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**CONGRESSIONAL LIAISON OFFICE
ROOM 406G HUMPHREY BUILDING**

TO: Steve Warnath

FROM: Irene B. Bueno

DATE: 2/3/97

FAX NO: 456-7028

**TOTAL PAGES
INCLUDING COVER):**

Attached is a DRAFT of the latest draft of the Self-Sufficiency Report.

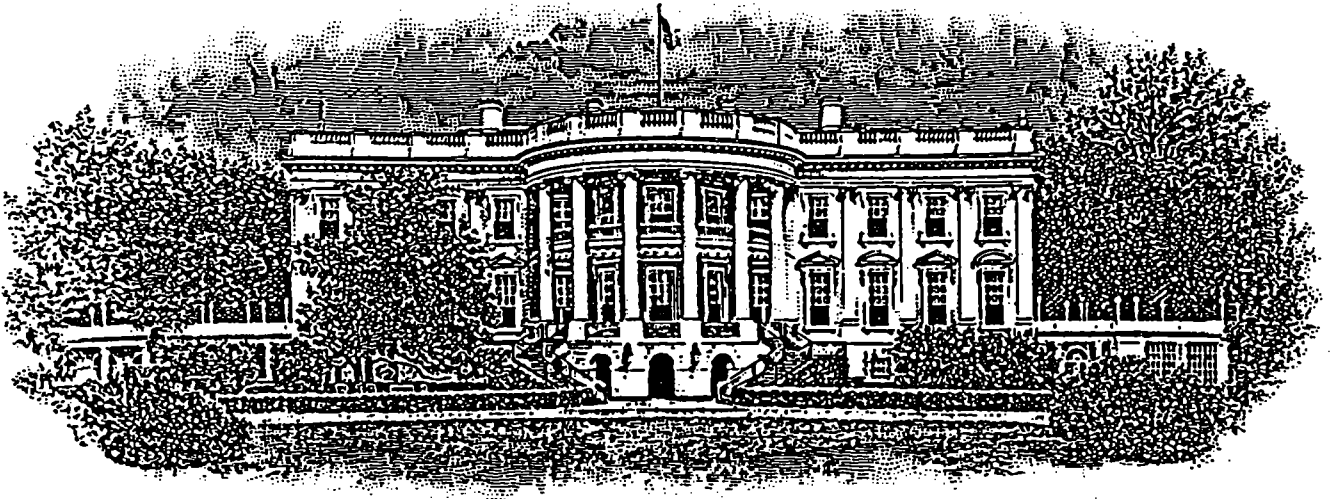
You mentioned you may have comments but have not heard from you.

Please let me know if you have any comments 202-690-6786.

We plan to present this draft to the Secretary on Tuesday, 2/4 for her approval.

Thank you.

The White House



DOMESTIC POLICY

FACSIMILE TRANSMISSION COVER SHEET

TO: ROB MALLEY

FAX NUMBER: _____

TELEPHONE NUMBER: _____

FROM: STEPHEN WARNATH

TELEPHONE NUMBER: _____

PAGES (INCLUDING COVER): 6

COMMENTS: _____

FYI -

REPORT TO THE PRESIDENT

ADDITIONAL STEPS TO INCREASE REFUGEE SELF-SUFFICIENCY, SOCIAL ADJUSTMENT, AND NATURALIZATION

ISSUE

On August 22, 1996, President Clinton issued a memorandum on the subject of naturalization. Included in this memorandum was a directive that Secretary of Health and Human Services, in consultation with other agencies as appropriate, present:

"...a report setting out a strategy of additional steps that we can take to promote social adjustment in the United States, economic self-sufficiency, and naturalization [of refugees and asylees]."

The priority for the domestic refugee resettlement program is, and must continue to be, to help refugees obtain self-sufficiency and social adjustment as quickly as possible after their arrival in the United States.

The Department of Health and Human Services (HHS) is cognizant of the role that the domestic refugee resettlement program plays in foreign and domestic policy. Concern over immigrant and refugee use of welfare and the rate of integration into American society has made it clear that in order to maintain public support for refugee resettlement in the future, the self-sufficiency rate and civic integration of refugees need to improve.

The domestic refugee resettlement program will expire this fiscal year. The reauthorization process provides an opportunity for a thorough review of the current domestic refugee resettlement program. The review will consider changes to the current program that promote the social adjustment, economic self-sufficiency, and naturalization of refugees and asylees, and provide a basis for new legislation.

This report provides background on the current domestic refugee resettlement program, recent initiatives and recommendations on initial steps that HHS will take pursuant to the President's directive to promote the social adjustment, economic self-sufficiency, and naturalization of refugees and asylees.

BACKGROUND

The purpose of the domestic refugee resettlement program is to provide newly arrived refugees with the best possible start in their new homeland. As refugee admissions expanded in the 1970's, the existing federal welfare programs were increasingly utilized to provide cash and medical assistance to refugees and to help them move toward self-sufficiency. The current design of the refugee program was created when the domestic resettlement program was codified in the Refugee Act of 1980 and the Federal Office of Refugee Resettlement (ORR) was established in the HHS.

Currently, the Department of State funds voluntary agencies to provide refugees with initial resettlement assistance -- helping to orient them to the United States, find housing, enroll children in school, etc. After the initial resettlement phase, refugees are provided employment and social adjustment services through a variety of federal and state programs. About half of the newly arriving refugees have been provided these services through the Aid For Families With Dependent Children (AFDC) program and other mainstream public assistance programs. Other refugees ineligible for AFDC for non-financial reasons may be eligible for the Refugee Cash and Refugee Medical Assistance programs for eight months after their arrival in the United States. This program is entirely funded by the federal government through the HHS Office of Refugee Resettlement.

RECENT INITIATIVES

HHS has taken many steps over the past few years to improve the self-sufficiency and social adjustment rate of refugees. For example, in 1995, ORR issued regulations that directed States to target refugee-specific services to those refugees who have been in the United States for five years or less. The result is that resources are more focused on newly arrived refugees. Fiscal year 1996 was the first year that States were required to submit outcome goal plans, which has led to a greater focus on increasing self-sufficiency outcomes. In addition, ORR has encouraged states to provide refugee-specific services for those served by mainstream welfare programs and has required ORR-funded services to be culturally and linguistically appropriate for all refugee populations.

Demonstration projects funded under the "Wilson/Fish" statutory authority (Section 412(e)(7) of the Immigration and Nationality

Act), have been particularly successful in helping refugees gain self-sufficiency. Key to the success of projects in Kentucky, Massachusetts, and San Diego, California has been the integration of cash assistance with case management; the provision of intensive, up-front services; and the coordination of case management and employment services.

Outcomes have been especially good in these projects: in Kentucky, it usually takes less than 70 days for employable adult refugees to find a job at above minimum wage; in San Diego, during its first year of operation, nearly three-quarters of the refugees enrolled in the project became self-sufficient before the end of 12 months.

Another alternative to the State-administered program is the Matching Grant Program. It is also run by the voluntary agencies, integrating cash assistance with employment services for refugees during their first four months after their arrival. Currently the matching grant program serves approximately 25 percent of all refugee arrivals. In calendar year 1995, 41 percent of the Matching Grant participants were self-sufficient by the fourth month following arrival in the United States. In 1996, this program was enhanced through increased Federal funding to provide more comprehensive services to refugees and was expanded to provide intensive up-front services to refugees in additional sites.

RECOMMENDATIONS

In order to improve refugee economic self-sufficiency, social adjustment, and naturalization -- and build upon recent initiatives -- we recommend the following:

1) **Economic Self-Sufficiency:** The Director of the Office of Refugee Resettlement (ORR) will conduct a series of consultations on the domestic refugee resettlement program that focus principally on how best to achieve early economic self-sufficiency with an increased emphasis on accountability for outcomes.

We recommend that the consultations take the following into account:

- As stated above, concern over immigrant and refugee use of welfare has made it clear that in order to keep the door

open for refugees, the self-sufficiency rate and rate of integration of refugees need to improve.

- The successful models described above (and other models of effective self-sufficiency services for refugees) offer lessons and experiences to build on in moving towards more effective services to promote self-sufficiency and integration.
- Decreasing refugee admissions and increasing ethnic diversity of arriving populations mean that the resettlement program needs to be more flexible to maintain culturally and linguistically appropriate services. The bulk of refugee admissions were former Soviets and Southeast Asians. The refugee service system was established over the years primarily to meet the needs of these two groups. Now, the United States admits many different populations -- such as Somalis, Iraqis, Bosnians, and Sudanese. At the same time, the number of refugees from Southeast Asia and the former Soviet Union is decreasing. There are many volatile regions in the world, making it difficult to predict who will be admitted as refugees and asylees.
- Refugees have unique experiences and come with a range of backgrounds -- from engineers with advanced technical degrees to illiterate farmers -- all of whom need refugee-specific services. Neither welfare nor welfare reform was designed specifically for newcomers who are fleeing persecution.

2) Social Adjustment: The Office of Refugee Resettlement, together with the voluntary agencies and the Department of State, State Refugee Coordinators, service providers, refugees and others, will develop and implement policies and strategies for the placement and resettlement of refugees in communities that afford refugees the best opportunities for social adjustment and self-sufficiency.

ORR will continue to ensure that funding for services and assistance is made available to those communities where refugees resettle.

