

THE WELFARE LAW CENTER
CENTER ON SOCIAL WELFARE POLICY AND LAW

275 Seventh Avenue, Sixth Floor · New York, NY 10001-6708
Tel: 212 633-6967 · Fax: 212 633-6371

*file-
advocacy.*

March 4, 1994

Kathi Way, Special Asst. to the President
for Domestic Policy
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear Ms. Way:

We are pleased to enclose the Executive Summary of our new report, *Jobless, Penniless, Often Homeless: State General Assistance Cuts Leave "Employables" Struggling for Survival*. This report analyzes available research on the impact of terminating "able-bodied" persons from state General Assistance (GA) programs, illustrating the devastating effect GA cuts have had on individuals and communities. We hope you find it useful.

Highlights of the report include:

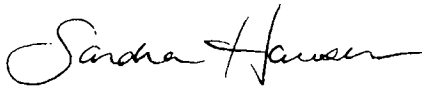
- The vast majority of "employable" individuals terminated from GA did not find jobs, and for those who found it, employment has typically been temporary, low wage and/or part-time;
- Crises resulting from the cuts were immediate and severe, including increased homelessness, hunger, health problems and growing social isolation among the terminated population;
- State definitions of "employability" were totally unrealistic, as most former recipients face profound barriers to employment including lack of education, low skill levels, minimal job experience and chronic illness; and
- Communities have not been able to meet the increased need resulting from termination of GA.

It is important to keep the lessons from GA cuts in mind, as the nation moves forward in the debate over welfare reform for families with children. The GA research suggests that unless many more jobs are available, or income support is continued, families will face long-term suffering as they struggle to survive without income support or permanent employment.

Copies of the full report are available from the Center on Social Welfare Policy and Law, 275 Seventh Avenue, Sixth Floor, New York, NY 10001-6708, Tel:212-633-6967, Fax:212-633-6371.

This report continues the Center's efforts to publicize shortcomings in current welfare programs. An earlier report, *Living at the Bottom: An Analysis of AFDC Benefit Levels*, available free from the Center, describes in detail the utter inadequacy of current AFDC benefit levels and the extent to which they have shrunk in value over two decades.

Best Wishes,

A handwritten signature in cursive script, reading "Sandra Hauser".

Sandra D. Hauser
Staff Attorney

SDH:jmp
Enclosure

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.



Jobless, Penniless, Often Homeless: State General Assistance Cuts Leave “Employables” Struggling for Survival

Executive Summary

February 1994

Center on Social Welfare Policy and Law

Publication No. 805-Executive Summary

ROUTING AND TRANSMITTAL SLIP

Date

TO: (Name, office symbol, room number,
building, Agency/Post)

Initials

Date

1.

2.

3.

4.

5.

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	✓ For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

Here are the comments that we have
received from the interest groups so far.
Still waiting for NGA.

DO NOT use this form as a RECORD of approvals, concurrences, disposals,
clearances, and similar actions.

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

U.S. GPO: 1990 — 262-080



To: John Monahan/Jim Ivery

Date: 3-3-94

From: Marilina Sanz

Page 1 of 5

I am sending you a copy of our comments on the welfare reform issue papers. They went out under Larry Naake's signature to Assistant Secretaries Bane and Ellwood, as well as Bruce Reed. I will mail you copies of the cover letter.

NACO concerns =

- COST SHIFT
- finding job slots
- reducing state match on paternity

RECOMMEND:
consolidating
child care programs,
eliminating state match.

no consensus on family caps
agreement on need for
family planning.

Comments on the Administration's Welfare Reform Working Group's Issue Papers

The comments we have received from counties are generally supportive of the Administration's welfare reform proposals described in the issue papers. The two underlying themes in NACo policy and in the counties' comments are concerns over possible cost shifting to local and state governments, and the need for flexibility.

Some counties have informed us that their Board of Supervisors will be looking at the proposals at a later date and they are therefore not in a position to comment at this time. The following is a summary the counties' comments and of NACo's position. We are also including comments on some issues not covered in the Working Group's papers.

Two Year Limitation

The Conceptual Framework for National Welfare Reform prepared by the State and Local Task Force on Welfare Reform generally supports the concept of time limited cash assistance while welfare recipients participate in education and training activities designed to help them make the transition to work. It does not, however, give a specific time limit. NACo policy further states that "if federal welfare reform includes time-limited eligibility for assistance and transitional support services, the federal government should provide adequate funding for the resulting job training placement and continued subsistence grants."

Counties have expressed concerns over people on Aid to Families with Dependent Children who are unable to work and whether these costs would be passed on to local governments. All counties have expressed concern about the potential for higher costs in administration, supervision, and placement. Most counties have also mentioned problems finding job placements for the Job Opportunities and Basic Skills (JOBS) program participants, even with community service work.

Financing

It is clear that a comprehensive welfare reform proposal will be very expensive. The issue papers did not mention financing options. We understand that these are still under consideration and that no final determination has been made yet. NACo is concerned, however, about some of the proposals that have been reported in the media.

One particular concern is the possibility of reducing federal benefits to legal immigrants. When federal benefits are reduced the cost shifts to local and state

governments. In the case of immigration, these reductions affect those states with large immigrant populations: California, Florida, Illinois, New Jersey, New York, and Texas. In many of these states county governments are responsible for the general assistance programs. Setting and enforcing immigration policy is a federal responsibility, the federal government should therefore have the responsibility to care for this population.

Job Development

Every effort must be made to ensure that employment is available to those making the transition to work. It is imperative that these jobs promote durable self-sufficiency to prevent recidivism. Important elements include incentives to the private sector and coordination among local governments, human services, education, and job training.

Some counties were concerned that the issue papers seem to assume that jobs will be available. They stressed the need for an aggressive federal job creation strategy.

Another issue of concern is the need to improve job forecasting as the economy continues to change and the demand for a highly skilled workforce increases. We need to know the training and skills that will be required to compete in the job market.

Changes to the JOBS Program

We wholeheartedly support the proposals to enhance the JOBS program. Full federal funding of the JOBS program and an enhanced federal match are imperative. NACO policy supports delaying participation rates and performance standards and waiving state matching requirements until states and counties can afford to implement them.

Making Work Pay

Counties have expressed concern about the often conflicting requirements of the different child care programs. Regulatory barriers need to be lifted so that we can better coordinate child care assistance. There is unanimous support for eliminating the state match in the IV-A child care programs. One county suggested consolidating the IV-A programs to the extent possible.

The comments show widespread support for allowing advance payment of the Earned Income Tax Credit. The counties' comments show no clear consensus regarding the Dependent Care Tax Credit, but the State and Local Task Force's Conceptual Framework making this credit refundable.

There was no clear consensus on the four options to make work better than welfare. The only area of agreement is allowing states the flexibility to implement supplementation programs in a way that best meets regional needs.

Promoting Parental Responsibility and Preventing Teen Pregnancy

All the comments we received were very supportive of the proposals to eliminate the current bias against two-parent families. Waiving the 100 hour rule was stressed by all respondents.

There was general support for requiring minor parents to live with a responsible adult. There was some concern expressed, however, about limiting this requirement to living at home. There needs to be flexibility and funding to find alternatives for minor parents who come from dysfunctional families. The reasons that lead to teen pregnancies, such as sexual abuse, need to be identified and studied.

Mentoring by older welfare mothers also received general support. One area that was mentioned is the need for screening and training criteria to assure that the mentors selected are positive role models.

All respondents supported demonstration projects. Counties from large and diverse states suggested that some of these projects should be conducted by local jurisdictions rather than by the entire state.

There was no clear consensus on limiting benefit increases for additional children. One major area of concern is the need for adequate and accessible family planning services.

Child Support Enforcement

Many of the recommendations in the child support section would greatly improve local and state government ability to enforce child support. These include access to Internal Revenue Service data; reporting new hires and support obligations in the W-4 form; and national registries of new hires and child support orders. There needs to be increased federal funding to implement these changes.

Many states are already implementing a number of the paternity establishment recommendations. There are serious objections, however, to reducing the federal matching grants to states who fail to establish paternity. There are often factors beyond a state's control that prevent establishment of paternity.

There was no consensus for the proposal to provide a \$50 bonus to AFDC mothers if paternity has been established. The comments included recommendations that the bonus be funded by the federal government; that it be administered and issued by the child support agency; and that the bonus not be regarded as income for grant purposes.

There is no consensus on payment levels. Some support was expressed for the appropriate payment level and collection enforcement recommendations. There was also great concern about uniform support payments however, because of differences in cost of living among and within states.

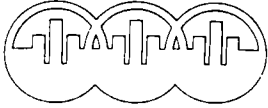
There is no consensus on child support assurance. In fact, the respondents who commented on this issue were either opposed to it or had grave reservations about it.

Some counties expressed an interest in the enhanced education and training opportunities for non-custodial parents. Reserving a portion of the JOBS program for this purpose, however, would divert sorely needed funds from AFDC recipients.

Welfare Simplification

The comments were very supportive of the welfare simplification proposals. NACo policy supports the program simplification proposals of the Welfare Simplification and Coordination Advisory Committee and the American Public Welfare Association.

NACo policy also supports electronic benefits transfers and exemption of government benefit delivery systems from the Federal Reserve Board's Regulation E. These issues were not mentioned in the issue papers but they are an integral part of welfare simplification. We are very pleased that the administration, particularly the Vice President, has taken an active role in containing the detrimental effects of Regulation E. NACo has been working very closely with a coalition of state and local government associations and the Federal Electronic Benefits Task Force. We look forward to the Task Force's final report and hope to continue working with the administration to achieve this goal.



**National
League
of
Cities**

1301 Pennsylvania Avenue N.W.
Washington, D.C.
20004
(202) 626-3000
Fax: (202) 626-3043

Officers

President
Sharpe James
Mayor, Newark, New Jersey

First Vice President
Carolyn Long Banks
Councilwoman-at-Large, Atlanta, Georgia

Second Vice President
Hal Conklin
Mayor, Santa Barbara, California

Immediate Past President
Glenda E. Hood
Mayor, Orlando, Florida

Executive Director
Donald J. Bonut

February 7, 1994

Mr. John Monahan
Director of Intergovernmental Affairs
Department of Health and Human Services
200 Independence Ave., SW Room 600E
Washington, DC 20201

Dear John:

Enclosed please find comments on the draft discussion paper produced by the Working Group on Welfare Reform, Family Support and Independence. Sorry for the delay, but balancing the competing time demands of the beginning of the year have proved quite a challenge.

The comments are organized to follow the basic divisions of the report and each section is designed as follows: (1) the division title of the draft discussion paper; (2) a paragraph discussing adopted NLC policy related to the subjects treated in that section of the draft; and (3) a series of comments which we received from a group of our members. A complete copy of NLC's policy on welfare reform is also enclosed for your information.

The third section, which is composed of member comments, is not necessarily reflective of NLC's organizational position, but provides a sampling of reactions from elected officials who have a particular interest and history of involvement with welfare and related issues. The comments are not a group consensus, but just a list of the individual comments. Because of the nature of compilation, they may sometimes be contradictory or at least reflect different emphases and priorities. The individuals who contributed comments were: Maryann Mahaffey, Council President, Detroit, Michigan; Kay Granger, Mayor, Fort Worth, Texas; Sheila Jackson-Lee, Councilmember, Houston, Texas; Katie Nack, Councilmember, Pasadena, California; and John Norquist, Mayor, Milwaukee, Wisconsin. Because they are so extensive and do not directly respond to the administration's draft discussion paper, Mayor Norquist's suggestions for welfare reform are attached separately by way of a letter to Bruce Reed.

