

CLASP Update

A CLASP Report on Welfare Developments

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105th CONGRESS: KEY CHANGES FOR LOW-INCOME FAMILIES

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

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

Program Coordination

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

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

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- < a state option to develop a single unified plan for the implementation of a number of the key federal programs;
- < modification of the standards for designating the local workforce investment areas that are intended to reduce the number of local areas within each state; and,

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

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

Improving System Performance

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

- < states will be subject to penalties of up to 5% of federal funding for failure to meet statewide performance goals;
- < training providers will generally be required to meet performance-based eligibility criteria; and,
- < eligible participants will be able to use individual training accounts to select among eligible providers using performance and cost information that will be made available through the new one-stop systems.

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

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

- < how individuals access training services;
- < how organizations will become eligible to provide training services; and
- < the use of individual training accounts - vouchers.

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

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

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

FEDERAL STUDENT AID BILL BECOMES LAW; WELLSTONE AMENDMENT DOES NOT

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

The Wellstone Amendment

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

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

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

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

educational attainment of the children of recipients who have completed a post-secondary education program;

(3) information regarding short and long-term employment, wages, duration of employment, poverty rates, sustainable economic self-sufficiency, prospects for career advancement or wage increases, access to quality child care, placement in employment with benefits including health care, life-insurance and retirement, and related program outcomes.®

The Student Aid Changes

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

- < changes the way a student's financial aid needs are calculated, allowing independent students who work and those with dependents to receive more aid. Specifically, the income protection allowances® that shield a portion of a student's income from being contributed toward college expenses have been increased for single independent students from \$3,000 to \$5,000. In addition, the new law allows institutions to set the dependent care expenses used to calculate the maximum Pell grants.
- < schedules a series of increases in the maximum Pell grant award authorized (though the actual Pell maximum is always lower and based on what Congress appropriates funds for). The maximum authorized grant is \$4,500 for the 1999-2000 award year, increasing to \$5,800 by 2004.
- < lowers interest rates for student loans for new borrowers and allows existing borrowers to consolidate old loans under the new lower rate (but they must apply for this by February 1, 1999). The student loan interest rate for repayment has been set at the 91 day AT-Bill® rate plus 2.3 percent; this results in an interest rate drop of 0.8 percent from the level in effect before July 1, 1998.
- < creates a new program to expand child care, called Child Care Access Means Parents in School (CHAMPS). Under CHAMPS, the Secretary of Education will make grants to higher education institutions to help them provide before- and after-school services to help low-income students (defined as those eligible to receive Pell Grants) to attend post-secondary education. The minimum grant is \$10,000, and an institution's students must receive \$350,000 total in Pell Grants in order for their college to be eligible for the program. The program is authorized at \$45 million in 1999.
- < requires institutions, beginning in FY 2000, to use 7 percent of their College Work-Study funds for community service activities. The new law also allows Work-Study funds to be used to pay students in community service for travel time to and from their work site and for time spent in

training.

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

CHILD NUTRITION REAUTHORIZATION EXPANDS ELIGIBILITY AND FUNDING

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

Child Care and School Programs

- < Expands afterschool snack programs to include teenagers. The maximum age of a child allowed to participate in those programs using the Child and Adult Care Food Program (CACFP) or the National School Lunch Program (NSLP) was raised from 12 to 18. An Area eligibility option[@] enables those afterschool programs in low-income areas to qualify for the highest level of reimbursement for all participating children without having to collect family income information for each child. Programs are deemed low-income if the school in their area has 50% or more of the children certified to receive free or reduced price lunch. Both non-profit organizations and schools in low-income areas may participate. In areas that are not low-income, teens can be served snacks at schools. The schools may utilize either a means-tested school lunch program or CACFP.
- < Converts the Homeless Children Nutrition Program from a pilot program to an entitlement program under CACFP. Allows children at homeless shelters up to age 12 to receive meals and snacks.
- < Allows children participating in the Even Start Literacy Program to become automatically eligible for the CACFP.
- < Provides information about the WIC program to low-income families through CACFP child care centers and family child care homes.

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

Summer Food Program

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

WIC Program

- < Requires, with exceptions, income documentation and physical presence for WIC Certification.
- < Allows state WIC agencies to use food dollars to purchase breast pumps.
- < Mandates two studies: (1) WIC cost containment strategies and (2) the cost of WIC services.

SEVERE TITLE XX CUTS FOLLOW RESTRICTED AVAILABILITY OF WELFARE FUNDS

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

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

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

association contends that:

Congress continues to chip away funding for welfare-related programs. States are investing in the future with child care and transportation initiatives and by creating rainy day funds to prepare for a possible economic downturn.

Congress cannot reward this good planning by forcing states to spend these reserves to meet federal unfunded mandates.

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

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

HUD FY 99 Appropriations Bill

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

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

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

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

< **Public Housing Income Targeting and Deconcentration**

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

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

< **Tenant-Based Section 8**

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

< **Project-Based Section 8**

Eligibility: Pre-1981 projects: at least 75% of units which become available must be for families earning less than 50% of AMI. Post-1981 projects: at least 85% of units which become available must be for families earning less than 50% of AMI.

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

< **Minimum Rents**

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

< **Family Choice of Rental Payment**

Families living in public housing may pay either a flat rent or an income-based rent. They may

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

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

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

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

< **Earned Income Disregard**

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

< **Portability**

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

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

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

TRANSPORTATION: ACCESS TO JOBS@ FUNDS AVAILABLE

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

- < Legislation currently authorizes \$150 million annually for the program. Initially, only \$50 million of the funding was guaranteed. Congress, however, appropriated an additional \$25 million, raising the guaranteed level to \$75 million for FY 99. The baseline guarantee of \$50 million increases by \$25 million each year, reaching full authorization levels in FY 2003. Final figures each fiscal year are dependent on annual Congressional appropriations process.
- < A 50% non-Department of Transportation match is required. Other federal funds that are eligible to be expended for transportation can be used as part of the match. Projects that can be implemented quickly are preferred.
- < On October 22, 1998, the Federal Transit Authority issued a Notice of Availability of Funds and Solicitation for Grant Applications. The notice announced the first round of competitive grants under the program. Grant selections will be announced in February 1999.

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

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

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

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

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

STATE NEWS

FOOD STAMPS: UNDERUTILIZATION and LEGALITY of PROCEDURES ASSESSED

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

In New York City, the USDA investigation is being accompanied by another inquiry begun by the Health Care Financing Administration. Both are addressing the significant decline in the percentage of approved

welfare applications. New York began a new process in April 1998, converting its welfare offices into job centers. The *Welfare Reform Network* (12/18/98) reported that prior to this transition, 53% of those who applied for welfare, food stamps and Medicaid received benefits; that number has dropped to 25%. A federal class action lawsuit, *Reynolds v. Giuliani*, has also been filed, alleging that applicants at job centers are falsely told that public assistance benefits no longer exist, are denied the opportunity to apply, are pressured into withdrawing their applications, and are denied benefits for reasons not permitted under the law. New York City Welfare Commissioner Jason Turner's absence from city council hearings that address these procedures has further angered city officials, advocates and welfare recipients.

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

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

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

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

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

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

however, has never implemented such a program.

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

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

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

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

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

WELFARE CUT-OFF PROTESTED in MASSACHUSETTS

Local Mayors Identify New Policy Solutions

In Massachusetts, over 30 persons were arrested and some spent the night in jail after protesting the

imposition of a two year welfare time limit on families. The federal welfare law precludes states from providing more than 60 months of federal TANF funds. States are free to extend assistance longer by using state funds or to limit assistance by denying families the federal funds that are available for needy families. In Massachusetts, the state has a two year time limit at which point families subject to the time limit may be granted extensions only on a case-by-case basis.

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

<p>C 5,100 families in Massachusetts welfare programs C 2,800 of these families requested last-minute extensions C 2,300 families sent notification about termination of benefits C 740 families cut as of January 4, 1999 Excerpted from Welfare Cutoff Becomes Reality by Doris Sue Wong, <i>Boston Globe</i>, January 5, 1999</p>

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

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

JOB CREATION PROGRAM PROPOSED IN NEW YORK

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

New York State has close to half a million adults who are unemployed with an additional 450,000 adults participating in welfare. The state creates less than 70,000 new net jobs annually. A recent report by the national Preamble Center for Public Policy found that New York ranks 48th in the country in terms of the number of new net low-income jobs being created as a percent of new job seekers due to welfare

reform It is estimated that New York created only 10,400 net low income jobs in 1997 and 7,500 in 1998. New York so far has heavily relied upon workfare to meet its federal work participation requirements, claiming that job creation is not needed since the number of welfare participants has Asuccessfully declined over the last three years@

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

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

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

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

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

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

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

EMPLOYER TESTIMONIALS

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

Boeing Co., Washington state's largest private employer, has tested a welfare to work program and likes what it sees so far.

Boeing started a pilot program in the Seattle area in January. Early reaction from managers who oversee the new employees is "send me more like this," said Paul Thomasson, a workforce administration manager for Boeing Commercial Airplane Group.

[Of the 43 screened out of pool of 166 to participate in training] 32 completed the training program and all were hired after being interviewed by Boeing managers. "All but one of them is still on the payroll and are doing very well," Thomasson said.

The managers gave such glowing reports that they were asked to do a second evaluation, this time comparing the workers to average new employees. They discovered the pilot program hires were roughly 5 percent more productive than the average, Thomasson said.

[Excerpted from Public Assistance, June 1, 1998]

TEENS & WELFARE REPRODUCTIVE HEALTH & WELFARE

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

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

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

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

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

The grantees are:

Family Planning Council
Philadelphia, PA

Community Prevention Partnership of Berks County
Reading, PA

University of South Carolina
South Carolina Research Institute
Columbia, SC

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

University of Texas Health Science Center
San Antonio, TX

Rehabilitation Exposure, Inc.
Project Exposure
East Point, GA

Colorado State University
Office of Sponsored Programs
Fort Collins, CO

Rites of Passage Program
Rio Grande Valley Council on Alcohol & Drug Abuse
Edinburg, TX

Insights Teen Parent Program
Portland, OR

East Bay Perinatal Council
Achieving Self-Sufficiency through Education, Training, &
Support Project (ASSETS)
Oakland, CA

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

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

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

TANF Performance Bonuses don't include pregnancy prevention/family measures yet...but in an interview published in the American Public Human Services Association magazine, *Policy and Practice* (August 1998), Ron Haskins, the House staffer most directly responsible for welfare legislation indicates his clear interest in seeing some measure of illegitimacy reduction included in future TANF Performance Bonuses. Under the 1996 welfare law, high performing states are eligible for a Performance Bonus: \$200 million annually from FY 99 to FY 2003. HHS has issued criteria for the bonus based on job retention and earnings measures. Haskins was asked, "In your view are these the right measures of high performance?" As stated in the article, he responded,

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

These purposes have to do with reducing teen pregnancy, increasing the number of kids in two-parent families, and reducing illegitimate births...I hope we can quickly include measures of illegitimacy rates in the states. As you know, we also have an illegitimacy bonus, and that bonus will go into effect next year. We should use the same measure of illegitimacy in the overall performance bonus. Some people have argued that it seems unfair to give two rewards for the same measure. But the view of those who wrote the legislation was that that was not unfair.

In the long run, I think we can have even better measures of the percentage of kids in two-parent families, and other family-type measures, because I hope that the Census Bureau is going to begin collecting new and better data...So in review, I think it is reasonable for the first year, 1999, for the award to be based on welfare-to-work measures, but thereafter, we should include family measures, beginning with the reduction in illegitimacy rates and proceeding to other measures that I hope will be yielded by these new census surveys, particularly the American Community Survey.@

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

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

APromoting Education among TANF Teens,@ a recent Welfare Information Network **AIssue Note@** identifies the central management issues that states confront in designing a **ALearnfare@** type program and reviews key research findings. The paper also notes special TANF agency initiatives related to TANF teens= schooling. Further, initiatives underway by state agencies other than TANF are cited.

& To get a free copy of the WIN **AIssue Note,@** see www.welfareinfo.org

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

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

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

Among the other findings are:

- < the 1996 welfare law had little effect on the eight states= teen pregnancy prevention strategies since all had already implemented minor teen living arrangement and school participation requirements through the federal waiver process;
- < 7 of the 8 states do not think they are in a very competitive position to win the out-of-wedlock bonus for different reasons: e.g. abortion data issues in California, Illinois, and Maryland make some officials in these states concerned about their capacity to compete; Oregon has a state law that prohibits marriage under the age of 17, thus the bonus= intent of encouraging marriage contradicts state policy and could make Oregon less competitive than other states; teen pregnancy, rather than adult pregnancy, is the focus in Georgia, Maine, and Vermont, but since older women account for the bulk of out-of-wedlock births, officials in these states believe they may be at a competitive disadvantage; Louisiana plans to compete.
- < some state officials expressed concern about the prescriptive nature of the \$50 million abstinence-unless-married program. Maine is cited as concerned that the abstinence program was not consistent with the state=s comprehensive approach which includes both abstinence and contraception. In addition, officials in 7 of the 8 states were concerned that state match requirements would affect the broader, more comprehensive programs that are already funded in the state.

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

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

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

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

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

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

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

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

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

IS THIS THE FAR SIDE?

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

Playing with welfare: Reform is no game

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

CLASP Update

A CLASP Report on Welfare Developments

February 2002

Wade Horn Kicks Off CLASP 2002 Audio Conference Series

Saying he would not want to “lose the opportunity to move the ball down the field,” Wade Horn, Ph.D., Assistant Secretary for Children and Families at the U.S. Department of Health and Human Services (DHHS), made it clear that he would be disappointed if the federal welfare program were just extended rather than reauthorized this fall. Horn was the kick-off guest for the new Center for Law and Social Policy (CLASP) 2002 Audio Conference Series on welfare reauthorization, “Making Welfare Work,” which debuted on January 25, 2002.

As Assistant Secretary, Horn oversees the Temporary Assistance for Needy Families (TANF) program, as well as other programs for low-income families,

including child support, child welfare, and Head Start. During the conference call, which drew an estimated 700 listeners in 40 states, CLASP Senior Policy Analyst Jodie Levin-Epstein questioned Horn on a wide range of topics related to welfare reform reauthorization and other issues. Horn said that the Administration’s plan for welfare reform will be revealed fairly quickly after the President’s budget proposal is released on February 4th. Here are some other highlights from the call:

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Contributors: Myra Batchelder, Mark Greenberg, Christine Grisham, Rick Haynes, John Hutchins, Kate Irish, Jodie Levin-Epstein, Mary Parke, Tanya Rakpraja, Elise Richer, Steve Savner, Patricia Weems

- **Horn’s overall priorities:** Horn described three overarching priorities for his work at DHHS: (1) addressing the needs of young people through positive youth development initiatives, (2) “leveling the playing field” for faith-based and community-based groups in federal programs, and (3) promoting responsible fatherhood and family formation.
- **Funding for welfare:** One of the clearest messages Horn said he received at the eight “listening sessions” on welfare reauthorization he held last Fall (see January 2002 issue of *CLASP Update*) was that “now is not the time to consider cutting the block grant.” He said that a cost-of-living adjustment was dependent on overall “budgetary balancing,” however.
- **Making poverty reduction a goal of welfare :** Horn contended that child well-being is a better measure of the success of welfare than poverty — but that economic security was an important component of assuring child well-being. He warned, however, against what he considered an unintended consequence of creating a child poverty measure: “a perverse incentive” for states to target those families just below the poverty line, rather than needier families.
- **Time limits:** Horn believes that the federal five-year time limit sent a very important message about the temporary nature of welfare benefits. He added that “pausing the clock” for working families was probably not necessary because states had not reached the 20 percent caseload exemption from time limits (and that working families could fall under that caseload exemption in any event).
- **Job promotion and education and training:** “Work-first is a good strategy, as long as it’s not work-only,” noted Horn. “We can’t be satisfied with getting a person a \$5 or \$6 an hour job.” Instead, welfare programs must help people move into better jobs. He hinted that the Administration would unveil a “clever” proposal that mixed a work-first orientation with education and training.
- **Marriage promotion:** Horn read a mission statement related to marriage promotion: “to help couples who choose marriage for themselves to develop the skills and knowledge necessary to form and sustain healthy marriages.” He offered the example of providing marriage enrichment classes to Head Start parents — in the same way that parenting classes are now available. While he said that he would oppose any effort to provide TANF benefits *only* to married families, he expressed concern about “penalizing” welfare recipients who decide to marry. He suggested that efforts by states to reward marriage — like West Virginia’s \$100 bonus to welfare recipients who marry — are mischaracterized as “marriage bribes” when they are, in fact, “marriage penalty rebates.” He argued that marriage promotion was an explicit goal of TANF, and that federal and state governments could do work in this area “sensitively” if they carefully evaluated what they were doing.

The CLASP 2002 Audio Conference Series

The CLASP 2002 Audio Conference Series continues in February with sessions focusing on TANF funding issues (February 1) and TANF time limits and sanctions (February 15). Throughout the year, 17 Audio Conferences are scheduled, covering other important issues like education and training, child care, food stamps, transitional jobs, and couples and marriage. Most calls include a panel of from three to five guests; all calls take place on Fridays from 12:30-1:30 p.m. eastern time. For those who can't listen in to a call, audiotapes are also available for purchase.

Since 1994, CLASP has hosted over 100 national Audio Conferences on a range of policy issues related to low-income families. These acclaimed conference calls provide listeners with the latest developments from Washington and around the country. Both national and state leaders find CLASP Audio Conferences valuable. David Ellwood of Harvard University has called them a "national treasure." One county administrator raved, "The Audio Conferences — live or on tape — have proven to be a useful resource for my staff and I encourage other county agencies around the country to tune in."

- For more information about CLASP 2002 Audio Conferences or to register, visit: http://www.clasp.org/audioconference/2002_brochure.htm

New Analysis of State Use of Welfare Funds in Fiscal Year 2000

Mark Greenberg and Elise Richer of CLASP have recently completed an analysis of how states used their federal Temporary Assistance for Needy Families (TANF) and state Maintenance of Effort (MOE) funds in Fiscal Year 2000 (that is, the year ending September 30, 2000), drawing on federal reporting by states. Fiscal Year 2000 data are the most recent data posted by the federal government. (In order to avoid a TANF penalty, a state must spend each year at least 75-80 percent of the state money it was spending in 1994 on welfare and related programs — this is termed MOE funds.)

CLASP has analyzed state usage of funds by calculating what share of TANF and MOE funds each state spent or transferred in the allowable categories. To make the analysis simpler, different categories of spending are sometimes combined into one item. For example, the CLASP analysis combines the categories of transfers to the Child Care Development Block Grant, spending on child care assistance, and spending on child care non-assistance under the single category of "Child Care."

Some of the main findings from the analysis include:

- **Most states used less than half their TANF and MOE funds for Basic Assistance (i.e., payments or vouchers used to meet ongoing basic needs of recipients).** Only six states — California, Hawaii, Maine, Nebraska, New Mexico, and Rhode Island — used more than 50 percent of their funds on Basic

Assistance. In half the states, Basic Assistance accounted for one-third or less of total TANF and MOE use.

- **In 14 states, the largest share of TANF and MOE funds did not go toward Basic Assistance.** In these states, the largest share of TANF and MOE funds was used for Child Care (nine states), Other Non-assistance (three states), or activities authorized under prior law (two states).
- **Child care (direct spending on child care assistance and non-assistance, and transfers to the Child Care Development Fund) is the largest share of TANF and MOE use in nine states.** In 25 other states, Child Care is the second largest share of TANF and MOE funds. Only one state — Wyoming — did not use any funds for Child Care.
- **The share of funds directed toward Education and Training is very low — less than one percent overall.** Although nearly all (41) states reported spending some money on Education and Training, only five states (Delaware, Kentucky, Louisiana, Montana, and South Carolina) used more than three percent of their TANF and MOE funds on Education and Training. The two states using the highest proportion of their funds on this category were South Carolina (18 percent) and Delaware (11 percent).
- **Most states spent no funds on Individual Development Accounts (i.e., savings accounts that people can use for specified purposes, such as education, training, or business start-up).** Six states (Arkansas, Indiana, Iowa, Michigan, Texas, and Virginia) funded them, but at very low levels. Arkansas used the largest share of its funding on IDAs — 0.2 percent. The other states spent even less.
- **Seven states used funds for Refundable Tax Credits, although the share of funds spent was typically low.** Three states used five percent or more on such credits: New York (6 percent), Massachusetts (5 percent), and Minnesota (5 percent). Indiana, Vermont, and Michigan also used TANF or MOE funds for such a credit, as did Wisconsin, although Wisconsin used less than one percent on it.

CLASP has posted state-by-state analyses of TANF and MOE spending on its website, as well as more technical discussions of how funds were used and how categories were generated.

- For more information, visit <http://www.clasp.org/pubs/TANF/FY00/Introduction.htm> or contact Mark Greenberg (mhgreen@clasp.org) or Elise Richer (ericher@clasp.org).

CLASP and CBPP Hold Press Preview on Welfare Reauthorization

In January, welfare policy experts from CLASP and the Center on Budget and Policy Priorities (CBPP) held a briefing, “Preview of Key Issues in Welfare Reform Reauthorization,” at the National Press Club in Washington, DC, for national and regional print reporters. CLASP Senior Staff Attorney Mark Greenberg and Sharon Parrott, CBPP Co-Director of Federal TANF Policy, offered overview presentations on policy and funding issues in welfare reform reauthorization. CBPP Executive Director Robert Greenstein moderated an hour-long question-and-answer session with reporters from 15 media outlets, including the *Los Angeles Times*, Gannett, Cox Newspapers, and *Newsday*. Other policy experts from both CBPP and CLASP also participated in briefing reporters.

Five background papers were developed collaboratively by the two organizations for the briefing. CLASP’s Steve Savner, Julie Strawn, and Mark Greenberg prepared *TANF Reauthorization: Opportunities to Reduce Poverty by Improving Employment Outcomes*. It reviews what is known regarding employment and earnings for families receiving and leaving welfare and offers specific recommendations for changes in the Temporary Assistance for Needy Families (TANF) program to improve employment outcomes. Four additional background papers were prepared by CBPP on issues related to funding, families with barriers to employment, immigrants, and family formation.

- To view the paper on improving employment outcomes by Steve Savner, Julie Strawn, and Mark Greenberg, visit <http://www.clasp.org/pubs/TANF/tanf%20reauthorization%20opportunities%20to%20reduce.htm>
- To view the four papers by CBPP on funding, families with barriers to employment, immigrants, and family formation, visit <http://www.cbpp.org/tanfseries.htm>

New Recommendations for Creating State Justice Communities

In a world of increasing devolution of federal responsibility for social programs to the state and local levels, state-level advocacy for the rights and interests of low-income people is crucial. The Project for the Future of Equal Justice, a joint effort by the National Legal Aid and Defender Association (NLADA) and the Center for Law and Social Policy (CLASP), conducted a study of state-level advocacy, coordination, and support in civil legal services in 2000-2001. The results appear in a new report, *The Missing Link in State Justice Communities: The Capacity in Each State for State Level Advocacy, Coordination, and Support*, by CLASP Executive Director Alan W. Houseman.

According to *Missing Link*, the civil legal assistance community is moving toward developing comprehensive, integrated systems of civil legal assistance in every state, known as “state justice communities.” To be effective, these communities must include a range of critical services and a community of advocates, as well as:

- *Advocacy* on statewide issues of importance to low-income persons, including statewide litigation and representation before legislative and administrative bodies,
- A systematic effort to ensure *coordination* of all legal providers and their partners in all state-level legal forums on matters of consequence to low-income persons, and
- A system to *support* that advocacy and the advocates and their partners through education, training, research, and resource development.

According to the Project for Equal Justice survey, only a few states have developed adequate systems of advocacy, coordination, and support. *The Missing Link* offers seven recommendations to help state planners in their efforts to build effective state justice communities:

1. Effective and comprehensive state-level advocacy must occur in all areas of poverty law and in all forums, including courts, administrative rulemaking and policymaking bodies, state legislative bodies, state houses and executive offices, and other public and private entities that affect the lives of legal aid client communities.
2. Each state must have a system to coordinate such advocacy to provide concrete advice and assistance to lawyers, paralegals, and policy advocates.
3. States must put in place technologically up-to-date monitoring and information dissemination systems.
4. States must develop coordinated statewide education and training activities — either on their own or through regional consortia.
5. State justice communities must make a commitment to raising new funds and reallocating existing funds for state-level advocacy.
6. States must consider developing other coordination and support functions, including coordinated dissemination of community legal education information.
7. Structure does matter. Independent entities with independent boards of directors have been more effective at raising funds and providing critical

advocacy and support functions than those entities controlled by local program project directors.

