DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

July 27, 1994

WR - Advocacy Group

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FROM: Margaret Pugh MP

SUBJECT: NCSL Welfare Reform Policy

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

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

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

COMMITTEE: **HUMAN SERVICES COMMITTEE**

TYPE OF POLICY: **CONSENT**

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

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

As policymakers, we are concerned that federal welfare reform must be accomplished with a corresponding national economic policy and employment

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

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

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

Mutual Responsibility

Critical to our vision of federal welfare reform is mutual responsibility between government and welfare recipients. Heads of households must take

personal responsibility for participating and contributing positively to their own well-being. Government must make opportunities available with support services.

NCSL supports policies that state these mutual obligations including:

- an employability plan that details the responsibilities and expectations of state government and of the client;
- a personal responsibility agreement determined by each state;
- meaningful sanctions for those who do not comply with the contract;
- assistance for those who play by the rules - families who are working should not be poor.

Private Sector

Reforming our current welfare system into a re-training, and employment system will fail without a partnership between government, the private sector and the not-for-profit sector. NCSL believes that job training and education for welfare recipients must be linked to employment needs in the community. Welfare reform will fail if recipients are not trained for real job opportunities. The private sector is critical to the identification of opportunities and the development of meaningful jobs, and should be encouraged to do so. Hiring welfare recipients should be a priority of both the public and private sector.

Transitional Program

NCSL believes that public assistance should be temporary for employable individuals when or where work is available. States should be accorded maximum flexibility in implementing policies that must meet local needs.

NCSL believes that all federal rules be repealed that put low income working people at a disadvantage as compared to welfare recipients. NCSL strongly believes that part-time employment with some support is preferable to nonwork.

NCSL believes that federal rules that create financial disincentives for work should be repealed. Working should always improve a family's financial and economic situation. Federal barriers to employment should be changed such as:

- Allowing states the option to use fill-the-gap budgeting;
- Allowing states the option to increase earnings disregards;
- Eliminating the 100 hour rule;
- Allowing flexibility to states to change or exempt resource and asset limits including the vehicle allowance;
- Flexibility for states to increase transitional child care and health care (medicaid) for more than the current one year.

For those unable to find employment after a period of education and/or training, NCSL supports the creation of employment opportunities in the public and private sector. NCSL believes that employment opportunities should first be in the private and not-for-profit sector with community work experience in the public sector as a last resort.

NCSL supports a time-limited or transitional period of public assistance and training followed by employment or federally subsidized work with support services. The time-limit should begin when a participant is enrolled in the JOBS program or another approved employment and training program. States should have the flexibility to provide services that remove the barriers to employment for recipients prior to the JOBS program.

Teen Pregnancy

State legislators are deeply concerned about the dramatic increase in births to unmarried teenagers. This increase consistently occurs in all income levels and across race and ethnicity. NCSL believes that this national problem deserves our full attention. We have found through our research that teen mothers and fathers have worse future outcomes including educational attainment and income than

other teens. However, we have not found research that proves that the availability of welfare encourages the occurrence of teen pregnancy. Over time, we believe, teen parents have much more difficulty remaining self sufficient and are more vulnerable to economic shifts in the labor market.

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

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

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

Welfare Waivers

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

Upfront Services and Improved Coordination and Technology

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

158 rates in federal welfare reform. Additionally, NCSL is concerned about the costs
159 of a national client tracking system and believe that any national system should be
160 federally funded.

161 The federal government should include up-front services in their welfare
162 reform package. NCSL believes that front-end services to avoid welfare
163 participation are critical to the success of national reform. These include the
164 provision of child care or transitional health care to the working poor who may be
165 at risk of entering the welfare system.

166 **Education and Training**

167 There is little discussion of the kinds of education and training programs that
168 this new system would require. We urge the federal government to discuss this
169 issue with state legislators and to develop these policies in conjunction with the
170 needs of local communities and the private sector. Work requirements for
171 community service should be designed without displacing existing public
172 employees.

173 State legislators believe that there are many innovative programs around the
174 country that should be shared. Technical assistance to state legislatures will be
175 critical as we consider state revisions. NCSL urges that the federal government
176 include funds for technical assistance to state legislatures as part of the national
177 reform effort.

178 **Child Support Enforcement**

179 Child support enforcement is a critical component of welfare reform. Our
180 separate policy on Child Support Enforcement details NCSL's position. State
181 legislators have been at the forefront of innovative efforts to improve paternity
182 establishment, including the following: 1) in-hospital paternity establishment; 2)
183 collection and enforcement of child support orders; 3) finding new penalties for
184 non-custodial parents who refuse to provide support; 4) useing mediation and

expedited administrative procedures; 5) providing a guaranteed level of child support and; 6) outreach to teen non-custodial parents. We are concerned, however, about unfunded mandates and preemption of state law in any new federal child support law.

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

Child Care, Health Care and Other Support Services

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

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

212 extending medicaid assistance for longer than the current one year after
213 transitioning to employment.
214 Transportation is another barrier to employment. Transportation assistance,
215 including the option of increasing or eliminating the vehicle allotment, must be part
216 of any federal welfare reform plan. Too often, work opportunities are provided at
217 a distance from where recipients live. This assistance must take into account
218 transportation needs for child care.
219 Work expenses are an additional barrier to employment. Uniforms, tools
220 and texts are especially costly for those beginning employment. NCSL believes
221 that the federal government must provide adequate funds and eligibility
222 disallowance for work expenses. There is little coordination between the various
223 programs that assist low-income families with their housing needs and self-
224 sufficiency efforts. We urge the federal government to link these systems so that
225 those who return to employment are not in danger of losing their housing
226 assistance and can earn their way out of poverty.
227 **Job Opportunities and Basic Skills Program (JOBS)**
228 We believe that any new federal program should build on and learn from the
229 Family Support Act of 1988 (P.L. 100-485 and the JOBS program. Unfortunately,
230 states have been unable to draw down the funds allocated for this important
231 education, training and employment program. NCSL strongly supports expansion
232 of this program to prepare participants for the workforce. Federal funding must be
233 expanded.
234 **Financing**
235 State legislators are extremely concerned about federal financing of welfare
236 reform. NCSL strongly opposes federal efforts to finance welfare reform through
237 cost-shifting to the states. NCSL opposes the following:
238 o unfunded mandates;