In addition, ORR will award grants for English language training and social and cultural adjustment services for underserved

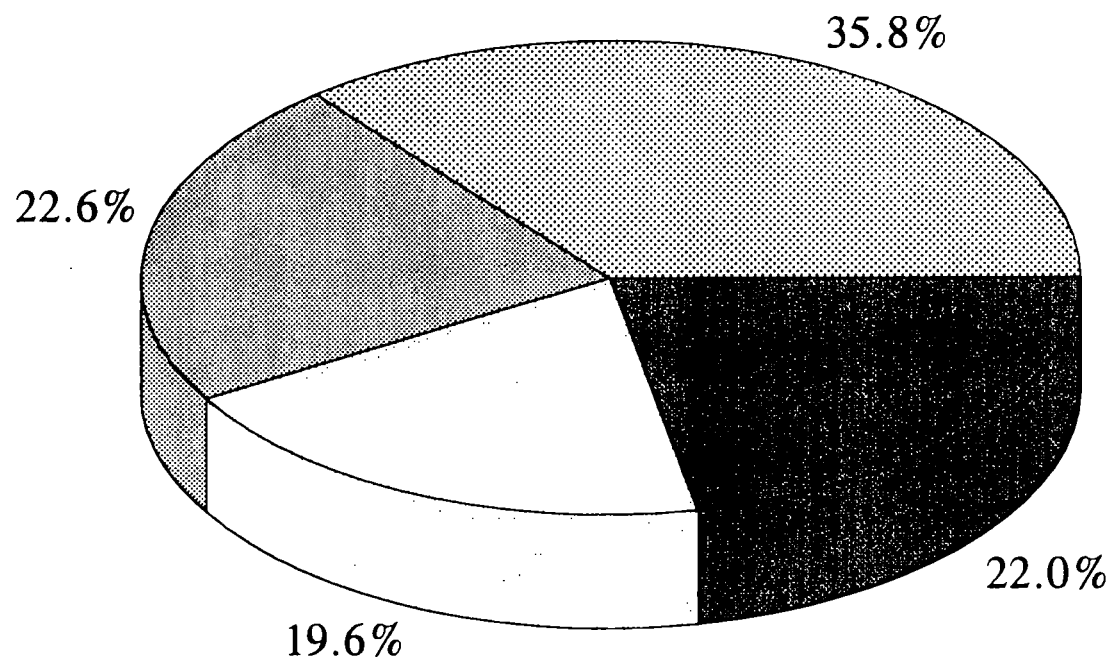
refugee groups, such as older refugees, pre-literate refugees, or homebound women. These services will help these refugees attain the level of English proficiency needed to be able to participate in other services and to have an understanding and appreciation of the American culture so that they can become citizens and participate fully in mainstream American civic life.

3) Naturalization: ORR will set aside \$1 million to launch a new partnership program to provide matching funds for providers who leverage State, local, or private funds for citizenship education.

In addition, ORR will stress the importance of citizenship and naturalization in the refugee resettlement program and encourage its grantees to provide civics education and naturalization assistance through the refugee social services and targeted assistance programs.

To expand naturalization application processing, the Immigration and Naturalization Service (INS) will be invited to collaborate with ORR in building the capacity of community-based organizations, particularly mutual assistance associations, to assist refugees in obtaining citizenship.

Refugee Participation in Income Maintenance Programs (FY 1995)



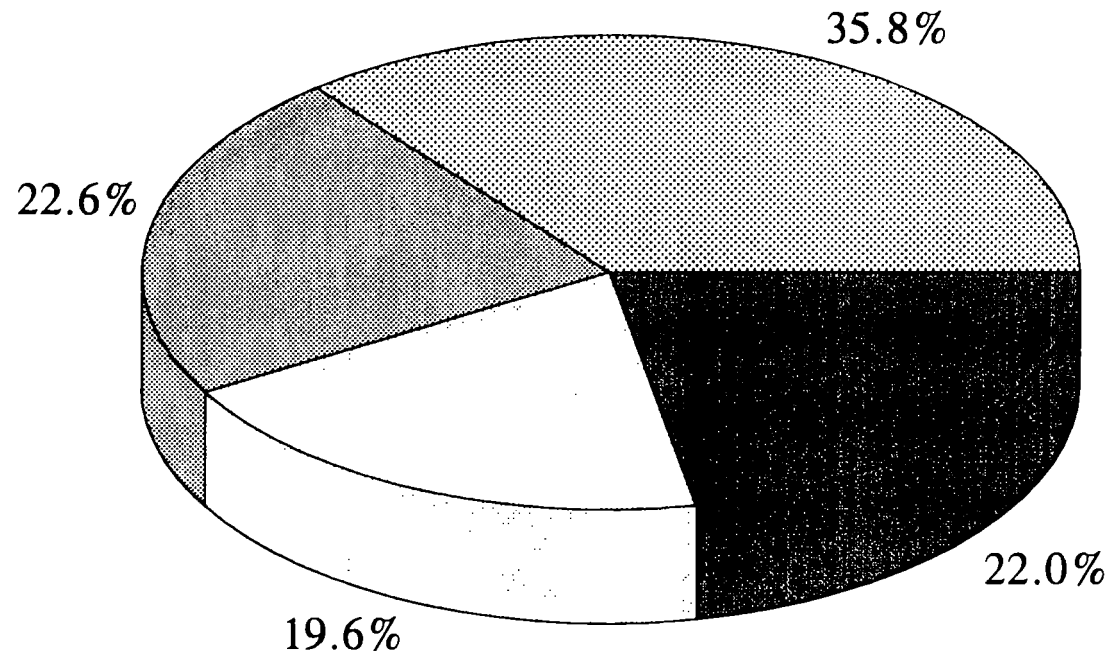
AFDC (35.8 %) RCA (22.6 %) Match Grant (19.6%) Other* (22.0 %)

*Includes elderly and individuals not dependent on cash assistance

Note: 131,314 Arrivals in FY 1995.

ORR
for first 4 months

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RESPONSE TO PROPOSED PRIVATIZATION INITIATIVE

FEBRUARY 1997

- ORR has not shared the budget projection or budget assumptions. Thus it is not clear if the initiative is viable, or what cost transfer to the states will take place, or if the projections are adequate.
- ORR hypothesizes a swap, state TANF dollars to be absorbed by ORR for Refugee Medical Assistance dollars to be absorbed by states. Not all states use TANF, or at the same rates. Thus the swap at the national level would have disproportionate impact on various states.

The initiative is contrary to NGA policy, because it eliminates states' prerogative for a population that will be their long-term responsibility.

- In the past, unanticipated arrivals and cash costs generated a deficit absorbed by the states. If such a deficit occurred, could volags absorb the cost - i.e., wait one or two years for reimbursement?
- It appears as though there would be duplicated administrative costs. Currently one process determines cash, medical, and FS eligibility, and provides benefits as appropriate. Under the proposal there would be private cash and public medical and FS.
- How will FS case management and volag case management be coordinated?
- Currently AFDC refugees receive some JOBS services. If refugees are not in TANF (cash), would they be eligible for TANF services?
- What impact will this model have on small national and local volags?
- Not all local volags have the capacity to administer (a) cash assistance, (b) a full range of ESL and social services.
- Will privatization drive an urban concentration of arrivals - sending all refugees to the inner cities? - i.e. through large cost-effective volag operation?
- The initiative does not make clear provision for asylees and entrants (Cubans) or secondary migrants.



March 5, 1997

Mr. Steve Warnath
The White House
Old Executive Office Building
Room 224
Washington, DC 20502

Dear Mr. Warnath:

As you are aware, the Refugee Act is being discussed for reauthorization this year. There are some proposals that raise concern with the Governors. One is the possibility that the entire refugee program would be given to the private sector to manage and operate. The Governors are not against using the private sector to manage this program, but they support maintaining the current premise that the decision to privatize should be left up to each individual state.

Please note the enclosed policy on "Immigration and Refugee" at 2.3, Refugee Policy: The Governors recognize that resettlement is not a one-time event, but a process of adjustment that may take months or years. In order for this process to be successful, federal, state, and local officials must work together with the private sector and local voluntary agencies to build a seamless continuum of service from initial reception through longer term needs, leading the way to self-sufficiency.

Should you need more information on the Governors' position, please contact me at 202-624-5360.

Sincerely,

A handwritten signature in black ink, appearing to read "Nolan E. Jones", written in a cursive style.

Nolan E. Jones
Director
Human Resources Group

Enclosure



HR-2. IMMIGRATION AND REFUGEE POLICY

2.1 Immigration Policy

2.1.1 Preamble. The nation's Governors recognize the important contribution immigrants have made and continue to make to our nation. Although the federal government has the primary role in directing overall policy regarding immigration and refugees, the effects of such policy on local communities present challenges that cannot be ignored by the states. These challenges include demands for education, job training, social and health services, and other assistance designed to promote the integration of immigrants into our communities.

Decisions regarding the admission and placement of legal immigrants and refugees rest solely with the federal government. Similarly, the illegal entry of other individuals also is a direct responsibility of the federal government.

The federal government's unwillingness to provide adequate funding for refugee resettlement and immigrant assistance services has resulted in a dramatic shift of program costs from the federal government to state and local taxpayers. This reduced federal commitment has strained the states' ability to provide the programs and services necessary to promote economic self-sufficiency within the immigrant and refugee community. Governors recognize Congress' well-intentioned efforts and agree that sponsorship requirements can help prevent immigrants from becoming public charges. However, the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 that deny certain benefits to this population represent a considerable cost transfer to some state and local governments. The Governors are particularly concerned about the effect of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 on immigrants who were in the United States on the date of enactment, but who cannot meet the citizenship requirements because of age or disability. The nation's Governors urge Congress and the administration to work in partnership with the National Governors' Association to ensure that the immigration system and its requirements are fair to both citizens and noncitizens and meet the needs of aged and disabled legal immigrants who cannot naturalize and whose benefits may be affected. The Governors further believe that an equitable solution to this issue could be achieved without reopening the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. We look forward to working cooperatively with Congress and the administration to decide the appropriate vehicle.