Past Presidents: Sidney Barthelemy, Mayor, New Orleans, Louisiana • Ferd Harrison, Mayor, Scotland Neck, North Carolina • Cathy Reynolds, Councilwoman-at-Large, Denver, Colorado • **Directors:** Lucy T. Allen, Mayor, Louisville, North Carolina • Ann Azari, Mayor, Fort Collins, Colorado • Lock Beachum, Sr., Councilman, Youngstown, Ohio • Don Benninghoven, Executive Director, League of California Cities • Jimmy Burke, Mayor, Deer Park, Texas • Anthony Capizzi, City Commissioner, Dayton, Ohio • Carl Classen, Executive Director, Wyoming Association of Municipalities • E. W. Cromartie, II, Councilman, Columbia, South Carolina • Charles A. DeVaney, Mayor, Augusta, Georgia • John Divine, Commissioner, Salina, Kansas • William Evers, Mayor, Bradenton, Florida • Martin Gipson, Alderman, North Little Rock, Arkansas • Robert R. Jefferson, Councilmember, Lexington, Kentucky • Steven E. Jeffrey, Executive Director, Vermont League of Cities and Towns • Walter F. Kelly, Town Council President, Fishers, Indiana • Abbe Land, Mayor Pro Tem, West Hollywood, California • Gregory Lashutka, Mayor, Columbus, Ohio • Sheila Jackson Lee, Councilmember-at-Large, Houston, Texas • Ilene Lieberman, Mayor, Lauderhill, Florida • Sylvia L. Lovely, Executive Director, Kentucky League of Cities • Millie MacLeod, Council Member, Moorhead, Minnesota • Maryann Mahaffey, City Council President, Detroit, Michigan • Thomas M. Menino, Mayor, Boston, Massachusetts • Thomas F. Morales, Jr., Vice Mayor, Avondale, Arizona • J. Ed Morgan, Mayor, Hattiesburg, Mississippi • Kathryn Nack, Vice Mayor, Pasadena, California • James P. Nix, Mayor, Fairhope, Alabama • Mary Pinkett, Council Member, New York, New York • Sharon Priest, City Director, Little Rock, Arkansas • Carolyn Ratto, Council Member, Turlock, California • Bill Revell, Mayor, Dyersburg, Tennessee • L. Lynn Rex, Executive Director, League of Nebraska Municipalities • Alicia M. Sanchez, Councilmember, Port Huron, Michigan • Ray C. Sittig, Executive Director, Florida League of Cities • Woodrow Stanley, Mayor, Flint, Michigan • Frank Sturzl, Executive Director, Texas Municipal League • Dan Thompson, Executive Director, League of Wisconsin Municipalities • Max W. Wells, Councilmember, Dallas, Texas • Jim W. White, Councilmember, Kent, Washington • Jack B. 1s, Mayor, Franklin Park, Illinois

Mr. John Monahan
February 7, 1994
Page Two

We hope this information proves useful and we look forward to continuing to work with you on this important subject.

Sincerely,

Douglas D. Peterson

Douglas Peterson
Policy Counsel

Barrie Tabin

Barrie Tabin
Legislative Counsel

Promote Parental Responsibility and Prevention of Teen Pregnancy

NLC Policy

NLC policies contain extensive statement regarding the importance of strengthening family support. The policies support aggressive prevention efforts to combat the "epidemic" of teenage pregnancy and child bearing. The policy also identifies improved job opportunities to motivate poor teens to postpone parenthood and urges targeted job and education programs for at-risk/teens, "particularly young women." The demonstration programs and health initiatives in the draft discussion paper move toward NLC's policies.

Member Comments

* Need to evaluate welfare dependency resulting from single-parenting differently than dependency resulting from teenage childbearing. These terms seem to be used interchangeably in the draft paper, yet welfare dependency by each group may be very different and may need to be addressed differently.

* Strategy outlined to achieve the goals of increased parental responsibility and decreased teen pregnancy is vague and difficult to enforce.

* Not enough attention is given to the need for comprehensive family planning training.

* States should not be given the option of limiting benefit increases when additional children are born. Such a system only penalizes children who are already at a high risk because they are poor.

* It should be a requirement, not an option, that states limit benefit increases when additional children are born to parents already on AFDC who have access to family planning services.

* Parenting classes should be required of all parents on AFDC. Parents who were never parented themselves often lack necessary parenting skills. Financial rewards will not improve their ability to parent.

* Under the National Campaign on p.9, school clinics should also be used as an avenue to campaign against teen pregnancy and emphasize abstinence or the use of proper contraception.

Mr. John Monahan
February 7, 1994
Page Four

* The success of demonstration programs is limited. One can always prove that there has been a measurable change in a neighborhood as a result of a program; however, funding for the program ultimately runs out. How long will demonstration programs last and what will happen to communities when they terminate?

* Bottom of p. 9, from where will schools receive the funding necessary to employ teachers, guidance counselors and social workers to help identify students with attendance and behavioral problems and make referrals to comprehensive service providers? The federal government has almost eliminated federal assistance to kindergarten through 12th grade. How can a system with inadequate human resources be expected to take on additional responsibility?

* Health initiatives on page 10 are key. Plan must stand strong behind these initiatives.

Make Work Pay

NLC Policy

NLC policy supports making work pay and to this end supports both minimum wage increases as well as increases to the Earned Income Tax Credit. NLC policy also advocates access to affordable, quality child care.

Member Comments

* Emphasis should be places on ensuring quality, accredited child-care. Quality, family-centered child-care provides necessary early child development so that children are ready to learn when they get to school.

* The child-care options on p. 12 are very complex, and would avoid helping those states with the greatest need because the match would be less. Another suggestion would be to have comprehensive child-care for all children and then tax adults according to income.

* Much support for the distribution of advance payments of the EITC throughout the year, as well as the strategies to expand the effectiveness of the EITC.

* Some support for options on p. 14; however, some feeling that states should not have to carry primary financial burden because this scheme would perpetuate inequality among the states.

Mr. John Monahan
February 7, 1994
Page Five

Children from poorer states should not suffer. Some questioned whether these requirements imposed on states would become unfunded mandates.

* Support for the front-end emergency assistance on p. 15 for recipients who have lost a job and will benefit from a one time payment to prevent the family from becoming part of the long term caseload.

Provide Access to Education and Training, Impose Time Limits, And Expect Work

NLC Policy

NLC policy supports the early and comprehensive type of counseling and support for entry/reentry into the job market that seems to be described in the draft discussion paper. NLC policy supports community service type jobs as a last resort when the individual and private job market cannot be linked successfully. The program described appears to move in the direction of NLC policies but NLC policy is not as specific as the proposal on the subject of time limits and sanctions for non-participation.

Member Comments

* Strong support for initiatives to move people from welfare to self-sufficiency but there must be more emphasis and control by municipalities and counties that will be directly responsible.

* Considerable support for the expansion of the JOBS program.

* Critical to include substance abuse treatment, parenting-life skills classes and domestic violence counseling as part of the definition of satisfactory participation in the JOBS program. (p. 18).

* Support for increase in the federal match rate in the JOBS program.

* Some cities have their own Skills Training Centers in addition to strong JTPA Programs and Regional Occupation Programs. Special funding for transitional work training programs and classes should be available by application.

* Job training may take more than two years for individuals who may first need literacy training. (p. 20).

Mr. John Monahan
February 7, 1994
Page Six

- * Concern that the structure of the WORK is very bureaucratic and that much of this administrative responsibility will be Mr. imposed on the states, and, in turn, imposed on cities.
- * Raise minimum wage - current minimum wage is not sufficient to support children. (p. 23).
- * Some question logic of decision not to allow earnings from public sector WORK positions to count as earned income for the purposes of the EITC. Penalizes individuals who could very much benefit from the additional income. (p. 23).
- * Need for federal funding of the community development options on p. 24.
- * Who will provide the paid work assignments for those who are unable to find work after their two-year limit? Who will be responsible for financing these jobs?

Enforce Child Support

NLC Policy

NLC policy recognizes the importance of improved child support as a critical element of dealing with poverty and giving children a fair start in life. According to the principles section of policy, "Child support should be absolute." and both parents identity should be determined at birth. The policy supports use of payroll deductions to secure payment and urges standardization of child support levels. NLC policy advocates setting support payments based on a specified percentage of the noncustodial parent's income tied to the number of children to be supported. The policy supports stronger enforcement policies regarding court established support orders. The proposals in the discussion draft on paternity establishment, appropriate payment levels and collection and enforcement appear to move strongly in the direction of NLC policies.

Member Comments

- * General support for initiatives necessary to enhance responsibility and opportunity for noncustodial parents.
- * Support for the general reduction of the federal match or benefits paid to the states which fail to establish paternity in a reasonable period of time. (p. 26).
- * Support for the establishment of a uniform set of national

Mr. John Monahan
February 7, 1994
Page Seven

guidelines to determine appropriate payment levels in collection of child support payments. (p. 26).

- * Concern over the costs associated with state payments of child support. (p. 27).

- * Suggestion that child support collection should be administered through the IRS.

- * Sufficient resources must be allocated in order achieve adequate enforcement system.

Reinvent Government Assistance

NLC Policy

NLC Policy advocates "fundamental transformation of the welfare system". The policy supports a consolidation of programs of income support with the gradual phasing out of in-kind benefits such as food stamps and housing assistance and replacement with cash payments. The policy would support consolidation, standardization and simplification of eligibility criteria. NLC policy would support more radical change of the existing system than proposed in the draft discussion paper.

Member Comments

- * Strong support for measures which would simplify assistance programs, prevent waste, fraud and abuse and set performance standards and enhance state flexibility.

- * Term "Reinvent" is too confusing. This section should be referred to as "Restructure Government Assistance."

3. *Other Social Insurance Programs*

We seek similar objectives in other social insurance programs, such as Railroad Retirement, Veteran's Compensation, Black Lung, Veteran's Pension and the displaced worker assistance provided under the Trade Adjustment Assistance Act.

4. *Protection of Benefits for Social Insurance*

The benefits from these programs should be equitably protected from loss of value due to inflation. This can be accomplished by providing annual increases in benefit levels equal to the lesser of the growth in hourly wages or the general rise in consumer prices. The annual adjustment of benefit levels should coincide with the beginning of the fiscal year.

Under the current economic conditions, the Consumer Price Index (CPI) overestimates inflation and should be replaced by the Personal Consumption Expenditure Index (PCE) in all indexed social insurance programs. Special price indexes for specific population groups are expensive to formulate and produce and have no proven superiority over general price indexes, and, therefore, should not be used to index benefits.

4.03 **Poverty and Income Support**

The welfare system is a failure and should be fundamentally transformed. We should provide, over sufficient time periods, the supports and services to aid families to move from welfare to work.

A. **Problems**

1. *Poverty and Related Problems*

NLC, echoing the views of local elected officials across the nation, is gravely concerned with social and economic conditions in our society which have contributed to the growth of poverty among certain segments of the population.

Our gravest concerns are for women, in particular single women who become parents while still in their teens and before acquiring educational and job skills, and for their children. In the latter part of the 1980's, more than half of all children living in single parent households headed by women are poor. For black and hispanic children in families headed by single women, the poverty rates are even higher at 66 and 71 percent, respectively. Most alarming about these statistics is their foreboding of a cycle of poverty in which poor children become poor adults, generation after generation.

A factor in the "feminization" of poverty in the United States today is teenage pregnancy. Estimates of up to 700,000 births a year to teenagers--most out of wedlock

--point to tragic flaws in our social and educational institutions. Research into the circumstances surrounding children having children suggests both a real and perceived lack of career opportunities. Other factors contributing to the disproportionate poverty of women include; a sex segregated job market, with the lack of comparable worth and low pay for jobs predominantly held by women; limited employment and training opportunities; and limited access to essential supportive services.