239 o transfer of needy populations to state government through elimination of
240 program and benefit funding by the federal government. The federal
241 government cannot eliminate their responsibility for legal immigrants,
242 substance abusers, homeless families and families in crisis. This does not
243 address legitimate needs -- it transfers the need to state-funded and
244 nonprofit programs and public hospitals;
245 o capping open-ended entitlements;
246 o unrealistic assumptions about savings from recipients leaving welfare or
247 receipt of child support enforcement.
248 NCSL supports the use of less prescriptive funding sources from the federal
249 government for welfare reform including the use of nonprescriptive block grants
250 and alternative use of existing resources.
251 NCSL strongly believes that the federal government must fund the
252 administrative and technical costs associated with any work program.
253 Welfare reform will fail if it is not adequately financed. Implementation,
254 especially of job creation, placement, tracking systems and child care, will be
255 extremely expensive. The Family Support Act depended on states to fund the
256 JOBS program; subsequently only 60% of federal JOBS funds were matched by
257 the states. We urge the federal government to find funding sources and higher
258 match rates for reform.
259 **Partnership for Federal Welfare Reform**
260 NCSL strongly reiterates that federal welfare reform will be a failure in the
261 states if state legislatures are not included in the process of policy development.
262 Wherever possible, flexibility will enable states to create innovative programs.
263 State legislators strongly believe that there must be an evaluation component for
264 any new federal program and that states be evaluated on outcome-based

measures. Additionally, the federal government must assist the states during implementation of welfare reform and highlight innovative programs.

NCSL's Concern for Children

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

WORKING GROUP ON WELFARE REFORM, FAMILY SUPPORT AND INDEPENDENCE

WR - Advocacy Groups

MEMORANDUM

To:	Mary Jo Bane	Avis Lavelle
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From: Patricia Sosa

Date: June 15, 1994

Subject: Advocacy Community Statements

Attached please find statements by several leading organizations on the introduction of the President's welfare reform plan.

If you have any questions or need additional information, please do not hesitate to call me at 401-9261.

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Statement By Will Marshall
President, Progressive Policy Institute
June 14, 1994

President Clinton has unveiled a welfare reform plan that represents a solid start toward fulfilling his pledge to "end welfare as we know it." His blueprint begins what the Progressive Policy Institute has identified as the central challenge of reform -- replacing welfare with a new social policy based on work.

The Administration's plan already has drawn predictable fire from ideologues on both the left and the right -- from liberals who have reflexivaly defended a failed welfare system and from conservatives who would abolish that system without putting something better in its place. President Clinton's approach seeks neither to protect the status quo nor to punish the poor, but rather to liberate impoverished citizens from the trap of poverty and dependence. He deserves great credit for making radical yet constructive change possible and for putting the values of work, family and individual responsibility back at the center of our social policy.

President Clinton's call for a two-year limit on welfare fundamentally changed the terms of the debate, making possible a true system change rather than the incrementalism that has failed so often in the past to improve the lives of poor Americans.

In general the Administration's plan is built on five solid pillars: 1) making work pay; 2) universal health care; 3) child support enforcement; 4) fall-back public sector jobs; and, 5) prevention (discouraging illegitimate births, especially to teen age girls.) While these elements will change the behavior of welfare recipients, successful reform will also require changing the behavior of the welfare bureaucracy. PPI believes that, as Congress takes up the Administration bill, it should explore ways to use outcome-based performance standards, incentives and the power of competition to covert welfare into a true employment system. The overriding challenge of welfare reform is to reconnect recipients to the world of real, private sector work before they reach the two-year limit.

PPI also salutes the imaginative and meticulous work of the White House/HHS Working Group On Welfare Reform, Family Support and Independence, led by Bruce Reed, David Ellwood and Mary Jo Bane. The working group's deliberations were open and public; its members made themselves accessible to civic organizations and took pains to solicit the ideas of the poor citizens who would be affected by welfare reform -- not just the experts and social service professionals whose voices have dominated past reform efforts.

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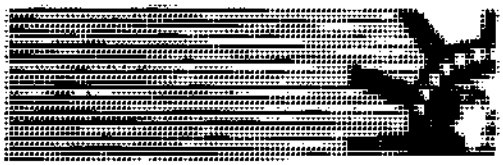
NARAL *Promoting Reproductive Choices*



STATEMENT OF JAMES WAGONER
Vice President
National Abortion and Reproductive
Rights Action League (NARAL)

CONTACT: Karen Schneider
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On President Clinton's Inclusion of So-Called
Family Caps in National Welfare Reform

June 14, 1994

President Clinton's proposal to deny benefit increases to women if they have additional children while receiving public assistance is a terrible idea. This child exclusion policy, if passed by Congress, would harm already hard-pressed families, punish innocent children and coerce some low-income women to have abortion. Truly pro-choice policies maintain that forcing abortion is every bit as wrong as denying women access to the procedure. America has an urgent and compelling need to reform our welfare system. But solutions don't lie in callous policies that infringe on women's liberty, coerce reproductive decisions and punish their families. We call on Congress to reject this cruel and counterproductive measure.

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NEWS RELEASE

FOR IMMEDIATE RELEASE
JUNE 14, 1994

CONTACT: NANCY DUFF CAMPBELL
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NATIONAL WOMEN'S LAW CENTER CALLS PRESIDENT'S WELFARE REFORM PLAN A "WORK IN PROGRESS"

The National Women's Law Center today described President Clinton's welfare reform plan as a "work in progress" that needs improvements if it is to help low-income women and their families achieve self-sufficiency. "We applaud the child support and teen-parent case management sections of the plan, but have serious concerns about the two-year time limit, the inadequate funding, and the option to deny AFDC benefits for children conceived while their parent is on welfare," says Nancy Duff Campbell, Co-President of the Center. "We must remember that our goal cannot simply be to get families off welfare; rather it must be to eradicate women's poverty and the poverty of their children."

