA - the Departments of Labor, Education, Health and Human Services, and Housing and Urban Development - work together to provide improved guidance on how to address concerns identified by state and local implementers. The report also recommends that Congress give training providers more time to adjust to data collection and reporting requirements.

In preparing the report, GAO interviewed officials from the Departments of Labor, Education, Health and Human Services, and Housing and Urban Development and officials from national associations representing a variety of state and local implementers (local governments, state labor agencies, educational institutions, and private-sector representatives). The GAO visited three states (California, Pennsylvania, and Vermont), five local areas, and nine one-stop centers in those states.

Many of these same concerns were documented in a Workforce Alliance study conducted earlier this year with training providers, business leaders, and local public officials from throughout the country. Publication of that study, **A Report from the Field: Workforce Stakeholders on the Local Impact of Federal Policies**, is scheduled for this fall. Please contact the Workforce Alliance if you would like a copy of the final report.

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- To read the full report, visit <http://www.gao.gov>, click on "GAO Reports", then "Today's Reports" and then click on "October 4, 2001". It is the second report listed.

Frequently Asked Questions about Welfare Leavers and Their Jobs, the Center for Law and Social Policy's new report, takes a close look at the employment conditions of welfare "leavers." Though cases where former recipients make the transition from welfare to work are often cited as proof of the success of welfare reform, "Frequently Asked Questions" reveals that this transition does not always result in economic self-sufficiency. Presenting administrative and

survey data from 26 states, as well as national data from the NSAF, the report finds that employed leavers across the nation are struggling to make ends meet in jobs with low wages, irregular schedules, and few benefits.

- Welfare leavers are over-represented in the economy's lowest-paying industries and occupations such as service, sales, and administrative support positions within the service and retail sectors.
- Welfare leavers also tend to work intermittently, as only about one-third of all leavers work in all four quarters their first year after leaving assistance.
- Most leavers receive low wages. Leavers tend to earn \$8 or less per hour, and roughly half of the leavers tracked earned less than \$2500 during their first quarter of employment.
- Although there is evidence of average and median earnings growth, this growth is unsteady and slow.
- Despite employment, it appears that a significant proportion of leavers are without health insurance, with only one-quarter to one-third of leavers participating in employer health insurance plans.
- Moreover, the difficulties faced by welfare leavers are further aggravated by their restricted access to job benefits. Only one-third to one-half of employed leavers report being granted vacation and/or sick leave.
- Welfare leavers are often expected to cope with irregular work schedules or non-traditional working hours, including evening, night, and early morning hours as well as weekends.
- The uncertain situation of many employed leavers is also reflected in the percentage of leavers who report serious hardships, such as food and housing insecurity and medical troubles.
 - CLASP has not yet released this report, but it will be available on our website (www.clasp.org) within two weeks.

Leaving Welfare, Left Behind: Employment Status, Income, and Well-being of Former TANF Recipients, is a new report recently released by the National Campaign for Jobs and Income Supports which investigates what has happened to those individuals and families that have left welfare since 1996. The report analyzes 18 state “leaver” studies released in 2000 and 2001 and looks at the former welfare recipients’ employment status, earnings, access to work supports such as food stamps and Medicaid, rate of return to TANF, and other hardships including homelessness and hunger.

“This study provides the most comprehensive look at how former welfare recipients have fared under welfare reform. It is not a pretty picture and it could get even worse,” said Deepak Bhargava, Director of the National Campaign for Jobs and Income Support. “Contrary to HHS reports, analysis of state data shows welfare ‘leavers’ have difficulty finding employment, have low earnings and often return to welfare. A recession will only make these problems worse”.

The major findings of the report include:

- One-third to one-half of welfare leavers do not report employment *of any kind* at the time of welfare exit and a large number experience substantial bouts of unemployment even if they report a job at the time of exit.
- One-quarter to one-third of welfare “leavers” return to welfare within a year of exit.
- Welfare leavers who find employment earn very low wages, ranging on average from minimum wage to \$8 per hour.
- Significant numbers of welfare leavers report hardships including hunger, housing or health problems, partly due to the reported low levels of participation in Medicaid and Food Stamps programs. In New Mexico, for example, 25 percent of leavers reported they had no way to buy food at some point after leaving the system.

The report includes a list of policy recommendations to counteract the negative effect the system has had on welfare leavers’ lives. Included among the many policy recommendations they list are:

- Increasing the minimum wage
- Simplifying access to food stamps and increasing the benefit levels
- Providing states with increased funds to allow health insurance for low-income parents who before could not obtain Medicaid, as well as for immigrants
- “Opening up TANF” by providing income supplements, education and training and other supports to low-income families
- Allowing parents to “count” education and training to move into living wage jobs as “work without restriction”
- Suspending time limits for families who are in compliance with work and other requirements
- Reducing or eliminating work requirements for families with significant care-giving responsibilities in the home
- Creating public jobs that offer real education and training opportunities to parents

➤ To download a copy of the full report, go to:

<http://www.nationalcampaign.org/Download/LEAVINGWELFARE.doc>

➤ For more information or to speak with Deepak Bhargava, contact Tyler Prell at 202-518-8047 or tyler@publicinterestpr.com