- To view or download a copy of this report, visit:
<http://www.clasp.org/pubs/legalservices/Missing%20Link.pdf>

TANF and Teen Parents with Disabilities

The legislation that established the Temporary Assistance for Needy Families (TANF) program must conform to the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, which prohibit discrimination on the basis of disability. However, many TANF programs may fall short of meeting the needs of teen parents with disabilities. Teen parents may be undiagnosed, ignored, or even sanctioned for reasons related to disability, according to a recent CLASP report, *TANF & Teen Parents with Disabilities*, by Naomi Seiler.

Here are some of the report's key findings:

- Estimates on the rate of disability among TANF participants of *all* ages range from 10 percent to 40 percent. Data specific to teens are not available, however.
- Factors associated with poverty may lead to higher rates of disability (as well as to teen parenthood). A national study of special education students found that 41 percent of students with disabilities had heads of household who were not high school graduates, compared to less than one-quarter of students overall. As high school students, 37 percent of youths with disabilities had a single parent, compared to 25 percent of youths in the general population. Eight percent of youth with disabilities dropped out *before* high school, and 30 percent of the remainder dropped out during high school. The dropout rate for the general population is 25 percent.
- Teens with disabilities often do not receive information on sexuality and reproductive health because parents or professionals either are unaware that teens with disabilities engage in sexual activity or are unable to discuss sensitive sexual issues with them. However, a 1996 study of more than 1,500 adolescents with disabilities found no significant differences between them and adolescents without disabilities in the proportion ever having intercourse, age of sexual debut, pregnancy involvement, patterns of contraceptive use, or sexual orientation.

Recommendations for Policy and Future Research

Seiler makes a number of policy and research recommendations, including:

- **Assessment and screening:** Assessment and screening for disabilities among teens must be strengthened both to improve services for individuals and to assess the size and needs of the population.

- **Linkage to other services:** States should strengthen or establish linkages between different services for teens with disabilities and those that facilitate the transition to adulthood.
 - **Exemptions are not enough:** Some advocates suggest delineating persons with disabilities as a group as exempt from federal welfare time limits. While such an exemption may help some teen parents with disabilities, it does not address the barriers to long-term economic stability that these teens face. Rather than rely on exemptions as a blanket approach, TANF practice should reflect the principle that young people with disabilities should receive services that allow them to succeed academically and economically.
 - **Sex education for teens with disabilities:** Any TANF-funded programs targeted to teenagers must recognize that teens with disabilities are sexually active at rates comparable to non-disabled teens, and that they need comprehensive sex education.
- To view the report, visit:
<http://www.clasp.org/pubs/teens/TANFandTeenParentswithDisabilities01-33.pdf>

On The Hill

Cardin Welfare Reauthorization Bill Introduced in the House

On January 24, 2002, Representative Benjamin Cardin (D-MD), the ranking minority member of the influential House Ways and Means Subcommittee on Human Resources, introduced H.R. 3625, “The Next Steps in Reforming Welfare Act.” It is cosponsored by the other Democratic members of the Human Resources Subcommittee — Reps. Fortney “Pete” Stark (CA), Sander Levin (MI), Jim McDermott (WA), and Lloyd Doggett (TX).

Rep. Cardin’s bill seeks to “reauthorize and improve [the TANF program] by increasing resources for job placement and advancement and by enhancing the program’s focus on reducing poverty,” according to a summary developed by his office. Cardin identified a number of key provisions in his bill:

- Ensuring a financial commitment to TANF by increasing the current annual \$16.5 billion allocation by an inflation adjustment in coming years.
- Increasing the funding for the Child Care and Development Block Grant by \$11.25 billion over five years.
- Making poverty reduction an explicit goal in welfare reform and giving states financial bonuses if they reduce child poverty.

- Continuing the current requirement that TANF recipients be working or enrolled in related employment activities.
- Improving earnings for current and former TANF recipients, including a new demonstration project to increase wages for low-wage workers and to help improve employment outcomes for welfare recipients with multiple barriers.
- Adding measures to encourage family formation and responsible parenting.
- Revising the immigrant provisions in the 1996 law by restoring TANF and Supplemental Security Income (SSI) eligibility to non-citizens who are legal residents.
- Maintaining state accountability under TANF by extending the current maintenance-of-effort requirement (plus an inflation increase). Requiring states to use federal funds to supplement, rather than replace, state funding in various low-income programs.
- Calling for increased information about state TANF programs and about the status of those who have left welfare.

The bill also contains provisions that would modify other rules related to time limits and participation requirements, including not counting months that recipients are employed against the 60-month federal time limit, removing the restrictive cap that limits the ability of states to count participation in education and training, extending the number of months that recipients' participation in education and training would "count" from 12 to 24 months, and allowing some limited "barrier-removal" activities (e.g., substance abuse treatment) to count toward participation.

In addition, the bill would require that states have a review and conciliation process prior to imposing sanctions; the state would need to provide notice and an opportunity for a meeting and to consider whether conditions, such as physical or mental impairments, domestic violence, or limited English proficiency, were affecting the individual's ability to meet requirements.

Last October, Rep. Patsy Mink (D-HI) introduced H.R. 3113, "The TANF Reauthorization Act of 2001." The March issue of *CLASP Update* will include more detail concerning the Cardin and Mink bills, both of which have been referred to the House Ways and Means Committee. The Bush Administration's proposals for welfare reauthorization are expected in the weeks following the release of the President's budget on February 4, 2002.

- To read the text of the bills, visit www.thomas.loc.gov

First Child Care Reauthorization Bill Introduced in the House

Rep. George Miller (D-CA) introduced the Child Development and Family Employment Act of 2002 (H.R. 3524) on December 19, 2001, just before the end of the first session of the 107th Congress. This bill is the first major legislative proposal by Democrats in the House to address the reauthorization of the Child Care Development Fund (CCDF), which must be completed by September 30. The goal of the legislation is to help families work by providing funding to support quality child care and early education opportunities to prepare children for school and by providing after school enrichment for school-aged children.

The bill's proposals include the following:

- Increasing the percentage of CCDF federal mandatory, discretionary, and federal and state matching funds that states must spend on system-wide quality initiatives from 4 percent to 16 percent;
- Earmarking 35 percent of the 16 percent quality set-aside funds (described above) for initiatives designed to increase the supply and quality of infant and toddler care;
- Providing \$3 billion in mandatory funding over five years to increase reimbursement rates to providers;
- Providing \$5 billion in discretionary funding to recruit and retain child care teachers through the provision of wage enhancements and scholarships for additional education and training;
- Encouraging states to develop contracts with accredited providers in low-income and rural communities in order to improve accessibility; and
- Improving information on child care options and subsidies to parents through outreach to the public and coordination with child care resource and referral agencies and state welfare agencies.

In addition to the money authorized for increasing reimbursement rates and developing child care staff, the bill proposes an \$18.5 billion increase in CCDF mandatory funds as well as a \$20 billion increase in discretionary funds over five years to increase the availability and affordability of quality child care services. The bill is currently in the House Ways and Means Committee and the House Committee on Education and the Workforce.

- To read the text of the bill, visit www.thomas.loc.gov.

New Comprehensive Sexuality Education Bill Introduced

On December 12, 2001, Reps. Barbara Lee (D-CA), Jim Greenwood (R-PA), and Lynn Woolsey (D-CA) introduced the Family Life Education Act (H.R. 3469) in the House. The bill, which has the unfortunate acronym of “FLEA,” would provide \$100 million for comprehensive in-school sexuality education programs for each of the fiscal years 2003 through 2007. FLEA would allow each eligible state to receive from the Secretary of Health and Human Services “a grant to conduct programs of family life education, including education on both abstinence and contraception for the prevention of teenage pregnancy and sexually transmitted diseases, including HIV/AIDS.”

According to recent research (Kirby, 2001), several comprehensive sexuality education programs have been shown to reduce sexual activity or increase condom and other contraceptive use among teens. In addition, research referenced in the bill suggests that 75 percent of the decrease in teen pregnancies between 1988 and 1995 was due to an increased use of contraception. However, STIs are still rapidly increasing; U.S. teens contract 4 million new STIs each year.

In contrast, there is little research that supports the efficacy of abstinence-only education, an approach that fosters abstinence and precludes education on how to use contraception. In his research review, Doug Kirby found that “there do not currently exist any abstinence-only programs with reasonably strong evidence that they actually delay the initiation of sex or reduce its frequency.” Separate research suggests that teens who take “virginity pledges” are more likely to delay sexual activity; however, pledgers who become sexually active are less likely to use contraception and are at increased risk of negative health consequences.

Despite this research, abstinence-only sexuality education currently receives funds from three different federal programs, totaling over \$100 million in FY 02. The new FLEA bill would provide federal funding for states to run *comprehensive* sexuality education programs in schools. This bill appears to be in line with the desires of parents, teachers, and students. According to a survey done by the Kaiser Family Foundation, 85 percent of the parents of 7th-12th graders want their children to learn how to use condoms, and 90 percent want their children to learn about general birth control topics. According to a 1999 Alan Guttmacher Institute (AGI) study, more than nine in ten teachers believe that students should be taught about contraception.

The FLEA bill was referred to the House Committee on Energy and Commerce Subcommittee on Health. A similar bill is expected to be introduced in the Senate this year.

- For more information, please contact Marcela Howell at Advocates for Youth at marcela@advocatesforyouth.org
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- For more information on Doug Kirby’s research review for the National Campaign to Prevent Teen Pregnancy, visit: <http://www.teenpregnancy.org/053001/>
- For more information on the Kaiser survey, *Sex Education in America: A View from Inside the Nation’s Classrooms*, visit: <http://www.kff.org/content/2000/3048/Chartpack.pdf>
- For more information on the AGI survey, *Changing Emphases in Sexuality Education in U.S. Public Secondary Schools, 1988-1999*, visit: <http://agi-usa.org/pubs/journals/3220400.html>

Making Marriage Count in Federal and State Statistics

Recent fatherhood legislation and the upcoming reauthorization of the federal welfare law have brought greater attention to the role of the federal government in family formation. At the state and local levels, governments have set quantitative goals and introduced initiatives to reduce rates of divorce and out-of-wedlock births. At a recent national conference, CLASP Senior Policy Analyst Theodora Ooms pointed out that this increase in state marriage- and divorce-related policy activity is taking place in an arena in which national statistics on divorce and marriage are virtually non-existent and state statistics are deteriorating. In 1995, budget constraints led the National Center for Health Statistics to discontinue funding the office that worked with states to improve marriage and divorce vital statistics and that analyzed and provided national reports on these data. This means that there is no longer any reliable, national source of statistics on marriage and divorce. How will states know whether they are achieving their own family formation goals? How will the federal government know whether family formation goals of federal legislation are being reached?

This data problem was a major subject of a December 2001 conference, “Counting Couples: Improving Marriage, Divorce, Remarriage, and Cohabitation Data in the Federal Statistical System,” held at the National Institutes of Health. This conference brought together roughly 70 policymakers, researchers, and professionals from the federal statistical system — including the current and two former presidents of the Population Association of America, top federal statistical officials, sociologists, and demographers — to assess the current status of marriage, divorce, remarriage, and cohabitation data in major federal surveys and to identify areas for improvement. The conference was sponsored by the Federal Interagency Forum on Child and Family Statistics, Child Trends, the National Institute of Child Health and Human Development, and the Census Bureau.

A considerable consensus developed among conference participants on several short-term and long-term recommendations, including:

- Developing a module of questions on family formation to be used by all major federal surveys. This module would include questions about unmarried couples living together, so that the definition of cohabitation would become more standardized.
- Establishing a large family, fertility, and couples survey devoted specifically to increasing understanding of family formation and dissolution. (Most federal surveys are conducted for specific program or legislative purposes.)

While there was broad agreement on the need for making more and better data available at the state and local level, there was considerable disagreement about whether this was best accomplished by improving marriage and divorce vital statistics (a continuous, complete record of actual events), by funding the new American Community Survey by the Census Bureau (which collects information from samples of residents), or by using both methods.

The Federal Interagency Forum for Child and Family Statistics is preparing a report summarizing the recommendations of the conference attendees.

- For background on federal surveys discussed at the conference, see: <http://www.childstats.gov/Data%20Collection/union.asp>
- For information about the Interagency Forum on Child and Family Statistics, please visit: <http://www.childstats.gov>
- If you have questions, please email Theodora Ooms at tooms@clasp.org or Mary Parke at mparke@clasp.org

U.S. Lags Behind Europe in Teen Pregnancy Prevention

The United States lags behind other developed countries in addressing the problem of unintended teen pregnancy, according to a new Alan Guttmacher Institute (AGI) publication, *Teenage Sexual and Reproductive Behavior in Developed Countries: Can More Progress Be Made?* The report presents an in-depth examination of teenage sexual behavior in the United States, Canada, France, Great Britain, and Sweden. Highlights from the report's findings include:

- Levels of teen sexual activity and the age of sexual initiation are similar among all five countries. However, in the United States, fewer sexually active teenage girls use contraception effectively, and a smaller proportion of teenagers who get pregnant have an abortion. Thus, when compared to other developed countries, the U.S. has higher rates of teen pregnancy, childbearing, and sexually transmitted infections (STIs).

- While all five countries experienced a decline in teen birth rates over the past three decades, the decline has been less steep in the U.S. While the teen birth rate has declined almost 30 percent in the U.S. since the 1970s, it has declined by 38 percent in England and Wales, over 50 percent in Canada, 75 percent in France, and 80 percent in Sweden over that same period.
 - In all five countries studied, poorer and less-educated women are more likely to give birth during adolescence. However, the proportion of the U.S. teenage population that is poor is larger than in the other study countries, which partially explains the considerably higher rates of teenage childbearing in the U.S., according to the AGI.
 - Reproductive health care access is also more of a problem in the U.S. One-fifth of women of childbearing age in the U.S. lack health insurance, and many private insurers in this country do not cover (or do not fully cover) the costs of reproductive health services. U.S. teenagers often do not know how to access reproductive health services, many fear they will not receive confidential care, and many have a difficult time accessing contraceptive services.
 - Sweden, France, Canada, and Great Britain all provide strong societal messages to young people about not bearing children while still in their teens. Sexuality among young people is more accepted, but teens are also expected to be in a stable union before having sex, to prevent pregnancy and STIs, and to complete their education and find employment before becoming a parent.
 - The four European study countries offer more comprehensive sexuality education curricula than the U.S. They provide comprehensive information about the prevention of STIs and pregnancy, on contraceptives and (often) how to obtain them, and on responsible and respectful relationships. In Sweden, the country with the lowest teenage birthrate, sexuality education has been mandated in schools for almost 50 years.
- To view the full AGI report, go to <http://www.agi-usa.org/media/moreprogress.html>.

Change in Family Income Matters More for Children with Less

A new study published in *Child Development* suggests that a small increase in family income can make big difference for young children from poor families by increasing their social skills and readiness for school to levels seen in children from middle-class families. In the paper, “Change in Family Income-to-Needs Matters More for Children with Less,” researchers at the Harvard Graduate School of Education and Baylor University examined the change in income-to-needs and 36-month child outcomes using data on 1,216 families collected as part of the National Institute of Child Health and Human Development Study of Early Child Care. While other studies have shown

economic loss to be a risk factor for poor children, this is the first study to show economic gain to be a protective factor.

The study, by Eric Dearing, Kathleen McCartney, and Beck A. Taylor, is also the first to look at changes in economic resources *within* families rather than evaluating the difference *between* families. The income-to-needs measure used in this study compares a family's income to the poverty threshold for a family its size. The researchers examined the change in income-to-needs and the child's outcomes during five home visits and phone calls between the time the children were 1 and 36 months of age. They found a correlation between income-to-needs and measures such as cognitive development, social behavior, and language abilities. While children from non-poor families who experienced a change in income showed little change in outcomes, a change in income had a big impact on poor children. Children whose income-to-needs status changed from poor to non-poor performed as well as their non-poor peers. In poor families, decreases in income-to-needs were associated with worse child outcomes.

- For a full copy of the study, or to arrange a time to speak with the authors, contact Margaret Haas at the Harvard Graduate School of Education at (617) 496-1884.

Hunger and Homelessness Up Sharply in Major Cities

Hunger and homelessness rose sharply in major U.S. cities in the last year, according to a survey released in December by the U.S. Conference of Mayors. Requests for emergency food assistance climbed an average of 23 percent and requests for emergency shelter increased an average of 13 percent in the 27 cities surveyed. Resources available for food and shelter assistance failed to keep up with demand in most cities.

The U.S. Conference of Mayors survey, which has been conducted annually for 17 years, found an increase in requests for emergency food assistance in 25 of 27 cities. There was no change in the remaining two cities. The largest increases were reported in Santa Monica (50 percent), Phoenix (44 percent), Charlotte (42 percent), Salt Lake City (35 percent), and Portland, Oregon (34 percent).

The survey also found that 19 cities reported increases in requests for emergency shelter compared to last year. The sharpest increases were in Trenton (26 percent), Kansas City (25 percent), Chicago (22 percent), and Denver (20 percent). Requests for emergency shelter declined by five percent in Philadelphia and St. Louis.

- To view or download the entire report, which includes detailed information on demographics, causes of hunger and homelessness, and model programs, visit <http://usmayors.org/uscm/hungersurvey/2001/hungersurvey2001.pdf>

New Resources

A new report from the Center on Budget and Policy Priorities (CBPP), *States Are Cutting Low-Income Programs in Response to Fiscal Crises: Less Counter-productive Options Are Available*, by Kevin Carey and Iris J. Lav, outlines the problems states face due to the weakened economy. Rising unemployment is reducing tax revenues as people earn and spend less, while the need for programs that provide employment and income support has increased. Medicaid spending, for example, increased by 18 percent from October 2000 to October 2001 and state spending on TANF increased more than 20 percent. Many states must balance their budgets on a yearly basis, and, as a result, some states are cutting spending in other human service programs. According to the report, 19 states have made cuts to low-income and human service programs; of these, 17 have cut health care programs and 10 have cut income support or employment support programs. The report notes that, according to the National Conference of State Legislatures, revenues in 43 states are below previous estimates, and 36 states have planned or have implemented cuts in public services. The report also cites a National Governors Association estimate that state budget deficits will total more than \$40 billion this fiscal year. The report notes that some states are using rainy day funds or increasing taxes to cope with their budget problems.

- To view the report, visit: <http://www.cbpp.org/1-17-02sfp.htm>

Supports for Working Poor Families: A New Approach, by Michael E. Fishman and Harold Beebout (December 2001), presents policy options for improving access to state and federal work support programs, such as food stamps, Medicaid, child care, SCHIP, and the EITC, to help families leave poverty when they leave welfare for work. The authors argue for a new approach that should be based on the principle of “do no harm,” that should include simple application procedures and eligibility determinations, and that should be divorced from the welfare program and its stigma. The report proposes several options, including providing a nutrition tax credit in conjunction with the EITC, offering express food stamps, and marketing work supports through one-stops and employers.

- To view the paper, visit: <http://www.mathematica-mpr.com/PDFs/redirect.asp?strSite=supportpoor.pdf>

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About CLASP

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

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C E N T E R F O R L A W A N D S O C I A L P O L I C Y

Welfare Should Improve Lives of Children in Low-Income Families, Says Packard Report

Federal and state lawmakers should refocus welfare reform to significantly improve the lives of children in low-income families, according to a special issue of the David and Lucile Packard Foundation's journal, *The Future of Children*, which was released at a press conference in Washington in February. In addition, the Packard Foundation released a new poll on public attitudes on welfare, as well as research results on Connecticut's Jobs First Program and from a study of marriage among low-income families in Boston, Chicago, and San Antonio (see sidebar on page 3).

One of the chapters of the report, "The 1996 Welfare Law: Key Elements and Reauthorization Issues Affecting Children," was authored by CLASP's Mark H. Greenberg, Jodie Levin-Epstein, Rutledge Q. Hutson, Theodora J. Ooms, Rachel Schumacher, Vicki Turetsky, and David M. Engstrom.

The Packard report argues that, although federal welfare reform has successfully moved many mothers from welfare to work in the last five years, more needs to be done to ensure that children in low-income families have an adequate standard of living, stable and supportive homes, and access to quality child care and afterschool programs.

The evaluation of the Connecticut Jobs First Program by the Manpower Demonstration Research Corporation suggests that increasing the length of time that a family receives work supports may bring greater positive effects on children's outcomes. For instance, the Minnesota Family Investment Program, which offers earnings supplements and no time limit on benefits, has shown better results for children's achievement in school than the Jobs

First program, which combines time limits with earnings supplements. In addition, the Jobs First evaluation showed that the program increased employment, but income gains were short-lived, disappearing as families reached the 21-month time limit.

The public agrees that improving conditions for families and children should be an important part of assessing the success for welfare reform, according to a nationally representative survey conducted by Lake Snell Perry and Associates for the Packard Foundation. Three-quarters (74 percent) of the respondents said that decreasing the number of families in poverty should be very important in judging welfare reform, and 61 percent said that the well-being of children in low-income families should be very important.

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Recent Report Questions Child Support Distribution for Families Leaving TANF

The U.S. Department of Health and Human Services (DHHS) Office of Inspector General (OIG) issued a report in October, *Distributing Collected Child Support to Families Exiting TANF*, which outlines problems many families leaving the Temporary Assistance for Needy Families (TANF) program experience in collecting the child support payments they are entitled to. CLASP has prepared a two-page summary of the report. The OIG found that many states are having difficulty getting support redirected to families leaving TANF, including both delays in payment and underpayment of the amount due to the family. The receipt of child support at the time of transition from welfare can be crucial as a family strives to become self-sufficient.

Background

During the time that a family receives TANF benefits, any child support collected for the family is assigned to the state, which may “pass through” part of the support to the family or keep the support as reimbursement for the assistance given to the family. When there are no unreim-

bursed arrears on a family’s TANF account, the state is required to pass through any collected child support that exceeds the amount of the TANF grant, although states have the option of passing through excess child support even if a family has unreimbursed arrears.

When a family exits TANF, the state is required to transfer child support collections to the family. The receipt of child support at this time of transition can be crucial as a family strives to become self-sufficient. Custodial parents who receive monthly support payments have only a 9 percent chance of returning to TANF, while those who do not receive monthly support payments have a 31 percent chance of returning to TANF after six months.

Findings from OIG Report

The Office of Inspector General made site visits to five states (California, Colorado, Louisiana, Massachusetts, and Washington) and conducted a survey of the remaining 51 state TANF and Child Support Enforcement (CSE) agencies. Among the study’s findings:

- After leaving TANF, eight percent of custodial parents in the five case-study states experienced delays receiving child support payments while three percent were underpaid.
- Among the survey states, 11 reported difficulties in ensuring that families exiting TANF receive the child support payments to which they are entitled. Furthermore, 28 states reported problems with their automated systems that potentially cause delays and underpayments of child support to families leaving TANF.

Recommendations

As a result of its study, the OIG developed the following recommendations:

- State TANF and CSE agencies should improve their automated systems so that TANF case closures automatically result in the redistribution of collected child support without caseworker intervention.

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Child Support *continued from page 2*

- To facilitate timely disbursement of collected child support, state TANF and CSE agencies should emphasize the verification of custodial parent addresses;
- Policies and procedures for handling excess child support should be implemented; and
- State child support self-assessment processes should address the effectiveness of the collection and distribution of child support for TANF leavers.

Swift action on these recommendations should help low-income custodial parents get the support payments they need and should allow low-income non-custodial parents to see that their payments are helping their children. ■

■ For a copy of the full report, see <http://oig.hhs.gov/oei/reports/oei-05-01-00220.pdf> or contact the Chicago regional office at (312) 353-4124.

■ For a CLASP summary of the report, see “New Report From OIG Raises Questions About Child Support Distribution for Families Leaving TANF,” by Sara Davis, <http://www.clasp.org/pubs/childenforce/OIG%20Report%20re%20Post-TANF%20Distribution.pdf>

NEW FACT SHEETS ON CHILD SUPPORT DISTRIBUTION

CLASP offers a new line of one-page fact sheets, “Reauthorization Issues: Child Support Distribution.” This series explains complex child support assignment and distribution rules — and numerous proposals by the Administration and in Congress to change the rules — in an easy-to-read format. Topics include:

- Getting More Child Support to Children
- Child Support Assignment: Who Has a Claim to the Money?
- Child Support Distribution: Who Is First in Line for Payment?
- Child Support Distribution Accounting “Buckets”
- State Policy Re: Pass-Through and Disregard
- Early Findings from Wisconsin Child Support Experiment
- Improved Performance by State Child Support Programs (IV-D)
- Families Participating in the State Child Support Program

■ To view and download these new resources, visit http://www.clasp.org/pubs/childenforce/child_support_enforcement.htm

Packard Report *continued from page 1*

The Packard Foundation report offers recommendations to policymakers to address needs of children in low-income families in four areas: (1) adequate income and resources, (2) high-quality child care and afterschool options, (3) continuing training and education opportunities for parents, and (4) increased father involvement. ■

■ To view or download the Packard report, an executive summary, and the results of the public opinion survey, visit: <http://www.futureofchildren.org/>

WELFARE, CHILDREN, AND FAMILIES: A THREE-CITY STUDY

A new study that interviewed poor and near-poor families in low-income neighborhoods in Boston, Chicago, and San Antonio has found that the percentage of children living with two parents increased between 1999 and 2000–2001, although many of these two-parent relationships were unstable. The study by Andrew J. Cherlin and Paula Fomby of Johns Hopkins University, which was released at the Packard event (see page 1), includes these findings:

- Between the two interviews (1999 and sixteen months later), the percentage of children living with two parents (cohabiting or married) increased from 34 to 38 percent. This finding is consistent with national data showing a slight reversal in the decades-long decline in two-parent families among the poor.
- However, the percentage increase of children living with *both biological* parents did not increase. All of the net increase in two-parent families involved a mother and a man who was a cohabiting partner or a married stepfather.
- Two-parent relationships in this study broke apart at a high rate. Forty-two percent of the mothers who were cohabiting at the start of the study had broken up with their partners by second interview (16 months later on average), as had 16 percent of the married mothers.
- Nearly one-half of the mothers who began to cohabit or who married during the study had not been on welfare since the passage of the 1996 welfare reform law.