The President's plan includes many of the Center's child support recommendations. These include: coordination of efforts between state and federal governments to improve collection; a new system to update awards; a commission to develop a new national child support guideline; and a demonstration project to test the concept of child support assurance, in which single-parent families are guaranteed a monthly child support payment even when the other parent does not pay.

The President's plan also rightly recognizes that young mothers, with less education and lower skill levels, need special support systems to get their families out of poverty. "The proposal's mandate for case management for teenage mothers is crucial to ensuring that these young women get the support and attention they so desperately need," says Campbell. "This is particularly important since teenage mothers, as they enter their 20's, will become subject to the two-year limit on receipt of welfare benefits.

"Even restricted to young recipients, however, we cannot accept a two-year limit on public assistance," Campbell adds. "If sufficient resources are invested in providing education and training, creating jobs, and ensuring necessary support services such as child care, women will move off the welfare rolls into employment without the need of arbitrary time limits."

The Center is concerned that sufficient resources have not been committed to helping recipients achieve self-sufficiency. For example, the resources allocated to funding child care for women as they move off welfare are insufficient to meet even the current demand for child care for low-income families.

The Center also objects to the option for states to impose a "family cap," which would deny AFDC benefits for children conceived while a parent is receiving AFDC. "Excluding a child from the grant will simply push the family deeper into poverty," says Campbell. "That cannot be our approach if we truly want to help families." #30

NATIONAL WOMEN'S LAW CENTER

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NCLR
NATIONAL COUNCIL OF LA RAZA

News Release

Contact:

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FOR IMMEDIATE RELEASE
June 14, 1994

NCLR CAUTIONS ADMINISTRATION ON WELFARE REFORM

Washington, D.C. -- Raúl Yzaguirre, President of the National Council of La Raza (NCLR), cautioned that the Administration's welfare reform proposal, announced today by President Clinton, risks doing more harm than good. "We believe the Clinton Administration is attempting to do the right thing. Unfortunately, by insisting that welfare reform be financed through cuts in existing benefits, the Administration has unnecessarily limited the scope of what it can accomplish while at the same time endangering vulnerable populations. This is not the way to engage in an effective strategy to reduce poverty."

Yzaguirre outlined the portions of the plan which don't go far enough to enable women to return to the workforce. "Arbitrary time limits don't take into account the barriers that some women face, including low education levels, limited English proficiency, and access to quality, affordable child care. In addition, the job training component of the President's plan may not be enough to do the job. It is not reasonable to expect many Latinas in high unemployment areas to find a job in two years without any provisions for job creation." Noting that Latinos are overrepresented among low-wage workers Yzaguirre warned, "We don't want to turn the welfare poor into the working poor."

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LA RAZA: The Hispanic People of the New World

Yzaguirre had particularly harsh words for the financing mechanism in the Clinton proposal, which severely cuts benefits to legal immigrants in the U.S. "This proposal tells hard-working American families that their tax dollars will support everyone's parents except their own, simply because they are foreign-born. Today's announcement does a great disservice to immigrants who have 'played by the rules,' that is, come to this country to work or be reunited with their families."

Yzaguirre concluded with words of caution to everyone in the welfare debate. "If we are going to fairly accomplish the goals of welfare reform, we must conduct a responsible debate. It is essential that policy makers remain focused on substantive issues rather than political expediency. We have already seen far too many attacks on poor women and their children, including the imposition of a 'family cap' which assumes women have children just to collect welfare benefits. Now the Administration is contributing to an atmosphere which places the welfare reform debate, which should be about supporting certain groups in society, in grave danger of being overtaken by ugly anti-immigrant rhetoric."

# # #

The National Council of La Raza is a private, nonprofit research and advocacy organization representing more than 170 "affiliates," Hispanic community-based organizations in 37 states, the District of Columbia, and Puerto Rico, serving more than two million Hispanics annually.

CWLA news release

Child Welfare League of America • 440 First Street, NW, Suite 310 • Washington, DC 20001-2085 • (202)638-2952

FOR IMMEDIATE RELEASE
June 14, 1994

Contact: Joyce Johnson
202/942-0244

DAVID S. LIEDERMAN, EXECUTIVE DIRECTOR
CHILD WELFARE LEAGUE OF AMERICA

STATEMENT ON
PRESIDENT CLINTON'S WELFARE REFORM PROPOSAL
June 14, 1994

Everybody agrees that welfare as we know it doesn't work well for most involved -- families, workers or administrators. Everyone favors reform of the current system, with vastly differing views of why and how to achieve change.

I commend President Clinton for putting this issue on the table.

Reforming the welfare system and improving the lives of poor children and families is very important. The challenge is enormous. We have much work to do, but it has to be done with care and it has to be quality reform. If not, it could be disastrous and poor families as well as the rest of us will face more severe problems down the road.

The President's proposal contains several good provisions -- it expands child care, improves child support enforcement, and enhances the JOBS program.

But, by introducing a plan which permits harmful state options (e.g., arbitrary time limits, child exclusion/"family caps" provisions), the President opens the door for every Member of Congress and state politician to concoct a ludicrous scheme to experiment haphazardly on poor children and for them to make "political hay" out of going after poor families.

Much in the President's proposal may harm children, result in breaking up families, and cause many children from AFDC families to enter the child welfare system, swelling the out-of-home care population.

TIME LIMITS AND WORK

The President wants young parents to train for work, and he sets arbitrary time limits for them to find jobs. But the jobs aren't there -- we have 8 million people already unemployed and looking for work -- and the time limits fail to take into account individual circumstances and the needs of children.

We need job development, and we need to encourage AFDC parents -- especially young parents -- to get an education, take internships, do part-time work, and be the best parents

enforcement and assured child support benefits for all children with an absent parent, improved access to federal nutrition programs, as well as other reforms and initiatives outside of the AFDC system.

PARENTING

We must value and encourage excellent parenting. Young mothers, for example, must not simply be tossed into the working world -- parenting itself is too important and parenting is indeed hard work.