Even though mandates have been terminated and states have been provided the option to establish eligibility for Temporary Assistance for Needy Families (TANF), Medicaid, and the Social Services Block Grant, it is not clear that the judicial system will permit states to bar refugees and other legal immigrants who are in need from critical services provided to other residents of the state. At the least, during an initial period of judicial deliberation, states could be required to sustain benefits.

Further, we call upon Congress and the administration to consider whether those individuals who are receiving federal benefits and who have submitted an application to naturalize should continue to be eligible to receive these benefits while they are participating in the approximate six- to nine-month naturalization process.

Because immigration and refugee policy is under the sole jurisdiction of the federal government, the Governors believe that the federal government must be prepared to bear the costs of such policy.

2.1.2 Principles. Because immigration decisions have a broad influence upon our society and involve the states, the Governors urge Congress to consider the following principles in the deliberation and formulation of immigration policies.

- The decision to admit immigrants is a federal one that carries with it a firm federal commitment to shape immigration policy within the parameters of available resources we as a nation are determined to provide.
- The fiscal impact of immigration decisions must be addressed by the federal government. The states, charged with implementing federal policy, have shared and are sharing in the costs; however, there should be no further shift of costs to the states.
- Immigration policy shall be developed within the context of our national interest, which takes into consideration preservation of the family, demographic trends, economic development, labor market needs, and humanitarian concerns.
- Immigration decisions shall not discriminate against nor give preference to potential immigrants because of their nationality, race, sex, or religion.
- A basic responsibility of the federal government is to collect and disseminate timely and reliable statistical information on immigration and its consequences for the United States.
- Immigration policies and administrative systems should be modernized and reviewed periodically to ensure that they are fair and workable.
- Federal immigration policies should ensure that new immigrants do not become a public charge to federal, state, or local governments.
- A transferred prisoner's early release before the balance of the state-imposed maximum sentence is served should be calculated and governed under the laws of that state and not the prisoner's country of origin.
- The federal government must provide adequate information to and consult with states on issues concerning immigration decisions that affect the states.
- States should not have to incur significant costs in implementing federal laws regarding immigration status as a condition of benefits.

- 2.1.3 Immigration Ceiling and Preference System.** The National Governors' Association supports control of legal immigration at a level consistent with our national interest and resources, under a ceiling adjusted periodically by Congress as conditions warrant. The ceiling should continue to exclude immediate relatives of United States citizens, refugees, asylees, and aliens whose adjustment of status is not subject to immigration quotas under current or future laws.

The ceiling should provide for the separation of the two major types of immigrants—families and independent immigrants—into distinct admission categories. In designing the preference system, the principle of family unity should be preserved and the independent immigration system should reflect economic and labor market needs.

- 2.1.4 Prohibition on the Hiring of Illegal Immigrants.** The Governors agree that to help control illegal immigration, the employment of illegal immigrants should be prohibited. To this end, enforcement mechanisms and verification systems must be enhanced. The appropriate federal agencies selected to enforce this prohibition should have the resources necessary to carry out their task. Employers should have access to a reliable verification system that will assist them in complying with the law. Such a system should minimize the administrative burdens on employers and should not discriminate against the employment of workers and potential workers.

The Governors also support the development of methods to prevent identification document fraud. However, the Governors do not support the development of those methods that unnecessarily invade the privacy of individuals, infringe upon areas that traditionally have been under the scope of state and local authority, or directly or indirectly create unfunded mandates to state and local governments.

- 2.1.5 Legalization and Naturalization.** The Governors urge the following.
- States require maximum flexibility in determining and allocating resources to meet the needs of newly legalized aliens
 - The Immigration and Naturalization Service (INS) must be diligent in its efforts to ensure that felons are not naturalized and being given the benefits of citizenship rather than being deported.
 - The naturalization process should be streamlined to be more efficient and accessible to eligible applicants wishing to become citizens, with all the rights and responsibilities thereof. In addition, as Congress allowed exemptions to naturalization tests for physically and mentally

disabled applicants, there should be an exemption for those individuals who are eligible for naturalization except for the incapacity to communicate the desire to naturalize.

- 2.1.6 Supplemental Worker Program.** In implementing any supplemental worker programs, the federal government must conduct timely labor certifications to ensure labor availability in the event of labor shortages. This program should not cause displacement of American workers.
- 2.1.7 Cooperation with Western Hemisphere Countries.** A workable immigration program must recognize and involve the major sending countries. The federal government must work cooperatively with Mexico and other western hemisphere countries in the development of mutually beneficial policies. The Governors believe that trade and investment policies are critical elements to reduce illegal immigration.
- 2.1.8 Research and Data Collection.** Congress should direct the federal government to develop a reliable data system and strengthen the research capacity on migration and its consequences to the United States, especially concerning the immigration flow, estimate of illegal migration, and impact of immigration on states and local communities. To do so, better coordination of federal agencies is needed.
- In order to provide the necessary information on immigration flows and secondary migration, alien registration by the federal government must be reinstated. In addition, data collected should be analyzed and disseminated to the states in a timely manner for the purpose of planning, implementing, and evaluating immigration policy.
- 2.1.9 Legal Immigration Law Enforcement.** The federal government should provide sufficient funding to the Immigration and Naturalization Service and other appropriate agencies to enforce the immigration laws, modernize management, and provide for an adequate and reliable data collection system.
- 2.1.10 Exclusion/Asylum Proceedings.** Individual claims for asylum should be handled in a fair and expeditious manner. Prompt efforts should be made to address the current backlog problems.
- 2.1.11 Emergency Authority and Contingency Plan.** As the President has contingency planning authority, the federal government must develop a contingency plan to deal with unanticipated flows of refugees, parolees, or asylum applicants. The states expect an immediate federal government response to such a situation. The Governors must be consulted in determining the role of the states. The states anticipate full federal reimbursement of any state and local costs.
- 2.1.12 Impact Aid.** Special impact aid to state and local governments should be provided to meet unusual burdens on communities. Impact aid should be provided in the event that any of the following occur:
- a refugee flow is unexpectedly large or sudden;
 - the resettlement area is highly concentrated by initial placement of refugees, including secondary migrants;
 - the resettlement area has unfavorable economic conditions; or
 - the refugee population has special needs.

2.2 Illegal Immigration

- 2.2.1 Law Enforcement.** Recognizing the need for stronger enforcement against illegal immigration, Congress should continue to provide sufficient funding for the Immigration and Naturalization Service and other appropriate agencies to control our nation's border and to remove criminal aliens from the United States. The Governors strongly support provisions in the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 that will double the number of border patrol agents by 2001, enhance investigative and enforcement authority for alien smuggling and document fraud, and streamline the process of removal of criminal aliens and alien terrorists. The Governors call on the federal government to effectively use the resources provided for these purposes.

The Governors also are concerned about the increase in drug trafficking by illegal immigrants along the borders of the states and territories. Control of the flow of drugs across our borders is a federal responsibility, and smuggling drugs into the United States is a federal felony. The Governors are concerned that the federal government's current drug-smuggling policy is allowing a large number of people caught smuggling illegal drugs into the United States to be returned to Mexico without prosecution. The Governors urge the federal government to reverse this policy and to vigorously enforce our drug control laws.

2.2.2 Prosecution and Removal of Undocumented Felons. According to a recent study published by the Urban Institute, the seven states most impacted by illegal immigration housed more than 21,000 adult criminal aliens in their state prisons in March 1994, at an annual cost of nearly \$500 million. These figures do not include the cost of incarcerating criminal aliens in youth facilities or supervising paroled criminal aliens.

The Governors are concerned about the lack of resources in the Immigration and Naturalization Service devoted to the early identification of criminal aliens in state criminal justice systems. Currently, a large number of convicted undocumented felons do not come to the attention of the INS and escape formal deportation because of a lack of presence of INS officials in local facilities. The Governors believe that programs like the early identification pilot programs currently operating in several states should be expanded significantly to ensure that undocumented felons are formally deported.

In addition, the Governors believe that greater efforts should be made by the federal government to facilitate the transfer of criminal alien felons to their home countries to serve their sentences. Current transfer treaties are unworkable because they require the consent of the prisoner and they provide little incentive for the country of origin to cooperate with the United States in the enforcement of transfer treaties. Although the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 echoes these concerns, current federal action in this area continues to be lacking.

For this reason, the Governors continue to call on the federal government to negotiate and renegotiate prisoner transfer treaties to expedite the transfer of criminal aliens in the United States who are subject to deportation or removal. The negotiations for such agreements should focus on:

- ensuring that the transferred prisoners serve the balance of their state-imposed prison sentence;
- removing any requirement that the prisoners consent to be transferred to their countries of origin;
- structuring the process to require that the prisoners serve the remainder of their original prison sentence if they return to the United States; and
- considering economic incentives to encourage countries of origin to take back their criminal citizens.

Additionally, the Governors believe the federal government should:

- increase the use of interior repatriation with countries contiguous to the United States;
- place INS officials in state and local facilities for early identification of potentially deportable aliens—nearer the point of their illegal entry—to ensure formal deportation prior to release; and
- upon the request of a state Governor, place INS officers in state courts to assist in the identification of criminal aliens pending criminal prosecution.

Finally, the Governors are concerned about the large number of deported felons that are returning to the United States. A significant number of the criminal alien felons housed in state prisons and local jails are previously convicted felons who reentered the United States after they were deported. In California, for example, reports indicate that more than 300 previously deported parolees are illegally reentering the country each month and coming into contact with law enforcement officials. Criminal alien reentry is a violation of federal law punishable by up to twenty years in federal prison and should be enforced for all states.