■ To download a copy of the working paper, “Welfare, Children, and Families: A Three-City Study,” visit: http://www.jhu.edu/~welfare/work_paper_2-20.pdf

Abstinence Increase in Bush Budget Conflicts with Emphasis on Accountability

One of the more striking features of the Bush Administration's FY 2003 budget proposal is its emphasis on performance and accountability, including a scorecard that rates the performance of government agencies. In a section entitled "Governing with Accountability," the proposal asserts that "the assumption that more government spending gets more results is not generally true and is seldom tested." When it comes to the Administration's proposed budget increases for abstinence-unless-married education, however, these admonitions regarding performance and accountability ring hollow.

There are currently three related federal funding streams available for abstinence-unless-married education. The first is Section 510 of the Maternal Child Health (MCH) block grant, which has provided \$50 million in federal funds each year since 1996 to implement abstinence-unless-married programs (states are required to come up with a match). To be funded, a program may not be inconsistent with a federally-mandated eight-point definition of abstinence education, including teaching that "sexual activity outside the context of marriage is likely to have harmful psychological and physical effects." This eight-point definition also got attached to the existing Adolescent Family Life Act program, which includes about \$10 million annually for abstinence education.

The Bush Administration seeks to increase the third source of abstinence funding, the MCH Special Projects of Regional and National Significance (SPRANS). Championed by Representative Ernest Istook (R-OK), the SPRANS abstinence program began a couple of years ago with \$20 million in annual funding, which soon was doubled to \$40 million; the Bush budget proposes to increase SPRANS funding to \$73 million annually. SPRANS uses the same definition of abstinence education as Section 510 and AFLA, yet it differs in a number of important ways. First, grantees must teach *all* eight elements of the

definition (under 510, a program may be funded as long as its lessons are *not inconsistent* with the definition), and grantees must focus on older teens. Second, most grants are awarded directly to local entities, rather than to states. Third, SPRANS imposes a "gag-rule" — grantees may not use their *own monies* to pay for programs that are inconsistent with the eight-point definition of abstinence-unless-married education.

The Administration's proposed \$33 million increase in SPRANS abstinence funding seems completely out of step with the Bush budget's emphasis on performance and accountability. Between 1996 and 2002, roughly a half-billion dollars in federal and state funds will have been authorized through these three programs for abstinence-unless-married education — yet there is no evidence that this type of intervention is effective. In fact, the federal evaluation of the Section 510 program — an assessment of its performance — is not due for a couple of years (and even then it won't answer the central question of whether abstinence-unless-married education performs better or worse than abstinence-plus-contraceptive education).

Whether one is for or against federal spending on abstinence-unless-married education, federal expansion without performance information contradicts the Administration's accountability philosophy. Indeed, some other programs without evidence of success are either eliminated or level-funded in the Bush budget. For example, the budget eliminates the current "illegitimacy" reduction bonus in TANF "as there is no evidence" that it works. Also level-funded are two education programs for disadvantaged youth, TRIO and Gear Up, because, as the budget proposal states, "as part of the President's initiative to tie budget to performance, the Administration will assess the programs' effectiveness." If the Administration seeks to take the hand of performance and accountability, it should remain faithful to those precepts in its proposals for abstinence-unless-married education. ■

In the States

Advocating for Prevention in Massachusetts During a Budget Crisis

By Jamie Strausz-Clark

After a long and frustrating fall, the Massachusetts legislature became the last state in the Union to finish its budget. Because of projected budget shortfalls of at least \$2 billion and a belief among many policymakers that human services are discretionary, human services suffered nasty cuts in the fiscal year 2002 budget. Teen pregnancy prevention was among the hardest hit programs: it sustained a 40 percent cut almost halfway through the year. Prevention programs continue to be on the chopping block in the fiscal year 2003 budget.

Lessons for supporters of prevention programs:

- **Discuss prevention from the perspective of future savings.** One of the biggest challenges facing our efforts to restore funding for teen pregnancy prevention is a belief among many policymakers that prevention is not as important as “direct services” in times of financial difficulty. Policymakers who are concerned primarily with the bottom line or who seek to reduce welfare costs and keep taxes low pay attention to data that show them that

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On the Hill Early Education: From Science to Practice

On Tuesday, February 12th, the Senate Committee on Health, Education, Labor, and Pensions invited panels of scholars and practitioners to testify and answer questions on the nation’s early education needs. The panelists called for more federal support of programs promoting early childhood development.

The first panel, which focused on scientific research, included Jack Shonkoff, editor of *From Neurons to Neighborhoods: The Science of Early Childhood Development* (National Academy of Sciences, 2000); Edward Zigler, one of the original architects of the Head Start program; and Dorothy Strickland, Professor of Reading at Rutgers University. These scholars agreed that a holistic approach that takes into account the whole child is critical to supporting child development and literacy. They advocated for early education programs that address children’s social, emotional, and physical needs as well — in order to promote the best cognitive child outcomes. The researchers also argued that literacy and learning start much earlier in children’s lives than kindergarten and that, to achieve the goals of the recently passed education legislation, children’s

development from birth must receive more attention and investment. Parents and early education teachers both play a role in promoting these goals, they concluded.

The second panel, which focused on early education issues from the state and local perspective, consisted of Rob Reiner, Founder of the I Am Your Child Foundation; Elisabeth Schaefer, Administrator of Early Learning for the Massachusetts Department of Education; Susan Russell, Director of the Child Care Services Association in North Carolina; and Sharon Rhodes from the Parents as Teachers National Center. These panelists testified about their experiences implementing efforts to promote early childhood development. They urged policymakers to provide more federal support for early education initiatives, including developing a more coherent system of early education from the prenatal period through school age, building community partnerships, and increasing the education and compensation levels of the early childhood workforce. They also discussed the importance of education and resources to help parents be more effective first teachers of their children. ■

■ For copies of testimony, visit: <http://labor.senate.gov/Hearings-2002/feb2002/021202awit/021202awit.htm>.

In the States

New York State and NY Advocacy Community Issue Joint TANF Recommendations

A diverse coalition of government agencies and human services advocacy groups in New York state released a set of joint recommendations in February regarding the reauthorization of the Temporary Assistance for Needy Families (TANF) and related programs. Led by the Schuyler Center for Analysis and Advocacy and the New York State Office of Temporary and Disability Assistance, the coalition included the New York State Department of Labor, the New York State Office of Children and Families Services, and 36 statewide human services organizations.

“We hope this document has a positive impact on the TANF reauthorization debate,” noted Russell Sykes, Vice President of the Schuyler Center for Analysis and Advocacy. “It is critical that the next steps of welfare reform focus on stabilizing and expanding program funding, making some improvements to the 1996 Act, and helping families further improve their economic circumstances.”

The recommendations were developed in a consensus-building process that included four regional forums on TANF reauthorization held around the state in fall 2001. It culminated with a roundtable discussion in December for coalition partners and state and national welfare experts.

The jointly-released document offers detailed recommendations in the following areas:

- Maintain and expand TANF funding to states to assure stability and continuity of programs.
- Preserve and expand states’ flexibility regarding how best to utilize their available TANF funding to meet the diverse needs of needy families.
- Express within existing TANF goals that an important and explicit next step of welfare reform is to continue the progress that states have already made in reducing family and child poverty.
- Improve other proven anti-poverty programs, such as the Earned Income Tax Credit (EITC) and child support enforcement.
- Expand available funding for child care as part of the reauthorization of the Child Care and Development Fund (CCDF).
- Maintain the Food Stamp Program as an entitlement, while at the same time taking necessary steps to improve program access for the working poor and to simplify often-complicated eligibility rules.
- Restore legal immigrants’ eligibility for federal benefits across an array of programs.
- Increase the federal share of Medicaid funding and simplify the Transitional Medicaid Program.
- Make various programmatic and policy changes that strengthen the family formation goals of TANF and emphasize the importance of healthy, intact families to the economic and emotional circumstances of children.

“It is really remarkable that the state and advocates were able to reach such broad agreement, but the consensus process we used was thorough, open, and inclusive,” observed Sykes. “There was a recognition from both sides that the issues were so important that some compromises would have to be made to produce a unified statement.”

The coalition has sent its recommendations to the state’s Congressional delegation and other key leaders in the Washington. ■

■ To view or download the recommendations, visit www.scaany.org.

■ For more information, contact Russell Sykes, Schuyler Center for Analysis and Advocacy, (518) 463-1896, ext. 24, or rsykes@scaany.org

investment in *effective* prevention now will save taxpayers much more in the future. (Future costs to taxpayers could include money that the state spends on services for teen parents, cash assistance, food stamps, subsidized health care, juvenile justice, and many other public assistance programs.)

- **Tie the issue to prevailing themes that resonate with policymakers and legislators.** The big issue for voters and legislators in Massachusetts (as in many states) continues to be education reform. The state is investing millions in a system for improving the educational outcomes of all Massachusetts students. To tie the issue of teen pregnancy prevention to education reform, the Alliance for Young Families educates legislators about the strong correlation between teen childbearing and low school performance and dropout rates. We argue that much of the investment in helping low-achieving students will be wasted if there is not a corresponding investment in encouraging young people to delay childbearing.
- **Build alliances with other prevention advocate groups.** Public health and prevention was targeted for many of the cuts in the 2002 budget. At the beginning of the budget crisis, the Alliance for Young Families and 70 other public health advocacy groups formed *United We Stand for Public Health*. The group referred to the Governor's proposed cuts to public health programs as "an attack on public health" and organized in 48 hours a rally that drew over 600 supporters to the State House. The group also created a media strategy and collectively lobbied legislators and the Governor. *United We Stand* drew unprecedented media and legislative attention that would have been unlikely had each of the 70 coalition members tried to lobby for their issue alone.
- **Educate policymakers about prevention and build support for it before things go awry.** The Alliance for Young Families educates legislators year-round about issues related to teen childbearing and provides them with data on adolescent birth rates in their communities, research on the best practices in prevention, and data on the outcomes of teen pregnancy prevention programs in their communities and across the state. The Alliance for Young Families has a network of service providers, teens,

parents, and educators who support teen pregnancy prevention and who have been meeting with and making calls to their legislators and the Governor in support of teen pregnancy prevention throughout the budget crisis.

- **Support efforts to maximize revenue.** Human services and education are bearing the brunt of the state's budget woes, but it does not have to be that way. When the Alliance for Young Families asks its members to make calls or write letters to their legislators, we also ask members to tell their legislators that they will support "any efforts to find alternative revenue sources." Legislators are loath to raise taxes, *especially* in an election year, so they need the "permission" of voters before they can support efforts to raise new revenue. Currently on the table in Massachusetts is a proposal to freeze temporarily a tax rollback approved by voters in 2000, which would save the state \$250 million. Also on the table is a proposal to close a loophole that allows capital gains to remain untaxed, which would save the state \$250–500 million.

Recent focus group research conducted by the National Association of Child Advocates seems to support our strategy. The research found that the public is supportive of advocacy messages that describe children's programs in terms of "smart investments" in the future. It is wise to use concrete examples of budget cuts and the potential harm they will cause rather than speak generically about cuts to "social welfare programs." Finally, messages about results and accountability for how tax dollars are being spent resonate well with the public. ■

Jamie Strausz-Clark is Director of Public Policy for the Alliance for Young Families in Massachusetts. She can be contacted at strausz-clark@youngfamilies.org or (617) 482-9122.

- To view a new report, *Speaking for America's Children: Child Advocates Identify Children's Issues and 2002 State Priorities*, from the National Association of Child Advocates, visit: <http://www.childadvocacy.org/pv.pdf>
- To view the *Relieving the Recession: Nineteen Ways States Can Assist Low-Income Families During the Downturn* from the Center on Budget and Policy Priorities, visit: <http://www.cbpp.org/2-22-02wel.pdf>

New Resources

Good Choices in Hard Times: Fifteen Ideas for States to Reduce Hunger and Stimulate the Economy, from the Food Research and Action Center. This report offers 15 suggestions for states, schools, and local governments to pursue in federal nutrition programs, which are already allowed under federal law. It lays out nine food stamp improvement strategies and six expansion strategies in child nutrition programs (school breakfast and lunch, afterschool food, summer food, nutrition in family child care homes, and food in homeless and domestic violence shelters). FRAC has also recently released *State-by-State Rates of Household Hunger and Food Insecurity, 1997–1999*, which presents an analysis of the most recent hunger and food insecurity data collected by the Census Bureau and the U.S. Department of Agriculture.

- To view the *Good Choices in Hard Times* report, visit: <http://www.frac.org/html/publications/stimulus2002.pdf>
- To view the report on hunger and food insecurity, visit: <http://www.frac.org/html/news/foodinsecurity.pdf>

Leaving Our Children Behind: Welfare Reform and the Gay, Lesbian, Bisexual, and Transgender (GLBT) Community, by Sean Cahill and Kenneth T. Jones at the Policy Institute of the National Gay and Lesbian Task Force, presents a critical analysis of the impact of welfare reform on a population that is often overlooked in the welfare reform debate, the Gay, Lesbian, Bisexual, and Transgender (GLBT) community. This ground-breaking report examines not only the effects of welfare reform on poor GLBT people, but also looks at the potential effects of welfare reform on the GLBT community in general. In their analysis of both current welfare policies and policy recommendations for welfare reauthorization by individuals within the Bush administration, the authors look at marriage initiatives, fatherhood initiatives, abstinence-only-until-marriage education as well as charitable choice and faith-based initiatives to illustrate the harmful effects these policies represent for the GLBT community.

- To view the report, visit: <http://www.ngltf.org/downloads/WelfRef.pdf>

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C E N T E R F O R L A W A N D S O C I A L P O L I C Y

Unfinished Agenda in Child Care Policy, Says New CLASP Report

Despite significant increases in child care funding and the number of children served since 1996, much unmet need remains for child care assistance and early learning opportunities, according to a new CLASP study, *Unfinished Agenda: Child Care for Low-Income Families Since 1996 — Implications for Federal and State Policy*, by Jennifer Mezey, Rachel Schumacher, Mark H. Greenberg, Joan Lombardi, and John Hutchins. At the same time, deteriorating economic conditions and budget crises in many states are jeopardizing recent child care gains.

“Federal resources and leadership will be necessary if states are going to meet the twin challenges of protecting the child care improvements they have made over the last five years and of building on these accomplishments to increase access to care and improve the quality of that care,” said Jennifer Mezey, Staff Attorney at CLASP and lead author of the report.

The study comes at a critical time as Congress must reauthorize the two major federal sources for child care assistance for low-income families this year: the Child Care and Development Fund (CCDF) and the Temporary Assistance for Needy Families (TANF) block grants. President Bush’s recent welfare reform proposal — which would require more welfare recipients to work longer hours but adds no new money for child care — would only exacerbate an already troubled child care situation.

The new report synthesizes findings from reports on the child care systems of five states — Illinois, Iowa, Maine, Texas, and Washington state — and puts them



Jason Sabo, from the Center for Public Policy Priorities in Texas, makes a point at a briefing for Senate staff on *Unfinished Agenda*, accompanied by fellow panelists (from left to right) Jennifer Mezey, CLASP; Elizabeth Bonbright Thompson, Washington State Child Care Resource & Referral Network; and William Hager, Child Care Services of York County (Maine).

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Impact of Recession and September 11th Seen on State Welfare Caseloads

Welfare caseloads increased between September and December 2001 in 40 states and the District of Columbia, according to new data compiled by Elise Richer, Vani Sankarapandian, and Mark H. Greenberg of CLASP. In addition, for the first time, the average annual change in states' caseloads was an increase.

From December 2000 to December 2001, the average change across the states surveyed was a 3.8 percent increase. Due to the missing data from one state (California), the authors were unable to sum figures to obtain a national trend. However, it appears that, because caseloads continue to fall in a few of the larger states while rising in many smaller states, the national caseload total is relatively stable over that time frame. Summing the figures across states to look at the national trend, however, obscures the fact that caseloads in most states continue to rise.

CLASP gathered the welfare caseload information from 49 states and the District of Columbia. It is the most current data available. Among the other findings from the study:

- **For the first time since TANF was implemented, the average annual change in states' caseloads was an increase.** From December 2000 to December 2001, the average change in the caseloads of the 49 states and

the District of Columbia was a 3.8 percent increase. In contrast, the average change among all 50 states from December 1999 to December 2000 was a 6.5 percent decrease.

- **Over the entire past year, 33 states and the District of Columbia had caseload increases, and 16 had decreases.** In contrast, from December 1999 to December 2000, nine states had increases, and 42 had decreases.
- **A dozen states have shown continuous caseload growth in recent months.** Twelve states show continually increasing caseloads between July and December 2001 (Arizona, Colorado, Florida, Georgia, Indiana, Mississippi, Nevada, New Hampshire, North Carolina, North Dakota, South Carolina, and Texas).
- **A number of states experienced substantial caseload growth in the past year.** The states with the largest caseload increases in 2001 were Nevada (69 percent), Indiana (27 percent), Montana (20 percent), South Carolina (19 percent), and Arizona (18 percent). ■

■ To view the full analysis, visit:

http://www.clasp.org/pubs/TANF/Final_2001_Q4_Caseload_discussion.htm

■ To view the state-by-state data, visit:

http://www.clasp.org/pubs/TANF/Final_2001_Q4_caseload.pdf

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

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GAO REPORT SHOWS TANF CASELOADS UNDERESTIMATE FAMILIES SERVED

Rep. Benjamin L. Cardin (D-MD), ranking member of the House Ways and Means Committee's Human Resources Subcommittee, released a General Accounting Office (GAO) report in March that suggests that at least 830,000 families and potentially as many as 2 million families served with funds from the Temporary Assistance for Needy Families (TANF) program are not counted in the official TANF caseload because they receive work and family support services, rather than direct cash assistance. The study has immediate implications for the upcoming reauthorization of the TANF program.

"Some have suggested there is no need to ensure that funding for our primary welfare to work program keeps pace with inflation

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into context using national child care data and research. It concludes with recommendations urging federal policy-makers to increase child care funding in order to enable states to increase access to and improve the quality of child care, adopt policies that will increase families' access to a broad array of care, and improve data collection and reporting requirements.

The new CLASP study was published in conjunction with separate reports on child care policy in the five states, which were developed by the following organizations:

- Day Care Action Council of Illinois,
- Child and Family Policy Center of Iowa,
- Child Care Services of York County (Maine), which partnered with University of Southern Maine Child Care and the People's Regional Opportunity Project,
- Center for Public Policy Priorities (Texas), and
- Washington State Child Care Resource and Referral Network.

All six reports were released at a series of briefings in Washington, DC, in March.

Among the findings from *Unfinished Agenda*:

- **Child care funding has increased significantly as has the number of children served — but so has demand for child care.** Between 1997 and 2000, total child care funding doubled, driven mostly by federal CCDF and TANF dollars. In fact, in 2000, TANF became a *larger* source of federal child care funding than CCDF. In part, states used these funds to serve 800,000 more children in 1999 than were served in 1996 and invest in quality improvements. At the same time, however, the demand for child care subsidies also increased dramatically, in part due to historic increases of low-income mothers in the workforce and of families who have moved from welfare to work, as well as stricter work participation requirements for welfare recipients.

- **Despite these investments, most families who are eligible for child care subsidies don't receive them.** Child care demand far outstrips supply. The data in this report confirms previous findings that the vast majority of children who are eligible for assistance under federal CCDF eligibility standards do not receive CCDF-funded child care assistance.
- **States forced to make painful policy trade-offs.** With demand for child care subsidies outstripping resources, states have had to make difficult policy trade-offs that have had the effect of limiting families' access to subsidies and to an array of child care providers. Funding constraints have resulted in long waits for child care assistance, limited outreach, prioritization of the lowest-earning families, high copayments that burden families, and payments to providers that are well below the market rate for child care services.
- **State budget shortfalls jeopardize states' ability to maintain access to and improve the quality of child care, which is so important to children's early education.** Increased funding and a quality "set-aside" requirement in the CCDF program have allowed states to invest in initiatives designed to improve the quality of child care services and create early learning opportunities. These efforts are supported by a growing body of research demonstrating that there are key components of early learning environments that are linked to better early childhood development outcomes and later school performance. However, many of these quality initiatives are fragile and small, reaching a small portion of the children and providers who could benefit from them. These initiatives will need sustained support to survive, particularly when budget shortfalls threaten these investments. ■

■ To download a copy of the full report (81 pages), visit: <http://www.clasp.org/pubs/childcare/finalreport.pdf>

■ To download a copy of the policy brief (13 pages): visit <http://www.clasp.org/pubs/childcare/finalbrief.pdf>

■ To order printed versions of the report and policy brief, contact: Anya Arax, aarax@clasp.org, (202) 906-8031.

On the Hill Child Care: Supporting Working Families

On March 19th, the Senate Finance Subcommittee on Social Security and Family Policy held a hearing, in conjunction with the Senate Health, Education, Labor, and Pensions Subcommittee on Children and Families, on the role of child care as a family work support. Witnesses included Wade Horn, Assistant Secretary of the U.S. Department of Health and Human Services (DHHS), Administration of Children and Families; Mark Greenberg, Senior Staff Attorney, the Center for Law and Social Policy; Vicki Flamand, a low-income parent from Ft. Walton Beach, FL, who is balancing work and school; and Ann S. Williamson, Assistant Secretary of the Louisiana Department of Social Services.

Wade Horn stated that the key goals of the Child Care and Development Fund include supporting work and job training, promoting child development, and ensuring parental choice and state/tribal flexibility. He argued that recent assessments indicate that the number of children served by the CCDF program is higher than previous DHHS-published estimates of 12 percent of federally-eligible children in fiscal year 1999. Members of the Committees questioned Horn closely about the implications of the Administration's proposal to increase work hours and participation requirements among families receiving assistance under TANF, and why the Administration's budget did not include additional funds to address potential increased need for child care. Horn emphasized that DHHS Secretary Tommy Thompson wants to work with the Committees on the child care issue.

Mark Greenberg agreed that it is likely that more than 12 percent of eligible children are being served. However, he also pointed out that there is still substantial unmet need for child care assistance. In addition, due partly to a lack of resources, states have had to make policy trade-offs affecting accessibility, including setting low eligibility rates, high parent co-payments, and low provider payment rates. Moreover, Greenberg explained that states have successfully taken advantage of the flexibility given to states in the federal law to help parents enter the workforce and become self-sustainable. An effective reauthorization plan would allow states to continue to be flexible, he argued.

The increased work requirement in the Administration's current proposal, without increased child care funding, makes it more difficult for states to meet the diverse needs of the welfare population.

Vicki Flamand, a working parent, described how she is now paying 42 percent of her income for child care because she lost her transitional subsidy. Ann Williamson, the state administrator from Louisiana, testified that while her state has proven its strong commitment to providing child care subsidies as a work support, there are many funding, quality, and accessibility issues that still need to be addressed. ■

■ To read the complete testimony, visit:

<http://www.senate.gov/%7Efinance/sitepages/subhearing031902.htm>.