We must expect both parents to be responsible for their child(ren).

We must encourage and assist AFDC parents to become self-sufficient and to act responsibly, find and keep work outside of the home, pursue education, maintain adequate and stable earned income, and contribute to the care of their children. Permit and encourage young people, however, to gain experience through education, internships, and other learning experiences, without having the immediate and premature responsibility of a job. AFDC recipients who are ready and able to work but cannot find a job in the private sector should be provided with quality full-time public sector work at family-supporting wages.

We must **support comprehensive, high quality early childhood programs** and child care assistance for AFDC families. Even now, demand for child care cannot be met.

We must **improve child support** which will solve part of the problem. However, low-income children whose parents do not or cannot pay child support rely on AFDC. A federally assured minimum child support payment, proposed by Representative Woolsey, would help many families achieve a decent standard of living.

We must **improve efforts to prevent teen pregnancy** to help young people stay healthy and in school, and reduce poverty, HIV/AIDS cases, and dependence on government assistance. Experts have identified three major program strategies that prevent adolescent pregnancy -- informing and influencing attitudes about sexual behavior in order to encourage teens to delay sexual activity, providing sexually active teens with family planning services, and expanding adolescents' awareness of life options.

We must assure **health care coverage** -- promised by health reform. Real welfare reform depends on it.

We must address the housing needs of AFDC families.

CONCLUSION

Children are lost in this debate. We need to put children first and lose the rhetoric of "get tough" policies. Let's make sure that every American child has the basic resources of food, clothing, shelter, education.

This debate is a choice between the politics of punishing the poor or lifting families out of poverty.

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possible until they can find private-sector work.

Instead of pushing the youngest parents into the workforce, we should focus on the 70% of AFDC parents who already leave AFDC within two years, by helping them stay off. We need to target these families with intensive case management, training, jobs, health care, and child care (including significant child care support for the working poor).

CHILD EXCLUSION POLICIES

The President wants to permit states to deny parents the AFDC increase when they have an additional child while on AFDC.

Yet AFDC families receive only $2.30 extra per day. Any parent knows that that doesn't even come close to covering expenses.

FINANCING

Welfare reform will cost a lot of money. Overhauling the welfare system immediately would require dedication of resources that no one as yet has been able to identify and guarantee.

The President wants to finance welfare reform on the backs of poor people, that is, by cutting other programs that serve children and families -- SSI and Emergency Assistance. That merely "robs Peter to pay Paul."

The President's proposal does not allocate adequate resources. $9 billion will go only part of the way toward real welfare reform.

Even this year without welfare reform, only a fraction of what was requested this year for child care for the working poor is likely to be funded -- not a good sign for real welfare reform that seeks to prevent dependency and supports families who leave AFDC.

"CHILD-FRIENDLY" WELFARE REFORM

We must create opportunities that reduce welfare rolls, not simply start the clock running and cut AFDC recipient names from the list.

We must improve the lives of AFDC-eligible children -- they are the prime beneficiaries of welfare. **We should only accept welfare reform that protects and helps children.**

Welfare reform should bring us closer to **ending child poverty** in America.

We must provide **strong transitional support services** for AFDC families expected to work. These service components should include superb education resources, job training, and child care, and an increased minimum wage that "makes work pay."

We must promote, in addition to AFDC transitional support services, a **meaningful anti-poverty strategy** that includes improved unemployment insurance protection, a refundable children's tax credit, universal access to health care, paternity establishment, child support

Wider Opportunities for Women, Inc.

A nonprofit tax-exempt Women's Employment Organization
1325 G Street N.W., Lower Level, Washington, D.C. 20005-3104 (202) 638-3143

NEWS RELEASE
For Immediate Release
June 14, 1994

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(202) 638-3143

While supporting President Clinton's goal of helping welfare recipients move towards work, Cindy Marano, Executive Director of Wider Opportunities for Women (WOW) today criticized the President's proposal. "President Clinton's welfare reform plan puts the cart before the horse" she says. "It imposes "tough" new requirements on welfare recipients without addressing the many inadequacies in the current welfare system. Most welfare recipients want to get back to work and become self-sufficient--indeed, the majority leave within two years, many for jobs. But many who embrace the values of work and responsibility promoted in the Clinton plan cannot leave, for the system simply does not work for them. Many thousands are currently languishing on waiting lists for child care and job training: in New York, 48,000 welfare mothers await child care so that they can enter training or employment. In Los Angeles, those who finally get child care have waited an average of 2.5 years."

Dr. Diana Pearce, director of WOW's Women and Poverty Project, notes that expanding job training services, while an essential component of welfare reform, will not work by itself. She observes that "Our current training programs are based on the "field of dreams" approach--if we train them, the jobs will come." We tried this approach with the Family Support Act of 1988, when we attempted to increase child-care simply by making it an entitlement. By not addressing the infrastructure issues or funding problems, we now have even more of a crisis-level shortage of child-care. The President's equally piecemeal approach to job training will not result in either the kind of job training needed, nor will it create the jobs needed.

Wider Opportunities for Women concludes that welfare reform today should focus on correcting the many inadequacies of our welfare and job training systems before imposing time limits and other requirements on recipients. Cindy Marano notes that "the Clinton Administration's welfare reform plan will be a practitioner's nightmare; WOW's experience in providing job training to welfare recipients and our conversations with service providers around the country lead us to believe that the President's proposals will be disastrous for welfare recipients, and will doom welfare reform to failure." President Clinton's new requirements would in effect ask recipients to be accountable for welfare systems and an economy that recipients cannot control.

WOW's analysis finds that while the President has often emphasized giving states flexibility, many elements of his welfare plan impose "one-size-fits-all" requirements on states and individuals whose circumstances vary widely:

- **Time-Limits:** All individuals would have a two-year *lifetime* limit on receipt of services, even though this is clearly inadequate for many to overcome severe barriers and enter employment.
- **Extensions and Exemptions:** All states would have the same cap on extensions and exemptions, even though unemployment rates, child care and job training systems, and recipient needs vary greatly. Rural states have pockets of unemployment, lack of child care and transportation problems unique to their situations. Urban areas have large welfare populations and cannot possibly provide all the support services needed.