While the most visible examples of poverty in our nation may be families dependent on public assistance, fully two-thirds of the non elderly poor live in households in which at least one member is employed. The problems of the working poor most directly result from having access only to part-time or low paying jobs which also typically lack such essential benefits as health care. The most dramatic example of the link between low wages and poverty is the minimum wage earner, for whom even full-time, year round employment will not yield an income above the poverty line.

For the working poor and non working poor alike, the key to economic self-sufficiency lies in a meaningful job. There are, however, two sets of problems which presently prevent or impede large segments of the poverty population from obtaining meaningful employment.

One set of problems stems from barriers to the "employability" of the poor, with illiteracy the most pervasive of all barriers. Other barriers include the lack of job skills, lack of work experience and--for single parents in particular--the responsibilities of caring for children without affordable day care services, health insurance and/or adequate access to transportation.

The other set of employment problems facing the poor results from an insufficiency of decent job opportunities. On the one hand, our economy simply does not produce enough full-time jobs; on the other, many jobs available to the poor do not provide adequate wages or benefits. Efforts to bring about meaningful reform of our nation's welfare system must address both employability and opportunity problems if the goal of reducing poverty is to be achieved.

2. *Problems with the Current Income Support System*

The current income support system--including the Aid to Families with Dependent Children Program (AFDC), the supplemental security income program, general assistance, food stamps, housing for low income individuals, and Medicaid--is a series of individual programs, unrelated to each other and with needlessly complicated operating procedures.

The existing programs, with rules differing state by state and within states, tend to produce inequities and serve to discriminate against certain classes of individuals and families.

Because of the complexities of the programs, the amount of assistance paid in error has increased and threatens to place unreasonable economic burdens on local governments.

While most of the programs require recipients to work, an adequate number of jobs do not exist and the effort becomes an expensive administrative burden.

The pyramiding benefits available to recipients of the various assistance programs may provide a disincentive to work because of loss of benefits. On the other hand, the amount of benefits available to assistance recipients, which are not available to others with substantially similar incomes, represents a severe inequity.

The benefits provided by the cluster of income support programs are not adequately or uniformly protected against decreases in value due to inflation. Some programs are overly protected, while others are protected only if a state indicates the increase.

B. Poverty Reduction and Reversal of its Effects on Families and Children

Poverty among children and families often leads to problems which take a dreadful toll on the individuals directly affected and at the same time it imposes enormous costs on individuals, society and governments.

Families become poor when family heads cannot find work at good wages and the safety net of social insurance programs fails to cushion them against the effects of unemployment and low wages.

The following principles form the framework of change to get poor families out of poverty and to encourage the formation and maintenance of families.

1. Welfare is a failure and should be fundamentally transformed.
2. Work should be available. All family heads who can work should have access to full-time work. Community service jobs should be offered as a last resort to those who, after an aggressive job search, still cannot find work in the regular economy. Trade policies, business incentives, etc., need to be assessed in terms of how many jobs and what kind of jobs these policies create.
3. Work should pay. Full-time work should provide enough earnings - and, if need be, earnings supplements including

an expanded Earned Income Tax Credit (EITC) - to get all family units well out of poverty.

4. Working more should pay more. The higher the number of hours of work and the higher the wages earned, the higher should be the family's (i.e., after-benefit reduction, after-tax) income.

5. Child care should be available. Family heads who need child care to work should have access to affordable, quality child care.

6. Health care should be available. Families should have access to affordable, quality health care.

7. Child support should be absolute. At birth, every child should have both parents' identity established. From birth until adulthood, the financial support of children should be the automatic responsibility of both parents.

8. Marriage should be rewarded. There should never be a tax penalty or AFDC penalty for getting married or staying married. Children will be better off.

9. Federal policies should be assessed in terms of their effects on work and family and especially poor families. Such assessments, including recommendations for revising such policies, could be done in areas as diverse as transportation, trade policies, vocational education, entitlements and "mandatory spending", and housing subsidies.

A major goal on our nation's domestic agenda should be the substantial reduction of poverty. This goal should be pursued by providing opportunities and incentives for all persons to attain economic self-sufficiency. The goal of income support programs should be the provision of an adequate level of income for persons who have not, or cannot, attain economic self-sufficiency, while, at the same time, providing educational, employment and supportive services until self-sufficiency is attained.

C. Policies for Action

1. General Policies Governing Income Support Programs

A simplified national income support program should be developed as a part of an integrated employment and income security system. The federal government should finance and set standards for all income support programs which allow equity and comparability across each of the programs. All cash benefit programs should be included in a basic federal level of support. In order to prevent major disruption in the system and to provide a smoother administration transition, such changes should be phased in over a period of time. State supplementation could be provided on an optional basis to compensate for regional differences in basic needs and for special needs.

Criteria for program eligibility and benefits should be simple, objective, and clearly stated to achieve equal treatment of those with comparable needs. The administrative structure should be designed to reduce the stigma of welfare.

Comparable needs should be met by a basic level of support provided on the basis of a family unit. Income and resources should be considered uniformly and equally regardless of the source--payments should not be provided on an individually determined basis. Distinctions in means tested programs that discriminate against intact families, childless couples, and single adults should be eliminated.

Primary reliance should be placed upon direct cash payments determined on an income adequacy measurement to meet the basic consumption needs of low income persons. The use of in kind benefits such as food stamps and payments through third parties, including housing assistance, should be gradually phased out to achieve the maximum degree of equity among persons and families with similar incomes and circumstances.

Only a minimum of those programs which cannot be administered effectively at the federal level should be maintained outside the income support system.

Social services would be provided by states and localities to support the integrated employment system. Such services should be provided under a plan which involves local employment staff to assure that the necessary supportive services are available for those persons who are in training or employment.

A realistic and simple method of considering income in the computation of federal benefits must be developed which allows equal treatment among all low income individuals and families. A reasonable disregard of earned income above the basic payment level must be established to encourage recipients to work and to lessen the effects of the transition from public income support to total self-support. Such a system assumes that the various benefit programs are integrated in order that the transition from public income support to self-support is gradual and not discriminatory.

The federal government should provide protection of program benefits from inflation by adopting a system of automatic annual adjustments to benefits that equal the lesser of the growth in hourly wages or the general price level, as measured by an index other than the Consumer Price Index for urban residents (CPI-U). A general price index should be used for all programs rather than specific group indices, until a special group index is shown significantly more accurate.

2. AFDC

The federal government should establish a nationwide benefit floor for AFDC. The federal government should also establish uniform eligibility standards for AFDC, including eligibility for intact families in which the principal wage-earner is unemployed. The responsibility for administering the AFDC programs should rest with state governments, with federal oversight to ensure compliance.

3. Welfare-to-Work Initiatives

It is in the interest of AFDC families, both children and parents, their communities, and the nation, that they move as quickly as possible from a state of dependency upon public assistance to the dignity of being employed and economically self-sufficient. Most AFDC families require help in making this move with continued support for child care, training programs funneling into real jobs, transportation, housing, health care, and transition counseling for heads of households, both mothers and fathers.

To be successful, welfare-to-work programs must consist of a variety of options designed to: (1) meet the diverse and often complex needs of families and children and (2) provide families and children with choices of avenues to self-sufficiency. Such options should include: basic and remedial education, with an emphasis on literacy; vocational, technical and higher education; English language training; skills training; work experience; job search and placement assistance and entrepreneurial opportunities. Effective counseling of family members should begin with enrollment in a welfare-to-work program and continue after placement in a job. Emphasis must be placed on family sustaining transitional plans and programs.

In addition to programmatic options, welfare-to-work initiatives must provide essential supportive services to families. Day care for children, transportation to and from work, housing support, and health care for participants and children are the most essential services to be provided and continued for a period of time after job placement as wages increase to a family sustaining level.

NLC supports a federal/state sharing of the costs of welfare-to-work programs with administration by the state. NLC supports the continuation and expansion of the federally funded programs which provide states with valuable resources for developing effective models of welfare-to-work programs.

4. The Working Poor

Poverty among families in which one or more persons is employed is a reflection of low wages and an insufficient number of full-time jobs. As one approach to improving the earnings of low income wage earners, NLC supports an increase in the minimum wage to a level which more closely approximates poverty level income. A second

approach would be to increase the Earned Income Tax Credit to relieve more low-income workers of tax obligations.

Federal employment and training programs, in particular the JTPA, should make every effort to upgrade the job skills of low income workers. Policies to create more full-time jobs in the private sector, including the Targeted Jobs Tax Credit, should be fostered as a means of expanding job opportunities for low-income workers. To assist working poor women in particular, every effort should be made to eliminate sex segregation in jobs, vocational education and career counseling which inhibits opportunities for women.

5. Teenage Pregnancy

A concerted effort by all levels of government is needed to combat the epidemic of teenage pregnancy and child-bearing in the United States. The emphasis of such efforts must be on prevention of pregnancy and ensuring that pregnant teenagers receive adequate prenatal care and parenting counseling.

With respect to prevention, there is an imperative need for the inclusion of health services, sex education and life planning in school curricula. In addition to such courses, communities should consider making non-prescription contraceptives available to students who request them.

For teenagers who do become pregnant, communities should consider establishing in school health clinics and prenatal care programs, as well as day care facilities and counseling services. Counseling efforts should focus the prevention of subsequent pregnancies as well as completion of students' education.

The high incidence of pregnancy among teens from poor families suggests a causality rooted in despair and a lack of opportunities for both teenage men and women. Ultimately, only improved prospects for career and job opportunities will motivate poor teenagers to postpone parenthood. For its part, the federal government should fund pilot and demonstration programs targeted to at-risk teens, particularly young women. Enhancement of summer and year round youth employment programs, linked to staying in school, would contribute to the problem's solution.

6. Child Support

Increases in poverty among families headed by women are attributable, in some measure, to the lack of child support on the parts of absent fathers. Estimates are that less than half of all fathers pay child support, and only half of them pay in full. Stronger policies of enforcement of court-ordered child support are necessary to help parents adequately care for children. One approach that merits consideration is state collection of support payments through payroll tax

deductions, with payments being made to legal guardians of children. There is also a need for standardization of child support levels to ensure that adequate amounts of support are ordered by the courts. An equitable standard for child support payments should be based on a specific percentage of the absent parents income according to the number of children being supported. Such standards should periodically be reevaluated.

4.04 Human Resources Management

A. Problems in Human Resources Management and Service Delivery

Cities have little direct control over federally funded human resources programs, yet very often city officials are presumed responsible for their success or failure. When these programs do not function responsively, the whole social and economic condition of cities is affected.

There is no comprehensive federal human resources policy which recognizes the needs of the poor and the near poor, not those individuals who are in danger of becoming dependent. Instead, federal programs are fragmented and deal with problems on a piecemeal basis.

B. Human Resources Management Goals

Achievement of an independent and self-sufficient life must be the cornerstone of a comprehensive human resources development strategy. Through such a strategy, the special needs of the city residents should be recognized and those needs met in a coordinated fashion.

While recognizing that human resources policies relate to all citizens, special emphasis must be given to problems of the poor, the near poor, minorities, the disabled, the deinstitutionalized population, the elderly, children, youth, single parent families and veterans.

C. Policies for Human Resources Management

The success of human resources programs is dependent upon the quality and responsiveness of local planning and management. Such planning and management depend to a large degree on flexible funding, consistent federal policies for planning and operation of all human services programs, and a true partnership with local governments.

The appropriate role of each level of government should be recognized and identified. There are some programs most appropriately administered by the federal or state level. But others require the active involvement of local officials, who ultimately must provide solutions to urgent human problems.