The Governors urge the federal government to provide sufficient funds for proven positive identification systems, like California's Criminal Alien Flagging Project and the Automated Fingerprinting Identification System (AFIS), to allow for the expanded use of these systems in the rest of the nation.

2.2.3 Education Costs of Undocumented Aliens. The Governors are concerned about the costs associated with ever-larger numbers of undocumented children in our school systems. In a number of states, this has led to classroom overcrowding and has seriously exacerbated the funding crunch faced by public school systems. Because of the federal government's failure to provide funding for the education of undocumented children, Governors have had to cut back on other vital public services.

In the case of *Plyler v. Doe*, the U.S. Supreme Court upheld a lower court ruling striking down as unconstitutional a state law that denied educational services to undocumented children. The Court's narrow 5-4 decision was based in part on the absence of any "identifiable congressional policy" on the subject and "absent any contrary indication fairly discernible in the legislative record," the Court could "perceive no national policy that supports the state." The Court's dissenting opinion noted that the

majority was "making no attempt to disguise that it is acting to make up for Congress' lack of effective leadership in dealing with the serious national problems caused by the influx of uncountable millions of illegal aliens across the border."

The Governors believe the *Plyler* decision was in fact a call for Congress to legislate in this area. Yet, since that ruling, the federal government has done nothing to set a national policy regarding the education of undocumented children. Instead, the federal government disingenuously cites *Plyler* as the final word. Meanwhile, state and local governments are forced to devote scarce resources to comply with a constitutional mandate born of federal inaction and irresponsibility.

The Governors are not advocating the denial of educational services to undocumented persons. However, some Governors believe that each state should have the right to decide whether it will provide free educational services to undocumented persons, while some Governors believe that all children are granted this right under the U.S. Constitution. The Governors oppose being a captive source of funding for the costs of educating millions of undocumented children. Therefore, the Governors call on the federal government to recognize its exclusive responsibility for costs associated with the unfunded mandate that is the result of failed immigration policies by establishing a direct billing mechanism to ensure that any educational services provided to undocumented children are financed entirely by the federal government.

- 2.2.4 Study of Costs of Citizen Children.** Governors across the country are providing education, health, and social services to citizen children of undocumented immigrants at extremely high costs. However, the true costs are not known, as no systematic survey has been undertaken to examine these costs and the fiscal impacts on states of providing services to citizen children of undocumented immigrants. The Governors call upon Congress and the administration, working jointly with state budget officers, to undertake a study of these costs and to report back within one year, so that an accurate assessment can be made.

2.3 Refugee Policy

- 2.3.1 Preamble.** International political conditions over the past two decades have forced numbers of people to leave their homes and seek refuge in other countries. The United States has provided leadership to the world community in addressing the needs of refugees and displaced persons. The nation's Governors are supportive of this effort to assist those individuals who have been displaced because of their beliefs and support of U.S. policy.

We believe that refugee issues are an international responsibility and that resettlement must be shared as equitably as possible. Further, there must be a genuine effort to protect refugees worldwide.

States play a major role in refugee resettlement. They must work with the refugees to assist in their adjustments to American life and to expedite their economic self-sufficiency. Effective resettlement of refugees requires the development of systems that provide culturally appropriate services to meet the needs of ethnically diverse communities, as well as extensive networking with existing human service systems.

The Governors recognize that resettlement is not a one-time event, but a process of adjustment that may take months or years. In order for this process to be successful, federal, state, and local officials must work together with the private sector and local voluntary agencies to build a seamless continuum of services from initial reception through longer term needs, leading the way to self-sufficiency.

- 2.3.2 Federal Responsibility.** The states are committed to working toward the rapid integration of refugees into our communities. However, the federal government has the total responsibility to meet the basic needs of refugees and entrants (e.g., cash, medical, social services, and special educational costs) for the initial three years. The federal government also has the total responsibility for determining and accounting for secondary migration to areas of saturation.

If the federal government is unwilling to sufficiently fund the necessary services, then it is incumbent upon the federal government to decrease the flow of refugee admissions. Under no circumstances should there be any further shift of costs to state and local governments.

In recent years, there have been significant funding reductions in refugee programs. These budget reductions represent a major federal policy change that shifts fiscal responsibility for meeting the basic needs of refugees and entrants from the federal government to states and localities. This fiscal policy change occurs at a time when state and local resources have experienced significant cuts in human service programs because of federal budget balancing. Because the states do not have the authority to set

immigration quotas or limit secondary migration, they are unable to effectively control the additional costs incurred because of this change in policy.

Governors, Congress, and the administration should work together to identify the appropriate mechanism to address those aged and disabled refugees who are unable to become citizens. The new welfare law no longer provides federal benefits to this population after five years, and shifts the responsibility to states to decide whether to provide state benefits to these refugees admitted to the U.S. by federal policy. The aged refugees, in particular, confront extraordinary difficulties in becoming naturalized citizens (e.g. inability to pass the tests or loss of documents). Unlike legal immigrants, refugees do not have sponsors. Even those refugees able to naturalize would be in jeopardy for a six- to nine-month period during the process of applying for citizenship.

Recently, efforts to privatize refugee resettlement have been under discussion. Under the Wilson-Fish Amendment to the Refugee Act, states have the option of implementing privatized resettlement programs. The Governors support maintaining the current premise that the decision to privatize should be left up to each individual state.

2.3.3 Principles. In keeping with the above precepts, Governors support the reauthorization of the Refugee Act of 1980, with the following principles as guidance for developing new legislation.

- The goal of resettlement assistance efforts is to help refugees achieve self-sufficiency as quickly as possible. The key to economic self-sufficiency is entry into unsubsidized employment at a living wage at the earliest possible time with concurrent removal from dependency on public aid.
- Social services are vital to reaching the goal of self-sufficiency, and federal funding should not be decreased as a means of reducing the federal refugee or entrant budget.
- Under the Fascell/Stone Amendment (Section 501 of the Refugee Education Assistance Act of 1980), Congress intended for Cuban and Haitian entrants to be treated as refugees for the purposes of federal benefits. Cuban and Haitian entrants should continue to receive similar "refugee" status as a temporary means to self-sufficiency.
- The federal government has reduced the period of eligibility for refugee services from thirty-six months to eight months. At least twelve months are required to assist refugees in acquiring basic language skills, housing, and work to achieve rudimentary self-sufficiency. The federal government should provide adequate resources to ensure a full twelve months of access to refugee benefits.
- Stability of federal funding is crucial if states are to implement an effective resettlement program. In addition, the timely provision of funding is essential to enable states to discharge their administrative responsibilities in an expeditious manner, relative to funding decisions and program planning.
- States must be consulted in a timely manner when changes in the current program are being considered. A process for ongoing state participation in program review should be incorporated into the federal administrative structure.
- The federal government should synchronize admissions and appropriation cycles to allow for more effective management of the program.
- Because the refugee program is state-administered, it is essential that all funding should flow to the states to allow for centralized program planning, administration, accountability, and coordination of local planning efforts.
- Although the states are willing to consider changes in the current program that would improve the efficiency or effectiveness of the program, the Governors would oppose any attempt to convert funding for the program to a block grant.

2.3.4 Coordination and Consultation. The Governors continue to be concerned about the lack of adequate consultation on the part of the voluntary agencies (VOLAGs) and their local affiliates in the initial placement of refugees and on the part of the federal government in the equitable distribution of refugees and entrants.

States have continually urged the federal government to establish a mechanism to ensure appropriate coordination and consultation. However, significant progress has not been made and the following mechanisms need to be considered to address this problem.

- There should be a requirement in the State Department/VOLAG contract to limit placement to areas conducive to resettlement. In addition, VOLAGs and their local affiliates should be required to have a letter of agreement that specifies that there has been consultation and planning for the initial placement of refugees and sets forth the continuing process of consultation. The requirement in the State Department/VOLAG contract to limit placement to areas conducive to resettlement should include concurrence by the state.
- INS, the U.S. Department of State (DOS), and the Office of Refugee Resettlement (ORR) should coordinate with states receiving entrants and refugees. Entrants should be made eligible for DOS assistance for thirty days, or another mechanism should be developed to allow for a smooth transition of entrants into a community. The current system, in which an entrant simply arrives in the United States without any knowledge of the state, creates a tremendous burden on the community, leaves gaps in the provision of services, and provides no foundation for planning purposes.
- There should be a continued requirement that sponsors not be on welfare. The sponsorship program should be modified, and existing sponsorship obligations should be more strictly enforced.

An advisory committee should be established, representing state and local government officials, VOLAGs, and the refugee community, to examine and advise Congress and federal agencies on a full range of refugee resettlement issues.

The Governors should be closely involved in the congressional consultation process through which new refugee admissions levels are determined to ensure that program funding is provided to support the level of refugee admissions.

2.3.5 Impact Aid. Special impact aid to state and local governments should be provided to meet unusual burdens on communities. Impact aid should be provided in the event that any of the following occur:

- a refugee flow is unexpectedly large or sudden;
- the resettlement area is highly concentrated by initial placement of refugees, including secondary migrants;
- the resettlement area has unfavorable economic conditions;
- the refugee population has special needs; or
- there is a continuing stream of refugees to one geographic area.

2.4 Habitual Residents

For clarification purposes, the immigration and refugee policy provisions also pertain to habitual residents, as defined in the compacts of free association.

Time limited (effective Winter Meeting 1997–Winter Meeting 1999).

Adopted Winter Meeting 1988; revised Winter Meeting 1992, Winter Meeting 1993, Winter Meeting 1994, Winter Meeting 1995, and Winter Meeting 1997 (formerly Policy C-14).

