Counties

NATIONAL CONFERENCE OF STATE LEGISLATURES

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WILLIAM POUND
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May 6, 1994

The Honorable William J. Clinton
The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The National Conference of State Legislatures (NCSL) is concerned about the financing mechanisms being considered by your Administration's Task Force on Welfare Reform. Of particular concern is the proposal to reduce welfare eligibility for legal immigrants, refugees, and other non-citizens by extending the deeming provisions for Aid to Families with Dependent Children (AFDC), Food Stamps, and Supplemental Security Income (SSI) and creating deeming provisions for other programs such as Medicaid. Eliminating federal assistance will not eliminate legal immigrants' needs, and state and local budgets and taxpayers will bear the burden. We believe that this financing mechanism would shift significant costs to state and local governments. Furthermore, NCSL maintains that welfare reform legislation is not the appropriate place to debate immigration policy.

NCSL strongly believes that it is the responsibility of the federal government to fund its policy decisions. Because the federal government has sole jurisdiction over immigration policy, it must bear the responsibility to serve the immigrants that it allows to enter states and localities.

The proposal to reduce or eliminate non-citizen benefits under consideration by the Task Force on Welfare Reform will be a direct cost-shift to state and local budgets and our joint tax payers will still bear the burden. As legal immigrants lose their eligibility to participate in federal programs such as AFDC, SSI, Food Stamps, and Medicaid, in many cases they will access state and local General Assistance and other state and local assistance programs to replace lost benefits. As a result of the 1971 Supreme Court decision *Graham v. Richardson*, states and localities may not exclude persons from participating in their welfare programs on the basis of lawful alienage. Although the federal government has the option to drop legal immigrants from its welfare roles, states and localities may not.

Unfortunately, state and local officials have already faced the results of curtailed federal spending for legal immigrants. Last year, your Administration and the Congress funded the Unemployment Insurance extension by increasing the wait before legal immigrants can access the Supplemental Security Income (SSI) program. Many states with high immigrant populations, such as California, New York, New Jersey and Illinois, have comprehensive General Assistance programs which are now serving increased caseloads of legal immigrants who would have been eligible for SSI.

State and local governments cannot and should not be the safety net for federal policy decisions. NCSL will oppose federal reductions in benefits to legal immigrants, whether the proposal cuts $20 billion, $8 billion, or $4 billion worth of program eligibility. Eliminating federal funds for legal immigrants does not change the states' legal responsibility to make its services available to all legal

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immigrants, in fact it increases it substantially. With the steady decline in federal assistance, states and localities are faced with cutting back on programs and with meeting the needs of the native-born as well as the newcomers, raising issues of equity and community tensions. In short, this proposal will force states to bear the cost of federal immigration policy without the benefit of federal assistance.

We do not believe that welfare reform legislation is the appropriate place for the immigration debate. Program eligibility for legal immigrants should be debated in the context of immigration reform and nowhere else. We urge you to reject policies that divide us and cause states to bear the cost of yet another unfunded federal mandate. Please contact Sheri Steisel in NCSL's Washington, D.C. office, (202) 624-5400, to further discuss these concerns.

Sincerely,

James J. Lack
Majority Steering Committee Chairman
New York Senate
Vice President, NCSL

Art Hamilton

Art Hamilton
Minority Leader, Arizona House
Immediate Past President, NCSL

6-27
To: Kathi Way
From: Keith Mason

OFFICE OF THE MAYOR

CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

May 26, 1994

The Honorable William J. Clinton
President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Clinton:

I commend your administration's thorough and thoughtful proposals to improve the welfare system. Our goal must be to reduce poverty, improve self-sufficiency, and better protect children. Key to this is the creation of living wage jobs, expansion of quality child care, adequate and appropriate funding sources, protections for small children, the restructuring of punitive and inflexible policies that discourage independence. I know that, beginning with your Working Group on Welfare Reform public hearing in Chicago last August, at which I spoke, the process has been an inclusive one. It is in this spirit that I would like to offer support for numerous aspects of the proposal and respond to several items of grave concern.

The attached comments detail our position on major items discussed in a WGWR document from late March. The areas of greatest worry to me at this point are:

* Child Care: Expansion of subsidized child care for those in training or recently employed after welfare and for the working poor who are struggling to avoid welfare dependence is crucial. The rumored reduction from a planned $5 billion to only $1.5 billion would severely undermine efforts to help mothers work outside the home.

* Funding: Cuts in low-income programs, including AFDC Emergency Assistance and not providing AFDC, Food Stamps and SSI to legal immigrants, would run counter to the goal of overall poverty reduction and ultimately shift costs to localities. I encourage your attempt to identify alternative revenue sources for welfare reform and to hold anti-poverty program harmless.

* <u>Infants and Toddlers</u>: Currently, under the Family Support Act, single parents of children under age 3 are exempt from participation in the JOBS program. Dropping the exemption age to 1-year-olds, or worse yet, 12-week olds, as has been proposed, is ill-advised. Women with children younger than 3 should be encouraged to work, but not forced.

* <u>Time Limits</u>: As I discussed in my testimony in August (attached), any time limits should be flexible to address individual family's circumstances. Families relegated to destitution by an arbitrary time limit require the emergency assistance of City governments. This creates, in effect, an unfunded local mandate.

* <u>New Baby Penalty</u>: I strongly oppose any encouragement, option, or endorsement to states of a policy which would impoverish newborns and risk homelessness and family disintegration. The same is true of other punitive approaches, such as "learnfare."

* <u>Indigent Individuals</u>: I encourage you to consider reforms to address the needs of impoverished persons who are not currently caretakers of children. General Assistance cuts in the states, particularly here in Illinois, have torn apart the safety net for this population. Nearly 85,000 people were left destitute by Illinois' decimation of G.A. Without income and supportive services, these persons are unable to utilize federal training programs like JTPA.

I appreciate your attention to the plight of families living in poverty and will assist in any way possible to promote positive action on their behalf.

Sincerely,

Richard M Daley

Mayor

City of Chicago
Response to the Clinton Working Group on Welfare Reform
"Possible Elements in the Welfare Reform Proposal" (March 1994)
May, 1994

I. PREVENTING TEEN PREGNANCY AND PROMOTING PARENTAL RESPONSIBILITY"

A. Preventing Teen Pregnancy (p.12)

1. Minor Mothers Live at Home: Language in the bill relating to teen parents' living arrangements must be sensitive to the documented correlation between abusive family situations and teen pregnancy. We prefer that the legislation be silent on this issue; if it must be addressed we recommend clear protections for youth at-risk. Proposals from the Child Welfare League, Family Service America and the Center on Law and Social Policy detail alternatives that should be available.

2. Mentoring: We support mentoring of at-risk teens by more mature welfare mothers who have successfully improved their self-sufficiency as an allowable community service assignment. This is based on successful programs in Minnesota and elsewhere.

3. Targeting School Age Parents: We support the Administration's desire to hold both teen parents accountable for the birth of a child. Requiring both parents to participate in JOBS and/or attend school is a way of promoting the responsibilities of both parents. However, we strongly oppose any measures which are punitive in nature; for example, eliminating benefits to those teens who do not maintain a certain required level of school attendance or grades. These measures threaten the well-being of young children.

4. We applaud the provision of intensive case management to teen parents. This should be provided by community-based agencies rather than public aid caseworkers. School-based child-care, health clinics, sex education and parenting classes should be established to assist teen parents and prevent teen pregnancy or subsequent pregnancies.

Other family life education programs could be run in schools or contracted to local social service agencies who could provide them through a voucher system. This way parents could choose the curriculum/provider of their liking.

5. <u>Behavioral Sanctions</u>: We oppose any encouragement to states to develop and impose behavioral sanctions at their option. Punitive measures--such as learnfare, family caps, and denying assistance to unmarried teens--only result in impoverishing young families and place them at risk of family disintegration and homelessness, creating an unfunded mandate on localities when crisis assistance is needed. Such policies could result in increased demands on the foster care system which is in a state of crisis in Illinois.

B. Encouraging Responsible Family Planning (p. 13)

1. <u>Increased Title X Funding</u>: We are pleased with the Administration's support for increased funding for family planning services. We agree with the need for young parents to learn responsible family planning and encourage greater provision of sex and contraception education in schools and school-based health clinics. Contraceptive failure and sexual abuse as well as inadequate preventive education and lack of access to contraception lead to unintended teen pregnancies.