JOHN O. NORQUIST
MAYOR



OFFICE OF THE MAYOR
MILWAUKEE, WISCONSIN

January 6, 1994

Mr. Bruce Reed
Executive Office of the President
White House Offices
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. ~~Reed~~: *Bruce*

When we met last month during the Welfare Reform Task Force's meeting with state and local government representatives, you asked for proposals showing how Mayor Norquist's recommendation to President Clinton--to eliminate the welfare system entirely by 1996 and replace it with a work-based alternative--could be implemented.

Attached are two drafts that indicate how the Mayor's proposal to the President might be carried out.

The first draft, Attachment A, calls for enacting a federal law that would:

- Repeal the entire welfare system by July 1, 1996;
- Authorize states to implement a "Work Connection System" that (while providing those who truly cannot work with cash) offers the great majority of the poor help in getting and sustaining private sector employment; and
- Make available to the states, as a match for the amount they previously contributed to the welfare system, a federal payment equal to what they were paid under the welfare system.

The second draft, Attachment B, takes a more modest approach. Rather than repeal the entire federal welfare system and replace it across the country with a new work-based alternative, it lets individual states opt out of the welfare system and put in place the same work-based approach described above.

Page 2
January 6, 1994

Neither of these proposals imposes a two-year limit. Welfare would be eliminated immediately, and the work-based alternative would be available immediately. If you feel you need to incorporate some sort of two-year limit, I believe that the best approach is to allow persons who are engaged in community service employment (because of their inability to find private sector jobs after an intensive search) to replace a portion of such work with education and training...but only for up to two years.

I also wish to note that both proposals are designed to be revenue-neutral.

Both proposals do not address the issues of earnings supplementation, child support, or health care. It is assumed that:

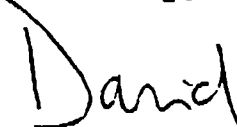
- Earnings supplementation can best be handled by making further changes in the federal EIC;
- Child support can also best be dealt with through the tax system; and
- Health care will be provided as part of President Clinton's National Health Insurance Plan.

Finally, in case you don't have it readily available, I am enclosing as Attachment C another copy of Mayor Norquist's letter of December 13, 1993, to President Clinton.

I hope the attached material is helpful to you in crafting federal welfare reform legislation that responds to Mayor Norquist's request in the context of fulfilling President Clinton's commitment to "end welfare as we know it."

Please feel free to call me at (414) 286-8577 if you have any questions. I would also appreciate you letting me know your reaction.

Sincerely,



David R. Riemer
Chief of Staff

ATTACHMENT A

NATIONWIDE WELFARE REPLACEMENT

NATIONAL WELFARE REPLACEMENT ACT OF 1994

Section 1. REPEAL OF THE CURRENT WELFARE SYSTEM.

The following federal welfare programs are repealed, effective July 1, 1996:

- a. AFDC;
- b. Food Stamps;
- c. School Breakfast;
- d. School Lunch;
- e. Other nutrition programs;
- f. Child care programs (other than Head Start); and
- g. Subsidized and public housing.

Section 2. CREATION OF STATE WORK CONNECTION SYSTEM.

Each state may implement a Work Connection System, effective July 1, 1996, that offers all of the following:

- a. Offers income to any unemployed low-income adult resident who, by reason of physical or mental disability, is unable to work;
- b. Offers assistance in securing private-sector employment to any unemployed low-income adult resident who is able to work;
- c. Offers community service employment to any unemployed low-income adult resident who is able to work but has been unable to obtain private-sector employment after an intensive job search; and
- d. Offers child care to any low-income adult resident who requires child care in order to seek or obtain work.

Section 3. OFFER OF INCOME TO UNEMPLOYED LOW-INCOME ADULT RESIDENTS WHO ARE UNABLE TO WORK.

Each state, in implementing the offer made pursuant to Section 2(a), shall:

- a. Ensure that no low-income adult resident who is eligible for Social Security Disability or Supplemental Security Income is offered income under Section 2(a);

b. Establish and enforce reasonable and consistent definitions of inability to work by reason of physical or mental disability;

c. Establish and enforce reasonable and consistent standards for reviewing, and either approving or rejecting, applications for income due to inability to work by reason of physical or mental disability; and

d. Establish and enforce reasonable and consistent standards for allowing low-income adult residents whose applications for income have been rejected pursuant to subsection c. to appeal the rejection and have their appeals considered in a prompt and impartial manner.

Section 4. OFFER OF ASSISTANCE IN SECURING PRIVATE-SECTOR EMPLOYMENT TO UNEMPLOYED LOW-INCOME ADULT RESIDENTS WHO ARE ABLE TO WORK

Each state, in implementing the offer made pursuant to Section 2(b), shall:

a. Assist any low-income adult resident who is able to work to obtain up to 40 hours of private-sector employment per week; and

b. Evaluate the effectiveness of the assistance provided pursuant to subsection a., as well as all other training and placement efforts in the state, in helping their participants to obtain private-sector employment that is full-time, lasts for at least two years or more, and pays at least \$7.00 per hour.

Section 5. OFFER OF COMMUNITY SERVICE EMPLOYMENT TO UNEMPLOYED LOW-INCOME ADULT RESIDENTS WHO CAN WORK BUT HAVE BEEN UNABLE TO OBTAIN PRIVATE-SECTOR EMPLOYMENT.

Each state, in implementing the offer made pursuant to Section 2(c), shall:

a. Offer a community service job to any low-income adult who is able to work but who has been unable to obtain 30 hours per week of private-sector employment (averaged over a 6-week period) after a job search of between 6-8 weeks; and

b. Assure that each community service job offered shall:

(i) Provide enough hours of community service employment to bring the low-income adult resident's total hours of work (i.e., community service employment plus private sector employment) to an acceptable number of hours of work per week (but no more than 30 hours of work per week);

- 912026263043 P.07
- (ii) Pay exactly the federal minimum wage;
 - (iii) Last for no more than 26 weeks per year;
 - (iv) Be subject to the same rules of dismissal and discipline as a regular private-sector job;
 - (v) Produce real benefits for the local community in areas such as public safety, environmental improvement, housing, child care, education, recreation, and culture; and
 - (vi) Not result in the displacement of any private-sector or government employee, and not substitute for any private-sector or government job.

Section 6. OFFER OF CHILD CARE TO LOW-INCOME ADULT RESIDENTS WHO REQUIRE CHILD CARE IN ORDER TO SEEK OR OBTAIN EMPLOYMENT.

Each state, in implementing the offer made pursuant to Section 2(d), shall:

- a. Sell child care vouchers to low-income adult residents who are seeking employment or holding jobs based on an income-adjusted sliding fee scale; and
- b. Ensure that the vouchers sold pursuant to subsection a. are redeemed by certified child care providers.

Section 7. PROVISION OF FEDERAL FUNDS.

Each state implementing a Work Connection System that invests in the system an amount equal to the state's match, during the period July 1, 1995 through June 30, 1996, for the federal welfare programs listed in Section 1 shall be paid by the Secretary:

- a. For the purpose of implementing the Work Connection Program during the period July 1, 1996 through June 30, 1997, a federal payment equal to the sum of the federal payments made to the state for the period July 1, 1995 through June 30, 1996, under the federal welfare programs repealed pursuant to Section 1; and
- b. For the purpose of implementing the Work Connection Program during each subsequent year, a federal payment equal to the payment made to the state under subsection a. multiplied times the increase in the Consumer Price Index.

Section 8. DEFINITIONS.

For the purposes of this Act:

a. "Adult" means a person who is:

(i) At least 18 years of age if the person has graduated from high school but no more than 64 years of age, or

(ii) At least 21 years of age if the person has not graduated from high school but no more than 64 years of age;

b. "Resident" means a citizen of the United States who has established legal residence in a state;

c. "Low income" means:

(i) For the purpose of the offers made pursuant to Sections 2(a) and (c), an income of less than the federal poverty line, and

(ii) For the purpose of the offers made pursuant to Section 2(b) and (d), an income of less than 200% of the federal poverty line;

d. "Private-sector" means private for-profit, private non-profit, or regular government;

e. "State" means each of the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, etc.;

f. "Secretary" means the Secretary of the Treasury.

ATTACHMENT B

STATE AUTHORITY TO REPLACE WELFARE

STATE WELFARE REPLACEMENT ACT OF 1994

Section 1. ENDING OF PARTICIPATION IN THE WELFARE SYSTEM.

a. Any state that enacts legislation that ends its participation in the federal welfare programs listed in subsection (b) and implements a Work Connection System in the manner set forth in Sections 2 through 8 shall receive a federal payment as provided in Section 7.

b. A state may decide to end its participation in the following federal welfare programs, effective July 1, 1996:

- a. AFDC;
- b. Food Stamps;
- c. School Breakfast;
- d. School Lunch;
- e. Other nutrition programs;
- f. Child care programs (other than Head Start); and
- g. Subsidized and public housing.

Section 2. CREATION OF STATE WORK CONNECTION SYSTEM.

Each state may, in lieu of participating in the federal welfare programs listed in Section 1(a), implement a Work Connection System, effective July 1, 1996, that offers all of the following:

- a. Offers income to any unemployed low-income adult resident who, by reason of physical or mental disability, is unable to work;
- b. Offers assistance in securing private-sector employment to any unemployed low-income adult resident who is able to work;
- c. Offers community service employment to any unemployed low-income adult resident who is able to work but has been unable to obtain private-sector employment after an intensive job search; and
- d. Offers child care to any low-income adult resident who requires child care in order to seek or obtain work.

Section 3. OFFER OF INCOME TO UNEMPLOYED LOW-INCOME ADULT RESIDENTS WHO ARE UNABLE TO WORK.

Each state, in implementing the offer made pursuant to Section 2(a), shall:

- a. Ensure that no low-income adult resident who is eligible for Social Security Disability or Supplemental Security Income is offered income under Section 2(a);
- b. Establish and enforce reasonable and consistent definitions of inability to work by reason of physical or mental disability;
- c. Establish and enforce reasonable and consistent standards for reviewing, and either approving or rejecting, applications for income due to inability to work by reason of physical or mental disability; and
- d. Establish and enforce reasonable and consistent standards for allowing low-income adult residents whose applications for income have been rejected pursuant to subsection c. to appeal the rejection and have their appeals considered in a prompt and impartial manner.

Section 4. OFFER OF ASSISTANCE IN SECURING PRIVATE-SECTOR EMPLOYMENT TO UNEMPLOYED LOW-INCOME ADULT RESIDENTS WHO ARE ABLE TO WORK

Each state, in implementing the offer made pursuant to Section 2(b), shall:

- a. Assist any low-income adult resident who is able to work to obtain up to 40 hours of private-sector employment per week; and
- b. Evaluate the effectiveness of the assistance provided pursuant to subsection a., as well as all other training and placement efforts in the state, in helping their participants to obtain private-sector employment that is full-time, lasts for at least two years or more, and pays at least \$7.00 per hour.

Section 5. OFFER OF COMMUNITY SERVICE EMPLOYMENT TO UNEMPLOYED LOW-INCOME ADULT RESIDENTS WHO CAN WORK BUT HAVE BEEN UNABLE TO OBTAIN PRIVATE-SECTOR EMPLOYMENT.