■ To download Mark Greenberg's testimony, visit:

<http://www.clasp.org/pubs/TANF/mark%20greenberg%20testimony%203-19.htm>

NEW FACT SHEETS ON CHILD WELFARE ISSUES

CLASP offers a new line of one-page fact sheets, "Reauthorization Issues: The Child Welfare Link." This series summarizes child welfare issues that are likely to arise during TANF reauthorization and provides recommendations for improving both the TANF and child welfare systems during reauthorization. Topics include:

- What Are the Connections Between Child Welfare and TANF? *on Child Maltreatment* by Rutledge Hutson
- TANF and Child Welfare: What Are the Issues? ■ Effects of the 1996 Welfare Law on Funding for Child Welfare Services
- Research on the Impact of "Welfare Reform" on Child Maltreatment (based on the recent CLASP report, *Red Flags: Research Raises Concerns About the Impact of 'Welfare Reform'*) ■ Collaboration between TANF and Child Welfare Agencies
- TANF and Kinship Care
- TANF Reauthorization Recommendations Relating to Child Welfare

■ To view and download these new resources, visit

<http://www.clasp.org/pubs/TANF/tanfederal.htm>

On the Hill Hearing on TANF Work Requirements

The House Ways and Means Subcommittee on Human Resources held a hearing on March 7th on the implementation of work requirements and time limits in the Temporary Assistance for Needy Families (TANF) program. Committee members heard testimony from researchers, state and local welfare administrators, and policy analysts. While there was little discussion of time limits, two themes dominated the hearing: states' efforts to promote work and the impact of the President's proposal on state flexibility.

Cynthia Fagnoni, Managing Director of Education, Workforce, and Income Security Issues for the General Accounting Office, explained that several states have used their flexibility to include hard-to-employ recipients in a variety of activities that do not meet federal work participation rate requirements. In addition, twenty-six states use their own funds to provide cash assistance through separate state programs. Ninety percent of participants in such state programs are subject to state-imposed work requirements, although they often have more flexible definitions of a "work activity." Fagnoni also pointed out that a third of families on TANF are child-only cases and are, therefore, not subject to federal work requirements or time limits. Rep. Nancy Johnson (R-CT) asked what key changes must be made to help states meet the current work participation requirement of 50 percent. Fagnoni suggested broadening the federal definition of acceptable work activities. She maintained that states want to have the flexibility to decide what kind of activities would be appropriate for a client's individual needs on a case-by-case basis.

Michael Fishman, Senior Vice President and Practice Director of the Lewin Group, elaborated on the nature of child-only cases. He pointed out that a higher portion of the welfare caseload is currently made up of child-only cases than in 1994, when the caseloads peaked. He explained the largest subgroup of child-only cases were those residing with "non-parent" caretakers who are often grandparents.

Local and state welfare administrators testified that they would like TANF's current flexibility to be maintained since it enables them to serve the needs of their clients. Jennifer Reinert, Secretary of the Wisconsin Department of Workforce Development, described how W-2, Wisconsin's welfare program, allows for mental health counseling, alcohol and drug addiction treatment, domestic abuse services, and vocational rehabilitation that are tailored to the needs of individuals. She added that she believes that the President's proposal would not limit the state's flexibility. Danetta Graves, Director of the Montgomery County (Ohio) Department of Jobs and Family Services, did not share the same sentiment. She argued that the President's proposal to limit the ability of states to transfer TANF funds into the Social Services Block Grant would "severely impact some of our more innovative and effective programs to move families out of poverty." She did not support the President's proposals to limit the definition of allowable work activities or to increase the number of hours welfare recipients are required to work without increasing child care funding.

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UPCOMING CLASP AUDIO CONFERENCES ON "MAKING WELFARE WORK"

On Fridays throughout the year, CLASP is hosting a series of audio conferences on issues related to welfare reauthorization. Each call includes a panel of three to five national and state policy experts. All calls take place from 12:30 to 1:30 pm (ET). The next four calls focus on the following topics:

- May 3: Couples and Marriage
- May 17: Families and Work
- June 7: Unemployment Insurance
- June 21: Child Support

■ For more information or to register, visit:

http://www.clasp.org/audioconference/2002_brochure.htm

■ To read the testimony from this hearing, visit: <http://waysandmeans.house.gov/humres/107cong/hr-11wit.htm>

■ To download Mark Greenberg's testimony, visit: <http://www.clasp.org/pubs/TANF/Testimony%20of%20Mark%20Greenberg%203-7.htm>

In the States

Passport to Economic Progress: Florida's Wage Supplement Demonstration Program

Florida launched a wage subsidy demonstration program, Passport to Economic Progress, in Hillsborough and Manatee Counties in November, 2001. Families who are receiving cash assistance from the Temporary Assistance for Needy Families (TANF) welfare program will have \$300 subtracted from their gross monthly earnings and one-half of the remainder of their income is counted in their budget. Once a family leaves welfare, they qualify for a wage supplement for one year that brings the family's income up to 100 percent of the federal poverty level, as well as for four years of transitional benefits, such as education and training, child care, and transportation.

In order to qualify for the wage supplement, a participant must work an average of 32 hours a week each month, have a total income less than 100 percent of the poverty level, and have last received cash assistance on or after January 1, 2000. Medicaid is limited to families with incomes up to 185 percent of the poverty level. In addition, families who have left welfare and have incomes between 100 and 200 percent of poverty can still receive transitional benefits, even though they do not qualify for the wage supplement.

Under TANF, wage supplements are not considered cash assistance and do not count towards the benefit time limit. The wage supplements are regarded as unearned income as far as taxes are concerned: payroll and Social Security taxes are not withheld from the wage supplement checks. These supplements are awarded monthly, and families can use them in anyway they see fit. The Program Manager in Hillsborough County reports that participants commonly use the money to pay overdue bills and build savings.

The Passport to Economic Progress program will run until June 30, 2002. There is approximately \$3.2 million in funds available for the nine-month demonstration project. Currently, 99 families are participating in this demonstration program in Hillsborough County, and 66 families are participating in Manatee County. Extensive outreach efforts are underway, and the program hopes to attract at least 300 more families by the end of June. No evaluation of this program is currently planned, but Manatee and Hillsborough counties will release a report highlighting recommendations for future programs based on the successes and challenges they encounter. ■

■ For more information, visit: <http://www.workforcetampa.com/welfare.htm>

Hearing on TANF Work Requirements *continued from page 5*

Mark Greenberg, Senior Staff Attorney for the Center for Law and Social Policy, pointed out that that no state is trying to structure programs to enable people capable of working from avoiding work obligations. Rather, state welfare programs view their mission as linking families with employment. Research also shows that most of the families who have left assistance have entered into employment that is not stable, provides low wages, and is often without basic benefits. State administrators are now trying to help those families still on assistance, many of whom have multiple barriers to employment, and how to help people find better jobs.

Douglas Besharov, Resident Scholar at the American Enterprise Institute, stated that most Americans believe that welfare reform means that people on welfare are working in exchange for their benefits. However, 60 percent of welfare recipients are not engaged in countable work-related activities. Besharov supports any efforts to increase the TANF work participation rate. In response to Besharov's comments, Rep. Sander Levin (D-MI) said that most people in his district think welfare reform means moving people from welfare to work, not that people on welfare are working. ■

■ To read the testimony from this hearing, visit: <http://waysandmeans.house.gov/humres/107cong/hr-11wit.htm>

■ To download Mark Greenberg's testimony, visit: <http://www.clasp.org/pubs/TANF/Testimony%20of%20Mark%20Greenberg%203-7.htm>

New Resources

Are Children Whose Parents Left Welfare Better Off?

After peaking in 1994, welfare caseloads plunged during the rest of the 1990s. Little is known about how the children of welfare “leavers” have fared in the early years of welfare reform. This research brief from Child Trends compares survey data for children of welfare leavers and current welfare recipients in three key areas and reveals only small differences between the groups.

- To view the brief, visit: <http://www.childtrends.org/PDF/leaversRB302.pdf>.

National Day to Prevent Teen Pregnancy — May 8, 2002. Organized by the National Campaign to Prevent

Teen Pregnancy, the first annual National Day will mobilize teenagers across the United States to stop, think, and make a plan to prevent teen pregnancy. The primary activity for engaging teens is an interactive, internet-based quiz that will use scenarios, fun facts, and storylines to make the issue teen pregnancy real and personal. CLASP is one of more than 70 national partners for the National Day; others include *Teen People*, the American Academy of Pediatrics, the American Medical Association, Big Brothers Big Sisters of America, the National Council of La Raza, the National School Boards Association, Procter & Gamble, and the WB Network.

- For more information, visit: www.teenpregnancy.org.

GAO Report *continued from page 2*

because the number of people receiving assistance has dropped dramatically since the 1996 welfare law was enacted,” noted Cardin in response to the GAO report. “However, this report clearly illustrates that the welfare caseload is changing more than it is shrinking. There are certainly fewer people receiving cash assistance, but there also are more people receiving child care, employment services, vocational training, and other assistance designed to promote work.”

The GAO reported the TANF program now spends much more money on work supports and family services than it does on cash assistance. Welfare spending on cash assistance declined from 71 percent in FY 1995 to 43 percent in FY 2000. The GAO study found that at least 830,000 families are served with TANF funds for other services, especially child care, that are not counted in the TANF caseloads. The GAO suggests this calculation, which equals 46 percent of the counted TANF caseload (those receiving cash), underestimates the number of families served due to data limitations. In the three states in which GAO received the most complete data (Indiana, North Carolina, and Wisconsin), the number of families receiving TANF-funded work and family supportive services was equal to or greater than the number of families receiving cash assistance.

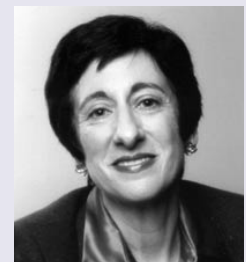
“If we fail to allow TANF funding to at least maintain pace with inflation, work supports for those who have made the transition from welfare to employment could be threatened,” contended Cardin. “This is especially true if the need for cash assistance continues

to climb because of the downturn in the economy, or if Congress imposes additional participation requirements on the states for individuals who remain on the welfare rolls.”

- To view a copy of the GAO report, visit http://www.house.gov/cardin/GAO_TANF.pdf

CLASP STAFF MEMBER NOMINATED FOR PRESIDENT OF THE DC BAR

Linda Perle, a long-time member of the CLASP staff, has been nominated as a candidate for President-Elect of the 75,000-member District of Columbia Bar. Perle is CLASP’s principal advocate and a national leader on legal services and access to justice issues, and she represents the National Legal Aid and Defender Association and its civil legal services program members.



Linda Perle, CLASP
Senior Staff Attorney

- For more information, contact Linda at lperle@clasp.org, linda.perle@verizon.net, or (202) 906-8002.

MARRIAGE-PLUS

In the midst of a growing debate in Washington about marriage promotion in welfare and other social programs, *The American Prospect* has published a special issue on “The Politics of the American Family.” In the lead article, entitled “Marriage-Plus,” CLASP Senior Policy Analyst Theodora Ooms suggests that liberals and conservatives might find consensus on a “marriage-plus” agenda, which would put the well-being of children first by helping more of them grow up in married, healthy, two-parent families.

A marriage-plus agenda does not promote marriage just for marriage’s sake, according to Ooms. Instead, it acknowledges that married and unmarried parents,

mothers and fathers, may need both economic resources and non-economic supports to increase the likelihood of stable, healthy marriages and better co-parenting relationships. In addition, a marriage-plus agenda focuses more on the front end (making marriage better to be in) rather than the back end (making marriage more difficult to get out of).

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- **To download an annotated version of Ooms’ article, visit: <http://www.clasp.org/pubs/familyformation/AmericanProspect.htm>**
 - **To read other articles in this special issue of *The American Prospect*, visit: www.prospect.org.**
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CLASPupdate

Volume 15
Number 5/6
May/June 2002

C E N T E R F O R L A W A N D S O C I A L P O L I C Y

Rallying for Transitional Jobs

A broad coalition of organizations, including CLASP, called for increased spending on transitional jobs programs at a Capitol Hill briefing and press conference on April 17. Transitional jobs programs offer welfare recipients the opportunity to develop job skills and gain work experience while also receiving wages and necessary support services.

Steve Savner, Senior Staff Attorney at CLASP, noted that the need for new funding for these programs is particularly important because Temporary Assistance for Needy Families (TANF) caseloads are rising in many states and the availability of TANF dollars has become more restricted.

Senator Jeff Bingaman (D-NM) is about to introduce legislation, the Support, Training, and Employment Promotion (STEP) Act, that would establish a federal funding stream for local transitional jobs programs. Such a new initiative is particularly important for reaching out to welfare recipients who have multiple employment barriers, said Trudy Vincent, Bingaman's Legislative Director, at the briefing.

Recent research suggests that transitional jobs programs help TANF recipients move into the unsubsidized labor market. Gretchen Kirby of Mathematica Policy Research presented highlights from Mathematica's newly released study of six transitional jobs programs in St. Francis County, Arkansas; Philadelphia; San Francisco; Georgia; and Washington state. Transitional jobs programs are typically aimed at the hard-to-employ, including long-term welfare recipients, she explained. The study found that a large percentage of recipients engaged in such programs were ultimately placed in permanent unsubsidized employment.



Cheryl Wynn, Kristina Wahl, and Faith Green (left to right) from the Transitional Work Corporation in Philadelphia at the Capitol Hill briefing.

In addition, those with first-hand experience in transitional jobs programs described the programs as valuable and effective. Cheryl Wynn, a former participant in the Philadelphia at Work transitional jobs program, described herself as a "proud graduate." After 15 years on welfare

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TANF Reauthorization Legislation Moving Quickly in Congress

As this issue of *CLASP Update* went to press, reauthorization legislation for the Temporary Assistance for Needy Families (TANF) program was moving quickly through both houses of Congress. On May 16, the House passed H.R. 4737, the Personal Responsibility, Work, and Family Promotion Act, by a mostly party-line vote of 229-197. H.R. 4737 includes many of the main provisions of the Bush Administration's reauthorization proposal. In the Senate, a number of proposals have been introduced, and the Finance and Health, Education, Labor, and Pensions Committees have been holding hearings. The Finance Committee expects to begin mark-up after the Memorial Day recess.

For the latest analyses and side-by-side comparisons of proposals and bills, check CLASP's website (www.clasp.org) often. Among the resources that you will find there:

At What Price? A Cost Analysis of the Administration's Temporary Assistance for Needy Families (TANF) Work

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

CLASP Update is published monthly.

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Contributors: Richard Haynes, Jodie Levin-Epstein, Soleste Lupu, Elise Richer, Peter Ruark, Vani Sankarapandian, Naomi Seiler

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Participation Proposal by Mark Greenberg, Elise Richer, Jennifer Mezey, Steve Savner, and Rachel Schumacher. This analysis concludes that the five-year costs of complying with the Administration's proposed work requirement provisions, assuming a flat TANF caseload, are in the range of \$15.1 billion above what states would otherwise spend under current law.

Side-by-Side Comparisons of Provisions in Recent TANF Reauthorization Proposals. These charts summarize provisions in current law and recent TANF reauthorization proposals. Developed jointly by CLASP and the Center on Budget and Policy Priorities (CBPP), these charts will be updated as events warrant:

- *Work Provisions in Recent TANF Reauthorization Proposals* by Nisha Patel, Steve Savner, Mark Greenberg, and Rutledge Hutson (CLASP).
- *Child Welfare-Related Provisions in Recent TANF Reauthorization Proposals* by Rutledge Hutson and Nisha Patel (CLASP).
- *Funding Provisions in Recent TANF Reauthorization Proposals* by Zoë Neuberger, Shawn Fremstad, and Sharon Parrott (CBPP).
- *Time Limit Provisions in Recent TANF Reauthorization Proposals* by Shawn Fremstad and Zoë Neuberger (CBPP).
- *Family Formation Provisions in Recent TANF Reauthorization Proposals* by Shawn Fremstad and Zoë Neuberger (CBPP).

Side-by-Side Comparison of Child Care and Early Education Provisions in House Bills and Administration Proposals by Jennifer Mezey, Rachel Schumacher, Tanya Rakpraja, and Kate Irish.

Add It Up: Teen Parents and Welfare... Undercounted, Over-sanctioned, Underserved by Janellen Duffy and Jodie Levin-Epstein. ■

Education and Training Help Welfare Recipients Become Self-Sufficient

The most successful welfare-to-work programs include quality education and training services for recipients in support of employment goals, according to new research released by CLASP. In particular, occupational credentials gained through postsecondary education and training appear to be key to obtaining higher-paying jobs.

The research appears in two reports:

Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform, by Karin Martinson and Julie Strawn. This review shows that the most successful welfare-to-work programs have focused on employment but made substantial use of education and training. One of these “mixed strategy” programs — in Portland, Oregon — far outperformed other welfare-to-work programs by producing large and lasting increases in employment, earnings, job quality, and employment stability. Portland also greatly increased participation in postsecondary education and training and receipt of occupational credentials. Other studies also show that helping low-income parents increase their skills pays off in the labor market.

Credentials Count: How California's Community Colleges Help Parents Move from Welfare to Self-Sufficiency, by Anita Mathur, Judy Reichle, Chuck Wiseley, and Julie Strawn, a study conducted by the California Community Colleges Chancellor's Office for the Center for Law and Social Policy. This preliminary report finds that CalWORKs (California's welfare program) recipients who attend community college work more and increase their earnings substantially just one to three years after exiting college — especially those who are in vocational programs or who obtain Associate degrees. In fact, CalWORKs students who left with Vocational Associate degrees more than doubled their earnings just one year after completing school; those who earned vocational certificates increased their earnings by 85 percent.

These studies have important significance for the current debate over reauthorization of the federal welfare pro-

gram, Temporary Assistance for Needy Families (TANF). The findings suggest that Congress should encourage states to adopt the balanced approach that California, Oregon, and other states have taken in providing a mix of employment and quality education and training services in welfare-to-work programs. Rigorous research has shown repeatedly that this is by far the most effective welfare-to-work strategy.

Unfortunately, H.R. 4737, the Republican leadership bill recently passed by the House, would impose a narrow, “one-size-fits-all” approach on states that would sharply reduce access to education and training for welfare recipients, by effectively limiting the length of full-time training for families to 3-4 months at most. Other proposals — including those by the Tripartisan Group of Senators and Senator Rockefeller and bills by Reps. Cardin, Mink, and Roukema — would allow or encourage states to pursue a mixed services strategy while maintaining or increasing TANF's strong work focus. ■

- To download *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*, visit: http://www.clasp.org/pubs/jobseducation/Built_to_Last_final_051302.pdf
- To download *Credentials Count: How California's Community Colleges Help Parents Move from Welfare to Self-Sufficiency*, visit: http://www.clasp.org/pubs/jobseducation/Credentials_Count_final.pdf

UPCOMING CLASP AUDIO CONFERENCES ON “MAKING WELFARE WORK”

On Fridays throughout the year, CLASP is hosting a series of audio conferences on issues related to welfare reauthorization. Each call includes a panel of three to five national and state policy experts. All calls take place from 12:30 to 1:30 pm (ET). The next four calls focus on the following topics:

June 7: Unemployment Insurance July 12: TANF and Medicaid
June 21: Child Support July 26: Child Welfare

For more information or to register, visit:

http://www.clasp.org/audioconference/2002_brochure.htm

The Effect of the Bush Administration's Work Requirements on Michigan

By Peter Ruark

In February, the Bush Administration released its plan for the reauthorization of the Temporary Assistance for Needy Families block grant, entitled *Working Toward Independence*. It outlined a series of work participation requirements (which have largely been included in H.R. 4737, passed by the House on May 16) that would force many states to have to completely change their welfare programs. If implemented, the work requirements in the Bush Administration's proposal for TANF reauthorization would override Michigan's current welfare policies in the following ways:

- Michigan currently requires TANF families to engage in work activity for *up to* 40 hours per week, as consid-

ered appropriate by their caseworkers. By requiring all families to work 40 hours per week, the Bush proposal takes away caseworker discretion *not to* require 40 hours for families that would find such a requirement difficult or counterproductive.

- Michigan currently allows recipients to count vocational education activities toward some or all work requirements through programs such as "10/10/10" (in which participants may fulfill their work requirements through 10 hours of classroom time, 10 hours of study, and 10 hours of employment), "condensed vocation" (in which participants may fulfill all of their TANF activity requirements through full-time schooling for up to six months), or a full-time clinical practicum or

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and a history of substance abuse problems, she found the help she needed in the extremely attentive staff and the opportunity for hands-on learning afforded by the program.

As an employer of transitional jobs participants, Gail Renner, a recruitment specialist at a hospital in Milledgeville, GA, had high praise for the transitional jobs program in her state. She described participants as well-trained and "job ready." In addition to a 70 percent retention rate for employees placed through the program, Renner reported that several employees had also pursued technical nursing training.

Paul Knox, Director of the WorkFirst Division for the Washington State Office of Trade and Economic Development, noted that in addition to helping partici-

pants build skills, Community Jobs (the transitional jobs program in his state) provides labor that supports the whole community. In fact, Community Jobs has been so successful that Washington state, during a recent budget crunch, chose to discontinue its unpaid work experience programs but to leave its transitional jobs program intact.

Finally, Cliff Johnson, Executive Director of the Institute for Youth, Education, and Families at the National League of Cities, announced that his organization, working with groups including CLASP, is offering two years of technical assistance to select cities in order to establish transitional jobs programs. Johnson noted that the overwhelming interest expressed by cities for this limited project underscores the need to create a federal funding source for transitional jobs programs and related technical assistance. ■

- To download the Mathematica study, *Transitional Jobs: Stepping Stones to Unsubsidized Employment* by Gretchen Kirby, Heather Hill, LaDonna Pavetti, Jon Jacobson, Michelle Derr, and Pamela Winston, visit: <http://www.mathematica-mpr.com/PDFs/transitionalreport.pdf>
- For more information, visit the National Transitional Jobs Network website, www.transitionaljobs.org

Teen Parents Not Receiving Assistance They Need

New surveys suggest that some low-income teen parents are not receiving Temporary Assistance for Needy Families (TANF) benefits and other public assistance for which they appear eligible. The reauthorization of TANF offers Congress the opportunity to address some of the barriers that teen parents face in accessing services they need.

During welfare reform in 1996, policymakers recognized that concentrating on teen parents was critically important: although teen parents represent only about five percent of the overall TANF caseload, historically about 50 percent of adult welfare recipients began parenting as teens. The 1996 law created special rules for teen parents, generally requiring them to live at home or in supervised settings and to stay in school/training in order to receive benefits. However, the new surveys suggest that these rules are having the unintended consequence of turning away needy teens who are *not* in school or *not* living at home, rather than giving them the opportunity to come into compliance.

“Lawmakers had the right goals in mind: supervision and education for teen parents,” said Jodie Levin-Epstein, CLASP Senior Policy Analyst and co-author of one of the reports. “Ironically, these very requirements may cause needy teen parents to be turned away at the door or denied necessary assistance.”

Two reports were released at two Capitol Hill briefings on April 30:

- *Add It Up: Teen Parents and Welfare... Undercounted, Oversanctioned, Underserved* by Janellen Duffy and Jodie Levin-Epstein, the Center for Law and Social Policy — A survey of state administrators in 33 states, including data on teen mothers from 11 states.
- *Knocking on the Door: Barriers to Welfare and Other Assistance for Teen Parents* by Deborah L. Shapiro and Helene M. Marcy, the Center for Impact Research, Chicago — A survey of low-income teen mothers in Atlanta, Boston, and Chicago.

In addition, Catherine Feuer, of EMT Associates, presented preliminary findings at the briefings about teen parents' access to TANF from a large, random assignment study of programs serving pregnant and parenting teens.

This new research suggests a number of policy changes that should be considered during TANF reauthorization, including:

- Help teen parents meet TANF requirements by providing a transitional compliance period and specially-trained teen specialists to assist with this process;
- Encourage teen parents to participate in education/training by not “starting the TANF time-limit clock” while they are engaged in such activities and by focusing more on the education needs of older teens;
- Increase access to TANF and other assistance programs by requiring state plans to describe outreach efforts to achieve increased access for eligible teen parents; and
- Conduct a federally-funded study of a representative sample of teen parents (both those who are receiving TANF benefits and those who are not) to examine a variety of questions about access and participation in TANF and related assistance programs.

The *Knocking on the Door* survey of needy teen parents in Chicago has already made a difference. “After we shared preliminary findings with the Illinois Department of Human Services, they immediately implemented new procedures with the goal of ensuring that needy teens are not being turned away,” said Jody Raphael, Director for Research at the Center for Impact Research. “The rapid response of the state of Illinois can serve as a model for other states and the federal government.” ■

- To view the CLASP report, *Add It Up*, visit: <http://www.clasp.org/pubs/teens/AddItUp.pdf>
- To view the CIR report, *Knocking on the Door*, visit: <http://www.impactresearch.org/documents/CIRknockdoor.pdf>

The day after introducing his welfare bill, the Personal Responsibility, Work, and Family Promotion Act of 2002 (H.R. 4090), Rep. Wally Herger (C-CA), Chair of the House Subcommittee on Human Resources, convened a hearing on the topic of welfare reauthorization. The April 11 session began with testimony by Department of Health and Human Services Secretary Tommy Thompson and followed with statements from a number of members of Congress. An unusually high number of additional witnesses — more than 40 in all — then testified.



Jodie Levin-Epstein of CLASP with Rep. Sander Levin (D-MI) at the April 11 hearing of the House Subcommittee on Human Resources.