2. <u>Family Caps</u>: We strongly oppose allowing states to limit benefit increases when additional children are born to AFDC recipients. There is <u>no</u> evidence that mothers have more children to increase the size of their monthly check and data on family size and trends indicates just the opposite. The average number of children in an AFDC family is 2. The outcome of such a policy would be impoverishment of a newborn, possibly precipitating homelessness.

   The argument that working families do not receive an automatic pay increase for the birth of a child is simply untrue. The birth of a child results in an automatic tax deduction for middle class families, and increased EITC for poor working families. The additional money AFDC parents receive for an infant (approximately $50 per month in Illinois) is less than either of these benefits. It should be viewed in the same light as the increased tax deduction and EITC benefit that working families receive.

C. **Supporting Two-Parent Families** (p. 14-15)
We support the Administration's recommendations to eliminate the current bias in the welfare system against two-parent families. Illinois has received waivers to correct these disincentives to marriage and family stability.

D. **Child Support Enforcement** (p. 15-22)

1. Improve Child Support Enforcement Measures: (p.17-20) We agree with the Administration's proposal to improve paternity establishment, create state and federal registries of support awards, establish national guidelines for support awards, and periodically update award levels. Further, we urge the Administration to federalize collection and distribution systems, including relying on the IRS to make collections. Other ideas include reporting non payees to credit agencies, making it a crime to cross state lines to avoid paying child support and starting a national data bank on non payees.

2. Child Support Assurance: (p. 20) Child Support Assurance is the most promising way to provide support to families while demonstrating the importance of parental obligation. We support the establishment of child support assurance demonstrations in Chicago and at other sites across the nation.

3. Non-Custodial Parents: (p.21) We agree with the Administration that the financial and emotional role of non-custodial parents should be parallel to that of custodial parents. Demonstration programs to provide training and employment services, in addition to parenting skills training to chronically unemployed noncustodial parents of children on AFDC are important. While we believe that custodial parents should receive first priority for services, some portion of slots or funds should be set aside for noncustodial parents. Some of these individuals are the same people who were cut off of General Assistance in Illinois and other states recently.

4. Increase $50 Pass-Through Payment: We strongly urge increasing the $50 pass-through amount currently given to AFDC recipients through the IV-D program, including a separate pass-through for each noncustodial parent that may be associated with a given family. This will provide stronger incentives for the custodial parent to identify the

noncustodial parent, and for the noncustodial parent to make payments because a larger portion will go directly to their children.

II. "MAKE WORK PAY" (pp.23-26)

A. Child Care (p.23)

1. IV-A JOBS and Transitional Child Care: (p.24) We strongly support maintaining uncapped entitlements for both IV-A programs.

   However, the current 12 month limit on Transitional Child Care after leaving welfare for employment is inadequate and should be lifted. Currently in Illinois, families who fall off the "cliff" after 12 months are being forced to quit their newly found jobs and return to welfare because they can't afford unsubsidized child care. We support the Administration's recognition of this problem through the proposed expansion of Title IV-A At-Risk Child Care. However, we would encourage a provision to mandate child care coverage on a sliding scale until a family's income meets 75% of the State median income.

2. At Risk: We agree with the Administration's proposal to substantially increase At-Risk Child Care and allow more funds for quality improvement. Expansion of this child care resource for working poor families is critical. Reducing the state match will assist in improving supply.

3. CCDBG: We strongly endorse substantially increased funding for CCDBG. There are, however, two problematic regulatory issues for CCDBG that are not addressed in the proposal: 1) The requirement that states pay the same rates to licensed as well as unlicensed day care providers should be eliminated because it decreases incentives for licensing and increased quality, and 2) The cap on the amount of funds that can be used for expansion of quality and supply inhibit us from addressing the critical lack of licensable facilities. The City supports the removal of these regulations and supports funding for licensing and training providers as well as development of appropriate facilities. We urge a waiver on these issues to allow effective utilization of CCDBG dollars in Illinois.

4. Quality and Supply: We applaud the Administration's recognition of the need for quality child care. We encourage the growth of licensed care and the necessary training for providers. We can not support the simplistic and potentially dangerous idea of delegating JOBS participants to be home day care providers for other

JOBS participants when significant training, resources and licensing are not provided.

5. Coordinate Rules Across All Child Care Programs (pp.24-26)
   Proposals to encourage seamless coverage, consistent health and safety standards, establishment of sliding fee scales, and development of linkages between Head Start and child care funding streams are all positive reforms needed in subsidized child care.

6. Subsidy Rates: All child care programs should include provisions to pay child care directly for recipients, rather than using a child care disregard. Such a policy is in place and working in Illinois under the "Fresh Start" waiver. This addresses the family cash-flow problem without the complex multiple-source reimbursement scheme described in the proposal.

7. Head Start: We strongly support expanding Head Start to a full-day, full-year program. As resources allow, we should also consider expanding eligibility upwards to meet the needs of families in transition to self sufficiency. These changes would not only benefit youngsters, but would also dovetail with welfare reform efforts, accommodating the child care needs of parents in training and jobs.

B. Health (p. 23)

We concur wholeheartedly in the Administration's view that health care reform must go hand in hand with welfare reform. In Illinois, as elsewhere, the loss of the "medical card" is often too high a price to pay for moving off of AFDC and into employment that doesn't include health insurance. We cannot expect clients to deny health care coverage to themselves and their children. Universal health care with adequate benefits is absolutely critical to successful welfare reform.

C. Advance Payment of EITC

We support efforts to promote advance payment of the EITC. Outreach to employers and eligible employees would help more families to take advantage of their right to receive the EITC in regular amounts throughout the year. This would help address cash flow problems of low-income working parents.

III. "TRANSITIONAL ASSISTANCE FOLLOWED BY WORK" (p.27)

A. Full Participation

1. JOBS Preparation and Expanded Definition of Participation (p.28-29) We support the establishment of the proposed "JOBS preparation" phase that would NOT count toward any time limit for those identified as having severe barriers to employment.

   If potential JOBS participants are in need of services such as mental health or substance abuse treatment, housing stabilization, or are involved in counseling or parenting classes to prepare them for full participation in JOBS, the time spent in these programs should not count toward any time limit imposed. For example, the Employment and Training Center of Chicago Commons found that 55% of the participants in its welfare-to-work program could not work due to physical or mental problems of themselves or their children, but that many of these problems were significantly attenuated by the provision of social and psychological services. Those who are in need of these services are also likely to need at least the suggested two years to prepare for employment. But if some of their time is used to deal with severe employment barriers, they will have even less time to receive adequate training and education, making them less viable in the job market. They should retain access to two years of education and training after JOBS preparation.

2. Narrower Exemption Criteria: Custodial parents of infants and toddlers should not be mandated to participate. We encourage the Administration to maintain the current federal policy of exempting parents with very young children (ages 0 to 3), making participation voluntary. Failing that, part-time participation for parents of children under age 3 should be considered as a more realistic and appropriate option. The dramatic scarcity of infant care resources precludes full, or even part-time participation by a significant portion of the parents. Even if these critically needed resources were created, the cost of care would overwhelm the reform effort. In Illinois alone there are 118,000 children under the age of three on AFDC, but only 25,000 infant and toddler child care slots, not all of which accept AFDC recipients. Furthermore, given research and our experience through Head Start with child development, we cannot support forcing parents to leave their very young

children in care on a full time basis.

3. Twenty-Hour Rule: The City urges that the 20-hour rule, which prevents participation at less than 20 hours per week from being counted towards the state's JOBS rate, be specifically eliminated in new welfare reform legislation. The 20-hour rule encourages states to require JOBS clients to participate in unproductive activities not called for in their employability plans simply to increase their hours of participation in the program. Not only does this inject inefficiency and waste into the welfare system, but is also unfair to JOBS clients and runs counter the Administration's desire to eliminate bureaucracy and develop a consumer-driven approach.

B. The JOBS Program

1. Increased Funding: Funds dedicated to the JOBS program must be adequate to serve the anticipated number of participants. $3000-$5000 is generally needed for substantive training. Quality of training must not be reduced to accommodate quantity of participation.