Each state, in implementing the offer made pursuant to Section 2(c), shall:

- a. Offer a community service job to any low-income adult who is able to work but who has been unable to obtain 30 hours per week of private-sector

employment (averaged over a 6-week period) after a job search of between 6-8 weeks; and

b. Assure that each community service job offered shall:

(i) Provide enough hours of community service employment to bring the low-income adult resident's total hours of work (i.e., community service employment plus private sector employment) to an acceptable number of hours of work per week (but no more than 30 hours of work per week);

(ii) Pay exactly the federal minimum wage;

(iii) Last for no more than 26 weeks per year;

(iv) Be subject to the same rules of dismissal and discipline as a regular private-sector job;

(v) Produce real benefits for the local community in areas such as public safety, environmental improvement, housing, child care, education, recreation, and culture; and

(vi) Not result in the displacement of any private-sector or government employee, and not substitute for any private-sector or government job.

Section 6. OFFER OF CHILD CARE TO LOW-INCOME ADULT RESIDENTS WHO REQUIRE CHILD CARE IN ORDER TO SEEK OR OBTAIN EMPLOYMENT.

Each state, in implementing the offer made pursuant to Section 2(d), shall:

a. Sell child care vouchers to low-income adult residents who are seeking employment or holding jobs based on an income-adjusted sliding fee scale; and

b. Ensure that the vouchers sold pursuant to subsection a. are redeemed by certified child care providers.

Section 7. PROVISION OF FEDERAL FUNDS.

Each state implementing a Work Connection System that invests in the system an amount equal to the state's match, during the period July 1, 1995 through June 30, 1996, for the federal welfare programs listed in Section 1 shall be paid by the Secretary:

SN 12 1994 14:55 FROM DIRECTOR'S OFFICE - MILWAUKEE TO 312026263043 P.12

a. For the purpose of implementing the Work Connection Program during the period July 1, 1996 through June 30, 1997, a federal payment equal to the sum of the federal payments made to the state for the period July 1, 1995 through June 30, 1996, under the federal welfare programs repealed pursuant to Section 1; and

b. For the purpose of implementing the Work Connection Program during each subsequent year, a federal payment equal to the payment made to the state under subsection a. multiplied times the increase in the Consumer Price Index.

Section 8. DEFINITIONS.

For the purposes of this Act:

a. "Adult" means a person who is:

(i) At least 18 years of age if the person has graduated from high school but no more than 64 years of age, or

(ii) At least 21 years of age if the person has not graduated from high school but no more than 64 years of age;

b. "Resident" means a citizen of the United States who has established legal residence in a state;

c. "Low income" means:

(i) For the purpose of the offers made pursuant to Sections 2(a) and (c), an income of less than the federal poverty line, and

(ii) For the purpose of the offers made pursuant to Section 2(b) and (d), an income of less than 200% of the federal poverty line;

d. "Private-sector" means private for-profit, private non-profit, or regular government;

e. "State" means each of the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, etc.;

f. "Secretary" means the Secretary of the Treasury.



**Wisconsin
State
Assembly**

P.O. Box 8953,
Madison, WI 53708
(608) 266-3784
(608) 266-9960 TTY

January 25, 1994

Sent to Mary Jo, Bruce & David
on 2/4/94
**State Representative
Rebecca Young**

Committee on Children & Human Services, Chair

Committee on Health

Committee on Judiciary

Committee on Urban Education

*Special Committee on Drug Enforcement,
Education and Treatment*

Wisconsin Women's Council

John Monahan, Director
Intergovernmental Affairs
U.S. Dept of HHS
Hubert Humphrey Building
200 Independence Ave, SW
Washington, D.C. 20201

SUBJECT: Welfare Reform

Dear Mr. Monahan:

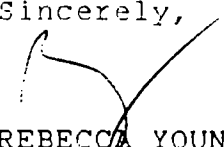
I am enclosing for you my comments on the draft proposal for welfare reform that you got from the task force in the Department of Health and Human Services.

In addition, I would like to comment on the method of financing which is being discussed. That method would simply strip out benefits for legal aliens. I believe that is very short sighted and not a good way to go. While Wisconsin may not have the numbers of aliens that other states like California have, to drop those families onto a safety net that is financed entirely by the states would not be pleasant to contemplate. For instance, roughly 40% of our Indo-Chinese population is on AFDC. Almost all of them are aliens.

I look forward to seeing the results of the work of the Welfare Task Force and its comments on the Clinton Draft Proposal.

With all best wishes.

Sincerely,


REBECCA YOUNG
State Representative
76th Assembly District

RY/rl

Encl

P-
✓ ① Pls. draft acknowledgment letter
② Pls. forward to J.I.
so we can put this with our comments.
Jr

COMMENTS ON DRAFT PLAN
OF PRESIDENT CLINTON'S WORKING GROUP ON WELFARE REFORM

PART ONE: PROMOTING PARENTAL RESPONSIBILITY AND PREVENTING TEEN PREGNANCY

A. Changing the Welfare and Child Support Systems

Support for two-parent families. Eliminating the eligibility bias against two-parent families is long overdue.

*I would suggest one additional change: reducing the tremendous penalty on working step-parents. Currently all but a very small amount of a step-parent's income is considered available to the family, even though none of the AFDC children are his/hers. The amount "deemed" to the family should be substantially reduced.

Minor mothers live at home. It is unclear how this requirement serves the draft's goals. It is at least as arguable that allowing minor mothers to establish separate households if they wish to do so will increase their responsibility for their child. Additionally, allowing minors to establish separate households may allow them to escape harmful home environments. Furthermore, it is unclear that such a requirement is really necessary. In Wisconsin at least, which has this requirement, the number of families affected is quite small, indicating that many minor parents decide with their families to continue to live together. For those who don't, child protection agencies are authorized to investigate those situations which may pose a risk to minors, and require the minor parent to live with an adult where appropriate. Perhaps a reasonable compromise would be to require case management wherever a minor mother proposes to establish a separate household, to investigate the situation and make a recommendation depending on the available home situation and the minor parent's maturity. This would remove the presumption in such cases that the grandparent's home was always superior.

At a minimum, if the proposed requirement is adopted it should be drafted so as to encourage separate households where warranted and sought by the minor parent.

Mentoring by older welfare recipients. Child-bearing by teens is a very complex problem for which there are no easy solutions. Mentoring by welfare mothers may be a good idea as long as those chosen are skilled and enthusiastic about their role. Such a system should never be used simply to provide easy community service "slots;" this may be a real temptation should the proposed two year limit for cash assistance result in large numbers of recipients jobless at that point.

Demonstrations. It is unclear what is meant by demonstrations which would condition a portion of the grant upon "self-sufficiency" activities or provide bonuses. For adult recipients, the JOBS program already includes sanctions for failure to cooperate with work-related activities and proposals for increased work income disregards are discussed elsewhere. Teen parents are also covered in JOBS rules and may be sanctioned for failure to attend school as their JOBS activity. If this is meant to encourage "Learnfare" waivers, conditioning sanctions and bonuses upon school attendance of dependent children, it should await some indication that current Learnfare pilots are effective. Wisconsin, one of the few states to involve dependent children in their Learnfare program, is just beginning an evaluation of its program.

There have been many problems with implementation of Learnfare in Wisconsin, with many recipients losing benefits due to errors in record-keeping and inadequate procedures, with failures in the case management system, and with large numbers of sanctions occurring in families already in crisis with the juvenile justice system. As a result, the program has been highly controversial. Further experimentation involving dependent children and reduced benefit levels should be discouraged until it is clearer that such sanctions work and that case management and supportive services are not enough in themselves.

The option of allowing states to limit benefit increases for additional children should not be adopted. When this idea was first proposed in Wisconsin, the task force agreed that it should be implemented only with a substantial increase in overall welfare benefits. (The proposal would have set the beginning welfare benefit level above the poverty line.) In such a setting, the argument that this is "like" non-welfare families makes more sense. Without such a general benefit increase (which was later dropped as too costly), the proposed cap on benefits simply plunges families much further into poverty. In Wisconsin a mother who had a second child and continued to receive a grant for two, \$440, would go from 56% of poverty to 44% of poverty. (Food stamps would help some but would not bring the family even close to the poverty line.) The additional benefits received with additional children are sometimes characterized as a "reward" when they simply serve to allow families to live at approximately the same, sub-poverty level as before. Thus, the addition to grants cannot reasonably be viewed as an incentive to have more children.

Studies have tended to show that welfare families child-bearing decisions are not influenced by the size of the welfare grant. Indeed the draft report indicates that, for the most part, the social trends leading to welfare dependency are not caused by the

welfare system but reflect shifts in societal mores and values. (p. 9) Furthermore, a high percentage of pregnancies are unintended. The draft report indicates the numbers are 35% for all pregnancies and much higher for teens. (David Ellwood, in Poor Support, Poverty in the American Family, Basic Books, Inc. 1988, at page 72, reports that 80% of teens report their pregnancies unwanted.) Allowing states to limit benefits in these cases makes our poorest families and their babies bear the brunt of societal changes and lack of education about and access to birth control, as well as simple failures in birth control methods.

Other changes in the welfare system that are far more likely to affect child-bearing decisions are those discussed later in the working group draft, particularly making work pay and increased education and training opportunities with necessary support services. These are likely to be effective "welfare reform" by providing real options to poor parents. Additionally, a sounder educational system, particularly in our ghetto areas, could have a profound effect on teen birth rates.

- B. Engaging Every Sector of Society in Promoting Responsibility
- C. Encouraging Responsible Family Planning

All the initiatives suggested in these sections of the draft sound good. They recognize the larger societal causes of welfare dependency as well as the importance of family planning services in reducing welfare dependency.

Initiatives to reduce childbearing among the poor are needed, and there are programs which have been successful. States should be directed toward more positive approaches and not allowed to diminish benefits once children are already born.

PART TWO: MAKING WORK PAY.

A. Child Care for Working Families

Maintain IV-A child care.

Expand child care for low-income working families.

It is critical to increase federal funding for both AFDC child care and child care for other low-income working families.

Among the lessons of the JOBS program implementation is that states are having great difficulty funding all who need child care. In Wisconsin, child care for recipients in education and

training has been grossly underfunded (resulting in a lawsuit in order to obtain child care guaranteed under the Family Support Act). Also, the long waiting lists for at-risk child care has resulted in some returning to welfare when their year's entitlement to transitional child care has run out. There was testimony at state hearings that another spell on welfare was the only way to "requalify" for child care, necessitating leaving jobs which otherwise showed some promise. The federal match for AFDC, transitional, and at risk child care programs should be increased.

Coordinate rules across all child care programs. Seamless coverage will also help families make the transition from AFDC to, eventually, non-supported work in the private sector. It will help avert the loss of continuing child care or even the loss of a job because child care is suddenly unavailable.

* Additionally, states should be required to supplement recipients' child care costs which exceed that amount disregarded in determining AFDC grants. The federal disregard is very low: \$200 per month for infants and \$175 for children over two. In Wisconsin it is not at all unusual to spend \$400 to \$500 per month per child. Currently, states have the option to supplement the disregard. If they do not, the difference must be paid by recipients, making the choice to work must more difficult.

*States should also be required to pay child care costs for the first two months of working where income is being budgeted retrospectively. This is also an option for states. Many recipients with small children find it very difficult to begin work because they must somehow pay for their child care those first two months, before the work income disregard begins to increase their grant amount.

Questions:

1. Regarding how much new investment in child care is reasonable, it is difficult to set a limit. It seems clear that ending the use of welfare requires substantial expenditures for child care, during education and training to prepare for work as well as during work at entry level positions.

2. Regarding reducing the state match for child care for the working poor, as indicated earlier, it is likely that the match for all child care programs will need to be reduced if welfare reform is to succeed.

* An additional suggestion to ease the funding for child care is to make participation in work and training programs optional for those with children under 6, or at least reduce the number of

hours of participation required. Child care for those with preschoolers is the most expensive of all. This is discussed further at Part Three, below.