- **Upfront Job Search:** THe President's plan would require upront job search for most recipients. While appropriate for those who are job ready, this provision delays the start of training, and often adds another failure experience. Many who do find employment this way find themselves in low-wage deadend jobs that result in recycling back onto welfare, delaying the achievement of longterm self-sufficiency. Recent research has shown that two-thirds of recipients who leave for jobs cycle back onto welfare. Upfront job search for everyone only exacerbates this trend and will not break the cycle of poverty and welfare.
- **Teen Parent Residency Requirement:** All teen parents would be required to live with their parents. Recent research has documented that the majority of teen parents have experienced abuse, physical and/or sexual, as children. Their efforts to break those patterns, and become good parents, should be supported rather than rely on a single rule for all situations.

WOW found many elements missing in the President's proposal, elements that their experience has found to be essential for welfare mothers to permanently leave welfare and poverty. Upfront career counseling opens up opportunities for women, including nontraditional occupational training, that result in carefully made choices and workable plans. Important as the EITC and health care are, the 100% tax on earnings and unrealistic child care reimbursement levels undercut the Administration's efforts to make work pay. Particularly since the plan does not address the shortage of jobs, the minimal support for self-employment and IDAs (Individual Development Accounts) which promote entrepreneurial efforts are short-sighted.

WOW is disappointed in the President's welfare reform proposals. Together with practitioners from around the country with years of hands-on experience in helping welfare recipients become self-sufficient, WOW is developing the Act for Family Development and Independence (AFDI). The AFDI is a two-generation approach that focuses on longterm self-sufficiency through employment and training programs that comprehensively meet the needs of women on welfare and their families. It supports the efforts of welfare recipients to become self-sufficient, and to be both good workers and good parents. It is scheduled to be released within the next month. WOW hopes that the President's proposals can be refined before being sent to Congress.

"We look forward to working with both the Administration and members of Congress to strengthen welfare reform so that it results in not just fewer families on welfare, but more families who break the cycle of poverty and become self-sufficient," said Cindy Marano, WOW's Executive DIrector.

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Wider Opportunities for Women is thirty-year-old organization which does advocates for women on euployment and training issues, and conducts local training programs for low-income women, many of whom are welfare recipients. The Women and Poverty Project is a non-profit organization located at WOW which does research and advocacy on issues of concern to low-income women, including welfare reform, low-wage employment, poverty trends, and housing and homelessness. The project's founder and Director, Diana Pearce, coined the phrase "the feminization of poverty" and has written and spoken widely on these issues for over a decade.

<< END >>

Statement of Sharon Daly
Catholic Charities USA
June 14, 1994

The Clinton Welfare Plan: Or, Back to the Orphanage

The administration's welfare reform pretends newborn babies, young teen moms, immigrant grandparents, and vulnerable families aren't there. The administration is turning its back, pretending their problems will go away.

The proposal tells newborn babies in a welfare family:

"The United States of America says you are a mistake. Sorry you were born. And you will be sorry, too, because this country is going to make your family even poorer and more miserable than before."

To the teenage mother and her infant, the administration's plan says:

"Go back to the family that neglected and abused you; to where you first got pregnant. Your government has no interest in your having a place to live that is safe from abuse. You don't need help to raise your child in dignity."

To families in danger of eviction and homelessness the plan says:

"There are just too many of you. There's help for some, but the rest of you are out of luck. Find a bed at a shelter, or if they're filled, try a park bench, doorway, or sidewalk grate. This country cannot afford decent housing for everyone."

To new immigrant parents and grandparents of American citizens, the administration says:

"Welcome to America! But if you are old, frail, or disabled, don't expect any

Episcopal Liaison
The Most Reverend
Joseph M. Sullivan

Chair
Mr. Bruce J. Kouba

Vice Chair
Rev. Timothy A. Hogan

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help. This country accepts only the young, strong, and those savvy enough to become citizens. We hope you don't become citizens. In fact, we're counting on it — because the savings will pay for welfare "reform."

The administration's welfare plan turns our backs on those who have nowhere to go and don't vote: newborn babies, teenage mothers, almost homeless families, and immigrant grandparents. Pretending they are not there will not make their problems go away.

On the other hand, the administration is to be commended for keeping the safety net intact for one group of welfare recipients. Those who work hard to improve their skills and find jobs will not be abandoned. They can survive on a combination of subsidized jobs and welfare while they continue their job search. The administration recognizes that there just are not enough jobs to go around for all the parents on welfare who want and need them. We will work to help the Congress to see the wisdom of retaining the safety net for parents who are doing their best, and whose unemployment is structural, not personal.

It is not so clear however, what will happen to the children of parents who cannot or will not follow every rule and regulation of the new program. When their parents' welfare checks are cut off, where will the children go? The Clinton plan treats children like orphans if their parents miss a deadline or job interview. This is not a good public policy direction.

We know, we have been in the orphan business.

Catholic Charities USA 1992 Annual Survey

Catholic Charities USA, a network of 1,400 social service agencies and institutions and thousands of volunteers and staff members, assists people in need without regard to religious, racial, ethnic, or economic background. Catholic Charities USA supports families, strengthens communities, and addresses the root causes of poverty.