2. Enhanced Match: The city supports the Administration's proposal to increase the federal match as a way of addressing the failure of many states to draw down their full share of the FSA allocation. In FY 1992, Illinois, for example, drew down only about $20 million of the $51.4 million FSA funds available to it. The City, as a part of the "Chicago Laboratory for Change", supports legislation to waive or significantly reduce the state match requirement so the City can access unused federal JOBS funds while requiring the State to maintain their current level of spending.

3. Integration/Coordination: We agree with the Administration's effort to coordinate JOBS with other programs such as JTPA, National Service, One-Stop Shopping, and Job Corps. Developing a training program to prepare people to take advantage of jobs available in the expanded child care and Head Start systems would be beneficial, but steps must be taken to improve the wages of these workers and ensure training for quality services. Another way coordination could be achieved is by allowing the time that parents volunteer in Head Start programs to count toward participation as a step in career development and towards paid employment. This has been successful in Chicago's Project Match program.

4. Non-Traditional Training: Training for non-traditional, higher-wage jobs, such as construction, should be

expanded for women in the JOBS program. Highly successful programs of this nature exist in Chicago. Job training and creation strategies aimed at low-income mothers must move beyond the traditionally female-dominated occupations so that low-income women can truly be on the path of self-sufficiency.

C. Time Limits (p.34-35)

1. Two-Year Limit on Cash Benefits: We strongly oppose the imposition of rigid and arbitrary time limits on AFDC eligibility. Benefits, both income support and training, should be available based on the needs and capabilities of individual families, not an arbitrary cut-off date. To cite the experience of Chicago Commons, again, one of the several standard pathways from welfare to work (running through literacy training, GED, vocational training, and job search) has been found to require an absolute minimum of 25 months, and ranges up to well over three years.

   Many AFDC families will be able to build a self-sufficient life with two years of support plus education and training. However, the majority of families who apply to AFDC are in the midst of a crisis, financial, physical and/or emotional: divorce, the birth of a baby, a medical crisis or onset of a disabling disease, or perhaps tackling substance or domestic abuse. These are the families who are in greatest need of help and support and who will be the most harmed by arbitrary cut-off dates. Those who are for whatever reason unable to conform to the program's deadlines will be at severe risk of homelessness and hunger. By eliminating their income support, they will be pushed onto the backs of local governments and community social service agencies, creating, in effect, an unfunded mandate for localities to absorb.

   We propose flexible time lines for benefits based on individual assessments and client contracts, depending on circumstances, skills and needs.

2. Lifetime Cap on Benefits: The proposal suggests establishment of a "cumulative limit of 24 months of cash benefits before being subject to the work requirement." If this implies a lifetime cap it is an extremely harsh approach to coping with economic hardship. We oppose the concept of a lifetime cap because we cannot predict whether or when any one of us will be affected by a crisis - a medical problem, divorce, bankruptcy, onset of mental illness - or an economic downturn.

3. JOBS Prep: We are pleased to see acknowledgement that months of participation in the JOBS Prep phase of the proposed program would not count towards the time limit.

4. Minimum Work Expectations: It is fair and appropriate that, as suggested in the proposal, months where recipients work not count toward the time limit. One major goal of the program is to encourage work.

   We support the Administration's recognition that the work expectation (in terms of hours) should be lower for those caring for children under age 6, in light of their parenting responsibilities. However, a 30-hour per week standard may be too high for those with school-age children due to the nature of the job market. Much of the growth in entry level employment is in fact in part-time positions. Months of employment in these positions should be rewarded by not counting them towards the time limit.

5. Minor Parents (p. 35): We favor the Administration's proposed policy of not starting the time limit clock ticking until minor parents turn 18. These young families need subsistence support to complete their schooling.

6. Extensions: Extensions to complete a course of study would address a current problem for people participating in the JOBS program. It is important that workers have access to training beyond the GED. Such extensions would allow for needed college level studies, advanced technical training or occupational training. The other categories defined as eligible for extensions are populations justifiably in need of lengthier support to achieve greater self-sufficiency. Language barriers in particular present difficulties for many Chicagoans participating in education and training. However, we oppose the provision that states limit their extensions to 10% of the caseload. Areas with larger non-english speaking populations or health problems would be unfairly treated under a rigid cap. Extensions should be based on individual needs, not arbitrary caps.

7. Earning Back Eligibility for Assistance: Consistent with our opposition to lifetime caps on benefits, it should not be necessary to earn back eligibility if a person or family is financially needy. If such a strategy is implemented, any months of non-receipt of full AFDC benefits should count towards future eligibility.

D. WORK Program (p. 36-40)

We applaud the Clinton Administration's clear commitment to the development of public service jobs on a work-for-wages model and recognition of the many problems associated with CWEP or workfare.

A. Administrative Structure of the WORK Program (p. 37)

1. <u>Flexibility</u>: Permission to states to give incentives to private employers hiring JOBS graduates is a needed encouragement.

   Performance-based job placement contracts should certainly be used, however we would encourage the use of and equitable treatment of community-based not-for-profit organizations rather than private firms. While some private firms, such as America Works, may have impressive placement and retention data in comparison with nonprofits that have been working with a fraction of the resources, we are concerned about excessive fees and creaming of the easiest-to-place clients.

   We agree that substantive community service placements are an ideal way to get the biggest bang for the buck in terms of both skill-building for the participant and addressing local needs.

2. <u>Length of Participation</u>: (p. 38) We support flexibility on the length of time a person could participate in the WORK program, provided participants make good faith efforts to obtain private employment. Reassessment and assignment to JOBS Prep for those with serious obstacles to work are important components of this policy. There is some portion of the caseload who are chronically unemployable; the case managers in JOBS Prep should be responsible for assisting these persons in applying for SSI or other benefits. Some will need AFDC support indefinitely.

3. <u>Retention</u>: (p.38) We are pleased to see specific language in the proposal that requires performance evaluations and preference for future WORK placements with employers with good records of hiring work participants for permanent positions. As discussed above, cost-benefit evaluations of placement providers should also be included.

4. <u>Supportive Services</u>: (p. 39) We strongly agree that child care, transportation and other services needed to participate in WORK must be provided. Some funds should be available for necessary tools, uniforms, and other start-up expenses.

B. Characteristics of the WORK Assignments (p. 39)

1. Wages: We are very much in accord with the work-for-wages model discussed, where persons performing work equivalent to that done by others working for the same employer are similarly compensated.

2. Treatment of Wages: To parallel the real work world and show participants the benefit of employment, we agree it is important to treat the WORK Program wages as earnings and provide Workers Compensation and FICA credits. However, we feel participants should also be eligible for the Earned Income Credit in order to help lift their families out of poverty.

3. Type of Work: The proposal sets both an expectation of assignments to provide "substantive work that enhances the participant's employability," and which focus on occupations with market demand. We cannot stress strongly enough the importance of these factors in the placements. Anything less will relegate the program to failure.

4. Work Place Rules: We concur that WORK participants should be treated equivalently to other similarly situated employees in the firm or organization.

V. REINVENTING GOVERNMENT ASSISTANCE (p.41)

A. Coordination, Simplification and Improved Incentives

1. Increased Auto Value: (p.42) We support increasing the equity limits on autos from $1500 to $4500. The Administration is correct in recognizing the importance of a reliable automobile in achieving self-sufficiency. Even in large cities, such as Chicago, with significant public transportation, cars are often necessary to access jobs in the suburbs. This uniformity with the Food Stamp Program would also ease administration.

2. Fill-the-Gap: (p. 43) It is only realistic to allow families to piece together sufficient income to reach the poverty threshold from various sources (earnings, child support, etc.) before losing eligibility for AFDC. The CAP pilot in New York State recently showed the benefit of such an approach. This is a key antipoverty policy that we wholeheartedly embrace.

3. Earnings Disregard: (p.42) The City supports the proposal to simplify disregards and continue AFDC/cash assistance

to AFDC families with low earnings. In Illinois we have recently implemented a federal waiver, called "Fresh Start", to allow recipients to keep $2 of every $3 they earn. Families continue to receive benefits until their income reaches the poverty level, thereby providing an incentive to transition into employment. When workers are able to see a larger portion of their earnings, working will be perceived as beneficial, rather than punitive as under current law. This new formula is also easier to administer than the current federal "30 and a third" formula, so it fits into the Administration's desire to reduce complexity and "reinvent" government.