B. Advance Payment of the EITC

In general, this would be very helpful to recipients, as long as it did not result in reducing their AFDC benefits or food stamps. Currently, this does not count as income when received for either program, and only counts as an asset if held for a period of time. It will only be helpful if it continues to be disregarded in determining the benefit amount.

Any of the other strategies suggested to expand the effectiveness of the EITC might be helpful. (There have been some problems noted with Electronic Benefit Transfers, generally regarding access and privacy issuesy.

C. Other Support for Working Families

It is important to recognize, as the draft does, that full-time work may not always be feasible for single parents. In fact, it may not make good economic sense for families with young children headed by a fairly low-skilled wage-earner. It also seems reasonable and fair to aim for a system where recipients are better off working. It is likely that some combination of the options will be necessary. For example,

Option 1, requiring a state EITC supplement will likely be most helpful for families with a full-time worker. (Supplementation of food stamp or housing benefits would seem much more difficult to administer and diminishes families' responsibilities to plan for themselves.)

Option 2, requiring states to continue to provide some cash assistance is likely to be most helpful to part-time workers, and makes particularly good sense applied to parents with pre-school children. In order for this option to be better than welfare, however, the earned income disregard would have to be increased not just "simplified" or made unlimited by time as the draft suggests.

Option 3, child support assurance programs seem the most logical way to ease the burden on single parents, recognizing the importance of their presence in the home while requiring part-time work.

Option 4, is an good idea, but should be considered as an additional source of support, not a substitute for monthly cash benefits to achieve at least a poverty level standard of living.

Demonstrations. These are all very good ideas and should be piloted. Establishing temporary unemployment systems and emergency assistance systems for short-term emergencies seem particularly sound ideas to help families avoid AFDC altogether.

*One option clearly and simply directed toward the goal of making work pay is increasing the minimum wage. Since the EITC is essentially an employer subsidy, it may make sense to increase the minimum wage at the same time.

PART THREE: PROVIDE ACCESS TO EDUCATION AND TRAINING, IMPOSE TIME LIMITS, AND EXPECT WORK

The centerpiece of the draft welfare reform proposal is to 1) enhance the JOBS program for recipients and 2) impose a two year limit upon the receipt of benefits, followed by 3) government jobs for those unable to find work at that point. These three components are viewed as necessary to enable more long-term recipients to obtain employment and leave the AFDC program.

The problem with this analysis is that the JOBS program has never been given a chance to work for most program participants. As the draft indicates, only 15% of the non-exempt AFDC caseload is currently participating. Thus, while expanding the JOBS program is appropriate, establishing a two-year limit is a totally irrelevant response to the program's failure thus far to move more people off welfare. The answer is not more rigidity but more use of the program, tailored to meet the need of recipients for job preparedness and training and targetted at those who need it and can most benefit. Furthermore, the provision of public service jobs at the end of this period will be costly, and invariably result in the diversion of funds from other, highly necessary initiatives: expansion of the JOBS program and the additional child care funding.

A. Enhancing the JOBS Program.

1. Immediate focus on work and participation in JOBS. The emphasis upon getting all recipients into JOBS immediately creates an unnecessary and inefficient rigidity. The draft points out that AFDC serves as a temporary safety net for a majority of recipients. (Page 16.) Yet, by requiring the immediate entry of all recipients into JOBS, the plan does not seem to recognize that many recipients leave the program needing few services beyond temporary financial help and many of those who leave do not return. It does not make any sense at all to devote new resources to this group.

In addition, the plan would remove exemptions for parents of

young children, without acknowledging that these are the most expensive recipients to serve because of child care requirements, and without discussing the critical role in child-rearing that single parents especially must play.

* A better approach would be to target resources to those who have been on assistance for a certain period of time, for example a year, and otherwise make services available to volunteers, as needed. This would be much more likely to focus resources where they are most needed than the draft's approach. It would also assure that parents who enter the program with very young children could care for their children themselves, if they felt it necessary. Finally, it would allow the development of more thoughtful plans for self-sufficiency, after the sorts of crises which propel many families onto assistance had had a chance to quiet down.

Teen parents could be required to participate immediately, as has been suggested elsewhere. See Mark Greenberg, *The Devil is in the Details*, July, 1993, page 17. As Mr. Greenberg suggests, they constitute a group likely to become long-term recipients and have a special need to finish school. While their children are infants, however, school attendance should be required only if on-site child care is available.

Sanctions should be no stronger than under current law, where benefits are reduced by removing the portion owed for the adult who fails to participate.

2. Expanding the JOBS program. Increased funding and an enhanced match are both necessary in order to substantially increase the numbers of recipients served.

* The enhanced federal match should be applied, as well, to child care funding for those in education and training programs. Wisconsin and other states have found it difficult to meet this need at the current match rate. In many cases, this will be the primary expense for those in JOBS.

Dramatically increased participation should also be sought, but it should be achieved by targetting those longer-term recipients and teen parents as discussed earlier.

3. Integrating JOBS and mainstream education and training initiatives. The initiatives suggested are all positive approaches for providing opportunities for welfare recipients to become self-sufficient. However, states should hesitate to direct, in particular, AFDC recipients toward child care. These jobs are both too important and too underpaid to encourage anyone to undertake them who is not both highly motivated and talented

at working with children.

B. Making Welfare Transitional

Two-Year limit.

Extensions.

Credits for additional assistance.

The discussion here indicates that the time limit is necessary to provide a "structure that necessitates continuous movement toward fulfilling the objectives of the employability plan and, ultimately, finding a job." But, as indicated earlier, it does not make sense to provide the same structure regardless of circumstance. Indeed the detail of this section contains a number of possible variations and exceptions which almost swallow the rule, indicating the difficulty. Requiring contracts and employability plans already provides the necessary structure and directs recipients toward completing training and entering the job market. These are tailored to recipients' skills and aptitudes, their readiness for the labor market, and their family's needs. Imposing an artificial two-year limit which ignores these considerations is counterproductive.

That is not to say that states might not be allowed to require recipients to look for work while in education or training programs after a certain reasonable period if it did not interfere with or slow down their educational programs. Or work in addition might be required if the student were not making satisfactory progress in their training or educational programs (instead of requiring them to quit their programs altogether, if they wished a chance to continue).

Gearing recipients' programs and time expectations to their specific situations would eliminate the need to grant the sorts of extensions listed, to extend the time limit for working at least 20 hours per week, and to allow the "earning" of months of eligibility for months spent working and off assistance. Pages 20-21.

On the other hand, if a time limit is ultimately enacted into law, the extensions and credits should be mandatory upon the states in order to build in some attention to the variety of recipients' circumstances otherwise disregarded in a time-limited system: those who go on and off assistance, and those who need different types of help at different points of AFDC eligibility. Also of particular importance is continuing the opportunities for postsecondary education which is contained in the current JOBS

program and which is the avenue most likely to lead recipients out of the welfare system for good.

C. Work

In addition to being an inefficient way to use resources, establishing time limits means that government must create work opportunities at the end of the period for those who are unable to find work outside the program. This must be done to avoid the widespread deprivation which would otherwise result. The draft states that the overall goal of the work program is to help recipients "find lasting employment outside the program." Of the two models presented in the draft, the jobs created for recipients to work for wages are much more clearly directed toward achieving this goal than the workfare model. Based upon studies to date, workfare models have not proven at all effective in moving recipients into jobs outside the welfare system. (For a particularly good discussion of the problems of workfare, see Mr. Greenberg's article at pages 10 to 14.)

Both programs are likely to be costly, both in themselves and considering the child care needs of working recipients. To the extent that recipients are not provided the means to find jobs outside the program, government work programs run the risk of creating a quasi-permanent underclass at substantial expense. Finally, it is highly unlikely that states will be able to create the number of jobs that will be required. See Mr. Greenberg's discussion at pages 10-12.

1. Administrative structure of the work program

Eligibility. The sanction for refusing an offer of work outside the program is ineligibility for six months with cash benefits provided to the extent they would have been had the job been taken. Since the only way to cure this violation is the acceptance of another job outside the program which may not be available, some families will be left with no income at all and no way to provide it. Currently recipients are sanctioned by being taken off the grant, leaving the children's portion intact. This is a severe enough penalty where full grants are already well below the poverty level.

Waiting list. If the number needing work exceeds the number of work slots, recipients would be required to volunteer and states might be penalized by a reduced match of the recipient's cash assistance. It is likely that the number of jobless recipients will greatly exceed the number of jobs. Volunteer opportunities are likely to shrink, the use of volunteers may well begin to

substitute for hiring regular employees, and states are likely to be put to even greater expense because of local economic conditions. It is not fair to penalize either states or recipients for negative economic conditions and shrinking job markets.

The option of allowing states to reduce benefits once recipients exceed a certain period of participation in work programs should not be adopted. It is not fair to punish recipients who follow all the rules and are unable to find work because they lack necessary skills or because appropriate jobs are unavailable.

2. Characteristics of the work assignments.

Hours. The draft provides that work assignments would be for 15 to 35 hours per week to be determined by the state. The program should set standards for setting the number of hours, for example, limiting to 20 hours per week the work obligation of those with pre-school children.

Not working. The reduction of hours for not working should be limited similarly to the limits under current law. Or, the reduction could reflect the number of hours missed up to a maximum set as a percentage of the grant.

The option of permitting workfare programs should not be adopted. As discussed earlier, these programs have shown almost no success in helping recipients gain outside employment. Clearly it is not warranted to expand them on the scale anticipated with this program.

3. Economic development. The Community development and Individual economic development initiatives are positive suggestions.

PART FOUR: ENFORCE CHILD SUPPORT

A. Child Support Enforcement

1. Universal and simplified paternity establishment process. The emphasis here should be on the conscientious and thorough pursuit of paternity and child support in all welfare cases and those where services are requested, along with outreach efforts and systems changes to promote paternity establishment. Beyond that it is much less clear that government has a role in promoting a child's right to "interact" with both parents, as the materials on "universal" paternity establishment suggest.

Simplified paternity establishment should be pursued, but with

careful attention to due process protections due alleged fathers. The legal acknowledgment of parentage is too important to all parties to risk mistakes in the name of simplification and streamlining the system.

It is unclear what is meant by "clearer, stricter cooperation requirements." At least in Wisconsin, cooperation requirements are well spelled out and sanctions are readily imposed for failures to comply.

Options: The bonus to mothers for establishing paternity would probably be easier to administer than the current \$50 disregard. It is also fair that mothers be rewarded for cooperation, regardless of the amount of child support ultimately received.

Regarding the denial of "certain governmental benefits" to persons who have not cooperated, the denial of a portion of the AFDC grant is part of current rules. It is difficult to see how a greater sanction might be applied without harm to the children in the family. There are very few cases where parents fail to cooperate without some basis, often having to do with fears for their safety or that of their children which they either cannot prove or which they are unsuccessful in persuading county workers are serious enough.

2. Appropriate payment levels.

3. Collection and enforcement.

Most of these initiatives are positive; many are already being done in Wisconsin. However, authorizing the suspension of driver's and professional licenses seems counterproductive, indeed, as it is likely to interfere with employment opportunities and/or training opportunities and therefore payors' ability to keep up child support payments.

4. Providing some minimum level of child support. This is a natural complement to other aspects of welfare reform, in that it protects single, custodial parents from having to assume the total burden of child-rearing when the non-custodial parent is either unwilling or unable to contribute a fair share. It would enable single parents to support their families with part-time work. Such a system is particularly necessary where AFDC benefits will be time-limited as it recognizes the importance of a strong parental role in children's healthy development and the particular needs of children in single parent families for a parent's presence in the home.