A great deal of attention was spent addressing the Herger bill's work requirement provisions. Wendell Primus of the Center on Budget and Policy Priorities said that provisions would severely diminish state flexibility — “forcing a New York City-style welfare [workfare] program” on all communities around the country. Congressman Cardin noted that the Republican proposal was expected to add \$15 billion to program costs yet it proposed no additional funding (see p. 2 for information on the CLASP cost analysis of the Administration proposal).

In her testimony, CLASP's Jodie Levin-Epstein stressed that the bill should to be viewed through the lens of child well-being. She quoted Wade Horn, DHHS Assistant Secretary for Children and Families, who has said, “The principle question to ask of welfare reform is: are children better off?” She noted that Horn has also suggested “proceed[ing] cautiously” in order to avoid unintended consequences. She challenged the committee to consider the unintended consequences of the Herger bill for children in a variety of areas, including kinship care, superwaivers, and child support.

In addition, Levin-Epstein noted that the Administration's marriage grants program would effectively preclude teen

pregnancy prevention programs — even though 80 percent of teen births are non-marital and research has identified effective prevention programs. The proposed grants,

which require that certain messages about marriage be promoted, would not even fund some programs that *have* had encouraging results with respect to helping couples stay together. For example, the Minnesota Family Investment Program (MFIP), a welfare-to-work demonstration program, increased marriage rates among single parents and marital stability among two-parent families — even though it included *no* particular marriage-promoting programming. Levin-Epstein suggested that states be given the opportunity to develop a wider range of family forma-

tion approaches, including teen pregnancy prevention (first and subsequent births), programs that increase the ability of non-custodial parents to financially support and be involved with their children, and programs that promote two-parent families. ■

- To download Jodie Levin-Epstein's testimony, visit: http://www.clasp.org/pubs/TANF/Levin-Epstein_4-11-02_testimony.htm
- To view testimony of other witnesses, visit: <http://waysandmeans.house.gov/humres/107cong/hr-14wit.htm>

ALSO ON THE HILL...

Steve Savner, Senior Staff Attorney for CLASP, appeared before the Senate Finance Committee in a hearing on TANF reauthorization on April 10, 2002. His testimony focused on issues concerning the law's work requirements and access to supportive services for low-income families, particularly former welfare recipients.

- To download Savner's testimony, visit: http://www.clasp.org/pubs/TANF/Savner_4-10-02_%20testimony.pdf

Is Teen Marriage a Solution?

The promotion of marriage has become a major focus in the debate over reauthorization of the welfare program, Temporary Assistance for Needy Families (TANF). Because many current policy proposals could have the effect (intended or unintended) of encouraging teens to marry, CLASP recently released a brief report — *Is Teen Marriage a Solution?* by Naomi Seiler — that examines what is known about patterns of teen marriage and the effects of teen marriage on teen women, their partners, and their children.

Here are some highlights from the new report:

- **Teens represent a diminishing share of women who give birth outside of marriage.** In 1970, one-half of births to unmarried women were among teenagers; in 1999, 29 percent were to teens.
- **However, teen non-marital fertility rates remain high.** The birth rate for unmarried teens aged 15-19 rose from 12.6 per 1000 in 1950 to 46.4 per 1000 in 1994, dropping to 40.4 by 1999.

- **“Shotgun” marriages have declined greatly among teens.** Although an older teen is more likely to marry between the conception and birth of her child than a younger teen, rates of “shotgun” marriage have declined greatly for all teens, as well as for older women. From the first half of the 1960s to the first half of the 1990s, the marriage rate for pregnant teens fell from 69.4 percent to 19.3 percent for whites, and from 36.0 percent to 6.7 percent for blacks.
- **Teen marriages are unstable.** While divorce and separation rates are high in the U.S. overall, rates are particularly high for teen marriages. For instance, about one-half of teen marriages (among women aged 18-19) will end in divorce within 15 years, compared to about one-third of marriages for women over 20 (see the figure on page 8).
- **Marrying can improve an unwed mother’s economic outlook (although an analysis exclusively of teens is not available).** In 1995, previously unwed mothers of

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internship. By requiring that the first 24 hours be fulfilled through employment or workfare, the Bush proposal eliminates these options. Although recipients may be waived from the requirement for three consecutive months every two years, most educational programs cannot fit into such a limited time.

- Michigan currently allows certain recipients to participate full-time in job search and job readiness programs for up to six months. The Bush proposal prohibits Michigan from counting job search and job readiness programs toward the initial 24 work hours.
- By requiring 40 hours of work when it may not be available, the Administration’s proposal essentially gives Michigan little alternative but to spend TANF funds to create a workfare program. This would reduce available funding for work supports, such as transportation and child care. Michigan’s executive branch has been philosophically opposed to setting up such programs in

favor of activities that are conducive to direct labor force attachment in private-sector, unsubsidized jobs.

It is clear that the Bush Administration’s proposal would have a negative effect on Michigan’s Family Independence Program and its recipients. Its simplistic focus on hours of work and state participation quotas would jeopardize Michigan’s ability to focus on long-term objectives, such as skill enhancement and self-sufficiency. The rigidity of the proposal would remove caseworkers’ ability to design plans tailored to each family’s specific needs, would diminish state flexibility to establish and maintain programs that work, and would unnecessarily drain funds from Michigan’s TANF allotment that could be better used for work supports. In short, the proposal would do little or nothing to help families who receive cash assistance to overcome poverty. ■

Peter Ruark is a Planning/Research Associate for the Michigan League for Human Services, where he focuses on welfare, workforce development, and economic mobility issues. He can be reached at pruarck@mlan.net and (517) 487-5436.

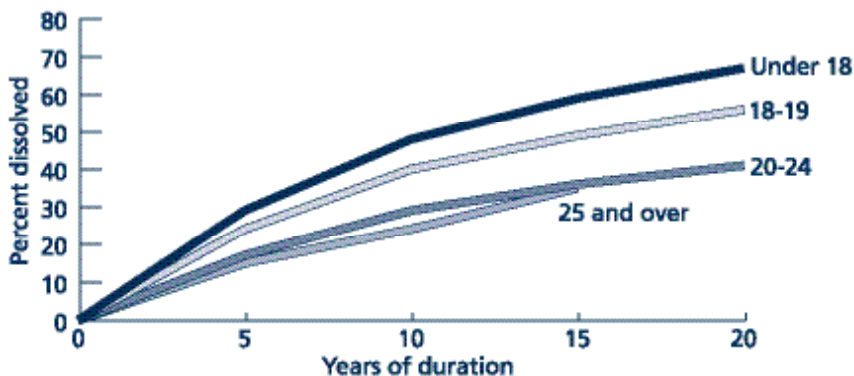
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all ages who were currently married were less than one-third as likely to be in poverty as their never-married counterparts.

- **The instability of early marriage can jeopardize its potential for economic good.** For unwed mothers of all ages, marrying and then divorcing correlates with higher risks of poverty than never marrying.
- **Young mothers who marry are more likely to have a rapid second birth.** Closely-spaced second births are linked to worse economic and educational outcomes for both the young mother and her child.

For those teens who do marry, CLASP urges policymakers to provide support services to help them build strong relationships. However, the instability of teen marriage and the risks it can pose should give pause to any policymaker

Probability of first marriage disruption by duration of marriage and wife's age at marriage, 1995



Source: CDC Vital and Health Statistics, 1997, based on National Survey of Family Growth 1995 data

who is eager to encourage pregnant adolescents to walk down the aisle. ■

- To view the report, visit: <http://www.clasp.org/pubs/teens/teenmarriage02-20.pdf>
- To purchase a tape of a recent CLASP Audio Conference on Couples and Marriage Policy, visit: http://www.clasp.org/audiokonference/2002_brochure.htm

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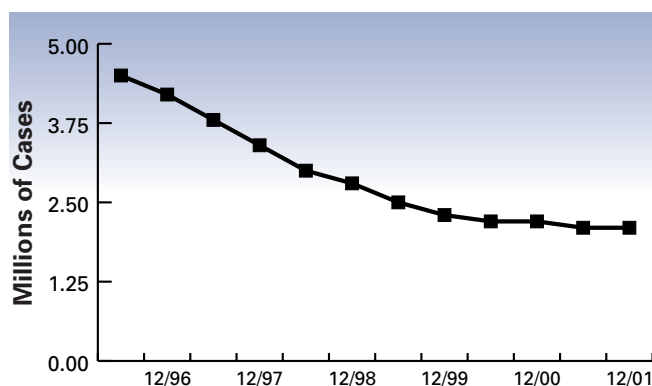
C E N T E R F O R L A W A N D S O C I A L P O L I C Y

Most States Had Welfare Caseload Increases in the Last Year

For the year ending March 2002, 34 states reported increases in their Temporary Assistance for Needy Families (TANF) caseloads, according to new data from 49 states and the District of Columbia, collected by CLASP's Elise Richer, Randi Schmidt, and Mark Greenberg. While caseloads in 41 states had increased between October and December 2001, the picture is less clear for the most recent quarter (January-March 2002), as 22 states reported increases and 28 states reported declines. State caseloads appear to be heading in different directions, with some reporting large increases, a few continuing to report large decreases, and many states reporting fluctuations over time — for example, increases for a few months followed by a few months of decreases, or vice versa.

Due to missing March 2002 data from California, CLASP is unable to track national-level trends through the most recent quarter. However, when one sums the data for the 49 states and the District of Columbia, the total caseload for those states declined by 1.3 percent from March 2001 to March 2002. Over the most recent quarter, the summed caseload dropped by less than one percent.

To put these new data in historical context, it is helpful to consider the dramatic change in the pace of caseload decline. When reviewing official caseload data collected by the U.S. Department of Health and Human Services for the past five years, it is clear that caseloads nationally are no longer dropping at the rates experienced in the mid- to late-1990s. The graph to the right shows the flattening of the caseload between 1996 and 2001 on a national level. Between December 1996 and December



National TANF/AFDC Caseload, 1996-2001

1997, the national caseload declined by 19 percent; between December 2000 and December 2001, the national caseload declined by only three percent.

Among the other findings from this new TANF caseload data:

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TANF Reauthorization Moving Forward

As this issue of CLASP Update went to press, the Senate Finance Committee had just passed (on a 13-8 vote) a welfare reauthorization bill, “The Work, Opportunity, and Responsibility for Kids (WORK) Act of 2002,” on June 26, 2002. In May, the House passed its bill (H.R. 4737), which closely tracked the Administration’s welfare reauthorization proposal. While Senate Majority Leader Tom Daschle (D-SD) has indicated he will bring the bill to the floor of the Senate after the summer Congressional recess, it is possible that it will be brought up for a vote sooner.

For the latest analyses and comparisons of proposed legislation, check CLASP’s website (www.clasp.org) often. Some of the items you will find there include:

Forty States Likely to Cut Access to Postsecondary Training and Education Under House Welfare Bill. A new survey of state TANF policies shows that at least 40 states currently allow more access to postsecondary training or education services than would be countable under H.R. 4737.

Reforming Welfare Reform by Mark Greenberg. In this article, which appears in a special issue of *The American Prospect*, Greenberg describes how the welfare reform

debate has been transformed in ways few people envisioned even recently.

Side-by-Side Comparisons of Provisions in TANF Reauthorization Proposals. These charts summarize provisions in current TANF law and TANF reauthorization legislation and proposals. They have been developed jointly by CLASP and the Center on Budget and Policy Priorities (CBPP) and are updated regularly.

- *Summary Comparison of Key Provisions in TANF Reauthorization Legislation and Proposals.*
- *Child Care-Related Provisions in TANF Reauthorization Proposals.*
- *Work Provisions in Recent TANF Reauthorization Proposals.*
- *Child Support Provisions in Recent TANF Reauthorization Proposals.*
- *Child Welfare-Related Provisions in Recent TANF Reauthorization Proposals.*
- *Funding Provisions in TANF Reauthorization Legislation.*
- *Time Limit Provisions in TANF Reauthorization Legislation.*
- *Family Formation Provisions in TANF Reauthorization Legislation.*

Side-by-Side Comparison of Child Care and Early Education Provisions in Key Senate, House, and Administration Bills and Proposals by Rachel Schumacher, Jennifer Mezey, Tanya Rakpraja, and Kate Irish.

Spending Too Much, Accomplishing Too Little: An Analysis of the Family Formation Provisions of H.R. 4737 and Recommendations for Change by Jodie Levin-Epstein, Theodora Ooms, Mary Parke, Paula Roberts, and Vicki Turetsky. This paper provides an in-depth analysis of the various marriage promotion provisions in the House-passed bill. ■

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

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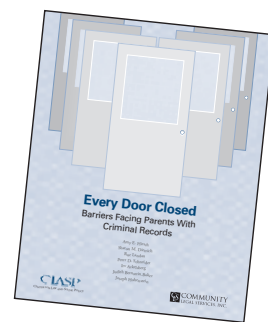
New Report Finds *Every Door Closed* to Parents With Criminal Records

Last year, approximately 400,000 mothers and fathers finished serving prison or jail sentences. As these parents struggle to make a fresh start, they will encounter legal barriers that will make it very difficult for them to successfully care for their children, find work, get safe housing, go to school, access public benefits, or even, for immigrants, stay in the same country as their children.

A groundbreaking new report, *Every Door Closed: Barriers Facing Parents With Criminal Records*, by Amy E. Hirsch, Sharon M. Dietrich, Rue Landau, Peter D. Schneider, Irv Ackelsberg, Judith Bernstein-Baker, and Joseph Hohenstein, documents the legal challenges these families face, illustrated by compelling stories of ex-offenders who are trying to go straight but are frustrated in their attempts to rebuild their lives and families. It contains six chapters:

- Criminal Records and Employment: Ex-Offenders Thwarted in Attempts to Earn a Living for Their Families
- Parents With Criminal Records and Public Benefits: “Welfare Helps Us Stay in Touch With Society”
- Criminal Records and Subsidized Housing: Families Losing the Opportunity for Decent Shelter
- Criminal Convictions, Incarceration, and Child Welfare: Ex-Offenders Lose Their Children

- Student Loans and Criminal Records: Parents With Past Convictions Lose Access to Higher Education
- Divided Families: Immigration Consequences of Contact With the Criminal Justice System



Every Door Closed was released at the Fourth Annual International Fatherhood Conference, sponsored by the National Center for Strategic Nonprofit Planning and Community Leadership in Washington, DC, in June.

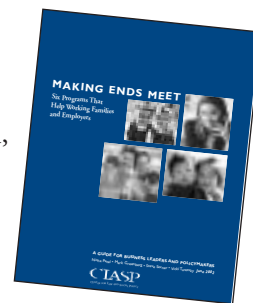
Jointly published by CLASP and Community Legal Services, Inc., of Philadelphia, *Every Door Closed* examines the barriers that, singly and in combination, tear apart families headed by ex-offenders, create unemployment and homelessness, and guarantee failure, thereby not only harming parents and children but entire communities as well. The report also offers recommendations for federal and state policymakers. ■

- To view the full 104-page report, visit: http://www.clasp.org/pubs/legalservices/Every_Door_Closed.pdf
- To view the 9-page executive summary, visit: http://www.clasp.org/pubs/legalservices/Every_Door_Closed_Summary.pdf
- To order printed copies, email info@clasp.org

Making Ends Meet

During the 1990s, welfare reform placed a strong emphasis on expecting low-income parents to work. At the same time, other federal and state programs were created or expanded to assist families in which parents had low earnings. Amidst a strong national economy, employment among low-income parents dramatically increased in the last decade. However, parents often entered jobs in which earnings were not sufficient to meet basic family needs — or even to cover the basic costs of

working. A new CLASP publication, *Making Ends Meet: Six Programs That Help Working Families and Employers — A Guide for Business Leaders and Policymakers*, by Nisha Patel, Mark Greenberg, Steve Savner, and Vicki Turetsky, discusses how federal and state “work supports” — including the Earned Income Tax Credit, child care, Food



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Census Bureau Provides Data on TANF Mothers

According to data collected by the U.S. Census Bureau, mothers receiving Temporary Assistance for Needy Families (TANF) benefits are more likely to lack a high school diploma than mothers who do not receive assistance. The report also found that TANF has emphasized job training over education and that the number of mothers receiving welfare benefits was reduced by half from 1996 to 2000.

The report, *Work and Work-Related Activities of Mothers Receiving Temporary Assistance to Needy Families: 1996, 1998, and 2000*, by Brian J. O'Hara, uses data from the Survey of Income and Program Participation (SIPP), a longitudinal survey that highlights the training and work activities of mothers who received welfare benefits in 1996, 1998, and 2000. Major findings of the study include:

- **Mothers without a high school degree have a greater chance of receiving TANF benefits.** Of mothers who did not graduate from high school, proportionately three times as many mothers were on welfare than not in 1998. Forty-two percent of TANF mothers did not graduate from high school, while 13 percent of non-TANF mothers did not have high school degrees.
- **Traditional education programs were the least common type of training activity among welfare mothers.** In 1998, 40 percent of those receiving training participated in education programs compared to 62 percent who were in training relating to how to find employment and 74 percent in job skills training.
- **Sixty-nine percent of TANF mothers who participated in work or training activities did not receive subsidies to help them with child care or other work-related expenses.**

continued on page 5

Welfare Caseload Increases *continued from page 1*

- **Ten states have shown continuous caseload growth in recent months.** Alaska, Colorado, Indiana, Maine, Michigan, Minnesota, Montana, Nevada, New Hampshire, and Virginia reported continuously increasing caseloads between October 2001 and March 2002.
- **A number of states experienced substantial caseload growth in the past year.** The states with the largest increases from March 2001 to March 2002 were Nevada (81 percent), Indiana (23 percent), South Carolina (22 percent), Montana (21 percent), Arizona (18 percent), Oregon (15 percent), and Colorado (15 percent).
- **A few states are still seeing large caseload declines.** The states with the largest decreases over the same time frame were New York (28 percent), Illinois (21 per-

cent), and Wyoming (15 percent). There does not appear to be a strong geographic pattern explaining which states have seen the greatest rises or falls in caseloads. At least in New York, however, a large share of the decline in cases can be attributed to TANF recipients hitting their five-year time limit for TANF receipt.

- **Many states are seeing larger increases, and more states are seeing smaller decreases.** From March 2001 to March 2002, 13 states reported their caseloads increased by more than 10 percent, compared with five reporting that size increase from March 2000 to March 2001, and one reporting such an increase from March 1999 to March 2000. Meanwhile, from March 2001 to March 2002, only five states reported caseload decreases greater than 10 percent. The prior year, 11 states reported a decrease of that size, and the year before that, 27 states experienced such decreases. ■

■ To view the full analysis, visit: http://www.clasp.org/pubs/TANF/2002_Q1_Caseload_061702.pdf

■ To view the state-by-state data, visit: http://www.clasp.org/pubs/TANF/Final_2002_Q1_caseload.pdf

Report Documents TANF's Effects on Microenterprise and Self-Employment

How did the passage of welfare reform in 1996 affect microenterprise development and self-employment opportunities? In *Microenterprise Development and Self-Employment for TANF Recipients: State Experiences and Issues in TANF Reauthorization*, CLASP's Nisha Patel and Mark Greenberg answer this question and provide recommendations for how the Temporary Assistance for Needy Families (TANF) program can be changed to encourage, or at least not discourage, states from providing support to microenterprise initiatives.

A microenterprise is defined in the report as a sole proprietorship, partnership, or family business that has fewer than five employees. It is small enough to benefit from loans of under \$25,000 and generally too small to access commercial banking services. Microenterprise development programs provide services including recruitment, orientation, training, technical assistance, and access to capital. Microenterprise programs that work with TANF recipients often add specific services required to meet the needs of that population.

The report discusses how state policies have affected access to and participation in microenterprise training and self-employment for TANF recipients involved in the "Microenterprise Development Initiatives for Welfare-to-Work" demonstration project, funded by the Charles

Stewart Mott Foundation. While the authors conclude that TANF does not present insurmountable barriers to self-employment, they suggest a number of ways it can be changed during reauthorization to allow states more freedom in encouraging microenterprise endeavors. Among the recommendations offered in the report:

- Clarify that microenterprise and training and self-employment are countable toward work participation rates,
- Specify that time spent in active exploration of self-employment opportunities can count as "job search," and
- Require states to describe in their state plans the rules that will apply to the income and assets of self-employed individuals and the state's approach to supporting these individuals in the initial stages of business formation.

The report is published by the Aspen Institute Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination. ■

■ To download a PDF version, visit: http://www.clasp.org/pubs/jobseducation/microenterprise_report061102.pdf

Census Bureau Data *continued from page 4*

- **The proportion of mothers receiving benefits fell by half.** About eight percent of all mothers received cash assistance in 1996, compared to four percent of all mothers in 2000. However, there is little agreement as to whether this decline can be attributed to a strong economy or welfare reform, according to the Census Bureau.
- **Earnings increased for all mothers.** Between 1996 and 2000, median monthly earnings increased from \$1,554 to \$1,666 for mothers not on TANF and from \$472 to \$738 for TANF mothers.

- **The proportion of welfare recipients participating in the labor force remained stable, but fewer TANF mothers were looking for work.** About a third of mothers receiving cash assistance worked in 1996, 1998, and 2000. The proportion of mothers receiving welfare benefits who were looking for work dropped from 17 percent in 1996 to 10 percent 2000. ■

■ To view the full report, visit: <http://www.census.gov/prod/2002pubs/p70-85.pdf>

On the Hill Testimony on Child Support Rules

On May 16th, Vicki Turetsky, CLASP Senior Staff Attorney, testified before the Senate Finance Committee on child support provisions in TANF reauthorization. Also testifying at the hearing, titled “Building Stronger Families,” were Wade Horn, Ph.D., Assistant Secretary for the Administration for Children and Families, Department of Health and Human Services (DHHS); Isabel Sawhill, Ph.D., President, National Campaign to Prevent Teen Pregnancy; Howard Hendrick, Executive Director, Oklahoma Department of Human Services; and Kate Kahan, Director, Working for Equality and Economic Liberation.

Turetsky started her testimony by endorsing Senator Snowe’s (R-ME) child support legislation (S. 918), which would allow current and former welfare recipients to receive more of the child support payments than they do currently under TANF assignment and distribution rules and would allow states to simplify distribution regulations. Turetsky encouraged the Committee to include Senator Snowe’s legislative language in TANF reauthorization. This legislation would also accomplish the following:

- Allow states to pay all support to former TANF families by (1) eliminating the requirement that families assign pre-assistance arrears and (2) giving states the option to eliminate the federal tax-offset exception.
- Require the federal government to waive its share of child support collections if a state decides to pass through the support to families and disregard the support in determining TANF assistance.
- Allow states to use TANF block grant or maintenance of effort funds to pay for child support collections that are given to families. This would help states replace lost revenues for the TANF or child support program.
- Allow states to implement any or all of the distribution provisions early.
- Bar tapping into the child support program as a means of collecting birth-related costs covered through Medicaid.

In addition, Turetsky questioned the authority of DHHS to use child support funds to pay for marriage demonstration programs. She pointed out that the statutory purpose of the child support program is narrow and specific and would not appear to allow funding for marriage programs. She further said that under the waiver statute of the Social Security Act, DHHS may not use its waiver authority to spend child support funds on purposes not otherwise authorized by Congress. ■

- To download Vicki Turetsky’s testimony, visit: http://www.clasp.org/pubs/childenforce/Testimonies/Turetsky_5-16-02_testimony.htm
- To view the testimony of other witnesses, visit: <http://www.senate.gov/%7Eefinance/sitepages/hearing051602.htm>

NEW CHILD SUPPORT FACT SHEETS ON CLASP.ORG

CLASP recently posted to its website *The Importance of Child Support Enforcement: What Recent Social Science Research Tells Us* by Paula Roberts, CLASP Senior Staff Attorney. This series of fact sheets details the myriad ways child support payments are critical to the financial and general health of families. Following are the fact sheet topics:

- **Child Support Substantially Increases Economic Well-Being of Low- and Moderate-Income Families**
- **Child Support Payments Benefit Children in Non-Economic as Well as Economic Ways**
- **The Child Support Program Promotes Marriage and Reduces Non-Marital Childbearing**
- **The Child Support Program Benefits the Public by Reducing Public Assistance Costs**

- To download these fact sheets, visit: http://www.clasp.org/pubs/childsupport/The_Importance_of_Child_Support_Enforcement.htm

CLASP Testimony on WIA-TANF Integration

On May 16th, Steve Savner, Senior Staff Attorney for CLASP, testified before the Senate Subcommittee on Employment, Safety, and Training of the Committee on Health, Education, Labor, and Pensions on the issue of training for low-skill and low-wage workers and the intersection of the Temporary Assistance for Needy Families (TANF) program and the Workforce Investment Act (WIA). Other witnesses included Sigurd Nilsen, General Accounting Office, Washington, DC; Yvonne Shields, Community Voices Heard, New York; Steve Wing, CVS; Jan Mueller, Lifetrack Resources, St. Paul, Minnesota; and Steven Rothschild, Twin Cities RISE!, St. Paul, Minnesota.