4. Increase $50 Pass-Through Payment: We have urged and strongly support the administration's proposal to allow states to increase the $50 pass-through amount currently given to AFDC recipients through the IV-D program. We would favor stronger direction to the states on this issue and specific inclusion of separate pass-throughs for each noncustodial parent that may be associated with a given family. This will provide stronger incentives for the custodial parent to identify the non-custodial parent, and for the non-custodial parent to make payments because a larger portion will go directly to their children.

5. Accumulate Savings:(p.43) The city supports the establishment of Individual Development Accounts which would allow families to save money and withdraw it for specific purposes such as education or home purchase. Demonstration programs where these savings are matched by federal dollars are well worth exploring.

6. Conforming AFDC to Food Stamp Program Rules: (p.43) Simplification and uniformity, where benefits and services to participants are not reduced, are beneficial to clients and allow workers to focus more time on individual client needs.

7. Resources and Assets: (p. 44) These are positive proposals to make AFDC policies uniform to those of the Food Stamp Program.

B. Performance-Based System (p. 45-46)

The city supports the establishment of incentives to bring about change in the culture of welfare offices with an emphasis on work and performance.

1. Performance Measures: We are pleased to see the inclusion or a commitment to evaluate the impact of the reforms in terms of poverty reduction and quality of life

for families, rather than mere welfare caseload reductions. Long-term tracking information on job placement, types of occupations, employer benefits given (e.g. medical), wage levels, promotions, reasons for termination (e.g. child care disruption) should be reported and evaluated.

C. Accountability, Efficiency, and Reducing Fraud

It is important for the Administration to ensure that while the program is protected from fraud and inefficiency, clients' privacy is not violated and the system does not become so intrusive as to be a barrier to participation.

VI. ISSUES NOT ADDRESSED IN THE PROPOSAL

A. Job Creation

Welfare reform cannot succeed without improvements in the economy as a whole. No matter how successful the JOBS training and education program, unless the economy is increasing the supply of decent jobs at a rate that exceeds growth in the labor force, the best we will be able to hope for is a redistribution rather than a reduction of poverty. Without an adequate supply of jobs that pay a living wage, a policy that pushes welfare recipients into the work force at an accelerated rate will be a policy that drags down wage levels (thereby making work less attractive) and increases the probability of unemployment among the currently employed. Welfare reform without job creation is a policy that jeopardizes stable working families so that some people who are chronically unemployed can become intermittently employed. Therefore, we urge substantial efforts to stimulate the creation of unsubsidized private sector jobs and targeted tax incentives to stimulate employer-based training of less skilled workers.

B. Indigent Individuals

The needs of single adults are neglected by the Administration's current vision of welfare reform. Elimination of state assistance to chronically unemployed childless adults (often noncustodial parents) and across the nation has increased homelessness and a myriad of other local problems. In Illinois, nearly 85,000 people were cut off of General Assistance when the state decimated the program. While they are eligible for JTPA, they are generally unable to participate because they have no steady income to sustain them while in training. JTPA cannot cover their health, transportation and social service needs while in the program. The federal government must not pit families against single adults. National welfare reform must address the needs of this population, through job creation, employment subsidies and subsistence income. Expansion of the Earned Income Credit for individuals should also be supported. Additional resources should also be dedicated to drug, alcohol and mental health treatment to move people towards job-readiness.

C. Financing for Welfare Reform

Cuts in low-income programs to implement welfare reform would run counter to the goal of overall poverty reduction and result in further cost-shifting to states and cities. Threats to cap Emergency Assistance and withdraw AFDC, Food Stamp and SSI coverage for legal immigrants would undermine the poverty-reduction effort.

Chicagoans received approximately $1.8 million in federal Emergency Assistance benefits in 1993. Starting in Fiscal Year 1995, however, program liberalizations will probably bring Chicagoans an additional $1 million per annum, making a current annual total of nearly $3 million that would be lost if Emergency Assistance were discarded in order to pay for a portion of welfare reform. These funds assist much the same segment of the low-income population that welfare reform strives to, so reductions would be like robbing Peter to pay Paul.

Cuts to immigrants would have a similarly detrimental impact on our city. Chicago has long been a magnet for new immigrants from the world over. We are proud of our diversity and know that immigrants are great contributors to our economy and tax-base. They and their sponsoring relatives deserve the same safety net as those who have gained citizenship. Again, denying federal aid to those in crisis will present an unfunded mandate on localities to fill the need.

D. Benefit Levels

Any new welfare reform initiatives should address the deterioration of benefits levels across the country. In Illinois for example, payments have lost 56% of their buying power since the 1970's. The escalation of housing costs, coupled with the scarcity of quality low-income housing, further erodes the value of AFDC payments. If we expect AFDC recipients to succeed in becoming self-sufficient, we must provide them with adequate resources to house, feed, and clothe their families while they are making the transition to work. Regular Cost-of-Living Adjustments, as are made for Social Security, would prevent further erosion of benefit levels. Low benefit levels which force families to choose between food, shelter and utilities only further the cycle of poverty.

E. Advanced Training

Expansions in adult basic skills education and access to higher education and post-secondary training opportunities such as advanced technical training and occupational training are critical to build the earning potential and self-sufficiency of less skilled persons on welfare.

F. State Waiver Requests

We agree with the many Democratic House members who have recommended that state requests for waivers from the federal program be carefully reviewed in a fair and public process allowing for welfare recipient and local government participant. As stated in their November 24, 1993 letter to the President, some states have used the waiver as a method for cutting benefits and imposing punitive behavioral requirements on recipients. It is essential that welfare recipients not be made worse off by state waivers.

THE WHITE HOUSE

WASHINGTON

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Testimony Before the
Federal Working Group on Welfare Reform
Commissioner Daniel Alvarez, Sr.
Chicago Department of Human Services
August 11, 1993

Thank you for this opportunity to share our experiences with the welfare system and recommendations for improving it. Truly reforming welfare is an overwhelming and complex undertaking; in this way it mirrors the struggle of many welfare recipients for self-sufficiency. As government, our job is to help them to be victorious in that struggle. Their victory is our victory. This should be the primary guide for evaluating the success of welfare reform.

In making recommendations to you, I'd like to expand on some of the points Mayor Daley made earlier.

. Real Jobs versus "Workfare" - One of the most crucial decisions your group must grapple with is what kind of work will be given to people who have completed their education or training program and have been unable to secure private employment. I urge you to avoid any kind of workfare or work in exchange for welfare program.

Our experience here in Illinois with the "Work Incentive" or WIN program in the 1980's was that it didn't improve participants' chances of getting real jobs afterwards and didn't help them get higher paying jobs.

Part-time public sector minimum wage jobs would be better for the families and easier to operate. Certainly, this would be more expensive than workfare - but it would achieve the goal of actually getting people off of welfare, and give them better income and experience than workfare could. This would provide a workable transition to full-time, private sector employment.

. Child Care: If the program mandates work for parents with children under six, the child care costs alone will eat up the program funding. Moreover, it would create a child care supply catastrophe, as not enough child care of any type exists to meet the needs of working parents. I would encourage the working group to consider part-time work as a realistic transition to full-time, private sector employment for those with younger children; especially single parents. This is what we see among middle class working mothers.

To make way for a new influx of workers with children, existing child care resources such as the Child Care and Development Block Grant and Title XX, need to be expanded. Head Start should be expanded to a full-day, full-year program in conjunction with the program.

. Child Support: Many improvements are needed in our faltering child support system. Among them, reforms in the areas of medical support, paternity establishment, enhanced location, improved enforcement, and guidelines for support levels are most crucial. Difficulties in securing reimbursement for out-of-pocket medical payments made by custodial parents for children who are covered on the non-custodial parent's insurance are a particular problem. States appear unable or unwilling to fully implement these needed reforms without firm guidance from the federal government.