	1991	1992
People Served		
Emergency	8,397,379	10,610,303
Social Services	3,906,128	3,769,721
Total	12,303,507	14,380,024
Income	$1,842,601,182	$1,848,465,891
Paid Staff	56,388	55,945
Volunteers	191,769	158,050

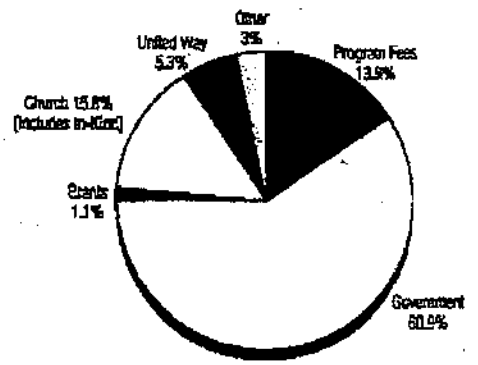
Individuals served: 14,380,024
Emergency services: 10,610,303
Social services: 3,769,721 people

Income: $1,848,465,891

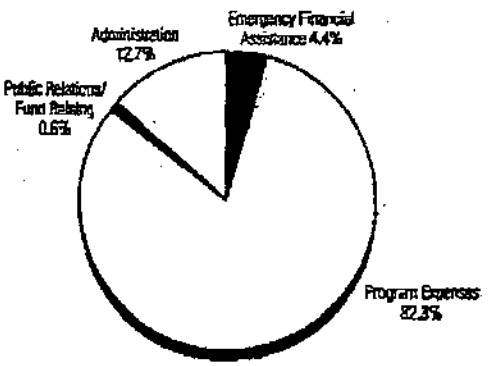
Expenditures: $1,792,466,265

Agencies served more than 14 million people in 1992 with the same income and virtually the same size staff available to serve 12 million people in 1991.

1992 Income



1992 Expenditures



Emergency services

Food services: 8.1 million people. Up from nearly 6.8 million the year before.
Soup kitchens rose from 2.1 million to 3.5 million.
Food banks dropped slightly, hovering around 4.6 million.

- **Children:** 2.7 million. Numbers nearly doubled from almost 1.5 million. The greatest increase was among children coming to soup kitchens; from 131,500 to about 1.2 million in one year.

Shelters:

308 shelters, compared to 233 in 1991.
Population rose from 98,000 to 285,000.

Other crisis services (such as financial assistance or clothing): from 1.5 million to 2.2 million in one year.

Catholic Charities USA 1992 Annual Survey

Social services

3.8 million people
1.3 million children
1.9 million adults
486,000 elders

- **Social Support:** 1,299,133
  including 42,948 children receiving day care
- **Counseling:** 708,231 individuals served,
  including: At-risk families receiving counseling: 161,378
  Addiction services: 53,872 people
  Employment services: 35,430 people
- **Socialization** (such as programs for youth and elderly): 559,422
- **Education and family support:** 422,759
- **Refugee/immigration:** 268,456
- **Disaster relief:** 264,402
- **Out-of-home care of children and adults:** 115,206
- **Housing:** 86,997 (Housing units provided: 35,228)
- **Pregnancy:** 68,298
- **Adoption:** 33,366
- **Other:** 207,853

Unmet needs

- Homelessness and housing services
- Health care access
- Services to children and adolescents
- Employment services
- Substance abuse services
- HIV/AIDS-related services

Social action

Each year, the survey asks agencies what actions they have taken to help eliminate the causes of people's problems. Catholic Charities agencies are most likely to be involved in state-level legislation which affects their clients. Overall, almost three-fourths of the reporting areas were involved in legislative advocacy.

- The top five issues of *national* legislative advocacy focused on the economy, refugees and international justice, family life, hunger, and housing.
- The top five *state-level* issues were family life, the economy, housing, health, and hunger.
- Parish social ministry: Out of a total of 19,863 parishes, 4,511, or 23 percent, had social ministry programs, to involve parishioners in social action and service.

Personnel

- 55,545 paid staff members
- 158,050 volunteers, down from 191,769 in 1991
- 8,527 corporate board members

10-year comparisons

A comparison of the same 115 agencies that responded in 1982 and 1992.

- Cash income: increased from $541 million to nearly $1.7 billion. (More than doubled when corrected for inflation.)
- Emergency food services: rose 1,047 percent, from 376,406 to 4,317,656 individuals.
- Government funding as a share of total income rose from 52.6 to 64.3 percent.
- The number of people receiving counseling declined 26 percent, from 913,181 to 671,774.
- The number of people in emergency shelter went up 179 percent, from 96,128 to 268,159.

STATEMENT ON PRESIDENT CLINTON'S WELFARE REFORM PROPOSAL

Catholic Charities USA
Center for the Study of Social Policy
Child Welfare League of America
Family Service America
Food Research and Action Center
National Association of Social Workers
NOW Legal Defense and Education Fund
Wider Opportunities for Women
Women and Poverty Project

We believe that welfare reform is necessary. However, it is vitally important to the task of enabling families to achieve self-sufficiency that welfare reform be based on policies of assistance rather than punishment and harm.

We applaud President Clinton for taking on welfare reform, and we support the President's intention to expand child care, improve child support enforcement, and enhance the JOBS program. These important steps are critical to reforming the welfare system. Welfare reform must insure that an adequate safety net exists for children and their families, that parents work for wages instead of welfare, and that families have access to quality child day care, education, and employment opportunities.

However, we cannot support major elements of the President's proposal in its current form that could hurt, rather than help, children and families. Several provisions -- time limits on cash assistance, child exclusion policies (also known as "family caps"), state options for harmful experiments, and financing that cuts benefits to the poor -- will endanger innocent children and may cause increased family stress and dissolution, homelessness, and hunger.

AFDC parents do not need the threat of a cutoff of all assistance to their families to motivate them to work. The vast majority of AFDC parents have worked before and want a job to support their children. Time limits on AFDC benefits are unacceptably arbitrary; they fail to take into account individual circumstances, the needs of dependent children, and the failure of the economy to generate life-building jobs.

The proposal's focus on young parents coupled with its emphasis on work inadequately addresses several problems that jeopardize its goals. Jobs at wages that can sustain families remain elusive for many Americans, and especially for ill-prepared young people, not just those on AFDC. In addition, study after study has confirmed that "responsible parenthood" is vital to the development of children into healthy and productive adults. Welfare reform needs real jobs and needs to support, not discourage, good parenting. Toward that end, young parents under 23 years of age -- the least likely recipients to succeed in the workplace -- should not be pushed prematurely into work. They should be encouraged to care for their

children, to advance their education, to explore part-time work and to participate in job training. That will prepare them to be the self-sufficient families that we all want.

Vulnerable families need a safety net program of last resort. Allowing states to enact child exclusion policies, denying additional income support for children born to welfare families, unfairly punishes women and children. There is no evidence that supports the effectiveness of these proposals. Our nation cannot abandon our most basic commitment to provide income assistance to poor families in need.