Superseded



**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 INDEPENDENCE AVE., SW
WASHINGTON, D.C. 20201**

PHONE: (202) 690-6786

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OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION

**CONGRESSIONAL LIAISON OFFICE
ROOM 406G HUMPHREY BUILDING**

TO: Steve Warnath

FROM: Irene B. Bueno

DATE: 1/14/97

FAX NO: 456-7028

**TOTAL PAGES
INCLUDING COVER): 5**

Finally, attached is the latest DRAFT of the refugee self-sufficiency report. This draft will be distributed at the meeting today.

Please call me if you have any comments or questions 202-690-6786.

Thank you.

DRAFT

REPORT TO THE PRESIDENT

ADDITIONAL STEPS TO INCREASE REFUGEE SELF-SUFFICIENCY, SOCIAL ADJUSTMENT, AND NATURALIZATION

ISSUE

On August 22, 1996, President Clinton issued a memorandum on the subject of naturalization. Included in this memorandum was the following directive:

I direct the Secretary of Health and Human Services, in conjunction with other agencies as appropriate, to present to me by December 30, 1996, through the Domestic Policy Council, a report setting out a strategy of additional steps that we can take to promote social adjustment in the United States, economic self-sufficiency, and naturalization [of refugees and asylees].

The priority for the domestic refugee resettlement program is, and must continue to be, to help refugees obtain self-sufficiency and social adjustment as quickly as possible after their arrival in the United States.

The Department of Health and Human Services (HHS) is cognizant of the role that the domestic refugee resettlement program plays in foreign policy. Concern over immigrant and refugee use of welfare and the rate of integration into American society has made it clear that in order to maintain public support for refugee resettlement in the future, the self-sufficiency rate and civic integration of refugees need to improve.

The domestic refugee resettlement program will expire this fiscal year. The reauthorization process provides an opportunity for a thorough review of the current program and make recommendations to it that promote the social adjustment, economic self-sufficiency, and naturalization of refugees and asylees. After this review and a series of consultations, we expect to propose reauthorizing legislation before Spring.

What follows are a list of initial steps we will take pursuant to the President's directive. These steps are especially timely inasmuch as the domestic refugee resettlement program's authorization for funding expires this fiscal year. Moreover, Congress has already begun its review of the refugee program. On August 1, 1996, the House Subcommittee on Immigration and Claims held a hearing on increasing the private sector's role in resettlement. We hope to propose reauthorizing legislation prior to the start of hearings in the 105th Congress expected before Spring.

BACKGROUND

The purpose of the domestic refugee resettlement program is to provide newly arrived refugees with the best possible start in their new homeland. As refugee admissions

expanded in the 1970's, the existing Federal welfare programs were increasingly utilized to provide cash and medical assistance to refugees and to help them move toward self-sufficiency. The current design of the refugee program was created when the domestic resettlement program was codified in the Refugee Act of 1980 and the Federal Office of Refugee Resettlement was established.

Currently, the Department of State funds voluntary agencies to provide refugees with initial resettlement assistance -- helping to orient them to the United States, find housing, enroll their children in school, etc. After the initial resettlement phase (funded at 30 days), refugees are provided with employment and social adjustment services through a variety of Federal and State programs. About half of newly arriving refugees have been provided these services through the Aid to Families with Dependent Children (AFDC) program and other mainstream public assistance programs. Other refugees ineligible for AFDC for non-financial reasons may be eligible for the Refugee Cash and Refugee Medical Assistance programs for eight months after their arrival in the United States. These programs are entirely funded by the Federal government through the HHS Office of Refugee Resettlement.

RECENT INITIATIVES

HHS has taken many steps over the past few years to improve the self-sufficiency and social adjustment rate of refugees. For example, in 1995, ORR issued regulations that directed States to target refugee-specific services to those refugees who have been in the United States for five years or less. The result is that resources are more focused on newly arrived refugees. Fiscal year 1996 was the first year that States were required to submit outcome goal plans, which has led to a greater focus on increasing self-sufficiency outcomes. Other initiatives led by ORR include encouraging States to serve more refugees who receive mainstream welfare in refugee-specific services and requiring ORR-funded services to be culturally and linguistically appropriate for all refugee populations.

Demonstration projects funded under the "Wilson/Fish" authority (Section 412(e)(7) of the Immigration and Nationality Act), have been particularly successful in helping refugees gain self-sufficiency. Key to the success of projects in Kentucky, Massachusetts and San Diego has been the integration of cash assistance with case management; the provision of intensive, up-front services; and the coordination of case management and employment services. Outcomes have been especially good in these projects: in Kentucky, it usually takes less than 70 days for employable adult refugees to find a job at above minimum wage; in San Diego, during its first year of operation, nearly three-quarters of the refugees enrolled in the project became self-sufficient before the end of the 12 months.

The Matching Grant Program, which is also run by the voluntary agencies, integrates cash assistance with employment services for refugees during their first four months after their arrival and currently serves approximately 25 percent of all refugee arrivals.

In calendar year 1995, 41 percent of the Matching Grant participants were self-sufficient by the fourth month following arrival in the United States. In 1996, this program was enhanced through increased Federal funding to provide more comprehensive services to refugees and was expanded to provide such intensive up-front services to refugees in additional sites.

RECOMMENDATIONS

In order to improve refugee economic self-sufficiency, social adjustment, and naturalization--while building on the initiatives we have already undertaken--we recommend the following steps:

1) Economic Self-Sufficiency: The Director of the Office of Refugee Resettlement (ORR) will conduct a series of consultations regarding the domestic refugee resettlement program that focus principally on how best to achieve early economic self-sufficiency with an increased emphasis on accountability for outcomes.

We recommend that the consultations take the following into account:

- As stated above, concern over immigrant and refugee use of welfare has made it clear that in order to keep the door open for refugees, the self-sufficiency rate and integration of refugees needs to improve.
- The successful models described above (and other models of effective self-sufficiency services for refugees) offer lessons and experiences to build on in moving towards more effective services to promote self-sufficiency and integration.
- Decreasing refugee admissions and increasing ethnic diversity of arriving populations mean that the resettlement program needs to be more flexible to maintain culturally and linguistically appropriate services. The bulk of refugee admissions were former Soviets and Southeast Asians. The refugee service system was established over the years primarily to meet the needs of these two groups. Now, the US admits many different populations -- such as Somalis, Benadiri, Iraqis, Kurds, Bosnians, and Sudanese. At the same time, the number of refugees from Southeast Asia and the former Soviet Union is decreasing. There are many volatile regions in the world making it difficult to predict who will be admitted as refugees and asylees.
- Refugees have unique experiences and come with a range of backgrounds: from engineers with advanced technical degrees to illiterate farmers, all of whom need refugee-specific services. Neither welfare nor welfare reform was designed specifically for newcomers who are fleeing persecution.

2) Social Adjustment: The Office of Refugee Resettlement, together with the

voluntary agencies and the Department of State, State Refugee Coordinators, service providers, refugees and others, will develop and implement policies and strategies for the placement and resettlement of refugees in communities that afford refugees the best opportunities for social adjustment and self-sufficiency.

ORR will continue to ensure that funding for services and assistance is made available to those communities where refugees resettle.

In addition, ORR will award grants for English language training and social and cultural adjustment services for underserved refugee groups, such as older refugees, pre-literate refugees, or homebound women. These services will help these refugees attain the level of English proficiency needed to be able to participate in other services and to have an understanding and appreciation of the American culture so that they can become citizens and participate fully in mainstream American civic life.

3) Naturalization: ORR will set aside \$1 million to launch a new partnership program to provide matching funds for providers who leverage State, local, or private funds for citizenship education.

In addition, ORR should stress the importance of citizenship and naturalization in the refugee resettlement program and encourage its grantees to provide civics education and naturalization assistance through the refugee social services and targeted assistance programs.

To expand naturalization application processing, the Immigration and Naturalization Service will be invited to collaborate with ORR in building the capacity of community-based organizations, particularly mutual assistance associations, to assist refugees in obtaining citizenship.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

LRM NO: 5255

FILE NO: 2699

7/30/96

LEGISLATIVE REFERRAL MEMORANDUM

Total Page(s): _____

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(for) Assistant Director for Legislative Reference

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schroeder_i@a1.eop.gov

SUBJECT: HHS Proposed Testimony on Privatizing Refugee Resettlement

DEADLINE: Noon Wednesday, July 31, 1996

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President.

Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

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* State and Justice may also be testifying
At the 8/1/96 House Judiciary hearing.

**RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM**LRM NO: **5255**FILE NO: **2899**

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet.

If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:

(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or

(2) sending us a memo or letter

Please include the LRM number shown above, and the subject shown below.

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Office of Management and Budget
Fax Number: 395-3108
Branch-Wide Line (to reach legislative assistant): 395-3454

FROM: _____ (Date)

_____ (Name)

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_____ (Telephone)

SUBJECT: HHS Proposed Testimony on Privatizing Refugee Resettlement

The following is the response of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _____

_____ Other: _____

_____ FAX RETURN of _____ pages, attached to this response sheet.

SUBJECT: HHS Proposed Testimony on Privatizing Refugee Resettlement

Draft

Lavinia Limon

~~Director~~

Office of Refugee Resettlement
Administration for Children and Families
Department of Health and Human Services

Testimony before the Subcommittee on Immigration and Claims
Committee on the Judiciary
U.S. House of Representatives

August 1, 1996

Draft

Mr. Chairman, I appreciate this opportunity to appear before you on behalf of the Department of Health and Human Services to discuss the role of private organizations in refugee resettlement. As the Director of the Office of Refugee Resettlement, I am responsible for administering the domestic refugee resettlement program. During the past 3 years this Administration has worked closely with States and the private sector in focusing attention on the goal of economic self-sufficiency and social adjustment as soon after a refugee's arrival in the United States as possible. I would like to share some of the positive changes we have been able to implement in order to move towards achieving this goal and discuss some of our experiences in working with private organizations.