In his testimony, Savner laid out the potential benefits of coordinating WIA and TANF services, including improved employment services and greater access to support services for job seekers and employers. He cautioned, however, that thus far WIA-TANF integration efforts have been difficult. Savner stressed that there is no right way to accomplish integration; states should be encour-

aged to experiment, and their efforts should be studied. Based on information CLASP has gathered on four states' experiences consolidating WIA and TANF administration, Savner suggested the following to help states and localities coordinate services:

- More closely align the employment goals of the two systems;
- More closely align services strategies by eliminating sequential eligibility from WIA requirements, and significantly broaden the activities that states can count toward TANF participation rates; and
- Align the employment outcome measures and methodologies used in the two systems, giving states the option under TANF to use outcome measures rather than participation rates in assessing their activities. ■

■ To read Savner's full testimony, go to www.clasp.org/pubs/jobseducation/Savner_5-16-02_testimony.htm

Making Ends Meet continued from page 3

Stamps, health insurance, TANF, and child support — can help low-income families and employers alike.

Specifically, this report, which was developed for a meeting cosponsored by the Welfare to Work Partnership, includes the following information on each of the six work supports:

- a general program description;
- a discussion of the link between the program and family financial security;
- an analysis of the link between the program and job retention; and
- evidence of barriers to participation.

In addition, the Appendix offers valuable resources for business leaders and policymakers about where to go for

more information about strategies to encourage participation in each program.

The availability of such work supports makes it more possible for a parent to enter a job, to retain employment, and to better provide for family needs. Because these benefits help workers retain jobs, they, in turn, reduce turnover and reduce costs for businesses. As a result, work supports benefit *both* working families and employers. *Making Ends Meet* concludes that it is in the best interests of both employers and policymakers to help strengthen worker participation in programs that encourage job retention, reduce employee turnover, and result in cost savings for businesses. ■

■ To view the report, visit: http://www.clasp.org/pubs/jobseducation/Making_Ends_Meet.pdf

■ For information on ordering printed copies of the report, email info@clasp.org

■ For information about the Welfare to Work Partnership, visit: www.welfaretowork.org

Real-life stories often make qualitative research findings come alive. In this spirit, the Alliance for Children and Families of Milwaukee released a new report, *Faces of Change: Welfare Policy Through the Lens of Personal Experience*, at a Capitol Hill briefing on June 7. At the briefing, four women detailed their successes and struggles under the welfare law, focusing on the importance of education as a long-term strategy for reducing poverty and promoting self-sufficiency. Peter Edelman, Professor of Law at the Georgetown University Law Center and a member of CLASP's Board of Trustees, provided an overview of current welfare proposals being debated in Congress and called for increased funding for job supports, such as child care, health care, transportation, and job training, for low-income working families.

The report is a collection of stories by current and former welfare recipients detailing the choices, consequences, hardships, and rewards that make up their lives as they try to negotiate the complex maze of welfare program requirements. The stories focus on the women's experiences with employment and job training, as well as necessary work supports.

While many are quick to cite the falling welfare caseloads since TANF was enacted in 1996, this report illustrates that declining caseloads are merely one piece of a long and complex story. Recipients seem to fall into one of three categories, according to the report: individuals who have made the transition to stable employment, individuals who have found employment but have not escaped poverty, and individuals with substantial barriers to employment. The Alliance for Children and Families argues that, because even the welfare success stories still struggle and many remain in poverty, their plight should not be forgotten in the current welfare reauthorization.

Few qualitative studies have been conducted to get a glimpse inside the lives of women living out the new law. The Alliance for Children and Families report adds to the welfare debate by offering the perspectives of those on the front lines, the women whose lives are directly affected by welfare reform. ■

■ To order the report, visit: <http://www.alliance1.org>

CLASPupdate

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CENTER FOR LAW AND SOCIAL POLICY

One Step Forward on TANF Reauthorization

The House has passed a bill to reauthorize the federal welfare program, Temporary Assistance for Needy Families (TANF), and a reauthorization bill approved by the Senate Finance Committee in July 2002 will be taken up by the full Senate later this year. In August, CLASP and the Center on Budget and Policy Priorities jointly released a new comparative analysis of the two bills, *One Step Forward or Two Steps Back? Why the Bipartisan Senate Finance Bill Reflects a Better Approach to TANF Reauthorization Than the House Bill*, by Shawn Fremstad, Sharon Parrott, Mark Greenberg, Steve Savner, Vicki Turetsky, and Jennifer Mezey. It discusses 13 ways in which the Senate Finance bill reflects a better approach to welfare reform than the House bill, describing how the Senate Finance bill makes important improvements to the TANF block grant and other low-income programs, provides states with more flexibility and resources to help parents succeed in the labor force, and offers a more balanced approach to the next phase of welfare reform:

3. The Senate Finance bill would fund two innovative approaches to increasing the employment and earnings of recipients — transitional jobs programs that provide short-term, subsidized jobs and necessary support services to recipients with barriers to employment and a “business-link” program that provides low-wage workers with employee-sponsored, work-based training and advancement opportunities.
4. The Senate Finance bill allows states to make reasonable allowances for families caring for children who are ill or have disabilities.
5. The Senate Finance bill would help ensure that families with barriers to employment impeding their ability to meet program requirements are not inappropriately sanctioned by including a review of individual responsibility plans prior to sanctioning. The House bill, by contrast, includes provisions that likely would

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Work-Related Requirements

1. While both bills increase the participation rates states must meet, the Senate Finance bill sets more reasonable hourly work requirements, allows states to count a broader range of welfare-to-work activities, and places a stronger emphasis on job entries rather than caseload reduction in the participation rate structure.
2. The Senate Finance bill allows states more flexibility to include education and training in their welfare-to-work programs; the House bill, by contrast, would force many states to scale back even their existing education and training efforts in favor of large-scale “workfare” programs.

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CLASP Submits Comments on WIA Reauthorization

On June 28, 2002, CLASP submitted comments to the Department of Labor on reauthorization of the Workforce Investment Act (WIA) and linkages to the Temporary Assistance for Needy Families (TANF) block grant. Initially passed in 1998, WIA expires September 30, 2003.

WIA was passed to address concerns about the fragmentation and weak performance of federally financed employment programs. Under WIA, states were required to create “one-stop” employment services delivery systems at which customers could more easily access job training and other employment-related services regardless of funding source or administering agency.

Although WIA is still in its infancy, there are a number of ways in which the program can be improved. Based on research CLASP has conducted on WIA implementation, including multiple site visits to one-stop centers, interviews with workforce officials and advocates, and data analysis, CLASP made the following recommendations in its comments:

- Base access to services on assessments of prospective participants rather than on their participation in a federally prescribed sequence of activities.
- Increase overall WIA funding and set aside a significant share of new funding for training services.
- Improve reporting and performance measure requirements to assure adequate performance information for all stakeholders.
- Simplify reporting requirements for training providers and provide them with a means of collecting data.

CLASP also offered suggestions on how to better integrate WIA and TANF:

- Align the employment outcome measures and methodologies in the TANF and WIA programs.
- Encourage state TANF and WIA agencies to increase program coordination.

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The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

CLASP Update is published monthly.

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TANF NEWS

For the latest news on TANF reauthorization, check CLASP's website (www.clasp.org) often. You'll find the most up-to-date analyses and side-by-side comparisons of legislative proposals, including: *Summary Comparison of TANF Reauthorization Provisions: Bills Passed by the Senate Finance Committee and the House of Representatives and Related Proposals* by Shawn Fremstad, Zoë Neuberger, Sharon Parrott, Nisha Patel, Steve Savner, Mark Greenberg, and Vicki Turetsky. This chart, part of a joint project of CLASP and the Center on Budget and Policy Priorities, compares key provisions in the proposals currently being considered by Congress.

Spending Too Much, Accomplishing Too Little

The TANF reauthorization bill passed by the House of Representatives in May (H.R. 4737) earmarks substantial funds — \$1.6 billion — focused almost exclusively on the promotion and support of marriage. According to a recent in-depth analysis by CLASP, *Spending Too Much, Accomplishing Too Little: An Analysis of the Family Formation Provisions of H.R. 4737 and Recommendations for Change*, by Jodie Levin-Epstein, Theodora Ooms, Mary Parke, Paula Roberts, and Vicki Turetsky, H.R. 4737 defines too narrowly the purposes and allowable activities of its marriage and responsible fatherhood initiative and inappropriately redirects too many TANF funds to a set of new and untested strategies.

H.R. 4737 does contain a number of useful provisions, however, including (1) making the overarching goal of TANF be “to improve child well-being,” (2) establishing as a purpose of TANF “to reduce poverty,” (3) requiring state TANF programs to “encourage the equitable treatment of married, two-parent families,” and (4) redirecting the \$100 million per year out-of-wedlock bonus allocated under the current law.

At the same time, H.R. 4737 takes a step backward by not providing states with the flexibility to address the variety of family formation issues that affect the well-being of children. In general, the CLASP analysis argues that the family formation provisions in H.R. 4737:

- Allow states to shift state spending in their TANF programs from needy families to better-off families.
- Recognize the importance of healthy marriage but restrict TANF purposes in a way that could make it harder for states to serve unmarried, two-parent families.
- Do not go far enough to require state TANF programs to assist two-parent families to the same extent as single-parent families.
- Focus on marriage promotion to the detriment of other related family formation issues, such as preventing teen

pregnancies, increasing the economic prospects of struggling young couples, and helping low-income fathers better support their children.

- Reflect a narrow view of what constitutes marriage promotion activities.
- Allocate more money than is justified for marriage-related activities, given other pressing needs and the current state of knowledge about government’s role in marriage promotion.

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CLASP LAUNCHES COUPLES AND MARRIAGE POLICY BRIEF SERIES

Marriage has become a hot topic in Washington policy circles, stimulated in part by proposals to promote “healthy” marriages in the reauthorization of the federal welfare program. In August, CLASP introduced a new series of Couples and Marriage Policy Briefs with “Marriage and Government: Strange Bedfellows?” by

Theodora Ooms. In this eight-page brief, Ooms explores what the legitimate role of government in promoting marriage might be, outlines some of the objections to government intervention in marriage, discusses the relationship between marriage and poverty, and offers a framework for a reasonable Marriage-Plus approach that focuses on child well-being. Future briefs in the Couples and Marriage Series will address the following questions: What are states doing to promote and strengthen marriage? What is the appropriate role of the federal government in marriage? What is the effect of family structure on child well-being? How important is male “marriage-ability” to understanding the rise in single parenthood in low-income populations?



■ To download the brief, visit http://www.clasp.org/DMS/Documents/1028563059.86/Marriage_Brief1.pdf

Connecting Youth Employment with Pregnancy Prevention

In late June, CLASP brought together experts in the pregnancy prevention and youth employment fields for a day-long discussion. The meeting was intended to explore the question of how unintended pregnancy prevention activities can be adapted more often — and more effectively — in youth employment programs.

One of the most prominent figures in teen pregnancy prevention, Dr. Michael Carrera, the creator of the Children's Aid Society-Carrera program, was a featured speaker. His comprehensive pregnancy prevention program provides youth with educational, health, mentoring, tutoring, and recreational services. Dr. Cheri Hartman spoke about the Teen Outreach Program (TOP), a pregnancy prevention curriculum that has been adapted around the country. Both the Carrera and TOP programs were identified as effective in preventing pregnancy by a research review published recently by the National Campaign to Prevent Teen Pregnancy. A third speaker, Elizabeth Link, described Project Opportunity, a high school completion program that serves pregnant and parenting teens in Alexandria, Virginia.

Unplanned pregnancy often forces clients in youth employment programs to drop out or to be unable to secure and retain employment, according to a May 2001

CLASP report, *Leveraging Youth Employment Systems to Prevent Unintended Pregnancy*, by Marie Cohen. Based on a survey of nearly 150 youth employment programs, this report was the first attempt to gather program-level information about the intersection between youth employment and reproductive health. Among the programs surveyed, a large majority saw unintended pregnancy as an issue for the success of their participants; most programs provided some type of reproductive health services, usually by linking with outside organizations. However, virtually all programs indicated that they wanted to provide more of these services but first needed more funding and technical assistance.

Building on the *Leveraging* report and the June meeting, CLASP plans to highlight a number of “success stories” about youth employment and pregnancy prevention. The stories will seek to inform and inspire youth employment providers, as well as other interested parties, to integrate pregnancy prevention into their programs in imaginative, comprehensive, and proactive ways. ■

■ For a copy of the *Leveraging* report, as well as other documents on youth employment and reproductive health, visit the [Reproductive Health and Teen Issues](http://www.clasp.org/Pubs/Pubs_Health) page at the CLASP website: http://www.clasp.org/Pubs/Pubs_Health.

Upcoming CLASP Audio Conferences on “Making Welfare Work”



CLASP Audio Conference Host Jodie Levin-Epstein

On Fridays throughout the year, CLASP is hosting a series of audio conferences on issues related to welfare reauthorization. Each call includes a panel of three to five national and state policy experts. All calls take place from 12:30 to 1:30 pm (ET). The final calls in the 2002 series are:

September 13:

Adolescents and Teen Parents

October 4 and November 8:

The New TANF Law (or, if TANF is not reauthorized, State Opportunities Under Current Law)

■ For more information or to register, visit: http://www.clasp.org/Audio/Audio_Home

DHHS Announces High-Performance Bonuses

In July 2002, the U.S. Department of Health and Human Services (DHHS) announced bonuses for states with the best rates of moving welfare recipients into work in fiscal year 2000. These 26 states will split \$200 million in allocated bonus money.

Under the Temporary Assistance for Needy Families (TANF) program, each year DHHS awards bonuses to the top 10 performing states in each of the following categories: job entry rate, success in the workforce rate (combination of job retention rate and earnings gain rate), improvement in the job entry rate, and improvement in the success in the workforce rate. The top ranked states for each of the categories were Montana (job entry), Arizona (job retention and earnings), Iowa (largest improvement in job entry), and Nevada (largest improvement in job retention and earnings).

Under the House-passed TANF reauthorization bill (H.R. 4737), the high-performance bonus would be reduced to \$100 million a year, while the bill out of the Senate Finance Committee would eliminate the high-performance bonus and instead allocate the money for Business Linkages grants and Transitional Jobs grants to states. Business Linkages grants would be used to support programs that create partnerships between training

TOP RANKED STATES FOR TANF PERFORMANCE BONUSES IN 2000



The top ranked states were Montana (job entry), Arizona (job retention and earnings), Iowa (largest improvement in job entry), and Nevada (largest improvement in job retention and earnings).

providers and employers to help current and former welfare recipients. Transitional Jobs grants would support programs that help those with significant barriers move into unsubsidized employments through work and education activities. ■

■ For a complete ranking of the states in each of the categories, visit www.acf.dhhs.gov/programs/opre/hpb/index.htm#tabs

On the Hill

CLASP's Abbey Frank and Rutledge Hutson, holding Elianna and Khadija, participate in the Children's Defense Fund's Stroller Parade to the U.S. Capitol on July 10, where they called on Congress to increase funding for quality child care. Senator Christopher Dodd (D-CT), Senator Jeff Bingaman (D-NM), and Representative George Miller (D-CA) praised the children's efforts to stand and speak for themselves.



increase the frequency and severity of inappropriate sanctioning.

Supporting Working Families

6. The Senate Finance bill provides substantially more child care funding than the House bill, though still falls far short of addressing unmet child care needs.
7. The Senate Finance bill extends the Transitional Medical Assistance program — a program that provides short-term Medicaid coverage for many low-income working families, including many families that leave welfare for work — for five years and includes important new state options that would allow states to simplify the program and provide coverage to more low-income working families.
8. The Senate Finance bill would allow states to provide supplemental housing benefits to low-income working families without triggering welfare requirements, such as time limits and data reporting rules.

Marriage and Child Support Provisions

9. The Senate Finance bill precludes states from discriminating against two-parent families in their TANF programs and provides \$1 billion for marriage-related initiatives. The bill takes a more comprehensive approach to promoting family formation than the House bill by emphasizing both marriage education programs and programs that address important underlying factors that contribute to marital instability, including domestic violence and economic stress.
10. The Senate Finance bill provides states with new flexibility to change child support rules so that when noncustodial parents pay support, the child support reaches their children rather than being retained by the federal government and states.

Additional Provisions

11. The Senate Finance bill restructures the “contingency fund” so that it is more likely to direct additional

TANF resources to states facing a rising number of families that need assistance due to a recession.

12. The Senate Finance bill provides states with options to provide Medicaid and SCHIP (State Children’s Health Insurance Program) coverage to low-income immigrant children and pregnant women who have been in the country for less than five years and TANF benefits to legal immigrant families who have been in the country for less than five years.
13. The Senate Finance bill does not include the ill-advised “superwaiver” included in the House bill, which would allow the executive branch to override, at a governor’s request and without Congressional input, nearly all provisions of federal law that govern more than a dozen programs.

One Step Forward also describes several areas in which the Senate Finance bill could be improved, including funding, supporting working poor families, helping families with barriers to employment, and improving sanction-related policies.

Despite the significant differences between the bills, there also are important areas of commonality — including that the block grant structure should be maintained, TANF funding should not be cut below current levels, states should be required to engage more adults in welfare-to-work programs, states should have more flexibility to direct child support to children rather than using it to reimburse government for welfare costs, and more resources should be devoted to efforts encouraging marriage and strengthening families. Given these areas of agreement, the differences between the House and Senate Finance bills should be bridgeable. At the same time, it is important to appreciate that the Senate bill already reflects reasonable bipartisan compromises, and that a reauthorization bill along the lines of the House bill would not be in the best interest of families or states. ■

■ To download *One Step Forward*, visit <http://www.clasp.org/DMS/Documents/1028928846.02/13reasons.pdf>

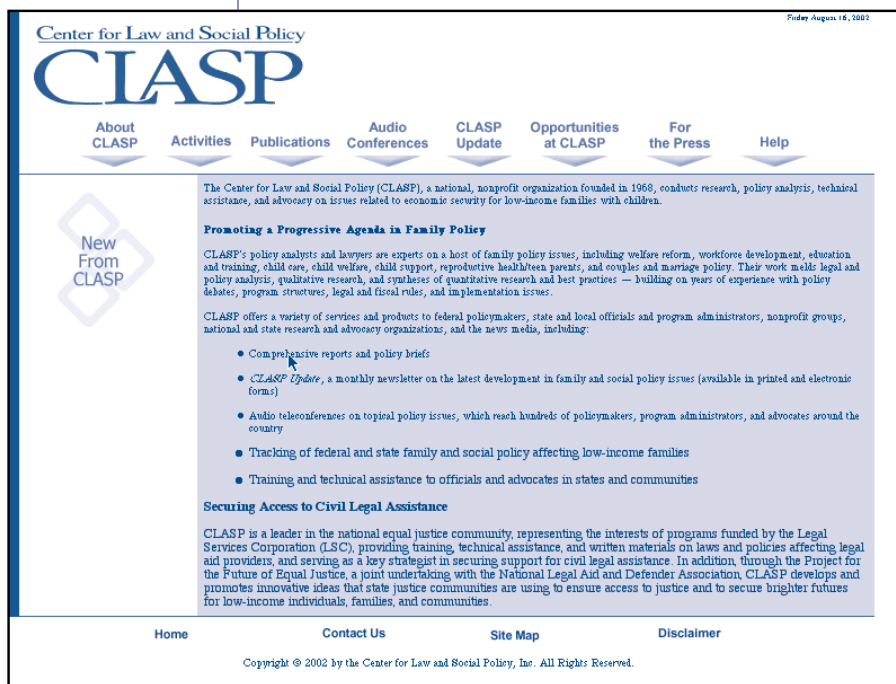
CLASP Website Redesigned

The CLASP website recently received a makeover in an effort to make the site's contents even more accessible to users. Still located at www.clasp.org, the site now offers the following improvements:

- **Easy-to-navigate buttons on every page.** Users will always know where they are and how to get to where they want to be.
- **A new "For the Press" section.** CLASP press releases are posted here, along with CLASP's press contact.
- **"New from CLASP" page that lists all recent CLASP publications.** This is the perfect place for frequent visitors to go to see the latest work from CLASP's policy experts.

A special note to those groups with sites that contain links to the previous CLASP site: the redesigned site has

different links for publications and pages. Please go to the new site, find the document or page you have linked to, and update the link on your site. If you need assistance finding the publication you are looking for, please e-mail gbennett@clasp.org. ■



Screen shot of redesigned website, www.clasp.org

WIA Reauthorization *continued from page 2*

In the fall, the Department of Labor plans to release a white paper outlining its objectives for WIA reauthorization. Both houses of Congress are expected to craft bills in 2003. ■

■ To view CLASP's comments on WIA reauthorization, visit: <http://www.clasp.org/DMS/Documents/102631515784/view.html>

Spending Too Much *continued from page 3*

- Do not contain adequate safeguards and protections to govern the grant-making process.

The TANF reauthorization bill passed by the Senate Finance Committee makes several improvements over H.R. 4737, including *precluding* states from discriminating against two-parent families in their TANF programs, improving child support rules, and taking a more com-

prehensive approach to promoting family formation by emphasizing both marriage education programs and programs that address important underlying factors that contribute to marital instability (see related article on page 1). ■

■ To view *Spending Too Much, Accomplishing Too Little*, visit: http://www.clasp.org/DMS/Documents/1023821143.64/view_html

New Resources

Child Trends Launches DataBank Website: www.childtrendsdatabank.org.

Designed to provide reliable, current data on child, youth, and family well-being, the new Child Trends DataBank currently provides about 70 indicators on health, social, and emotional development, income and work, education, demographics, and family and community, with new indicators added each month.



Transitional Jobs Website: www.transitionaljobs.org. This website is a product of the National Transitional Jobs Network, a coalition of more than 30 transitional jobs programs, policy organizations, and sponsoring organizations. The network fosters economic opportunity for America's workers by developing new transitional jobs programs, building the capacity of existing transitional jobs programs, and promoting a national dialogue on job advancement strategies.

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CENTER FOR LAW AND SOCIAL POLICY

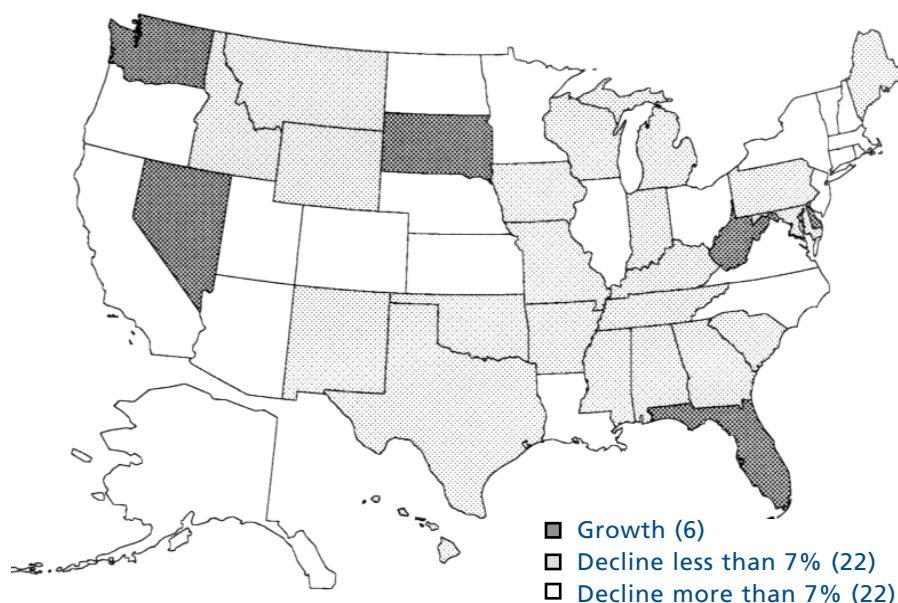
Report Shows State Revenue Declining

State tax revenue fell by 10.4 percent from April through June 2002 compared to the same period in 2001, representing the fourth consecutive quarter of decline. According to the Rockefeller Institute of Government's *State Revenue Report No. 49: State Tax Revenue Decline Accelerates* by Nicholas W. Jenny, this decrease in state revenue is causing widespread and severe stress in state budgets across the country.

The report states that personal income tax revenue, which was down by 22.3 percent during this period, accounted for most of the overall decline. Meanwhile, corporate income tax collections decreased for the seventh straight quarter—this time by 11.7 percent. Sales tax revenue was up by 1.5 percent, with several large legislated increases. When adjusted to reflect the effects of legislated tax changes and inflation, real state tax revenue declined by 13 percent.

The April-to-June quarter is of great importance to states with personal income taxes because April (or, in some states, May) is the month when taxpayers file their final returns and either receive refunds or pay the remainder of what they owe for the preceding tax year. In recent years, the robust stock market brought states final payment windfalls. This year, however, that was not the case, and instead collections decreased significantly while refunds increased.