Option 2 would be the best as it is most likely to bring single-parent families up to the poverty line with a combination of

part-time work and an assured child support benefit level.

B. Enhancing Responsibility and Opportunity for Noncustodial Parents

The initiatives here are generally sound, including providing incentives and training programs to non-custodial parents and forgiving arrearages for those who comply.

It would not make sense, however, to divert funds for training and education from AFDC recipients. Custodial parents will always have the major responsibility for providing for children. And, funding for custodial parents' training will always be more expensive, as it must include day care expenses as well as other training and living expenses. Finally, custodial parents are most often women who are much less likely to be able to earn a living wage than men in similar circumstances with similar amounts of training. Special care must be taken not to underfund training and supportive services for custodial parents in order to provide training for non-custodial parents.

PART FIVE: REINVENT GOVERNMENT ASSISTANCE

A. Simplification Across Assistance Programs

Option 1 contains a number of positive suggestions for simplification and coordination of welfare rules for the various programs.

Option 2 suggests that the "filing unit" could be standardized between the AFDC and food stamp programs. Since food stamp units may contain a variety of related and unrelated people, any unification of filing units would have to follow the AFDC filing unit scheme. Otherwise, using the food stamp unit for a model for cash assistance would result in contributions to the family with children being assumed where, in fact, they do not exist. This would mean substantial inequities among AFDC families of the same size, depending on who else lived in their household.

B. Preventing Waste, Fraud and Abuse

New technology has enhanced program integrity and will continue to do so.

C. Performance Standards and State Flexibility

While some state flexibility is desirable, the federal government has a substantial role in making sure that systems

treat families with children fairly and without undue harshness. Poor families need to be somewhat insulated from program decisions made solely in response to state budget crises and the lack of public understanding of and sympathy for the causes of their poverty. To that end, standards for granting waivers from program rules should be developed to ensure that variances will serve the goals of family self-sufficiency while at the same time providing the essentials for family survival.



THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST
WASHINGTON, D.C. 20006
TELEPHONE (202) 293-7330
FAX (202) 293-2352

January 25, 1994

To: John Monahan
From: Laura DeKoven Waxman *LDW*
Re: Reaction to Welfare Reform Discussion Draft

Thank you for your efforts to involve city officials in the development of the Administration's welfare reform proposals. We particularly appreciated the briefing session held in December and the open way in which the proposals were discussed.

As you suggested, I distributed the discussion draft to a limited number of city officials following the briefing. I have received several responses, and they are enclosed. As further ones come in, I will forward them to you.

I look forward to continuing to work with you on this important effort.

**THE UNITED STATES CONFERENCE OF
CITY HUMAN SERVICES OFFICES**

RE: WELFARE REFORM DISCUSSION PAI

Post-It® brand fax transmittal memo 7671		# of pages 5
To Laura Waxman	From Gloria S. Clark	
Co. U.S. Conference Mayors	Co. City of LA / CDD	
Dept.	Phone (213) 485-3424	
Fax (202) 293-2352	Fax #	

STATEMENT

In order for any substantive welfare reform plan to work there are specific preconditions which must be effectively recognized and dealt with. Besides the usually cited socio-economic problems associated with poverty in the early 1980, the appearance of crack/rock cocaine has/will totally undermine even the most genuine efforts for welfare reform. As we know poor education, institutional racism, substandard housing, deteriorating economic conditions, the lack of social services have all contributed as independent and/or dependent variables in the increasing rates of poverty in this country. While these problems have long been identified and associated with poverty, the rapid spread of crack cocaine has been the proverbial straw that broke the camel's back with devastating impact on America's so-called underclass.

As of this date, a majority of urban minority families have been directly and negatively impacted by the deleterious impact of crack cocaine. The result has been the tragic, and instant destruction of longstanding family relationships, the erosion of fundamental moral values the development of anti-Social Attitudes including disrespect for and hateful actions especially toward women, a spiraling crime rate with a corresponding loss of intangibles like a sense of personal and neighborhood security, a huge increase in gun and weapons possession by the very societal elements we don't wish to have any access to them, the documented incidence of official corruption of politicians, members of the judiciary, law enforcement, the business and social elite all due to the corrosive influence of incredibly large cocaine profits; the pervasive sense of hopelessness that comes with the, perhaps, realistic thought that "all is loss", the explosion of homelessness in nearly every community in this country even places where 10-15 years ago there was none evident.

Most important for our purposes, as government agencies, we must recognize that for the first time there is now a sense of profound despair which we have never experienced related to effectively wining the struggle against or containing poverty. Therefore, it is our opinion that the war on crack cocaine and its associated ills is a necessary precondition to effective welfare reform. It is not our role to determine what method will be used to control this cocaine epidemic, but it is apparent that all options should be explored since the existing system has proven to be both totally inadequate and, arguably has exacerbated the problems.

This following section outlines in specific detail how we envision a "prototype" welfare system would work with its goals to reduce welfare dependency, teenage pregnancies and make child support enforcement work.

OPTIONS FOR CONSIDERATION:TEENAGE MOTHERS:

- 44⁵ 1. If the family is currently receiving aid the child will be added on the current case, (the teenage mother will not receive an aid grant allowance for a family of two. The Head of Household will be payee until the mother reaches age 18 years.
- 44⁵ 2. The teenage mother must attend Parenting Classes before the birth of the child and must remain in SCHOOL and obtain a High School Diploma or G.E.D.
3. After graduation from High School or upon obtaining a G.E.D., the minor must enroll in an accredited Business School, an accredited Training Facility, or a Community College to obtain marketable job skills. / 2+2, 2+1, School to WORK
- 44⁵ 4. The mother must identify the father of the child to be eligible for assistance. (Failure to identify the father and provide mandatory information regarding the father will cause the aid provided for the mother to be terminated.)
- 44⁵ 5. If the identity of the father and mandatory information regarding the father is not provided by age 18 years the case will be converted to a Child Only aided case.

ADULT MALES (OVER 18 YEARS) WHO IMPREGNATE TEENAGE GIRLS:

- ? — 1. Men who father a child with a teenage girl will be charged with statutory rape in accordance to law.
- ? 2. Teenage boys who fathers a child with a teenage girl will also be charged with Statutory Rape and placed on probation until age 18 years of age.

CONDITIONS OF PROBATION:

- 1. Must remain enrolled in school and obtain a High School Diploma or G.E.D. until age 18 years.
- 2. Must obtain marketable job skills, at an accredited Training Facility or Community College.

3

3. If employed must pay a minimum of \$50.00 per month child support deducted from wages automatically via the District attorney's office.
4. Must attend parenting classes prior to the birth of the child.
5. Failure to comply will result in his being placed in a facility determined by the Court.

GENERAL REFORM:

1. Recipients must provide the identity of the child or children's father or fathers?
2. If the youngest child is 2 years old or older the recipient must obtain marketable job skills at an accredited Business School Training Facility or Community College.
3. Family will receive aid for maximum of 4 years during which time the recipient is obtaining marketable job skills and are seeking employment.
4. Failure to comply will cause the case to be converted to a child only aided case.

CHILD ONLY AIDED CASE DEFINED:

A case where the child or children are aided and the Custodial Parent or Legal Guardian is not.

CHILD ONLY AIDED CASE I:

1. (a) A case that has been converted for noncompliance.
- (b) A case where the family's income is being supplemented.
- (c) A case where the Custodial parent does not qualify because the parent is not a citizen.
- (d) A case for a child or children where the mother is a teenager and her family's income is above the Federal Poverty Guidelines.

THE GRANT SHOULD BE \$200.00 for 1 child, \$100.00 per each additional child up to 3, and \$50.00 for each additional child over 4 children.

2. Family will receive food stamps according to Federal Guidelines.
3. Payee must submit an annual accounting of the benefits received. What and how and to whom submitted?

CHILD ONLY AIDED CASE II:

A case where the payee is the child or children's Legal Guardian, (ie: grandparent, aunt, adult sibling).

THE GRANT SHOULD BE \$300.00 for 1 child, 150.00 for each additional child up to 3 children, and \$100.00 per each additional child over four children plus food stamps according to Federal Guidelines.

MANDATORY INFORMATION TO BE PROVIDED BY RECIPIENT:

1. The identity of the father or fathers of the child or children.
2. His address.
3. His Date of Birth.
4. His Place of Birth.
5. His Social Security No. if known.
6. Place of Employment.
7. State ID.# or State Drivers License #.
8. Vehicle License #.
9. Year, Make, and Model of Vehicle.
10. Name of Bank and or Credit Union.
11. Any real Estate Property or other Assets Owned, if known.

Any recipient who claims that the identity of the father of the child or children is unknown will only qualify for a child aided only Case I. Unless the recipient was a victim of rape and can prove by providing documentation.

DUTIES OF THE DISTRICT ATTORNEYS OFFICE:

1. Must initiate child support proceedings within thirty (30) days of application for assistance.
2. Must initiate child support proceedings within 15 days after annual case review of all applicants whose cases has not been processed or child support payments executed.

CHILD SUPPORT:

1. Fathers that are in the State Penitentiary's pay should be levied for their Child Support payments.
2. Fathers who are employed but is receiving minimum wages or have low income should be demanded to?

PH:RB:df

p0006

Important Document

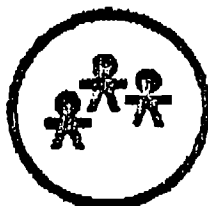
Please deliver this FAX to:

Sent by:

Name: LAURA WAXMAN
Company:

Number of Documents: 1
Pages Including Cover: 2
Current Date and Time: 13-Jan-94 17:15

Broadcast FAX Service is provided by Allnet Communication Services, Inc.



January 7, 1994

Mr. John Monihan, Director
Office of Intergovernmental Affairs
U.S. Department of Health and Human Services
200 Independence Ave., S.W.
Washington, D.C. 20201

RE: Welfare Reform Draft Discussion Paper

Dear Mr. Monihan:

The opportunity to review and comment on this discussion paper is most appreciated. We have consulted with several entities, including a family planning organization, Department of Human Services, local non-profit basic needs agency, and the local ITPA agency (City of Tulsa). Time did not permit further sharing of the discussion paper. We would like to have had the time to gather more perspectives and officially review it through our public policy board, the Metropolitan Human Services Commission.

First, we generally find the paper to be enlightened and properly broad in its coverage. To affect any significant change in welfare and the people who use it will necessitate such a comprehensive effort.

Second, we are impressed that the paper first addresses prevention. Your position paper needs even greater emphasis on prevention strategies and methods to prevent unintended pregnancies, increase basic knowledge and skills, and support and encourage of two-parent families. Almost half of our AFDC caseload in Tulsa County does not have a high school diploma, and are further than two years from gaining one. A GED is insufficient for many employers. A significant portion of our AFDC recipients who engage in the GED program test out, at intake, at or below the fifth grade level. In addition to family planning, we must assure that our youth both graduate from high school have proficiency in all areas - math, reading, communication, english, basic technical skills, life skills, etc..

Third, we are very excited about your position to make work pay. This was one of our central findings in our 1992 report *"Welfare to Work: What will it Take? A Report in the Metropolitan Human Services Commission - Tulsa."* Our estimate is full time employment at \$6.85 to \$9.50 per hour, depending on the cost of housing and transportation, as well as the ages of the children (42% of our children in the AFDC program are pre-schoolers). Your suggestion to provide advance payment of the Earned Income Tax Credit is excellent.