. State Participation: States must be given stronger encouragements to extend the program to the many who want to escape welfare. Illinois' experience of drawing down only a faction of the available federal Family Support Act "JOBS" funds is not unique. Barely meeting federal participation requirements isn't enough.

Thank you again for your willingness to learn from our experience here in Chicago and the Midwest. If I can be of any assistance in your efforts to improve services to welfare clients, please call on me.

Fed:WRDA
8/10/93

miss out on benefits to which they are entitled. By raising benefits and improving outreach efforts for eligible individuals, especially homeless persons, many low-income persons will be lifted out of poverty. Many current SSI recipients and otherwise eligible recipients not receiving benefits are clients of the Chicago Department of Human Services. By ensuring that all eligible persons enroll for SSI benefits and increasing the cash benefit to a more equitable level, the pressure for the Chicago Department of Human Services to provide recipients with services including emergency food, shelter and other crisis assistance, will be reduced. *Objective*: The City supports legislative recommendations as set forth in the SSI Modernization Project, commissioned by HHS and released in 1992. These include raising benefit levels to 120 percent of poverty line, increasing asset limits, and hiring 6,000 additional Social Security Administration workers to decrease inordinately long delays in processing applications which results in many individuals either never getting benefits or moving on to some other forms of assistance.

Violence Against Women

In 1992, there were nearly 3,500 clients served for domestic violence and/or sexual assault through the Chicago Department of Human Services 24-hour Emergency Services operation. Both the House and the Senate have passed versions of an initiative to address the issue of violence against women as part of their respective crime packages. These initiatives include funding for specialized domestic violence shelters and associated social services, services for survivors of sexual assault and education and prevention programs. *Objective*: The City of Chicago strongly supports enactment of legislation to begin to address the issue of violence against women.

Welfare-JOBS Match

Since October 1990, every state has been required to operate a JOBS program of education, training and work-related activities to provide individuals the basic skills necessary to obtain employment and leave the AFDC roles. However, states are required to provide a state match that is on average $.40 for every federal JOBS dollar. Most states, including Illinois, are appropriating far less than necessary to get their maximum federal JOBS allowance. In FY 92, the State of Illinois lost $34 million federal JOBS dollars because of inadequate state matching funds. *Objective*: The City, as part of the "Chicago Laboratory for Change," supports legislation to waive the state match requirement so the City can access unused federal JOBS funds while requiring the State to maintain their current level of spending. (Also See EMPLOYMENT AND TRAINING/Demonstration Projects)

Welfare Reform

Congress and the President seem poised to begin to consider proposals to "end welfare as we know it." While the City can identify many deficiencies in the current system, true reform to improve self-sufficiency is a complex undertaking. Punitive measures undertaken simply as a cost-savings measure do not constitute reform. A program that leaves families destitute and without employment skills and supports, constitutes an unfunded mandate on localities. *Objective*: The City supports constructive welfare reform measures that incorporate the following principles:

- Child Care: Child care must be provided during training or any mandated work period. The current 12-month limit on Transitional Child Care after leaving welfare for employment is inadequate and should be lifted because many individuals are falling back onto welfare once child care is cut off. Income eligibility criteria should be used to provide child care services until a family's income meets 75 percent of the State median income (approximately $30,000).
- Coordination: Consideration should be given to focusing on existing programs that serve welfare recipients, such as Head Start, as a means of transitioning to independent work. For example, Head Start parents may start with the volunteer work they do in the Head Start center and then move into paid employment.
- Indigent Individuals: Elimination of State assistance to chronically unemployed childless adults in Illinois and across the nation has increased homelessness and a myriad of other local

problems. National welfare reform must address the needs of this population, either through job creation, employment subsidies or subsistence income.

- Infants and Toddlers: Currently, single parents of children under age three are exempt from mandatory participation in the JOBS program. If single parents of such young children are included in the new program, they should not be mandated for more than part-time participation. The infant and child care resources do not exist to allow their participation and, even if they were created, the cost of care would overwhelm the reform effort.
- Make Work Pay: Under the current system, recipients are frequently penalized for finding part-time work because they lose $2 in benefits for every $1 they earn. The State of Illinois has recently received a federal waiver to allow recipients to keep $2 of every $3 they earn, therefore providing an incentive to transition into employment. When workers are able to see a larger portion of their earnings, working will be perceived as beneficial, rather than punitive as under current law. This new formula is also far easier to administer than the current federal "thirty and a third" earnings formula. Congress should adopt the $2 for $3 policy in any comprehensive welfare reform proposal.
- Non-Custodial Fathers: Funds should be dedicated to training for unemployed non-custodial fathers of children receiving AFDC to enhance their ability to make financial and emotional contributions to their children.
- Non-Traditional Training: Training for non-traditional, higher wage jobs, such as construction, should be promoted to women in the JOBS program. Highly successful programs of this nature exist in Chicago.
- Teenage Parents: Separate, appropriate policies, such as school-based child care, case management, sex education and parenting classes should be established to assist teen parents and prevent subsequent pregnancies. Preventive family life education programs could be run in schools or contracted to local social service agencies who could provide the programs through a voucher system. When planning for income assistance for teen parents, care must be taken to protect them from remaining in abusive households.
- Time Limits: Time limited benefits must be coupled with training, child care and market wage jobs. In addition, there should be no lifetime caps on training or required participation in training without reasonable exemptions. Any time-limited program must guarantee a job at market wages before eliminating a family's source of income. Real jobs, not work-in-exchange-for-welfare, will provide a true transition to self-sufficiency.

Youth Development Block Grant

Consolidation of grants given to urban areas that target youth for coordinated preventive services on gang participation, crime, school drop-out and drug abuse will allow for maximum innovation, minimum service overlap and will maximize cost-effectiveness by eliminating duplication of effort. Programs would include training in job skills, life skills and parenting skills. *Objective*: The City would support legislative proposals to consolidate and expand various youth delinquency, youth gang and youth drug abuse programs into one comprehensive, coordinated youth crime and drug prevention grant targeted to urban areas. The formula for such a program should assure direct funding to local governments.

Youth Mentoring Programs

Through one-on-one relationships with adults, youth mentoring programs aim to develop the skills, self-confidence and motivation necessary for youth to become responsible, productive citizens. Such programs target youth at-risk of delinquency or criminal activity. Federal seed money for successful youth mentoring programs, such as Big Brothers and Big Sisters, is needed to expand on their proven formula and to ultimately reduce the ultimate burden on other social service, law enforcement and other public programs as well as improve the quality of life in the City. *Objective*: The City supports initiatives to use federal funds to provide seed money for successful youth mentoring programs. Potential funds could be from HHS youth development moneys or DOJ crime prevention funds.

Remarks of Mayor Richard M. Daley
Welfare Reform Working Group Hearing
Wednesday, August 11, 1993

Welcome to Chicago. A week ago, federal housing officials held meetings in our city to talk about how to strengthen communities.

Two weeks ago, there was a federal conference here on jobs and the workplace. And now, this week, we're discussing welfare reform.

It's a measure of the Clinton administration's ambition that you are tackling all these tough issues at the same time.

It's also encouraging that the Clinton admininstration is committed to hearing directly from the community and local governments.

In addition to welcoming you as Mayor of this city, I'm also here on behalf of the U.S. Conference of Mayors, representing cities all across America.

Our position on welfare reform is simple: people need jobs.

They need real jobs -- not make-work. They need jobs that pay a wage that will support a family and provide health coverage.

They need training and affordable child care to keep those jobs.

A reinvented welfare system must be flexible enough to accomodate people under differing circumstances. I caution you against setting arbitrary deadlines or caps for moving people off welfare.

If people are not prepared and supported, they will only be pushed onto the backs of local governments and community social service agencies, creating -- in effect -- one more unfunded mandate for localities to absorb.

We need to build in provisions that encourage fathers to provide financial and emotional support for their children.

The entire system must be based on incentives -- not penalties.

The New York Times ran a story last year of a young woman from a family on welfare who was saving money for college.

When her caseworker found out she had some money in the bank, her family's benefits were threatened. They were punished for trying to improve their lives.

I also want to congratulate the Clinton administration for passing an economic plan.

The plan includes more money for the earned-income credit program and the Food Stamp program, as well as rule changes that will prevent working people from slipping back into welfare dependency.