Change in Quarterly Tax Revenue by State, Adjusted for Legislated Changes, April-June 2001 to 2002



Relief may not be in immediate sight. The National Conference of State Legislatures (NCSL) estimates that

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TANF Reauthorization Prospects Uncertain

As this issue of *CLASP Update* went to press, Congress had passed a continuing resolution that included a three-month extension for funding the Temporary Assistance for Needy Families (TANF) program, which would have expired on September 30, 2002. A TANF reauthorization bill was approved by the Senate Finance Committee in June but had not yet been brought to the floor of the Senate for a vote. The House passed a bill (H.R. 4737) in May. Congress faces a full plate of unfinished business, including such measures as homeland security, pending appropriations, and a war resolution; consequently, a variety of expiring programs have been extended through a continuing resolution. Prospects for a full, five-year TANF reauthorization bill before Congress recesses (probably by October 18) are unlikely, but the situation on Capitol Hill remains fluid. Other possibilities include a one-year extension or a multi-year extension with or without some number of changes to the program.

For the latest news and analyses on TANF, check CLASP's website (www.clasp.org) often. Some of the recent items you will find there include:

- *TANF Caseloads Declined in Most States in Second Quarter, But Most States Saw Increases Over the Last Year*

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

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by Elise Richer, Hedieh Rahmanou, and Mark Greenberg. October 2002.

- *Child Support Trends* by Vicki Turetsky. September 2002.
- *Side-by-Side Comparison of Child Care and Early Education Provisions in Key Senate, House, and Administration Bills and Proposals* by Jennifer Mezey, Rachel Schumacher, Tanya Rakpraja, and Kate Irish. Updated September 23, 2002.
- *States Have Slowed Their Use of TANF Funds for Child Care in the Last Year* by Rachel Schumacher and Tanya Rakpraja. September 2002.
- *The Vast Majority of Federally Eligible Children Did Not Receive Child Care in FY 2000 — Increased Child Care Funding Needed to Help More Families* by Jennifer Mezey, Mark Greenberg, and Rachel Schumacher. Updated October 2002.
- *One Step Forward or Two Steps Back? Why the Bipartisan Senate Finance Bill Reflects a Better Approach to TANF Reauthorization than the House Bill* by Shawn Fremstad, Sharon Parrott (CBPP), Mark Greenberg, Steve Savner, Vicki Turetsky, and Jennifer Mezey (CLASP). August 2002.
- *Side-by-Side Comparisons of Provisions in Recent TANF Reauthorization Proposals*. These charts, developed jointly by CLASP and the Center on Budget and Policy Priorities (CBPP), summarize provisions related to work, funding, time limits, child care, child welfare, and family formation. ■

UPCOMING CLASP AUDIO CONFERENCES ON "MAKING WELFARE WORK"

On Fridays throughout the year, CLASP has hosted a series of audio conferences on issues related to welfare reauthorization. Each call includes a panel of three to five national and state policy experts. All calls take place from 12:30 to 1:30 pm (ET). The final call in the 2002 series is scheduled for November 8. The call will focus on how states can help low-income families.

■ For more information or to register, visit:
http://www.clasp.org/Audio/Audio_Home.

Tracking Child Support Trends

As welfare policy has changed since the sweeping reforms of 1996, so has the federal child support collection program. Vicki Turetsky, CLASP Senior Staff Attorney, recently highlighted these changes in a presentation to the National Association of State Human Services Finance Officers in August 2002 in Chicago, Illinois. Following are a few of the main points from Turetsky's presentation, titled "Child Support Trends":

- The decline in welfare cases has impacted the child support program, causing both the child support case-load and program revenues to fall.
- The largest group of families served by the child support program is welfare leavers. In 2000, only 19 percent of child support cases involved current TANF families, while 46 percent involved former TANF families and 35 percent involved families who never received TANF.
- Collection rates doubled between 1996 and 2000. In 2000, the collection rate for all cases in the program was 42 percent. For cases with an established support order, the collection rate was 68 percent.
- The number of paternities acknowledged or established has more than doubled since 1994, when in-hospital acknowledgement procedures were established.
- However, child support order establishment has not kept pace with the improvements in paternity establishment. In 2000, 62 percent of cases in the program had established support orders.

SYNOPSIS OF NEW GUIDANCE ON CHILD SUPPORT OVERPAYMENTS

In the process of distributing child support payments, mistakes can be made. Sometimes the result is that a custodial parent receives an "overpayment." In a new CLASP document, CLASP Senior Staff Attorney Paula Roberts discusses the Office of Child Support Enforcement's new guidance on the steps states must take in attempting to retrieve child support overpayments.

To view this document, visit: <http://www.clasp.org/DMS/Documents/1031859350.99/Overpayments.pdf>.

- In 2000, state and federal governments retained \$2.4 billion in collections from current and former TANF families as recoupment for welfare costs. The government kept 86 percent of collections made for current TANF families (\$1.6 billion) and 18 percent of collections made for former TANF families (\$1.24 billion). ■

■ For more information on these and additional child support trends, visit: <http://www.clasp.org/Pubs/DMS/Documents/1031173743.15/cstrends%203.pdf>.

State Revenue Declining *continued from page 1*

the aggregate budget gap for all states for fiscal year 2003 will be \$58 billion. The fiscal year 2002 budget gap was \$37 billion, according to NCSL.

States facing budget instability due to declining tax revenues are concerned about current prospects for reauthorization of the Temporary Assistance for Needy Families

(TANF) block grant. "States need a stable, reliable funding source to make TANF policy choices," said Sheri Steisel of NCSL. Thus, Steisel and her constituents have been urging Congress to reauthorize TANF this year, or, if that is not possible, enact a multi-year extension of at least two years rather than a one-year extension. ■

New at CLASP

New Roles for Levin-Epstein and Greenberg

Two long-time staff members have assumed new roles at CLASP: Jodie Levin-Epstein is now CLASP's Deputy Director, and Mark H. Greenberg has been named Director of Policy.

Since joining CLASP in 1988, Levin-Epstein has established CLASP's network of state contacts after passage of the Family Support Act, overseen its reproductive health and teen issues project, and created and hosted the acclaimed CLASP Audio Conference Series on low-income and poverty issues. She also established *CLASP Update*, the monthly newsletter on welfare and low-income family policy.

Greenberg, who also joined CLASP in 1988, is a well-known expert on low-income policy issues. He has been extensively involved in federal and state welfare reform

efforts and issues relating to child care and workforce development. He has written and presented widely on these issues and is a frequent advisor to state and local governments on low-income policy and program issues.

Julie Strawn Recognized

Julie Strawn, a Senior Policy Analyst at CLASP, was recently awarded the 2002 Hubert H. Humphrey Meritorious Service Award for "providing vision in the welfare-to-work field" by the Network Consortium, an organization of community colleges and other workforce development entities. Strawn has written widely on workforce development and welfare reform, particularly on how to assist parents receiving welfare to sustain employment and qualify for better jobs. She is also examining the roles of postsecondary and adult education in helping low-wage workers move up in the workforce. ■

Child Care Report Finds Supply Much Less than Need

As Congress considers reauthorization of the Child Care and Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) block grant, the debate continues to rage about how much child care funding is necessary for low-income working families. In an attempt to help frame the debate, CLASP has released *The Vast Majority of Federally Eligible Children Did Not Receive Child Care Assistance in FY 2000 — Increased Child Care Funding Needed to Help More Families* by Jennifer Mezey, Mark Greenberg, and Rachel Schumacher. This report finds that in fiscal year (FY) 2000 only one in seven federally eligible children received child care assistance.¹

This figure comes from an analysis of recently re-released data from the U.S. Department of Health and Human Services (DHHS) estimating that 2.25 million children received federally funded child care assistance in FY 2000, the most current year for which data is available. DHHS also estimates that 15.7 million children were eligible for child care assistance under federal eligibility rules during this time frame.

The CLASP report also disputes the following DHHS methodology and assumptions in its analysis of this issue:

- 30 percent of children whose families meet state CCDF eligibility requirements will receive child care subsidies in FY 2003; and
- 47 percent of children in families with income below the 1999 poverty threshold for a family of three and who are eligible under state rules will receive child care subsidies in FY 2003.

The paper shows that these projections significantly overstate the extent to which states are meeting the child care assistance needs of low-income families. The DHHS projections focus on children eligible under more restrictive state rules rather than children eligible under federal law. Many states have made eligibility for child care assistance more restrictive than federal standards because they do not have the financial resources to serve all federally eligible low-income working families. In making these projections,

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Investing in Family Well-Being

The low-wage labor market has changed profoundly in the past two decades, according to a new report from the Ford Foundation, *Investing in Family Well-Being, a Family-Friendly Workplace, and a More Stable Workforce: A “Win-Win” Approach to Welfare and Low-Wage Policy*, by Ellen Bravo, Mark Greenberg, and Cindy Marano. Once largely thought of as a place where teenagers worked part-time to save for college, the low-wage labor market is now the permanent economy for approximately 30 percent of the American labor force. The new report outlines a set of policy options that would begin to address these realities of low-wage working life:

1. States should collect information about the “family-friendliness” of available jobs, provide this information to all job seekers, and allow parents a reasonable period of time in which to find such jobs during a required job search.
2. States should establish reasonable protections for TANF parents who have good cause for their inability to meet work requirements because of the needs of children and other family members.
3. States should provide additional options and choices for low-income parents of infants.

4. States should provide additional options and choices for families in which a child or other family member has special needs.
5. States should place stronger emphasis on helping families with diverse child care needs, such as non-standard hours, infant care, care for children with special needs, and care for school-age children. States should receive additional resources from the federal government to address these needs.
6. States should provide an annual “family impact report” describing their efforts to promote access to family-friendly jobs and to support workers whose jobs do not provide needed flexibility.
7. States should consider a range of policies to stimulate more family-friendly behavior by employers, including measures that expand access to and affordability of time for family caregiving.
8. The federal government should initiate a research and evaluation agenda to promote family-friendly employment. ■

■ To download a copy of this report, visit: www.lowincomeworkingfamilies.org.

Child Care Report continued from page 4

DHHS uses a FY 2003 estimate of the number of children served based on necessarily uncertain projections of FY 2003 spending rather than using current data on the numbers of children served. In addition, DHHS estimates assume that an increasing number of children will *receive* care while assuming that the numbers *needing* care will remain flat.

Finally, the paper discusses the mandatory child care funding allocated in the House-passed TANF reauthorization bill and the TANF reauthorization bill passed out of the Senate Finance Committee and argues that, without new additional funding, problems of unmet needs will only get worse. The House bill provides \$1 billion in additional

mandatory child care funding for the next five years, while the Senate Finance Committee’s bill provides \$5.5 billion in additional mandatory funding. ■

1 This analysis was originally released on June 4, 2002, using a DHHS estimate of the number of children who received federal child care subsidies. At the end of August, DHHS posted a revised FY 2000 count of the average monthly number of children served with federally funded subsidies that year. This updated report reflects these adjusted figures, as well as recently released FY 2001 CCDF expenditure data and developments in the House and Senate consideration of TANF and CCDF reauthorization.

■ For a copy of the full report, visit: <http://www.clasp.org/DMS/Documents/1024427382.81/1in7full.pdf>. A five-page summary is available at <http://www.clasp.org/Pubs/DMS/Documents/1024427246.32/1in7sum.pdf>.

New Resources

The Future of Welfare Reform

The Summer 2002 issue of *AdvoCasey*, the Annie E. Casey Foundation's flagship policy publication, focuses on welfare reform. Featured stories detail a California career advancement project that helps newly employed welfare recipients move into promising careers; a transitional jobs project in Philadelphia that allows long-term welfare recipients to get their feet wet in the world of work before sinking or swimming on their own; and new data about how welfare reform affects children. The issue is available at <http://www.aecf.org/publications/advocasey/summer2002>.

Recommendations on Out-of-Home

Child Care Services

The Casey Family Programs' National Center for Resource Family Support has released a report, *Child Care Services for Children in Out-of-Home Care*, which seeks to assist policymakers, child care administrators, and social workers in developing, funding, and expanding child care services for children in out-of-home care. It includes

information on available federal funding streams, survey data collected by the Child Welfare League of America from states on the use of available funds, and model child care programs. The report can be found at http://www.casey.org/cnc/documents/child_care_services.pdf.

Studies Assess Relationship Between Marriage and Poverty

The Urban Institute has released three new studies on behalf of the U.S. Department of Health and Human Services indicating that families with two married parents spend fewer years in poverty. One of the studies found that 33 percent of the women who had a premarital pregnancy leading to a birth were poor for four or more years over a 12-year period. However, women who married after pregnancy but before childbirth experienced a 20 percent chronic poverty rate, less than half the 47 percent rate of those who did not marry. The studies can be found by visiting <http://www.urban.org>, using the search function to do a topic search, and clicking on "Family Structure."

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CENTER FOR LAW AND SOCIAL POLICY

TANF and WIA Integration: Early Experiences and Emerging Issues

On October 3, 2002, in Washington, DC, CLASP convened a meeting of representatives from state agencies, advocates, national experts, and key federal policymakers to discuss the experiences of four states—Florida, Ohio, Utah, and Wisconsin—that have integrated Temporary Assistance for Needy Families (TANF) and Workforce Investment Act (WIA) programs. The states are at various stages of TANF-WIA integration, and the meeting was an opportunity to explore the issues presented by welfare and workforce development integration efforts and the benefits of closer coordination.



Meeting attendees from left to right: Jeanne Carroll, Ohio Department of Jobs and Family Services; Bob Knight, National Association of Workforce Boards; Margaret Hulbert, United Way of Greater Cincinnati; and Joel Potts, Ohio Department of Jobs and Family Services.

In 1998, WIA replaced the Job Training Partnership Act (JTPA), which at the time was the primary federally funded system for job training and other employment-related services for adults, dislocated workers, and youth. The fragmentation of services and perceived weak performance of training programs under JTPA prompted the desire for something different, which took the form of WIA and its requirement that every local workforce board create a one-stop delivery system in which customers could more easily access programs and services regardless of funding source or administering agency. Many policymakers, advocates, and state officials saw linkages between WIA and the work-centered TANF legislation passed two years earlier. Several states took it a step further and integrated the two programs to provide comprehensive, one-stop services to both the TANF population and the workforce in general.

In fall 2001, CLASP began a project to look at the experiences of those states that had gone the furthest in combining TANF and workforce efforts and to explore

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A Blueprint for Improving Child Care

With the numbers of working mothers continuing to rise and showing no sign of abatement, the availability of quality child care continues to be an issue for women of all economic spheres. In a new book, *Time to Care: Redesigning Child Care to Promote Education, Support Families, and Build Communities*, Joan Lombardi, a long-time child care advocate and former Associate Commissioner for Child Care in the U.S. Department of Health and Human Services in the Clinton Administration, shows how the current system is not meeting the needs of America's families and describes a vision for redesigning the system to promote healthy child and youth development. Lombardi also serves as a consultant for CLASP.

Lombardi examines effective local and state initiatives as well as the military child care system. These models help define policies she believes would strengthen child care in the United States. Lombardi suggests that child care is an opportunity to promote education and support families. She believes that the current market-based approach does not assure quality services for children, and she proposes more direct assistance to help programs and providers improve the quality of care.

Lombardi concludes the book with the following six recommendations for redesigning U.S. child care policies:

1. Provide paid parental leave as a choice during the first year of a baby's life by extending family and medical leave and promoting at-home infant care programs.
2. Develop early learning programs that are accessible to all by expanding state pre-kindergarten programs, expanding Head Start by serving children under age three and raising the income eligibility, and generally investing in a more cohesive early education program.
3. Expand the 21st Century Community Learning Centers and promote state investments in after-school and youth services programs.
4. Expand child care assistance to parents by increasing the Child Care and Development Fund and expanding the dependent-care tax credit.
5. Develop a community support system by funding more child care resource and referral agencies and providing supports, such as health and mental health consultation, family child care networks, and outreach to kith and kin providers.
6. Strengthen the professional development systems for early childhood and after-school staff by improving access to higher education, providing scholarships to child care workers, and linking training to increased compensation. ■



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CLASP Update is published monthly.

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■ To order a copy of this book, call Temple University Press at (800) 621-2736 or visit: <http://www.temple.edu/tempress>.

Bridging the Digital Divide in Legal Aid

Technological improvements—particularly the dawn of the Internet—have helped virtually every sector of society, including the legal services community. In *Equal Justice and the Digital Revolution: Using Technology to Meet the Needs of Low-Income People*, CLASP Senior Staff Attorney Julia Gordon describes how a group of legal services organizations made remarkable strides in harness-

ing the potential of technology to improve services to clients and helped bridge the digital divide existing in the legal aid community.

The 46-page report mainly covers the period of 1997 to 2001 when the Project for the Future of Equal Justice, a joint effort of the National Legal Aid and

Defender Association and CLASP, engaged in a concerted set of activities aimed at helping legal services programs improve their use of new technologies. These activities included setting up a website devoted to these issues, providing extensive training and education, modeling the use of innovative technology, disseminating information about best practices, supporting increased funding for technology, and convening distinguished advisory groups to plan and provide a vision for the future.

The author also discusses how new technologies serve the goal of equal justice. Specifically, the report describes how technology has increased program and office management, increased access to assistance and information for advocates, and improved client education and assisted pro se litigants (those who represent themselves).

The report concludes with eight detailed recommendations on how the equal justice community can continue to improve the role of technology in its work:

1. **Broaden the funding base for technology-related work.** Effective technology use can advance a full range of substantive goals, so all funders—regardless of issue focus—should both support technology-based special projects and underwrite ongoing technology-related costs of “ordinary” substantive projects.
2. **Address substantive issues at the intersection of technology policy and low-income communities.** These issues include universal access to the Internet, training in computer usage, creation of relevant content, and use of technology by government and other service providers.
3. **Provide community legal education and assist pro se litigants.** New technologies, especially the Internet, can assist low-income people attempting to solve their

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ON THE HILL

Congress Adjourns Without Taking Action on TANF Reauthorization

Congress recessed in October without having concluded reauthorization of the Temporary Assistance for Needy Families (TANF) program. A continuing resolution currently funds the program through the end of the year. It is expected that Congress will convene a “lame-duck” session after the November 5 election to deal with unfinished appropriations bills, as well as other issues, which may include TANF. A number of scenarios are under consideration for TANF, including a three-year extension that would mean some—but probably not extensive—modifications to the program. Other possibilities include a one-year or six-month extension, meaning that TANF reauthorization would be carried over to the next Congressional session beginning in January. In any event, the agenda for any lame-duck session will likely be affected by the outcome of the November election, particularly if one party achieves significant gains in either chamber.

For the latest news and analyses on TANF, check CLASP’s website (www.clasp.org) often.

More Than a Dating Service?

State Activities to Promote Marriage

Even before policymakers in Washington began their current welfare-related debate on the role of government in promoting marriage, a number of states and communities had created polices and programs to reduce divorce and strengthen marriage. A new policy brief from CLASP, “More Than a Dating Service?” by Mary Parke and Theodora Ooms, describes the surprisingly wide range of activities underway in states to promote marriage and two-parent families. No matter the outcome of the federal policy initiatives in this area, states and communities are likely to continue their efforts. As little is known yet about the effects of these new programs and policies, the authors suggest caution, creativity, and evaluation as policymakers move forward.

The phrase “promoting marriage” can conjure up the alarming specter of government-administered dating services and marriage bureaus and other unappealing schemes. A few of the most controversial new policies—such as covenant marriage laws and marriage “bonuses” paid to welfare recipients—have received widespread publicity. Little attention has been paid, however, to other strategies to strengthen marriage and reduce divorce that states and communities have already enacted, many of which have aroused less controversy.

Most of these activities date from the mid-1990s and were initiated by public officials or marriage advocates concerned about the effects of divorce and single parenthood on children. Some, however, were stimulated by the 1996 welfare reform law, in which three of the four purposes explicitly exhorted states to promote marriage, reduce out-of-wedlock births, and encourage the formation and maintenance of two-parent families. Many of the activities have involved very little expenditure of funds. However,

five states (Arizona, Louisiana, Michigan, Oklahoma, and Utah) have allocated significant Temporary Assistance for Needy Families (TANF) funds to strengthen marriage and two-parent families.

Parke and Ooms group the range of state activities to promote marriage and two-parent families into seven broad categories:

- 1. Reducing Policy Barriers for Two-Parent Families:** States have used the flexibility of the 1996 welfare reform law to change eligibility rules of the predecessor program, Aid to Families with Dependent Children, that made it more difficult to give public assistance benefits to two-parent families (whether married or unmarried) than to one-parent families with the same income.
- 2. Offering Policy Incentives for Marriage in TANF:** Alabama, Mississippi, and Oklahoma disregard the income of a new spouse for three to six months in calculating eligibility for benefits under TANF. West Virginia adds a \$100 marriage “incentive” to the monthly cash TANF benefit of any family that includes a married couple.
- 3. Setting Forth Public Goals to Reduce Divorce and Strengthen Marriage:** Several states and increasing numbers of communities have declared reducing divorce and strengthening marriage as public goals, sometimes with specific numerical objectives and dedicated funding. Some states and communities have established commissions and other forums to study and plan what actions to take to strengthen marriage.
- 4. Creating Public Education Efforts to Promote Marriage:** Several states and communities have implemented initiatives to inform the public about the benefits of marriage, the negative effects of divorce on adults and children, and ways to achieve stronger marriages.

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Oklahoma Survey Finds Support for Marriage Education

A recent survey of Oklahomans has found statewide support for marriage education. Sixty-six percent of those surveyed report they would consider using relationship education to strengthen their marriage or relationship, with young Oklahomans and low-income Oklahomans reporting even higher rates. The survey findings come as Congress considers funding marriage promotion efforts in welfare reform legislation. On the state level, several states and a few communities have already launched efforts to promote marriage and encourage the maintenance and formation of two-parent families (see related article on p. 4).

A report of the findings, *Marriage in Oklahoma: 2001 Baseline Statewide Survey on Marriage and Divorce*, has been released by Oklahoma State University (OSU) and the Oklahoma Marriage Initiative. The report concludes that survey findings suggest that effective relationship education programs, including both strategies for constructively managing conflict and for promoting and protecting commitment, may be useful to improve or maintain family formation in Oklahoma.

The publicly funded survey, conducted by OSU's Bureau for Social Research, was designed to provide data on Oklahomans' attitudes and behaviors related to marriage and family formation. Findings from the survey are intended to inform the efforts of the Oklahoma Marriage Initiative, launched by Governor Frank Keating in 1999, which seeks to strengthen marriage, reduce divorce, and improve child well-being. The Initiative is funded with \$10 million from the Temporary Assistance for Needy Families program.

The survey found that Oklahomans marry and divorce at higher rates than the national average and that Oklahomans marry an average of two-and-a-half years younger than the national average. The survey also found that it is common for couples who struggle with their marriage but work things out to be glad they stayed in their marriage. Of those currently married who consid-

ered their marriage to be in jeopardy at some point in the relationship (34 percent of those surveyed), 92 percent report being pleased they remained together. Divorced Oklahomans, regardless of income level or gender, are most likely to give two reasons for their divorces: a lack of commitment (82 percent) and too much conflict and arguing (61 percent).

This is the first statewide survey to collect information about attitudes and behaviors relating to marriage, marital quality, and divorce with a solid representation of low-income populations. Findings are based on telephone interviews with a sample of 2,020 adults from randomly chosen households and 303 randomly selected current clients of Medicaid. This second sample was included to help guarantee data would be representative of low-income Oklahomans. An advisory group of nationally recognized researchers crafted the survey and authored the report. Theodora Ooms of CLASP served on the study's advisory group. ■

■ For further information about the survey or the Oklahoma Marriage Initiative, visit: <http://www.okmarriage.com/> or call (405) 848-2171.

A Great Leader Lost

On October 25, 2002, Senator Paul Wellstone (D-MN) was one of eight people who died when the airplane he was riding in crashed in the Iron Range of Minnesota. CLASP, along with a multitude of other organizations and individuals, mourns the loss of one of the Senate's leading advocates for low-income families, legal services for the poor, and other progressive causes.

"This is a tragic loss for all of us who have worked with him. He was truly one of the finest, most caring, most intelligent public servants of the last 20 years. We will miss him greatly," said Alan Houseman, CLASP Executive Director.

legal problems on their own, as well as help people avoid legal problems in the first place.

4. **Create a culture of information-sharing.** To do this, members of the equal justice community will need to share information horizontally across program and state lines and vertically with clients, state and national support organizations, and funders.
5. **Develop better and more integrated technologies and applications.** Technologists can work to integrate existing stand-alone systems, such as case management, document assembly, litigation support, hotlines, web-sites, and electronic filing.
6. **Make a higher commitment to technology on an organizational level.** Existing investments in technology can be leveraged considerably with better technology staffing, more experienced technology project managers, long-range technology planning, and a lot more training for end-users.