We all agree that financing welfare reform will be difficult and that the cost will far exceed what the President has allocated. Unfortunately, the President finances his plan on the backs of the poor. Denying public assistance to legal immigrants unfairly penalizes families who pay taxes and legally live in this country. A cap on the Emergency Assistance program, which helps prevent homelessness and foster care placements, further jeopardizes families.

We want to work with the President and with Congress to develop a welfare reform plan that protects children and families while providing the assistance needed to help families become self-sufficient. This is a tough issue. We need to deal with all of these issues in a deliberative and child-friendly way. Real welfare reform must help the majority of families who leave AFDC within two years stay off by providing job training, job development, parent education, intensive case management, health care, child support assurance, and child care. Above all, we need an all-out attack on poverty in order to make welfare reform and family self-sufficiency achievable.

June 14, 1994

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(For more information, contact Thomas Brooks or Karabelle Pizzigati of the Child Welfare League of America - 202/638-2952)

WR Advocacy Group

REAL REFORM

Recommendations On Welfare Policy

National Association Of Social Workers
750 First Street, NE
Washington, DC 20002
February 1994

The current reexamination of the Aid to Families with Dependent Children (AFDC) program, and the emerging national welfare reform debate, provide a much-needed opportunity to significantly improve the lives of low-income Americans and the social and economic fabric of our country.

NASW's members have extensive experience both with low-income families and with the systems that serve them. The recommendations that follow are rooted in that experience.

SUMMARY

Significantly reducing poverty is a complex and formidable task--one that cannot be satisfactorily accomplished simply by forcing needy families off the welfare rolls. Our goal must be to enable as many Americans as possible to be self-supporting without jeopardizing the well-being of the children whom AFDC is designed to serve.

NASW believes that the most promising strategies for welfare reform lie outside the welfare system. We need to invest in *people*--not in the "welfare system" as such. President Clinton has said that welfare should be a second chance, not a way of life. But what kind of *first* chance are we giving our children? We must concentrate on creating economic opportunity, strengthening families, and maximizing the ability of everyone, not just those on welfare, to contribute to society. In this way we can begin to reduce the number of families that must rely on public assistance, even as a second chance.

There will no doubt continue to be some families that need more intensive or targeted attention before they can successfully engage in the mainstream economy. For these families, a plan should be developed in concert with qualified, professional staff, that identifies a realistic self-support goal, activities required to reach the goal, and timelines for interim achievements. Plans should be individualized to the greatest degree possible, taking into account each family's unique strengths, needs, and circumstances. Appropriate services must be made available, with recipients having discretion in selecting providers within the community. Judgments as to "employability" should be based not only on one's readiness to assume and maintain employment, but also on the availability of a suitable job.

Despite our best efforts, some people will remain unable to support themselves and their families. These people deserve an adequate income and appropriate opportunities to make a contribution to their communities.

NASW believes that welfare reform efforts must (1) maximize the use of universal benefits and services, (2) give equal attention to creating economic opportunity and removing individual barriers to self-support, (3) enhance the well-being of children and families, including ensuring an adequate standard of living for all families regardless of workforce attachment, and (4) create a "client friendly" delivery system that empowers, rather than demeans, its consumers.

RECOMMENDATIONS

I. CREATE OPPORTUNITY

No one is expendable. The strength of our nation depends on the ability of every member to make a contribution. The best reform is a serious investment in human capital--one that provides opportunities for *all* people to achieve excellence, provides the tools for *all* people to avoid poverty, and enhances the economic productivity and social functioning of the nation.

Increase Economic Opportunity

A strong economy and vital job market are essential to our country's success. The demand for a skilled and well-educated workforce will continue to increase as the American populace ages and technology continues to undergo rapid change. In order to maximize participation in the mainstream economy and move every participant toward excellence, NASW recommends the following:

Job Creation:

- Implement a comprehensive job creation strategy that focuses on developing new private sector jobs that offer adequate wages and benefits. Provide incentives for employers receiving public subsidies to set aside jobs for those in greatest economic need.

- Expand public service employment opportunities. These jobs should pay adequate wages and provide the same benefits and protections provided to other workers. Mandatory work in exchange for public assistance benefits is not an acceptable substitute.

- Establish a system of paid apprenticeships. Combine apprenticeships with classroom or vocational instruction where appropriate.

- Promote the establishment of new, small businesses. Make interest-free or low-interest loans available to facilitate entrepreneurship on the part of low-income individuals.

- Give all those seeking employment equal access to newly created jobs. Treat welfare recipients with work histories like any other unemployed persons.

Adequate Wages:

- Increase the minimum wage and index it for inflation.

- Continue to expand the earned income tax credit (EITC), including coverage of childless workers, and index it for inflation. The minimum wage and EITC combined, without the addition of Food Stamps, should be sufficient to bring a family of four with one full-time worker at least to the poverty line.

Nondiscrimination & Inclusion:

- Eliminate discrimination in hiring and promotion decisions. Premise wages on skill-based assessments.

- Recognize the social and economic value of caring for one's children or elderly relatives. Promote paid family and medical leave; provide tax credits for caregiving; give credit for caregiving within the Social Security system.

- Promote flexible workplace policies--including flex time, job sharing, and a reduced work week for all employees--to expand opportunities for new entrants into the labor force and allow parents to meet caregiving responsibilities.

- Revise the unemployment compensation system so that it accommodates part-time, low-wage, short-term, and self-employed workers, including those who would otherwise be receiving AFDC. Update and index benefit amounts.

Neighborhood Revitalization and Collaboration:

- Invest in revitalizing local neighborhoods and communities to increase the degree to which they provide local employment opportunities.

- Facilitate collaboration among the departments of Commerce, Labor, and Health & Human Services in the implementation of employment programs.