Background

Since 1975, over 2 million refugees have been resettled in the United States. The major goal of the refugee resettlement program is to provide assistance to these refugees so that they can achieve economic self-sufficiency and social adjustment within the shortest time possible following their arrival in the

U.S. For FY 1996, approximately \$407 million was available to serve refugees through five different programs: cash and medical assistance, employment services, preventive health services, the voluntary agency matching grant program, and the targeted assistance grant program.

Cash and medical assistance is available to needy refugees - who are not eligible for other cash or medical assistance programs, such as Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), or Medicaid -- who arrive in the U.S. with no financial resources. This refugee assistance is paid entirely from federal funds and is available only for a limited number of months following arrival in the U.S.

To help refugees become self-supporting as quickly as possible, we also provide employment services funding to state governments and private, non-profit agencies which are responsible for providing services, such as English language and employment training. Refugees receiving cash and medical assistance are required to be enrolled in employment services and to accept offers of employment.

In addition, in FY 1996 funds were provided to the Public Health Service to monitor overseas medical screening for U.S.-bound refugees and to provide grants to state public health departments for preventive health assessment and treatment services to refugees for protection of the public health against

contagious diseases.

Under the Voluntary Agency Matching Grant Program agencies match Federal funds from private funds or in-kind goods and services. During the refugees' first four months in the U.S., several voluntary resettlement agencies take responsibility for resettling refugees and assisting them to become self-sufficient through private initiatives without recourse to public assistance.

The Targeted Assistance Grants program provides additional ~~resources to communities facing extraordinary resettlement~~ problems because of a high concentration of refugees and a high use of public assistance by the resident refugee population. Special efforts are directed to those refugees who depend upon public assistance.

~~services. During the refugees' first four months in the U.S.,~~

Under the current structure, refugees receive assistance for their first 30 days in the United States through cooperative agreements between the Department of State and the private, voluntary agencies (VOLAGS). This assistance includes pre-arrival arrangements, such as identifying individuals outside the agency who may help with resettlement, initial reception and placement of the refugee, and counseling and referral services. Refugees may be referred to a variety of programs, such as those ~~described above, for assistance beyond this initial 30-day~~ period.

Recent changes in the program

In 1995, we began sharpening our focus on newer refugee arrivals, stressing the need to provide refugee-specific, culturally and linguistically appropriate services. Final regulations were published which, for the first time, directed states to target refugee specific employment and other social adjustment services funded by our Social Services and Targeted Assistance programs, to refugees and entrants who have been in the United States for less than five years. As a result of this change in direction, major funding shifts have occurred in the program. For example, in FY 1996, 18 counties no longer qualify for Targeted Assistance funds while 15 new counties will receive this impact aid.

~~arrivals, stressing the need to provide refugee-specific,~~
The domestic program also must be able to respond quickly, visibly, and flexibly in providing refugee-specific services in response to refugee crises. Our new discretionary initiatives in Preferred Communities and Unanticipated Arrivals grant programs have had an excellent start. These initiatives provide timely funding to public and private providers in order to respond to unforeseen refugee impacts. In addition, we have begun a partnership with the Department of State and the public and private sectors on refugee placement planning which will be the focus of an effort to review how placement decisions are made and on how we can be better informed when making these decisions.

Other initiatives involving private organizations

At the State and local level, there has been a good deal of activity around creating alternative programs using the "Fish/Wilson" authority. Under this authority, we develop alternative projects which promote early employment of refugees. It provides to States, voluntary resettlement agencies, and others the opportunity to develop innovative approaches for the provision of cash and medical assistance, employment services and case management. Some projects were established when the State government decided not to continue administering the program, such as in Kentucky, and some projects are being established as refugee-specific alternatives to categorical aid programs, such as AFDC.

In the Kentucky Fish/Wilson project, administered by Catholic Charities, a private agency is running the refugee program for the State. Six agencies in various communities throughout Kentucky are able to continue the vital work of resettlement. It usually takes less than 70 days to find employable adult refugees a job at above minimum wage. In nearly half of the cases, these jobs come with benefits like health care.

The first Fish/Wilson project awarded directly to a private-sector agency went to a U.S. Catholic Conference (USCC) affiliate in San Diego. This project serves USCC sponsored new arrivals

and provides a range of in-house services aimed at increasing the rate of refugee self-sufficiency and decreasing the average length of time on cash assistance. During its first year of operation, nearly three-quarters of the refugees enrolled in the San Diego project became self-sufficient before the end of the 12 months.

Conclusion

I hope I have presented to this committee a concise overview of some of the changes we have made in the refugee program in conjunction with our State and private sector partners, along with the highlights of our efforts in working with voluntary agencies. The opportunity to have this discussion today can serve as an important first step in the reauthorization process next year. Along with these changes, we must also keep in mind the potential impact on refugees of major legislative changes currently under consideration by this Congress, as well as the impact of the numerous welfare reform waivers approved by this Administration.

As we begin the reauthorization process, one other point is critical to keep in mind. Any new legislation must reflect the principle that the resettlement program must be a national, federally funded, integrated service delivery and assistance program. As an extension of foreign policy, it must be flexible and responsive to refugee admissions decisions and provide

culturally and linguistically appropriate services so refugees can become economically self-sufficient as soon after arrival as possible.

I would be pleased to answer any questions.

culturally and linguistically appropriate services

To : Irene Bueno@ASL@OS.DC
Cc :
Bcc :
From : Lenny Glickman@ORR.OD@ACF.WDC
Subject : re:
Date : Friday, January 24, 1997 at 1:17:47 pm EST
Attach :
Certify : N
Encrypt : N

Charles Sykes, Deputy Ass't Secretary, Bureau for Population, Refugees, and Migration, DOS.

Doug Hunter, Director, Policy, PRM.

Anita Botti, Acting Director, Refugee Admissions, PRM

Ken Leutbecker, INS, International Affairs

Lori ~~Heinlich~~, INS, Policy

Heinrich



U.S. COMMISSION ON IMMIGRATION REFORM

May 17, 1996

Mr. Steve Warnath
Senior Policy Analyst
Domestic Policy Council
Old Executive Office Building
Room 224C
Washington, D.C. 20502

Dear Mr. Warnath:

On behalf of the U.S. Commission on Immigration Reform, I invite you to participate in a luncheon consultation on domestic refugee resettlement. The consultation will be held from 11:45 a.m. - 1:45 p.m. on June 13, 1996 at the Stouffer Mayflower Hotel, 1127 Connecticut Ave., NW. We will send you a more detailed agenda prior to the meeting.

The format of the consultation will be an open discussion among senior officials of the key federal agencies involved in refugee resettlement. You will not be asked to make a formal presentation on the activities and programs which you administer. The Commissioners will have been briefed on the program. Instead, we invite participants to bring to the discussion their perspectives on current issues and recommendations which they would like to see the Commission address in its report to Congress.

Enclosed is a paper which sets the context and frames some of the issues around which the Commission anticipates discussion, and on which you are being asked to share your perspective and recommendations. Feel free to call Allan Gall (x8651) or Deborah Meyers (x8643) if you have any questions.

Sincerely,

Lawrence H. Fuchs a.d.

Lawrence H. Fuchs
Acting Co-Chair

Enclosure

DOMESTIC REFUGEE RESETTLEMENT

Context for Commission's Review

The Commission is mandated to look at the social and economic adjustment and the impact of immigrants, among which refugees are an important part. Further, the refugee resettlement program represents both a model of an absorption strategy and a set of experiences for examining adjustment and impact. The Commission is interested in what lessons the refugee resettlement experience offers about adjustment that may be applicable more generally.

The Commission plans to report to Congress on refugee resettlement, including priorities for admission, overseas processing, and domestic assistance. In preparation for this report, the Commission is consulting with the affected agencies on administrative or legislative changes that they feel would be helpful as recommendations in the Commission's report. The challenge is to assure that our resettlement structure is able efficiently and effectively to handle the resettlement of refugees under every scenario.

A review of the domestic resettlement program may be particularly propitious both to prepare for the several plausible scenarios that may present themselves and as an opportunity to address some historical issues around which there is already some consensus.

- **Changes in refugee admissions**

The admissions scenario currently evolving is a gradual decline from the FY 1992 high of 131,767 to a presidential budget "ceiling" of 75,000 for FY 1997, with further reduction anticipated in FY 1998. This decline is occurring because the admission as refugees of persons from Southeast Asia, who account for more than 60 percent of all the refugees resettled in the U.S. over the past twenty years, will cease in FY 1996, and the admission as refugees of persons from the former Soviet Union, who account for 40 percent of all

refugee arrivals over the past seven years, also is slowing and projected to cease in the near future.

At the same time, the past twenty years' history suggests that refugee flows are not predictable. Even in the spheres where events appear to be well understood, predictions are vulnerable. The former Soviet Union, Bosnia, Haiti, and Cuba are all cases where changes in the *status quo* easily and quickly could occur. In addition, it is reasonable to predict periodic emergencies elsewhere that will result in the need for U.S. resettlement of large numbers of refugees in a limited period.

Absent the arrivals from those regions of the world that began as emergency responses by the U.S., e.g. Vietnam and the former Soviet Union, the admissions of recent years (FY 1989-1995) averaged 28,000. As the U.S. has a commitment to admissions considerably higher than this, it is reasonable to predict that a future refugee program, one not composed primarily of refugees from a U.S. emergency response to a particular international refugee-producing event, would consist of refugees from a number of countries and of different and diverse ethnic groups.