The challenge for us is to find even more ways to encourage self-sufficiency and discourage dependence on government handouts.

We have to redefine welfare from a way of life for people at the bottom of the economic ladder -- to a partnership between people and government that helps them climb that ladder and become productive, independent citizens.

We have to reinforce the belief that hard work produces real rewards -- like a home, children in college, health insurance, and a secure retirement -- basic qualities of American life that too many Americans have never known.

In this effort, you can count on my full support and the support of my fellow mayors in cities all across America.

Thank you.

NEW YORK STATE SENATE

ALBANY, NEW YORK 12247

Washington Office
Hall of States Building
Suite 696
444 North Capitol St., N.W.
Washington, D.C. 20001

TRANSMITTAL

NEW YORK STATE SENATE
WASHINGTON OFFICE

TO: Carol Rasco

FROM: Rich Bartholomew - who is he?

NUMBER OF PAGES FOLLOWING THIS ONE: 1

COMMENTS:

Please dial (202) 624-5880 if there are any problems.

Playing Switcheroo With Welfare

By James J. Lack

'AMERICA IS for Americans!"

"American dollars for American Citizens!"

Once again Fortress America arises and the slo g ring begins. Confronted with the reality that welfare reform, like health reform, doesn't come c p, President Bill Clinton and a disturbing n ber of Republicans and Democrats on Capitol Hill have seized upon — what is to them — a perfect scapegoat: noncitizens.

After all, public-opinion polls consistently show that Americans want less immigration and less welfare, but the clincher is that noncitizens can't vote. No one, goes their argument, no one who "c ts" will be hurt. Right?

Wrong!

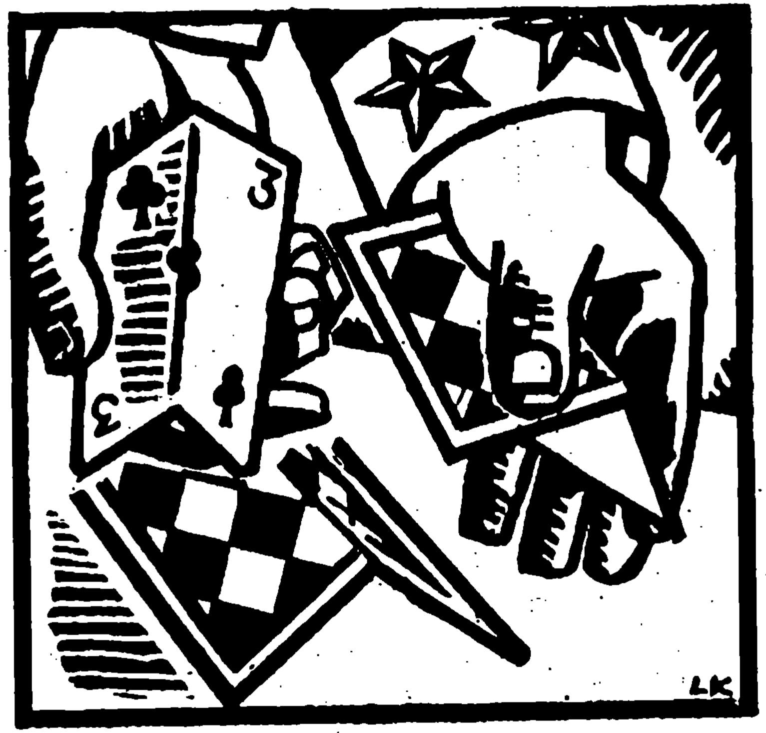
The Clinton administration and congressional supporters are thinking of putting a new twist on the old "three card monte" con game. Who would be the victims? Who would be left holding the bag? The states. Or, more precisely, state taxpayers.

The con game would work like this: Congress withholds federal assistance from noncitizens, including legal immigrants and refugees, on a broad range of programs: food stamps, Supplemental Security Income (SSI), Aid to Families with Depen- Children (AFDC) and others. One version of the Clinton administration's plan says Washington saves $8 billion. Saves who? When Washington "saves," we in New York pay and pay and pay.

The State of New York and our cities and counties will immediately become responsible for more $1 billion in additional social-service costs if the administration plan is enacted. We, the taxpayers of New York, will have to pick up the entire federal tab.

"Wait a minute," you say. New York should follow the example set by Washington and pass its laws to do the same thing.

State Sen. James J. Lack (R-East Northport) is vice president of the National Conference of State Legislatures.



Lee Kanturek

But we can't. The law prohibits us.

For one, the New York State constitution (Article XVII) emphatically declares that "the aid, care and support of the needy are public concerns and shall be provided by the state . . ." And two unanimous Court of Appeals rulings have made it crystal clear that neither the State Legislature nor the State Department of Social Services can deny public assistance to noncitizens.

OK. Why not just amend the state constitution (this provision is, after all, more than 50 years old) so that we will give public assistance dollars only to citizens? Even if we could, it won't help and the folks in Washington know it. Why?

Twenty-three years ago, the U.S. Supreme Court, in a case entitled Graham vs. Richardson, unanimously concluded that both Pennsylvania's and Arizona's attempt to limit welfare benefits to their residents violates the Eq Protecti Clause — the 14th Amendment to the U.S. Constitution. The court also restated that the federal government, not the states, controls noncitizens from the moment they enter the United States to the day they are either naturalized or leave.

In fact, the court further declared that not only can't a state prevent a noncitizen from going on welfare, but that "Congress has not seen fit to impose any burden or restriction on aliens who become indigent . . . [and] . . . lawfully admitted resident aliens who become public charges for causes arising after their entry are not subject to deportation, and . . . are entitled to the full and equal benefit of all state laws . . ."

The Clinton administration proposes to ignore the effect of this ruling. It wants to shift the burden of the cost from the federal government to the states, knowing that the states are bound by the Graham decision.

And officials in Washington aren't nearly finished. In addition to SSI, AFDC, etc. they want to either extend or create deeming provisions for other programs including Medicaid. "Deeming" is the number of years the sponsor of a legal immigrant is required to be responsible for the noncitizen.

Under federal law, the sponsor's income is "deemed" available to the noncitizen in determining eligibility for benefits. In New York, an extension of deeming only serves to increase state costs as New York courts have held that the federal deeming provisions can't be used to reduce state-funded assistance.

Eliminating federal funding doesn't eliminate need. Billing huge costs to New York taxpayers can only result in either less money for normal state expenses such as school aid or force new taxes to pay for the mandated costs.

Washington must get the message that toying with immigration policy in the guise of welfare reform is a shameful way of avoiding its responsibility to pay for its promises.

New York Newsday 5/26/94

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P.2/2

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

July 27, 1994

TO: Mary Jo Bane
David Ellwood
Bruce Reed
Kathi Way
Jeremy Ben-Ami
Emily Bromberg
Rich Tarplin
Melissa Skolfield
Wendell Primus

FROM: Margaret Pugh MP

SUBJECT: NCSL Welfare Reform Policy

Attached you will find a welfare reform policy statement approved earlier this week by the Human Services Committee of the National Conference of State Legislatures (NCSL) during their annual meeting in New Orleans. Tomorrow, this policy will be voted on by the full membership. We do not expect any problems with this statement winning approval and being adopted as formal NCSL policy. Significant elements of the proposed policy include support for time-limiting welfare (although a specific time limit has not been agreed upon) and an emphasis on state legislative involvement in the welfare reform waiver process.

Please feel free to call me if you have any questions.

POLICY: **STATE\FEDERAL PARTNERSHIP FOR FEDERAL WELFARE REFORM**

COMMITTEE: **HUMAN SERVICES COMMITTEE**

TYPE OF POLICY: **CONSENT**

The National Conference of State Legislatures (NCSL) strongly believes that comprehensive reform of our federal welfare system is needed. The children who rely on Aid to Families with Dependent Children (AFDC) are among our most vulnerable and any reform of the system must keep their best interest in the forefront. Our income assistance program should include (1) the promotion of family formation and stability (2) parental responsibility, (3) education and training opportunities that are geared toward community and business needs (4) support services necessary to self-sufficiency such as health care, child care and transportation during education, training and subsidized employment and transitional services for those who successfully leave welfare (5) short term assistance to able-bodied heads of households (6) long term support for the disabled, and elderly (7) strengthen child support services (8) flexibility for states to design their programs in accord with community needs and (9) financing the program without cost-shifting to state government and without targeting other vulnerable populations.