Community Service Council of Greater Tulsa

1430 SOUTH BOULDER / TULSA, OKLAHOMA 74119 / (918) 585-5551

PLANNING • COORDINATION • RESEARCH / INFORMATION AND REFERRAL SERVICE / A United Way Agency



We are concerned that too much may be expected in too short a time (two years). Focusing on job search, etc. up-front has the potential of getting people to work, but most Manpower Demonstration Research Corporation evaluations of such programs indicate that while people may get off welfare their prospects for a real gain in income and long term employment are not enhanced. The fact is that they need more in depth education and training, and sufficient job opportunities. These needs are not adequately addressed in this paper. Economic development and job creation must go hand-in-hand with these welfare reform efforts, as you have pointed out.

Fourth, we applaud your support of linking, health, education, training, employment, and support services from various sectors through one-stop-shopping, etc.. We also commend your vision of addressing the entire family, we feel that this one of the primary keys to success.

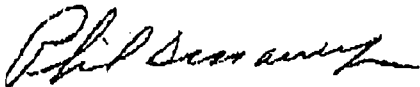
Fifth, "What will happen if parents don't comply?" Contingency plans for the adequate financial support and care of children must be addressed. Otherwise, we will be dealing with more homeless families with children.

Sixth, the section that references those who cannot work (page 4, sixth paragraph), "The system must be sensitive to those who for good reason cannot work -...", does not address the many needs that are present for those that could fit this category. They too, should have the opportunity to engage in productive behavior, and some of them have great needs for habilitation and support. There needs to be an analysis of the needs and development of appropriate responses for the many that have very limited abilities and disabilities. Targeted responses need to be developed for each population group.

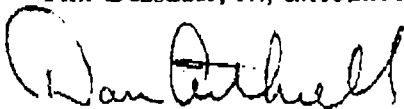
Seventh, under the section on engaging every sector of society (page 9), paying former consumers of AFDC, rather than having them volunteer must be considered. In addition, the creation or use of free-standing organizations should be considered under the demonstrations. As stated they should draw on other community services, and they must have resources to pay for services as needed. Also under this section we ask that you consider the negative consequences of "labeling" children as "high risk." If they are identified as such there is a potential for them to get trapped in a "high risk" designation. Caution should be exercised in this area.

Finally, there must be realistic cost projections. Some of the services referenced will have real dollar costs, such as the "community service" program. State and local governments, and private non-profit organizations are stretched to their resource limits now. The "community service" placements are not free to those groups that receive them, they cost in supervision time and materials, volunteers don't come free.

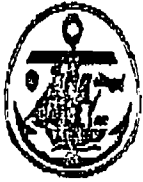
Respectfully Yours,



Phil Dessauer, Jr., Executive Director



Dan Arthrell, Director of Public Policy



Tom Fink,
Mayor

Municipality of Anchorage



Department of Health and Human Services

825 "L" Street

P.O. Box 196650 Anchorage, Alaska 99518-0650

January 10, 1994

John Monihan, Director
Office of Intergovernmental Affairs
U. S. Department of Health & Human Services
200 Independence Ave, S.W.
Washington, D.C. 20201

Dear Mr. Monihan:

The Municipality of Anchorage, Department of Health & Human Services, Social Services Division, is pleased to respond to and provide comments on the welfare reform draft discussion paper. Our Department works closely with the JOBS program in Alaska providing employment and training opportunities through the JTPA program. As such, we have continual contact with clients who are former, current and prospective welfare clients.

Because we are so far away from the contiguous United States, many people tend to think that Alaska could not have the problems and issues that face other urban cities. The facts show that, like everyone else, we have the same problems here. A review of the draft paper by our staff says to us that the document has captured the "mood of the country." This is not "mean-spirited" in any way, but a concern that reinforcing traditional values of work, family, opportunity and responsibility have been lost. It will take a major rethinking and redoing of the system to reverse the trend. We applaud the individuals involved in the development of the paper and the Administration's Working Group decision to allow the USCM Human Service Officials to comment.

The programs seem to be well thought out and cover many of the issues that affect an individual's ability and desire to leave the welfare system. However, the programs proposed will be very costly and we are concerned that most states will not have the money to cover the cost of personnel for most of the activities envisioned. Without this ability, it will only be a "concept reform" and will not be acceptable to the community, clients, or cities where people live and thrive.

Welfare Reform Draft Comments

page -2-

We must make welfare less appealing and give up the idea that the government has to be all things to all people. One staff person recommends that welfare and food stamps together never exceed what an individual would make at a minimum wage job. There are many people who live on low paying jobs and they do so by pooling resources with family and friends. If having food stamps, AFDC, and rent subsidies can never be equaled or exceeded by working at an entry level job, the value of work, effort, and productivity takes on new, positive meaning.

The concept of promoting responsibility as proposed is absolutely mandatory to any change in welfare as we know it. Parenting and parental responsibility should be a required part of every school curriculum for males and females. We applaud the concept of requiring that minors who give birth should stay in the parental home. Parents, too, must be responsible and teach through example that families are responsible for their own well being, not the government. A concerted public campaign needs to promote the concept of family and responsibility.

A more consistent benefit program among the states would eliminate state-hopping for better benefits. Many of our clients say they come to Alaska "for more money" and better opportunities, as they see it, on Alaska's welfare system. A large number of long time state residents are unable to use programs because they aren't homeless or indigent.

One program that must be tied very closely to welfare reform success is the availability of child care. Sometimes we have clients who have found work but are without child care coverage. Because so many clients lack "coping skills" and have little experience at working through a problem, they give up trying. Because the lack of child care reaches across so many in the community, both men and women, this area of concern is critical to be met. The lack of child care subsidies for those who are entering the work force at an entry level can undermine all the efforts of JOBS, JTPA, and other public assistance programs.

An all out effort to bring the non-custodial parent into the picture is one of the most cost effective and healthiest parts of the discussion paper. Children have two parents. Our country has forgotten this and concentrates too heavily on the "welfare mother." Fathers have a responsibility and right to participate in the life of their children. This concept must be instilled at an early age and be part of the education of young men before they father a child.

Welfare Reform Draft Comments
page -3-

Reinventing government assistance is essential to the success of the program. To help someone need not be so complex that it is discouraging to the persons involved in giving and getting the assistance. Reduce program rules, reporting, and budgeting to a minimum and simplify.

There is nothing wrong with needing help and assistance sometime in our lives. There is no human being that can say "I have never or will never" need help. We are a strong and generous country and will always help our neighbors. Regaining the work ethic is crucial to our nation's survival.

Sincerely,



Jewel Jones, Manager
Social Services Division
Municipality of Anchorage



City of Cambridge
Department of Human Service Programs

51 Inman Street, Cambridge, Massachusetts 02139
(617) 349-6200, Fax (617) 349-6248

January 10, 1994

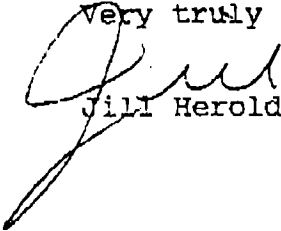
Laura Waxman
USCCHSO
1620 Eye Street. N.W.
Washington, D.C. 20006

Dear Laura,

Thanks for sending along the draft discussion paper on Welfare Reform. I am attaching some notes which we have developed which may or may not be useful. Use as you wish.

As always, I look forward to seeing you and my friends and colleagues from across the country this April.

Very truly yours,


Jill Herold

DIVISIONS:

Childcare
349-6200

Community Learning Center
349-6363

Community & Youth
349-6231

Council on Aging/Elderly Services
349-6220

Low Income Fuel Assistance
349-6247

Planning & Development
349-6240

Recreation
349-6230

MultiService Center/Homeless Services
349-6340

- o "Ending welfare as we know it" will require a good deal more than "reinforcing traditional values." As a political strategy designed to garner bi-partisan support, this formulation probably makes sense, but as policy it is problematic because it locates the source of the problem in the individual; i.e., "there's something wrong with these people -- they don't have proper values."
- o In reality, ending welfare as we know it is probably going to require something like a transformation of our entire economic system. The reason we have a "Welfare State" is not because some misguided liberals felt sorry for poor people, but because FDR & Co. figured out that capitalism would not survive unless it learned to curb its excesses and provide for its disenfranchised. There may be better ways to do this than the current welfare system, but it seems naive to think that we can end welfare (or poverty) without dealing with the broader socio-economic context. As long as our economic system has no use for significant numbers of people, we will need to provide for those people. If there are not enough decent jobs at decent pay, then there will need to be some form of income maintenance.
- o The document does not define "ability to work", nor does it acknowledge the significant gap between "ability to work" and "ability to find work."
- o Earned Income Tax Credit is currently used by relatively few eligible persons; it would need to be automatically paid out by the IRS in order to become universal. But even with EITC bringing minimum wage up to \$5+, the annual full-time income would only be about \$12,000. Rent alone can easily eat up half of this.
- o Short-term job-training programs have tended to fail because we have not been willing to fund the more expensive, long-term adult education (and literacy, and ESL) that many people need prior to training & job placement. Education seems to get only lip-service in the draft document.
- o Substance abuse, often in response to the strains of single parenting on a subsistence budget, is a major barrier to participation in education, training and employment. Treatment resources need to be expanded dramatically.
- o Likewise, a major \$ commitment on child care would be necessary. Given the costs of adequate childcare, adult ed, training, substance abuse treatment, etc., the Administration's promise of "deficit neutral" funding would seem to ensure failure.

- o If the "community service" jobs offered to those unable to find private employment at the end of the two year cash assistance limit are menial, dead-end, make-work, then we aren't helping anyone towards independence. (If they are meaningful, worthwhile jobs, of course, the unions will raise holy hell!)
- o If there are not enough community service jobs available, participants are required to "volunteer" somewhere for 20 hours per week in order to get their check. If someone offers them a private-sector job, they are required to take it, regardless, or be sanctioned. For persons who stay in community service jobs beyond a certain period of time, the Administration is contemplating allowing States to reduce benefits.
- o Flexibility for states makes sense if it allows us to mitigate some of these problems. There should, however, be some limits placed on the punitive measures a state can adopt, as there have been some real abuses in certain states in the past.
- o For someone with the equivalent of a fourth-grade education, or someone lacking even basic literacy skills, two years is not really enough time to become "job-ready" in any meaningful sense. Since the two year limit is a cumulative max, what happens to those who are placed in jobs but are not able, for one reason or another, to hold on to those jobs?
- o "Any period during which a State failed to substantially provide the services specified in a participant's employability plan would not be counted against the time limit." Who is going to determine this? The State?? The Feds?!
- o Is it not in society's best interest to allow single mothers with small children to remain home? Does it really make sense, socially or economically, to require such mothers to place their children in (tax-supported) daycare in order to enroll in (tax-supported) training programs?
- * Elimination of State match for CDBG in child care would be beneficial.
- * Advance payment of EITC would benefit low income. Linking to Food Stamp recipient has limited benefit given the low participation numbers in the program. (although we are working on it!)
- * Essential for Headstart eligibility to be indexed according to geographical area. A single National scale limits a substantial number of low income families in Massachusetts, (which has a higher cost of living than other areas of the country), from participating



→ J. I -
Let's get together
to see how we should
process
these written
reactions

THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST
WASHINGTON, D.C. 20006
TELEPHONE (202) 293-7330
FAX (202) 293-2352

FACSIMILE TRANSMITTAL SHEET

DATE: 1/25FAX#: 690-5672

TIME: _____

Please deliver the following transmittal

TO: JOHN MONAHANFROM: LAURA WAXMANTOTAL NO. OF PAGES, INCLUDING COVER SHEET: 16.

We are transmitting from a XEROX TELECOPIER 7017

COMMENTS: _____

IF YOU DO NOT RECEIVE TOTAL TRANSMISSION, PLEASE CONTACT US AT:

(202) 293-7330 X216

OUR FACSIMILE DIRECT DIAL NUMBER: (202) 293-2352