These are circumstances new to the domestic resettlement program. Vietnamese refugees have been resettled in large numbers over a span of twenty years. Cuban and Jewish refugees also have been resettled over an extended period of years and into established U.S. ethnic communities—communities with organized political power and prepared to extend significant resources to welcome the newcomers. These scenarios permitted different resettlement options than may be possible for new groups of refugees who may come in modest numbers, be in the arrival cohort for only two to five years, and join small numbers of scattered compatriots with, in some cases, few resources and no political power.

For these reasons, it seems prudent to consider how the resettlement system might best be structured to assure that it is capable of effective resettlement in all potential scenarios, including modest levels of admissions, emergency responses, large numbers of specific ethnic group members, and/or limited numbers of several different ethnic groups.

- Changes in the mainstream federal assistance programs

Refugees have been eligible for mainstream federal assistance programs and have accessed them in substantial numbers and over extended time in some locations. These programs are the national welfare program for families, Aid for Families with Dependent Children [AFDC]; the companion program of health care assistance, Medicaid; and the food assistance program, Food Stamps.

Significant change would occur under the proposed block-granting of AFDC to the states: some reduction in federal funding; some easing of the requirement of states to match these funds; shortened eligibility periods; and some change in the mandatory requirements for services and eligibility for services. One impact of reduced funding could be loss of eligibility for AFDC by intact refugee families. Intact families have to document recent participation in the labor force (earnings of at least \$50 in six of the previous thirteen work quarters). But most states routinely have waived documentation for refugees and accepted the value of wages for reported work in countries of origin as equivalent to U.S. wages. Under a fixed budget, states may reconsider this policy, putting newly arriving refugee families on the very short-term Refugee Cash Assistance [RCA] program, that currently is not funded to handle such an increased caseload.

In many states significant changes in AFDC programs already are underway as a result of state-specific waivers; requests for waivers by other states are pending; and the political climate encourages both further requests and the granting of all requests. The implemented changes, which mostly include time limits on assistance and pushing all recipients quickly through to employment, can put refugees, who are perceived to have more barriers to employment, at a disadvantage in the competitive pool for the services to help recipients find jobs.

Medicaid also may be block-granted and, like AFDC, is being changed at the state level through waivers and changes in state Medicaid plans. One wide-spread change that affects refugees is the consolidation of Medicaid services through managed-care providers. This could deprive refugees from using ethnic doctors for Medicaid services, affect some *pro bono* services, and affect the quality of care available to refugees.

Some Medicaid waivers are positive, e.g., those in Hawaii and Oregon that expand coverage to include "the working poor." These programs support the efforts of refugee families whose members may not be able to find work that has employer-paid health benefits.

Food Stamps may not be block-granted to states at this time, but the requirements for recipients, e.g., for work search, will have to be locally orchestrated in concert with the changes in the AFDC program.

- **Changes in services available**

The proposed Workforce Development Act portends a change in employment services for refugees. If passed, the Act as offered would consolidate employment services funding, including services for refugees. Under this scenario, the task of the refugee resettlement program may be less to provide employment services than to assist refugees in gaining access to such services and to advocate within the system on their behalf. Alternatively, some refugee resettlement agencies that are organized locally may be able to continue as a provider of services to refugees under the consolidated program of the Workforce Development Act.

One change that already has occurred is the five-year time limit imposed on some services through new federal regulations. This is intended to assure that more services are available to newly arriving refugees. For this effect to occur, the local system of services will have to be structured accordingly.

If the block grant proposed for public welfare becomes a reality, it will also impact the services that have been available under the JOBS [Job Opportunities and Basic Skills] program by eliminating its separate funding. Again, it will require that the services system for refugees, where it is currently structured for refugees on AFDC to be served through JOBS, be changed. The issue locally will be to assure that, in a competitive services market, those viewed as having the most barriers to employment, such as refugees, are not left out of available training and employment services slots.

- **Changes in resettlement capacity**

Four states have dropped out of the program and the participation of a dozen more is minimal. Their continued involvement is a management efficiency question for both the states and the program.

The pool of national agencies, as well as the number of local agencies, participating in initial resettlement also has declined.

Local service agencies that have incorporated to serve specific ethnic groups will find it increasingly difficult to compete for funding for the purpose of resettling newly arriving refugees when those ethnic groups no longer comprise the new arrivals.

Where sites—whether states, cities, or towns—no longer have a local agency participating in resettlement, the national capacity for resettlement is diminished. Without attention, as admissions decline, this trend will become exacerbated and could jeopardize our national capacity for absorption in times of crisis. This capacity was key to the historical effort to spread the impact among local communities.

With fewer arrivals, refugee program appropriations may drop proportionately, requiring maximum administrative efficiency at every level to assist clients to become—as prescribed in the Refugee Act—employed and self-supporting “as quickly as possible.”

- **Changes in strategies.**

In response to some of the above changes, agencies are looking for options within the existing structures to simplify and maintain capacity, as well as to improve services. Some voluntary agencies are joining forces locally in consolidated programs and offices. There is renewed interest in alternative mechanisms for consolidated funding of services and assistance, such as through the Wilson/Fish grants available from the federal Office of Refugee Resettlement [ORR] in the Department of Health and Human Services [DHHS]. There also is renewed interest in trying to provide a consolidated program of assistance and services to all new arrivals, instead of having families served through the mainstream

AFDC/JOBS programs and the singles and the childless couples served through RCA/RSS [Refugee Cash Assistance/Refugee Social Services].

Issues for Consideration

- **What strategies might be pursued to promote social adjustment and economic self-sufficiency without resorting to public welfare programs?**

The utilization of public assistance programs as the vehicle for domestic resettlement erodes public support for resettlement. The long-term utilization of public assistance that has characterized resettlement in the most impacted geographic areas supports public opposition to resettlement. Worst of all, it clearly has not served refugees well, either in their social adjustment or in their long-term economic well-being.

The differences in length of time and of services participation requirements for AFDC and RCA has bifurcated the resettlement program in ways neither foreseen nor intended by the Refugee Act and based neither on client needs nor program design. The result is confusing to refugees.

The current climate finds both political parties vying to change public assistance and little public support for welfare programs of any kind. Although there are attendant risks, this may be the right environment in which to get support for a new strategy that does not use public assistance programs as the primary crutch for domestic refugee resettlement.

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At the local level, agencies are obliged to apply for numerous grants in order to fund a comprehensive program. Each grant or contract has separate application and separate fiscal and program reporting requirements.

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Multiple grant rules blur expectations. Clients in MG are expected to be self-sufficient in four months. There effectively has been no expectation for clients on AFDC. Refugees on RCA are expected to become self-sufficient over a period ranging from eight to thirty-six months—depending on how much money was appropriated, rather than on any standards of program outcome expectations. Depending on who has what contract for which service, clients get different and sometimes conflicting messages.

No agency or level of government has enough control over the program to be able to report on the status of arrivals even after one year. The program does not document outcomes for all arrivals even in their first year. Different agencies under different programs collect some pieces of information through separate reports. The result is: everyone and no one is responsible; no one can be held accountable or report to the public on the outcomes of the program or on the money spent.

- **How might the program be structured to respond better to expansions and contractions in refugee arrivals?**

One aspect is fiscal. The pressure on the "discretionary" side of the federal budget over the past decade has kept appropriations for domestic resettlement relatively flat, at approximately the \$400 million level, even though admissions during the same period (FY 1986-1996) fluctuated up from 62,000 to 132,000 and back down to a projected 90,000. This incongruity between the budget and admissions was accommodated administratively by reducing the period of benefits for refugees to eight months and eliminating all reimbursement to states for state share of categorical programs (AFDC & Medicaid). Fortuitously, the decline in admissions beginning in FY 1993, combined with carry-forward authority for unspent funds from previous years, has made it possible to sustain a "maintenance of effort" program with "level" funding even after reductions in benefits and reimbursement to states were maximized. The question is how the current level of assistance and services, which most observers regard as minimal, would be maintained if admissions were to take even a modest upturn, instead of the current pattern of modest annual decline.

Another aspect is local resettlement capacity. As noted above, in a period of declining admissions, pressure exists for states and local agencies to drop out of the program, raising concerns that resettlement will be consolidated in the most populous states and the most populous cities within those states. This has implications for public reaction, public support, and the quality of resettlement for refugees. How do we structure domestic resettlement with the flexibility to expand and contract locally in ways that do not seriously limit the locations in which refugees can be placed in periods of either low or high admissions?

A further facet of flexible local capacity is the dynamic of changes in ethnic groups resettled. New groups may join compatriots in areas where historically few refugees were placed. But regardless of location, local capacity needs to respond flexibly and in collaboration with different local communities and organizations to assist a variety of ethnic groups that may have unique needs in some cases, but that in all cases will have unique language and cultural backgrounds.

- **How might the program be structured to deliver professionally, across the country, a clearly-defined set of assistance and services in a manner that assures both a minimum level of support to all new arrivals and efficient support for the local agencies providing it.**

Currently, resettlement is accomplished by molding a local program around the services funded via a collage of grants and contracts among local agencies. Consequently, there is not a consistent services program across the country. Much has been learned in the past two decades about the structure of effective resettlement and about how to maximize positive resettlement, even in locations where resettlement was not particularly successful in the early 1980s. The value of client incentives, of extended health care benefits for beginning workers, of integrated services, and of broad case management accountable for access to assistance and services and for employment outcomes all have been well demonstrated. Many program professionals and local agencies know what to do and how to do it. A well structured domestic resettlement program could facilitate their efforts.