The AFDC program today serves a very different population than at its inception in the 1930's. Our clients are no longer widows and most children on welfare are not orphans. Most women work outside the home and our economy has changed the type of job opportunities available to low-skilled workers.

As policymakers, we are concerned that federal welfare reform must be accomplished with a corresponding national economic policy and employment strategy. The federal government cannot make welfare policy in a vacuum. Structural economic issues such as interest rates, unemployment, seasonal employment, part time work and economic development intrude on our goal of self-sufficiency for welfare recipients. The federal government must understand the diversity of our welfare population and its potential impact on long-term employment. States must have the ability to choose different strategies for families receiving welfare. A continuum of self-sufficiency might include different strategies: job search for those with skills and work histories, treatment for heads of households with substance abuse problems, mandatory work for those unable to find employment, part-time work with increased earnings disregards, and support for the employed so their work is better than public assistance. The federal government must ensure that welfare policy matches economic policy. Otherwise we will continue impoverishing children while blaming parents for situations they do not control.

State legislators believe that welfare reform must address these new realities. A new partnership must be developed between the states, local governments, the private sector, welfare recipients and the federal government.

We strongly support encouraging welfare recipients to take responsibility for their children while re-designing the welfare system to provide incentives for those who attempt to become economically self-sufficient. Welfare recipients want to work for themselves and their children. The goal of reform should be to enable clients to become self-sufficient, strengthen their families and work their way off welfare.

Mutual Responsibility

Critical to our vision of federal welfare reform is mutual responsibility between government and welfare recipients. Heads of households must take other teens. However, we have not found research that proves that the availability of welfare encourages the occurrence of teen pregnancy. Over time, we believe, teen parents have much more difficulty remaining self sufficient and are more vulnerable to economic shifts in the labor market.

NCSL strongly supports a nationwide campaign to prevent out of wedlock births. We also support efforts to assist teen parents to complete high school or receive a GED to further their life chances. Because of the need to assist young parents before they become dependent on public assistance, NCSL supports targeting federal welfare reform on teen parents initially, focusing our resources on those on whom we can have a significant effect. NCSL opposes the elimination of benefits to young parents.

Young welfare recipients need mentors and strong support services including intensive case management and child care.

State legislators have been strong supporters of federal policy to strengthen families. State legislators have been responsible for model programs of family preservation and support that have successfully intervened with at-risk families. We wish to reiterate our support for federal family preservation and support policy to assist states in these efforts. NCSL believes that these programs are integral to welfare reform. Families must be empowered to work together. NCSL also believes that teen parents need special assistance beyond education and training programs to become self-sufficient. Programs to promote better parenting skills including nutrition and basic health must be added as well. Teen fathers also must not be left out of these programs. If their issues are not addressed, we will have a continuation of the break-up of these families. Federal regulations including those addressing the 100 hour rule, work history requirement, and penalizing marriage must be eliminated. States should have the flexibility to waive these requirements in their state plans.

Welfare Waivers

NCSL strongly believes that the federal waiver process for welfare reform be reevaluated. NCSL strongly believes that states need flexibility for further innovation. State legislators would prefer to have options, rather than waivers for policy changes that are not in need of further evaluation. Additionally, in most cases, changes in AFDC policy that require changes in federal law also require changes in state law. NCSL strongly believes that federal waivers should only be granted with the passage of state laws. Too often state legislators are not included in the process until after a waiver is granted. Plan approvals and results of demonstration projects are rarely shared with state legislators. NCSL strongly supports more welfare reform technical assistance as we implement new programs. Independent audits or program evaluations should focus on outcomes rather than process.

Upfront Services and Improved Coordination and Technology

Welfare reform also includes community development in concentrated areas of poverty, job creation and development to establish the opportunity of employment, improved Earned Income Tax Credit outreach and delivery systems, federal enhanced funding for automation, including one-stop shopping innovations and the use of electronic benefit transfer systems, early childhood education, housing policy, simplification of forms and improved program coordination and involvement of the private and public sector. Automated tracking systems for tracking work recipients and child support payments are critical to implementation of a new program and very costly. We urge the federal government to consider new systems that can interface with existing technology and to finance any new requirements at enhanced federal matching rates. We continue to be concerned about the federal reduction in administrative match rates including those for automation and fraud reduction activities. NCSL supports restoration of these expedited administrative procedures; 5) providing a guaranteed level of child support and; 6) outreach to teen non-custodial parents. We are concerned, however, about unfunded mandates and preemption of state law in any new federal child support law.

While NCSL believes states should adopt uniform interstate child support enforcement procedures, NCSL opposes federal legislation which would preempt this authority of the states. We are also concerned about the cost of new automated systems and other changes in the child support system. We reiterate our concern that as states update their child support legislation that technical assistance is needed to assist the states as they come into compliance with federal goals. State legislators should have the option of extending child support benefits beyond the age of majority for those children in college.

Child Care, Health Care and Other Support Services

Child care must be reimbursed for recipients participating in education, training, subsidized employment and transitioning to permanent employment. Our policy on child care details NCSL's position or standards (including retention of state authority to set standards) payment rates and quality. States should have the option of extending child care benefits for up to two years for those transitioning from welfare to work. State legislators believe that recipients who play by the rules and leave public assistance should not be worse off than those on welfare. Child care is very expensive for working poor families. NCSL urges full funding for working poor families' child care needs.

Health care is a critical need for families on public assistance and is key to long-term self-sufficiency. Lack of health care is often cited as a reason why recipients return to welfare after leaving for employment. NCSL believes that health care reform is a component of welfare reform. NCSL's policy on health care reform details our position. State legislators should have the option of extending medicaid assistance for longer than the current one year after transitioning to employment.

Transportation is another barrier to employment. Transportation assistance, including the option of increasing or eliminating the vehicle allotment, must be part of any federal welfare reform plan. Too often, work opportunities are provided at a distance from where recipients live. This assistance must take into account transportation needs for child care.

Work expenses are an additional barrier to employment. Uniforms, tools and texts are especially costly for those beginning employment. NCSL believes that the federal government must provide adequate funds and eligibility disallowance for work expenses. There is little coordination between the various programs that assist low-income families with their housing needs and self-sufficiency efforts. We urge the federal government to link these systems so that those who return to employment are not in danger of losing their housing assistance and can earn their way out of poverty.

Job Opportunities and Basic Skills Program (JOBS)

We believe that any new federal program should build on and learn from the Family Support Act of 1988 (P.L. 100-485 and the JOBS program. Unfortunately, states have been unable to draw down the funds allocated for this important education, training and employment program. NCSL strongly supports expansion of this program to prepare participants for the workforce. Federal funding must be expanded.

Financing

State legislators are extremely concerned about federal financing of welfare reform. NCSL strongly opposes federal efforts to finance welfare reform through cost-shifting to the states. NCSL opposes the following:

- unfunded mandates;

- transfer of needy populations to state government through elimination of program and benefit funding by the federal government. The federal government cannot eliminate their responsibility for legal immigrants, substance abusers, homeless families and families in crisis. This does not address legitimate needs -- it transfers the need to state-funded and nonprofit programs and public hospitals;
- capping open-ended entitlements;
- unrealistic assumptions about savings from recipients leaving welfare or receipt of child support enforcement.

NCSL supports the use of less prescriptive funding sources from the federal government for welfare reform including the use of nonprescriptive block grants and alternative use of existing resources.

NCSL strongly believes that the federal government must fund the administrative and technical costs associated with any work program.

Welfare reform will fail if it is not adequately financed. Implementation, especially of job creation, placement, tracking systems and child care, will be extremely expensive. The Family Support Act depended on states to fund the JOBS program; subsequently only 60% of federal JOBS funds were matched by the states. We urge the federal government to find funding sources and higher match rates for reform.

Partnership for Federal Welfare Reform

NCSL strongly reiterates that federal welfare reform will be a failure in the states if state legislatures are not included in the process of policy development. Wherever possible, flexibility will enable states to create innovative programs. State legislators strongly believe that there must be an evaluation component for any new federal program and that states be evaluated on outcome-based measures. Additionally, the federal government must assist the states during implementation of welfare reform and highlight innovative programs.