7. **Evaluate the use of new technologies.** Programs that evaluate the effectiveness of new technologies in meeting program goals will help ensure that these technologies actually do benefit clients and communities.

8. **Work collaboratively to plan, execute, and support technology-based work.**

The report also includes an appendix, which provides in-depth information on the Project for the Future of Equal Justice's campaign to educate the community about technology-related issues from 1997 to 2001. ■

■ To order a printed copy of the report, please call (202) 906-8000. To view it online, visit: www.clasp.org/DMS/Documents/1035576585.33/digital_revolution.pdf

what could be learned from their experiences to inform national, state, and local policy. Over the past 10 months, CLASP staff have completed site visits to one-stop centers in Florida, Ohio, Utah, and Wisconsin. The meeting on October 3rd was a follow-up to those visits and part of an effort to document the benefits and challenges of TANF-WIA integration.

Government officials in attendance included Mason Bishop, Deputy Assistant Secretary at the Department of Labor; Andrew Bush, Director of the Office of Family Assistance at the Department of Health and Human Services (DHHS); and Don Winstead, Deputy Assistant Secretary at the Office of the Assistant Secretary for Planning and Evaluation at DHHS. These officials participated actively in the discussion, asking state representatives about barriers to integration on the federal level and how the process of integration could be improved. The meeting also provided an opportunity for state agency officials and advocates to discuss the challenges and successes of integration with representatives from other states.

Some benefits of integration highlighted at the meeting included: (1) the ability to provide more comprehensive services to all workers; (2) the ability to streamline services and minimize their duplication; and (3) the ability to provide one comprehensive resource for employers both to identify potential employees and to refer current employees for support services. Some challenges presented included: (1) different performance measures required by the federal government for WIA and TANF; (2) difficulty developing information systems to capture all the necessary data for tracking clients and meeting reporting requirements; and (3) overcoming differences in organizational culture between the welfare system and the workforce system.

Many attendees felt the meeting was informative for both their own work and for gearing up to face the impending reauthorization of WIA in the fall of 2003. The project will culminate in a CLASP report on TANF-WIA integration to be released in early 2003. ■

5. **Reforming Marriage and Divorce Law:** State law governs the conditions and terms under which couples can marry and divorce and defines the rights and responsibilities of married, separated, and divorced couples. Since the mid-1990s, several states have amended laws and regulations to encourage premarital education, discourage divorce, and encourage better co-parenting by divorcing couples.
6. **Strengthening Existing Programs that Affect Family Formation:** Promising although limited research finds that some income support and other public programs can make a difference in reducing teen pregnancy and out-of-wedlock birth rates and enhancing marital and family stability—even when they do not focus on marriage explicitly.
7. **Strengthening Couple Relationships and Cooperative Parenting Through Education:** A growing number of states and communities are planning or have already set up programs to strengthen marriage through couples and marriage education. In general, the curricula aim to change attitudes, dispel myths, and teach relationships skills to individuals and couples at various life stages—high school students, dating adults, engaged couples, the newly married, marriages in crisis, remarried couples, and so forth.

While some of these state activities appear promising and reasonable, others do not seem very useful or may even be harmful. Parke and Ooms suggest some general guidelines to assess the potential merits or dangers of particular marriage promotion strategies. They are based on the principles of a “Marriage-Plus” perspective, which encourages couples and marriage policy to:

- Maintain child well-being as the central goal of all proposals related to family formation.
- Focus efforts on promoting healthy marriage and co-parenting relationships, not marriage per se.
- Be alert to potential negative effects of the policy or program.

- Create broad public support for the program/policy by seeking input in its design and implementation from representatives of diverse perspectives.
- Collaborate with other sectors whenever possible—promoting marriage is not just the government’s business.

In addition, Parke and Ooms argue that policymakers should select or design any new marriage-related activities based on the best theory and research evidence available and should invest in monitoring and evaluating their effects—both intended and unintended. ■

■ To download the new policy brief and other CLASP work on couples and marriage policy, visit:
http://www.clasp.org/Pubs/Pubs_Couples

CENSUS RELEASES NEW CHILD SUPPORT DATA

The U.S. Census Bureau has released a new report titled *Custodial Mothers and Fathers and Their Child Support*, which includes child support data for 1999. The report finds that while custodial-mother families in poverty have fallen from 36.8 percent in 1993 to 28.7 percent in 1999, their poverty rate was still about 2.5 times that of custodial-father families and four times that of married-couple families.

According to Census data, 50 percent of custodial mothers with incomes below the poverty level had child support awards or agreements, compared to 62 percent of all custodial mothers. About 46 percent of all custodial mothers received the full amount of support due, up from 37 percent in 1993. However, the proportion of custodial mothers receiving any support—75 percent—did not change between 1993 and 1999.

To download the full report, visit:
<http://www.census.gov/prod/2002pubs/p60-217.pdf>

New Resources

New Strategies to Promote Stable Employment and Career Progression: An Introduction to the Employment Retention and Advancement Project by Dan Bloom, Jacquelyn Anderson, Melissa Wavelet, Karen N. Gardiner, and Michael E. Fishman. Welfare reform has resulted in millions of low-income parents replacing the receipt of public cash assistance with income from employment. But what strategies will help the new workforce entrants find more stable jobs, advance in the labor market, and achieve long-term self-sufficiency? MDRC is conducting a study of 15 Employment Retention and Advancement (ERA) demonstration projects in nine states. These projects include such services as intensive case management for TANF recipients, as well as incentives for work and post-secondary education. This report describes early issues surrounding program design and implementation—specifically, which groups of low-income workers are to be targeted to receive new employment services and what role case managers should perform in service delivery. For more information, visit: <http://www.mdrc.org>

Work, Income, and Well-Being Among Long-Term Welfare Recipients by Matthew Stagner, Katherine Kortenkamp, and Jane Reardon-Anderson. This survey from the Urban Institute of 546 long-term welfare recipients in two California counties demonstrates great diversity in work, income, and dependency among this population. After nearly a decade of attachment to welfare, working non-poor families achieved self-sufficiency and were out of poverty; working poor families were balancing work and welfare; and nonemployed poor families were still poor and very dependent on welfare. Almost one-third of the families studied had a spouse or partner; almost two-thirds were working; and over two-fifths were out of poverty. A connection to work without an increase in income was not related to having a low-risk family environment or improved health. For more information, visit: <http://www.urban.org>

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CENTER FOR LAW AND SOCIAL POLICY

New Survey Finds Homeless Young Parents Face Barriers to Welfare

Despite being almost universally eligible for welfare, many homeless young parents are not receiving needed services, and many aren't even aware that the

welfare program exists, according to a new report, *Families on the Edge: Homeless Young Parents and Their Welfare Experiences. A Survey of Homeless Youth and Service Providers* by Bob Reeg, Christine Grisham, and Annie Shepard, published by CLASP and the National Network for Youth. Between

1.3 million and 2.8 million youth live on U.S. streets each year, and one study has reported that five percent of runaway and homeless youth have children.

In *Families on the Edge*, CLASP and the National Network for Youth call on Congress and states to expand their outreach efforts to such parents and to modify Temporary Assistance for Needy Families (TANF) welfare rules to make services more available to these vulnerable families. The new report, which is based on a survey of more than 100 homeless youth and 20 service providers, was released at the Annual Conference of the National Organization on Adolescent Pregnancy, Parenting, and Prevention (NOAPPP) in San Diego in November.

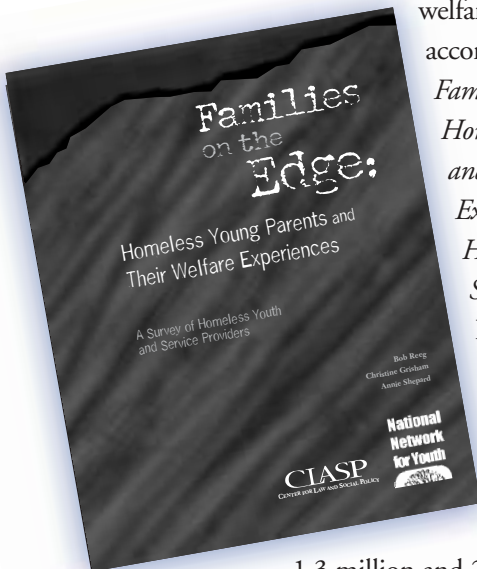
“Homeless young parents live life on the edge,” said Christine Grisham, CLASP Policy Analyst and co-author of the report. “Many have escaped abusive and neglectful home situations. For homeless young parents, TANF can be an important tool for achieving long-term stability and economic self-sufficiency.”

“Too many homeless young parents have been left out of the welfare program,” added Bob Reeg, Director of Public Policy for the National Network for Youth and co-author of the report. “States can do a lot right now to expand access to welfare services for these families. Of course, Congressional action would really ensure that homeless young parents in all parts of the country get a chance to succeed.” Congress, which failed to reauthorize the 1996 welfare law this year, is expected to take up TANF again in 2003.

Additional findings from *Families on the Edge*.

- Less than 40 percent of the surveyed youth reported that they were currently receiving TANF benefits. In

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On the Hill

New Congress Will Face Full Agenda

The November election ended the razor-thin margin for the Democrats in the Senate, meaning that both houses of Congress and the White House will be in Republican control in 2003. The 108th Congress that convenes in January will face a full legislative agenda of policies and programs for low-income families and children—all within the context of a tight federal budget and continuing state fiscal crises.

A range of important programs that serve low-income families are up for reauthorization in 2003, including: Head Start, the Workforce Investment Act, the Perkins Vocational and Technical Education Act, the Individuals with Disabilities and Education Act, and the Higher Education Act, as well as most federal child nutrition programs, such as the Supplemental Food Program for Women, Infants, and Children (WIC).

In addition, the new Congress will focus on the reauthorization of the Temporary Assistance for Needy Families (TANF) program, which was not completed as scheduled in 2002. In the lame-duck session in November, Congress passed another continuing resolution that funded TANF through the first quarter of 2003.

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

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For the latest news and analyses on Capitol Hill developments related to low-income families, check CLASP's website (www.clasp.org) often. ■

CLASP ANNOUNCES 2003 AUDIO CONFERENCE SERIES

To stay up-to-date on the latest developments in Washington and their effects on low-income families and children in your state, register for CLASP's 2003 Audio Conference Series, "How Will Low-Income Children and Families Fare in the 108th Congress?" Now celebrating its 10th year, the CLASP Audio Conference Series brings Members of Congress, Capitol Hill staff, federal and state policy experts, and practitioners right to your office or conference room. The series is hosted by CLASP Deputy Director Jodie Levin-Epstein.

CLASP Audio Conferences are scheduled on Fridays, 12:30-1:30 pm (ET) throughout the year. Many subscribers gather colleagues around a speaker phone and use the call as a catalyst for discussion. Every registrant also receives a list of the latest written and web resources prior to each call.

On January 24, the 2003 Audio Conference Series will launch with "State & Federal Budgets: Implications for Low-Income Programs," featuring Frank Shafroth of the National Governors Association, Bill Hoagland of the Office of Senate Majority Leader Trent Lott, and Bob Greenstein of the Center on Budget and Policy Priorities. The 2003 Series promises to be a lively one—with programs on government and employer policies on work and family, the reauthorization of Head Start, and federal housing policy. In addition, CLASP Audio Conferences will continue to bring you the latest on TANF reauthorization and other breaking news on Capitol Hill.

■ The CLASP 2003 Audio Conference Series schedule will be posted on the CLASP website in early December. For more information, visit: http://www.clasp.org/Audio/Audio_Home.

Notices and Hearings Needed in More Child Support Cases

Child support is an incredibly important financial support for many low-income families. Therefore, its proper distribution can mean the difference between eating and going hungry. In the report *If You Don't Know There's a Problem, How Can You Find a Solution?*, CLASP Senior Staff Attorney Paula Roberts explains the need for notice and hearing rights in child support distribution cases.

If a family has never received cash welfare payments, the distribution is straightforward. However, if a family is a current welfare recipient or received cash benefits in the past, the state has the right to retain some or all of the child support paid on the family's behalf to reimburse itself for the cash assistance paid to the family. Exactly how much the state can retain and how much must go to the family depend on a variety of factors and can be quite complex.

Therefore, to know whether the support has been properly allocated, the custodial parent needs a basic notice describing what was collected, from whom, when, by what means, and how the state distributed the money. Once the parent possesses this information, he or she may feel that a mistake has been made. In that case, the parent needs access to a hearing procedure to dispute the allocation. These fundamental due process rights are granted by the federal constitution as well as federal law and regulation. Some states provide such rights by state constitution and statute as well.

However, many states follow neither the letter nor the spirit of the law, leaving custodial parents with little or no information about how their child support payments are being handled. As a result, families are deprived of much-needed resources because they do not know that such resources exist. Issues here can include:

- **The failure to inform recipients of Temporary Assistance for Needy Families (TANF) benefits that support is being paid.** Many TANF recipients are working at low-wage or part-time jobs. They draw

supplemental TANF benefits, using up their five-year lifetime TANF eligibility period in the process. If they knew that child support was being paid on a regular basis, they might forego TANF in favor of income from wages plus child support in order to preserve future TANF eligibility.

- **The failure to redirect current support to post-TANF families.** Federal law requires that current support be redirected to families when they leave TANF. In the absence of a notice that support is being collected, custodial parents may be unaware that this money exists and that it should be sent to them. If they do not know it exists, they cannot challenge the state's retention of these funds. As a result, money that should go to the family is retained by the state.
- **Retaining arrears assigned to the state when there are still pre- and/or post-assistance arrears owed to the family.** In addition to current support, all former-assistance families are entitled to post-assistance arrears. Many families are also entitled to pre-assistance arrears. In many cases, only when the arrears owed to the family have been paid does the state have the right to retain arrears owed under the public assistance assignment. In the absence of a notice of collections and information about how the money has been distributed, families are unable to determine whether the state is retaining money that rightfully belongs to the family.
- **Illegal distribution of support collected pursuant to a state income tax intercept.** Arrears obtained through a state tax intercept are supposed to be distributed under the general distribution rules, not the less generous rules applicable to federal tax intercepts. Unless a notice indicates how the money was collected, a family cannot know if it was distributed properly. If it was not, the children are deprived of arrears owed to them.

Lack of notice and hearing rights affects non-custodial parents as well. The state may be maintaining erroneous

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Reports Evaluate State Child Care Components

The U.S. General Accounting Office (GAO) recently released two studies that analyze particular provisions of the Child Care and Development Fund (CCDF), the program that supports state-administered child care programs for low-income workers. One study focuses on how states used the quality set-aside, and the other describes state reimbursement rates and subsequent child care access.

Child Care: States Have Undertaken a Variety of Quality Improvement Activities, But More Evaluations of Effectiveness Are Needed (GAO-02-894) looks at how states used the mandated 4 percent quality set-aside in

“A majority of states reported spending more on quality improvements than the minimum requirement of 4 percent.”

fiscal year 2000. CCDF requires states to set aside at least 4 percent of the total grant to improve the quality and availability of child care through such activities as providing caregiver training, improving caregiver compensation, and offering resource and referral services. GAO sent surveys to

all 50 lead state CCDF agencies and received responses from 42 states. It also conducted case studies in California, Massachusetts, South Dakota, Tennessee, and Wisconsin. Some of the results of the study are as follows:

- The most common quality expenditure was resource and referral, which accounted for 20 percent of set-aside funds. Enhanced inspections (14 percent), meeting state standards (13 percent), caregiver compensation (12 percent), other activities (12 percent), off-site caregiver training (11 percent), safety equipment/improvement (8 percent), and incentives for accreditation (8 percent) were other state expenditures.
- A majority of states reported spending more on quality improvements than the minimum requirement of 4 percent.

- Among the 34 states that tracked the type of provider targeted, child care centers received more than two-thirds of expenditures on quality initiatives, while less than one-third of such expenditures went to family child care or after-school care.

The report concludes that the types of quality initiatives undertaken by states have been linked to children’s social, emotional, and cognitive development and recommends that the U.S. Department of Health and Human Services conduct a rigorous evaluation of these quality initiatives to better understand their effectiveness.

The second GAO report, *Child Care: States Exercise Flexibility in Setting Reimbursement Rates and Providing Access for Low-Income Children* (GAO-02-894), examines state reimbursement rate policies and how they impact families’ child care choices. Under CCDF, each state can determine its maximum reimbursement rate for child care, which consists of the state subsidy and the family co-payment. To gather information for the report, GAO researchers surveyed child care officials in each state and the District of Columbia (with 49 responses) and visited nine communities in urban, suburban, and rural areas in Illinois, Maryland, and Oregon. The report’s findings include the following:

- All states reported conducting market rate surveys in the past two years. In addition, most states also considered their budget situation in determining rates. Twenty-one states set their maximum child care reimbursement rate at the 75th percentile of the most recent market rate survey, as recommended by federal guidelines.
- In the communities visited, families’ access to child care services varied widely as a result of the rates established by the state. For example, the rates in DuPage County, Illinois, were set at a level that allowed families to purchase care from only 6 percent of family child care providers. In Chicago, rates are high enough for families to afford 71 percent of family child care providers.

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Study Shows Welfare Reform No Help for Poorest Children

According to a new report from the Institute for Women's Policy Research (IWPR), between 1996 and 2000 the average family income dropped and access to important support services declined for children living in single-parent families below 50 percent of the poverty level. Although child poverty improved overall, more than 2.5 million children living in poor families are less likely to receive cash assistance, Medicaid, and food stamps than before the 1996 passage of Temporary Aid for Needy Families (TANF) welfare legislation. The study, *Children in Single-Parent Families Living in Poverty Have Fewer Supports after Welfare Reform* by Deanna M. Lyter, Melissa Sills, and Gi-Taik Oh, analyzed the Census Bureau's Survey of Income and Program Participation data covering the periods before and after welfare reform.

In 1996, the Aid to Families with Dependent Children (AFDC) welfare program was replaced with TANF. AFDC provided more cash assistance to poor children. IWPR found that, in fact, cash assistance receipt declined by nearly one-third for children in families with income less than 100 percent but greater than 50 percent of the poverty line (defined in the study as "quite poor")—from 42 percent in 1996 to only 29 percent in 2000. This decline is not attributable to declining poverty since, during this period, the proportion of poor children under 18 living with single parents dropped by only 8 percent.

The report states that by 2000, however, the share of children from families with income below 50 percent of the poverty line (defined in the study as "extremely poor") getting TANF was cut by almost half—from 59 to 31 percent. Children six and under, already the most likely to be extremely poor, were less likely than older children to be covered by TANF in 2000. Prior to welfare reform, children younger than six were more likely to receive cash assistance; by 2000, these youngest children were less likely to receive TANF than older children.

IWPR points out that while it is true that, since welfare reform, more impoverished single parents are working

(and some have seen their incomes increase significantly), the most impoverished families have experienced a substantial decline in income after welfare reform, despite increased work effort. The hardest hit are those already facing the greatest risk—those with children under six. Their family income declined from \$380 to \$301—an average monthly decline of \$79. For school-aged children, family income fell from \$419 to \$379—a \$40 average monthly decrease.

The study also illustrates how falling child poverty and increased parental work participation have not led to increased health care coverage for poor children. The percentage of extremely poor children without any health insurance increased by two-thirds—from 15 percent to 25 percent. Prior to welfare reform, extremely poor children were more likely to receive health care coverage than other poor children. After welfare reform, the percentage of extremely poor children without any health insurance nearly doubled for young kids and increased by more than 50 percent for school-aged children. This is due in large part to falling Medicaid enrollment. Medicaid coverage declined by 14 percent in all age groups living in extreme poverty.

The researchers also found that access to food stamps declined after welfare reform for poor children. Prior to welfare reform, 37 percent of extremely poor children's families received food stamps. Afterward, only 27 percent do. Food stamp coverage declined for children of all ages living in extreme poverty. Prior to welfare reform, younger children were slightly more likely to receive food stamps than their older brothers and sisters. After welfare reform, these circumstances were reversed, leaving young children with less access to food stamps. By 2000, the percentage of children living in extreme poverty not receiving food stamps increased by 32 percent for school-aged children and 44 percent for young children. ■

■ To download this study, visit www.iwpr.org and click on "PDF Reports."

- Most child care providers in the communities visited indicated a willingness to accept subsidized children, but center-based providers were more often willing to do so than family child care providers. However, local child care resource and referral staff reported that some providers limited the number of subsidized children they accepted at any one time and others required parents to pay the difference between the reimbursement rates and providers' normal fees.
- State officials reported that families often relied on informal child care providers whom states generally

reimbursed at lower rates than formal, regulated providers.

The report concludes that, based on the analysis, states are setting reimbursement rates in ways that have widely different implications for the number and type of child care providers from which families can choose, even across different communities within a state. ■

To download either report, visit www.gao.gov and type the publication number (provided here in parentheses after the title) into the search function.

Families on the Edge continued from page 1

addition, fully one-half of homeless parenting youth who had never applied for TANF benefits did not even know about the welfare program.

- Even when homeless youth know about TANF, they have trouble accessing or keeping benefits. Fourteen of the 20 service providers surveyed said that the homeless parenting youth they served had problems accessing TANF. Further, 36 percent of homeless parenting youth who had received TANF reported having been sanctioned or terminated from the program, although most thought they were complying with program rules.
- The 1996 law that created TANF prohibits states from providing federal benefits to minor parents unless they live with a parent or legal guardian or in an approved arrangement with adult supervision. However, this rule may, in fact, be operating as a barrier to TANF services rather than as an opportunity to help homeless young parents find safe housing. Thirty-one percent of TANF-receiving respondents who had been subject to the living arrangement rule reported that it actually put them in an unsafe situation.

- Improve the TANF program rules for young parents by allowing for a “transitional compliance period” where minor parents are given time to come into compliance with the TANF minor parent rules.
- Strengthen the TANF minor parent living arrangement rule by ensuring states provide adequate alternative living arrangements, expand the definition of organizations that can act as alternative living arrangements, and consult with young parents regarding their housing preferences.
- Increase community outreach efforts and the availability of supportive services for young parents and their families. ■



Additional recommendations for federal and state policymakers from *Families on the Edge*.

- To download the 36-page report, visit: http://www.clasp.org/Pubs/DMS/Documents/1037307545.54/edge_report.pdf
- To download a 4-page policy brief, visit: http://www.clasp.org/Pubs/DMS/Documents/1037307884.75/edge_brief.pdf
- To order printed copies of the report or policy brief, call (202) 906-8000.

balances on their accounts, and—without knowing what the state records show about payments or how to question the numbers—non-custodial parents are unable to challenge the amount of arrears owed.

To correct these problems, notice and hearing rights for non-custodial parents are essential. However, with one exception, no federal law or regulation requires states to provide such rights to non-custodial parents. Some states provide these rights under state law; however, this is not common.

States that do not now offer these rights to custodial and non-custodial parents should be encouraged to do so through legislation, administrative advocacy, or court order. This paper offers advocates strategies to obtain these rights for their clients.

■ To download this report, visit http://www.clasp.org/DMS/Documents/1035575839.49/Due_Process.pdf

THE INTERSECTION OF LEGAL SERVICES AND CHILD SUPPORT

Paula Roberts is also the author of an article recently published by the National Center on Poverty Law in their *Poverty Law Manual for the New Lawyer*. The article, "Child Support: An Important But Often Overlooked Issue for Low-Income Clients," discusses the lack of legal services programs' assistance in basic child support matters. Since the many local child support enforcement agencies that are left with this work struggle to provide adequate and timely service, Roberts argues for more legal services program involvement in this area. The article highlights two public-benefit-related topics: child support assignment and cooperation requirements for families receiving public assistance and distribution of collected support.

■ This article is available at <http://www.povertylaw.org/legalresearch/manual/child%20support.pdf>

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New Resources

Online Legal Resources:

The Illinois Technology Center for Law & the Public Interest (ITC) launched www.IllinoisLawHelp.org, a new website for low-income Illinois residents seeking legal information and representation. The website provides online legal information in 12 categories (consumer law, criminal, disability, education, family law, going to court, health care, housing, immigration, life planning, work, and public benefits), referrals to legal aid providers for free or low-cost representation, and instructions on how to handle common legal problems.



The Status of Women:

A new report from the Institute for Women's Policy Research, *The 2002 Status of Women in the States*, finds that not only have women still not achieved equality with men, but many important problems and obstacles to women's well-being still remain, including the lack of many of the legal guarantees that would enable women to achieve economic and political equality. The report ranks and grades the best and worst states for women, presenting data for each state (and the District of Columbia) on 30 indicators of women's status and ranks each state for women's overall status in five areas: political participation, employment and earnings, social and economic autonomy, reproductive rights, and health and well-being.

For more information, visit www.iwpr.org.

For more information, e-mail itc@kentlaw.edu.