DOMESTIC REFUGEE RESETTLEMENT

Context for Commission's Review

The Commission is mandated to look at the social and economic adjustment and the impact of immigrants, among which refugees are an important part. Further, the refugee resettlement program represents both a model of an absorption strategy and a set of experiences for examining adjustment and impact. The Commission is interested in what lessons the refugee resettlement experience offers about adjustment that may be applicable more generally.

The Commission plans to report to Congress on refugee resettlement, including priorities for admission, overseas processing, and domestic assistance. In preparation for this report, the Commission is consulting with the affected agencies on administrative or legislative changes that they feel would be helpful as recommendations in the Commission's report. The challenge is to assure that our resettlement structure is able efficiently and effectively to handle the resettlement of refugees under every scenario.

A review of the domestic resettlement program may be particularly propitious both to prepare for the several plausible scenarios that may present themselves and as an opportunity to address some historical issues around which there is already some consensus.

- **Changes in refugee admissions**

The admissions scenario currently evolving is a gradual decline from the FY 1992 high of 131,767 to a presidential budget "ceiling" of 75,000 for FY 1997, with further reduction anticipated in FY 1998. This decline is occurring because the admission as refugees of persons from Southeast Asia, who account for more than 60 percent of all the refugees resettled in the U.S. over the past twenty years, will cease in FY 1996, and the admission as refugees of persons from the former Soviet Union, who account for 40 percent of all

refugee arrivals over the past seven years, also is slowing and projected to cease in the near future.

At the same time, the past twenty years' history suggests that refugee flows are not predictable. Even in the spheres where events appear to be well understood, predictions are vulnerable. The former Soviet Union, Bosnia, Haiti, and Cuba are all cases where changes in the *status quo* easily and quickly could occur. In addition, it is reasonable to predict periodic emergencies elsewhere that will result in the need for U.S. resettlement of large numbers of refugees in a limited period.

Absent the arrivals from those regions of the world that began as emergency responses by the U.S., e.g. Vietnam and the former Soviet Union, the admissions of recent years (FY 1989-1995) averaged 28,000. As the U.S. has a commitment to admissions considerably higher than this, it is reasonable to predict that a future refugee program, one not composed primarily of refugees from a U.S. emergency response to a particular international refugee-producing event, would consist of refugees from a number of countries and of different and diverse ethnic groups.

These are circumstances new to the domestic resettlement program. Vietnamese refugees have been resettled in large numbers over a span of twenty years. Cuban and Jewish refugees also have been resettled over an extended period of years and into established U.S. ethnic communities—communities with organized political power and prepared to extend significant resources to welcome the newcomers. These scenarios permitted different resettlement options than may be possible for new groups of refugees who may come in modest numbers, be in the arrival cohort for only two to five years, and join small numbers of scattered compatriots with, in some cases, few resources and no political power.

For these reasons, it seems prudent to consider how the resettlement system might best be structured to assure that it is capable of effective resettlement in all potential scenarios, including modest levels of admissions, emergency responses, large numbers of specific ethnic group members, and/or limited numbers of several different ethnic groups.

- **Changes in the mainstream federal assistance programs**

Refugees have been eligible for mainstream federal assistance programs and have accessed them in substantial numbers and over extended time in some locations. These programs are the national welfare program for families, Aid for Families with Dependent Children [AFDC]; the companion program of health care assistance, Medicaid; and the food assistance program, Food Stamps.

Significant change would occur under the proposed block-granting of AFDC to the states: some reduction in federal funding; some easing of the requirement of states to match these funds; shortened eligibility periods; and some change in the mandatory requirements for services and eligibility for services. One impact of reduced funding could be loss of eligibility for AFDC by intact refugee families. Intact families have to document recent participation in the labor force (earnings of at least \$50 in six of the previous thirteen work quarters). But most states routinely have waived documentation for refugees and accepted the value of wages for reported work in countries of origin as equivalent to U.S. wages. Under a fixed budget, states may reconsider this policy, putting newly arriving refugee families on the very short-term Refugee Cash Assistance [RCA] program, that currently is not funded to handle such an increased caseload.

In many states significant changes in AFDC programs already are underway as a result of state-specific waivers; requests for waivers by other states are pending; and the political climate encourages both further requests and the granting of all requests. The implemented changes, which mostly include time limits on assistance and pushing all recipients quickly through to employment, can put refugees, who are perceived to have more barriers to employment, at a disadvantage in the competitive pool for the services to help recipients find jobs.

Medicaid also may be block-granted and, like AFDC, is being changed at the state level through waivers and changes in state Medicaid plans. One wide-spread change that affects refugees is the consolidation of Medicaid services through managed-care providers. This could deprive refugees from using ethnic doctors for Medicaid services, affect some *pro bono* services, and affect the quality of care available to refugees.

Some Medicaid waivers are positive, e.g., those in Hawaii and Oregon that expand coverage to include "the working poor." These programs support the efforts of refugee families whose members may not be able to find work that has employer-paid health benefits.

Food Stamps may not be block-granted to states at this time, but the requirements for recipients, e.g., for work search, will have to be locally orchestrated in concert with the changes in the AFDC program.

- **Changes in services available**

The proposed Workforce Development Act portends a change in employment services for refugees. If passed, the Act as offered would consolidate employment services funding, including services for refugees. Under this scenario, the task of the refugee resettlement program may be less to provide employment services than to assist refugees in gaining access to such services and to advocate within the system on their behalf. Alternatively, some refugee resettlement agencies that are organized locally may be able to continue as a provider of services to refugees under the consolidated program of the Workforce Development Act.

One change that already has occurred is the five-year time limit imposed on some services through new federal regulations. This is intended to assure that more services are available to newly arriving refugees. For this effect to occur, the local system of services will have to be structured accordingly.

If the block grant proposed for public welfare becomes a reality, it will also impact the services that have been available under the JOBS [Job Opportunities and Basic Skills] program by eliminating its separate funding. Again, it will require that the services system for refugees, where it is currently structured for refugees on AFDC to be served through JOBS, be changed. The issue locally will be to assure that, in a competitive services market, those viewed as having the most barriers to employment, such as refugees, are not left out of available training and employment services slots.

- **Changes in resettlement capacity**

Four states have dropped out of the program and the participation of a dozen more is minimal. Their continued involvement is a management efficiency question for both the states and the program.

The pool of national agencies, as well as the number of local agencies, participating in initial resettlement also has declined.

Local service agencies that have incorporated to serve specific ethnic groups will find it increasingly difficult to compete for funding for the purpose of resettling newly arriving refugees when those ethnic groups no longer comprise the new arrivals.

Where sites—whether states, cities, or towns—no longer have a local agency participating in resettlement, the national capacity for resettlement is diminished. Without attention, as admissions decline, this trend will become exacerbated and could jeopardize our national capacity for absorption in times of crisis. This capacity was key to the historical effort to spread the impact among local communities.

With fewer arrivals, refugee program appropriations may drop proportionately, requiring maximum administrative efficiency at every level to assist clients to become—as prescribed in the Refugee Act—employed and self-supporting "as quickly as possible."

- **Changes in strategies.**

In response to some of the above changes, agencies are looking for options within the existing structures to simplify and maintain capacity, as well as to improve services. Some voluntary agencies are joining forces locally in consolidated programs and offices. There is renewed interest in alternative mechanisms for consolidated funding of services and assistance, such as through the Wilson/Fish grants available from the federal Office of Refugee Resettlement [ORR] in the Department of Health and Human Services [DHHS]. There also is renewed interest in trying to provide a consolidated program of assistance and services to all new arrivals, instead of having families served through the mainstream

AFDC/JOBS programs and the singles and the childless couples served through RCA/RSS [Refugee Cash Assistance/Refugee Social Services].

Issues for Consideration

- **What strategies might be pursued to promote social adjustment and economic self-sufficiency without resorting to public welfare programs?**

The utilization of public assistance programs as the vehicle for domestic resettlement erodes public support for resettlement. The long-term utilization of public assistance that has characterized resettlement in the most impacted geographic areas supports public opposition to resettlement. Worst of all, it clearly has not served refugees well, either in their social adjustment or in their long-term economic well-being.

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NEW DIRECTIONS IN REFUGEE RESETTLEMENT

BACKGROUND

The Refugee Resettlement Program provides funds to States and non-profit agencies to help refugees become employed and self-sufficient as soon as possible after their arrival in the United States.

In FY 1994, ORR will be responsible for providing assistance for up to 121,000 refugees, the admissions ceiling authorized by the President (Presidential Determination 94-1). Congress appropriated \$400 million for ORR programs in FY 1994.

About \$264 million will be used to reimburse States for the costs of refugee cash and medical assistance, to aid unaccompanied refugee children, for States' administration, and for the costs of the voluntary agency matching grant program.

In FY 1994, Congress also appropriated \$80.8 million for social services, \$49.4 million for targeted assistance, and \$5.3 million for preventive health.

PROGRAM RESTRUCTURING

ORR has recently taken steps to increase the flexibility of the refugee program to respond to changes in refugee numbers, ethnicities, and to the immediacy of refugee admissions. The refugee program is being tailored to shrink and expand in tandem with the U.S. response to international refugee events so that its future structure will correspond to populations with special needs, to different resource levels, and to differing conditions in local communities.

Cash and Medical Assistance

On December 8, 1993, ORR published a final rule which simplifies the procedures necessary to vary the period of eligibility for cash and medical assistance (CMA) according to the level of appropriations.

Social Services

Approximately \$68.7 million has been awarded in FY 1994 as formula grants for social services to help States provide refugees with employment services, English language training, and other support services to promote economic self-sufficiency and reduce refugees' dependence on public assistance. This year's announcement has been changed to emphasize that services are to be provided in a manner that is culturally and linguistically compatible with a refugee's background, in systems that are refugee-specific, and