NCSL's Concern for Children

We reiterate our concern for children and their well-being in our consideration of welfare reform. Children will be better off with parents who are self-sufficient. However, NCSL urges the federal government to consider the impact of a new welfare strategy on other state and federal systems that serve children and their families. There must be coordination with the myriad employment and training and retraining programs. The child welfare system, including foster care, may be inadvertently impacted by welfare reform if parents are unable to support their children. This system is more costly to both the states financially and to children in personal terms. There must be coordination in child care among systems that serve those on public assistance and those that serve the working poor. NCSL also supports coordination with Head Start and other early childhood education opportunities to provide assistance to children while their parents pursue employment opportunities.

********************************* -COMM. JOURNAL- ********* DATE JUL-27-1994 ***** TIME 17:16 ***** P.1

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HUMAN SERVICES AND EDUCATION STEERING COMMITTEE

RESOLUTION ON FEDERAL WELFARE REFORM

WHEREAS, President Clinton has submitted legislation to Congress for major restructuring of the welfare system that includes principles long supported by National Association of Counties in The American County Platform; and

WHEREAS, the legislation's principles include:

- Making Work Pay, with incentives that encourage families to work and not stay on welfare, and that help is available to ensure that they can work and adequately support a family;
- Improved Child Support Enforcement, with responsibility of both parents to support their children and stronger systems for identifying fathers and ensuring their support;
- Education, Training, and other Services to help people get off welfare and stay off, building on the Family Support Act of 1988 as a base;
- Time-limited Transitional Support System, in which those who are healthy and able to work will be expected to move off welfare quickly, and those who cannot find jobs should be provided with work and expected to support their families; and

WHEREAS, the Administration had extensive consultation process with the National Association of Counties and other national organizations; and

WHEREAS, many of the proposals pending before Congress would finance welfare reform through reductions or caps in entitlement programs and would reduce or eliminate immigrants' eligibility for a number of federal programs and these financing mechanisms would shift costs to county and state governments; and

WHEREAS, counties and states will have to make significant changes in the way programs are operated, changes that require staff training and acquisition of new equipment which could adversely affect the delivery of these services or cause an increase in the state and/or local fiscal responsibility; and

WHEREAS, in order for welfare reform to succeed, every effort must be made to ensure that employment is available to those making the transition to work:

THEREFORE, BE IT RESOLVED that the National Association of Counties commends the Clinton Administration for making comprehensive welfare reform a legislative priority, to end the current, unworkable system of public assistance programs, and for their extensive consultation process; and

BE IT FURTHER RESOLVED that any welfare reform that includes time-limited eligibility for assistance and transitional support services, must also provide adequate federal funding for the necessary job training, job placement, continued subsistence grants, health care coverage, child care, transportation, and administration; and

BE IT FURTHER RESOLVED that welfare reform must include an aggressive federal strategy to create jobs that promote durable self-sufficiency; and

BE IT FURTHER RESOLVED that the entitlement nature of public assistance and social services programs should be preserved in restructuring welfare, both for payments to states, and for individual benefits; and

BE IT FURTHER RESOLVED that the National Association of Counties reaffirms its strong opposition to proposals that would shift costs to county governments, such as entitlement program caps and reductions, and eliminating or reducing immigrants' eligibility for federal programs; and

BE IT FURTHER RESOLVED that counties and states must have the flexibility and adequate time to design and implement a program that will meet the needs of the local population and the local employment market; and

BE IT FURTHER RESOLVED that the National Association of Counties urges the Congress and the Administration to enact and implement the program simplification recommendations of the Welfare Simplification and Coordination Advisory Committee and the American Public Welfare Association's Program Coordination Task Force; and

BE IT FURTHER RESOLVED that the National Association of Counties strongly supports waiving the state matching requirement for the Job Opportunities and Basic Skills program, and substantially increasing the federal match for the At-Risk Child Care program, and Child Support Enforcement; and

BE IT FURTHER RESOLVED that federal welfare reform should incorporate electronic technology improvements, especially electronic benefit transfers, in revising and restructuring public assistance benefit programs; and

BE IT FURTHER RESOLVED that in order to encourage experimentation and improvements in the welfare system, as an interim step, the federal government should remove the "cost neutral" criterion for waivers and demonstration programs and simplify the procedures for approving state and county applications for such waivers; and

BE IT FURTHER RESOLVED that in order to encourage the success of welfare reform the National Association of Counties supports the inclusion of the job training delivery system as the workforce development vehicle for major coordination among the partners, including human services, education, and local elected officials; and

BE IT FURTHER RESOLVED that the National Association of Counties supports the Administration proposed elimination of the current JOBS targeting requirement, but is concerned about the proposed penalties for failure to meet new performance standards. New standards must be phased-in and counties must be involved in their development.

Adopted by Human Services and Education Steering Committee
(unanimous)
August 1, 1994

NATIONAL CONFERENCE OF STATE LEGISLATURES

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WILLIAM POUND
EXECUTIVE DIRECTOR

May 6, 1994

The Honorable William J. Clinton
The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The National Conference of State Legislatures (NCSL) is concerned about the financing mechanisms being considered by your Administration's Task Force on Welfare Reform. Of particular concern is the proposal to reduce welfare eligibility for legal immigrants, refugees, and other non-citizens by extending the deeming provisions for Aid to Families with Dependent Children (AFDC), Food Stamps, and Supplemental Security Income (SSI) and creating deeming provisions for other programs such as Medicaid. Eliminating federal assistance will not eliminate legal immigrants' needs, and state and local budgets and taxpayers will bear the burden. We believe that this financing mechanism would shift significant costs to state and local governments. Furthermore, NCSL maintains that welfare reform legislation is not the appropriate place to debate immigration policy.

NCSL strongly believes that it is the responsibility of the federal government to fund its policy decisions. Because the federal government has sole jurisdiction over immigration policy, it must bear the responsibility to serve the immigrants that it allows to enter states and localities.

The proposal to reduce or eliminate non-citizen benefits under consideration by the Task Force on Welfare Reform will be a direct cost-shift to state and local budgets and our joint tax payers will still bear the burden. As legal immigrants lose their eligibility to participate in federal programs such as AFDC, SSI, Food Stamps, and Medicaid, in many cases they will access state and local General Assistance and other state and local assistance programs to replace lost benefits. As a result of the 1971 Supreme Court decision *Graham v. Richardson*, states and localities may not exclude persons from participating in their welfare programs on the basis of lawful alienage. Although the federal government has the option to drop legal immigrants from its welfare roles, states and localities may not.

Unfortunately, state and local officials have already faced the results of curtailed federal spending for legal immigrants. Last year, your Administration and the Congress funded the Unemployment Insurance extension by increasing the wait before legal immigrants can access the Supplemental Security Income (SSI) program. Many states with high immigrant populations, such as California, New York, New Jersey and Illinois, have comprehensive General Assistance programs which are now serving increased caseloads of legal immigrants who would have been eligible for SSI.

State and local governments cannot and should not be the safety net for federal policy decisions. NCSL will oppose federal reductions in benefits to legal immigrants, whether the proposal cuts $20 billion, $8 billion, or $4 billion worth of program eligibility. Eliminating federal funds for legal immigrants does not change the states' legal responsibility to make its services available to all legal

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immigrants, in fact it increases it substantially. With the steady decline in federal assistance, states and localities are faced with cutting back on programs and with meeting the needs of the native-born as well as the newcomers, raising issues of equity and community tensions. In short, this proposal will force states to bear the cost of federal immigration policy without the benefit of federal assistance.

We do not believe that welfare reform legislation is the appropriate place for the immigration debate. Program eligibility for legal immigrants should be debated in the context of immigration reform and nowhere else. We urge you to reject policies that divide us and cause states to bear the cost of yet another unfunded federal mandate. Please contact Sheri Steisel in NCSL's Washington, D.C. office, (202) 624-5400, to further discuss these concerns.

Sincerely,

James I. Lack
Majority Steering Committee Chairman
New York Senate
Vice President, NCSL

Art Hamilton
Minority Leader, Arizona House
Immediate Past President, NCSL