Expand Universal Supports

The best strategy for becoming a strong and productive nation is to provide lifelong development opportunities to all Americans. A continuum of supports and growth opportunities should be universally available across the life span, with consumers paying according to ability. Reforms that single out those "on welfare" stigmatize recipients, create resentment, and are destined to have only a limited impact. We must continue to build a solid infrastructure of growth opportunities for all, so that all can make the most valuable contribution possible to the strength and health of our society. NASW recommends the following:

Lifelong Education, Training & Retraining:

- Promote lifelong learning by establishing a range of ongoing educational opportunities including basic literacy, English as a second language, and high school, vocational, and postsecondary education.

- Enhance the availability of financing options including scholarships, low-interest loans, work-study programs, national service, and paid apprenticeships.

- Provide job training that is sensitive to the changing job market and is designed to prepare participants for emerging job opportunities as well as existing, available jobs.

- Give women access to preparation for non-traditional jobs that pay higher wages.

Resources to Strengthen Families:

- Ensure the availability of family–focused, community–based social services for those who need them. These might include counseling, career guidance, life skills training, money management, stress management, and self–esteem enhancement, delivered through an expanded network of family resource and support programs.

- Provide intensive family preservation services to families with multiple barriers to positive functioning.

- Make family planning services available to all. Provide all new parents with parenting education.

- Increase the opportunities for paternity to be established at birth.

- Encourage both custodial and noncustodial parents to be involved with their children. Recognize the social and psychological importance of non–economic contributions by absent parents.

- Explore the effectiveness of counseling and mediation with noncustodial parents.

Housing and Health Care:

- Increase the supply of quality, affordable housing.

- Provide comprehensive, affordable, universal health care coverage through a single–tier system.

Child Care and Transportation:

- Ensure the availability of accessible, affordable, high–quality child care and elder care, including before– and after–school care and child care for sick children.

- Provide child care within the public school system to allow teenage parents to continue their education.

- Promote the availability of site–based child care at work, training, and educational establishments.

- Adjust working hours so that they mirror school hours, allowing parents to be with their children.

- Ensure the availability of transportation to education and training programs, employment, and child care sites.

Financial Assistance:

- Provide immediate, short-term financial assistance to families that experience a break in earnings or a catastrophic life event in order to eliminate their need to enter or re-enter the welfare system.

- Implement a national child support assurance program.

- Establish a children's allowance for families with children. In the absence of a children's allowance, establish a refundable tax credit for families with children that is not linked to employment or child care expenditures.

Strong Communities:

- Help communities to provide informal supports and readily accessible services. Build neighborhoods that foster mutual responsibility, care, and empowerment.

- Explore community-based alternatives such as coop nurseries and congregate living for teen parents.

Integration:

- To the extent possible, integrate public assistance recipients into the systems that serve the rest of the population. Equip departments outside the "welfare system" to recognize and meet any special needs.

- Apply a single set of behavioral obligations to all families, enforceable through a single set of laws. Singling out public assistance recipients for additional, onerous obligations (such as learnfare, workfare, healthfare, family size cap, etc.) is demeaning, stigmatizing, and counterproductive. Behaviors that are critical to the well-being of children should be encouraged or required of *all* families with children, regardless of their income or status.

II. PROVIDE TARGETED ASSISTANCE

Even in the presence of enhanced economic opportunity and universal services, some people will require more intensive or targeted assistance in securing and maintaining employment. Many of the recommendations that follow can be accommodated within the existing framework of the Family Support Act.

Remove Barriers to Long-Term Self-Support

Low-income families represent a tremendously diverse group; even those who receive public assistance defy homogenous categorization. The best and most efficient strategy for facilitating self-support rests with identifying the barriers faced by each individual or family and engaging in systematic efforts to remove them. NASW recommends the following:

Individualized Self-Support Plans:

- Require ongoing assessment and the development of a self-support plan for those who need it. Plans should be jointly developed by client families and qualified, trained staff.

- Devise plans that reflect realistic goals, taking into account the unique strengths, needs, circumstances, and aspirations of the family involved. Plans should also identify specific activities required to reach the goal, along with timelines for interim achievements. Arbitrary time limits on the receipt of public assistance benefits should not be imposed.

- Ensure that the government provide those services and supports necessary to achievement of the self-support goal identified in the plan.

- Base "employability" determinations and expectations on both the individual's readiness to assume a job and the availability of employment opportunities in the local labor market.

- Recognize and allow activities under the plan that lead to a range of economic and social contributions to society.

- To the degree possible, encourage progress through the use of rewards and incentives rather than through the application of sanctions. Withholding cash assistance from low-income households with children is never an appropriate sanction.

***Follow-Up*:**

- Continue the provision of support services, on a sliding fee scale, for as long as they are needed. These might include health care, transportation, child care, counseling, case management, and rent subsidies.

- Provide job coaches, on-the-job mentors, or other liaison with employers to ensure that those who move into the workforce receive appropriate support.

- Promote the availability of employee assistance (EAP) programs at job sites.

Income and assets:

- Allow AFDC recipients to retain 50% of their earnings before their benefits are reduced.

- Permit a range of income packaging options under which earnings and public assistance benefits can be combined.

- Allow the accumulation of up to $10,000 in assets, without a reduction in benefits. Create opportunities for government and private industry to subsidize the savings of AFDC recipients and low-wage workers.

- Increase the automobile allowance under AFDC to $4500.

- Eliminate the differential treatment of two-parent families under AFDC. Assistance should be based on financial need rather than family type.

Improve Service Delivery

Removing barriers to long-term self-support requires an efficient and responsive service delivery system. Welfare offices and other service providers must be reoriented from punishing failure to facilitating success. NASW recommends the following:

Structure:

- Administer cash payments at the federal level. Deliver services at the local level.
- Permit each community to develop its own network of pubic and/or private services in conformity with federal guidelines. Permit consumers to choose from among those service providers that meet quality standards.
- Transform welfare offices into resource centers that attend to both employment and personal needs.
- Standardize and simplify eligibility rules and resource limits across income support programs in order to reduce bureaucratic inefficiencies.

Capacity:

- Build the capacity of the system to ensure that desired outcomes can in fact be achieved.
- Strive for manageable workloads in all service delivery arenas. Increase the use of professionally trained social work staff.
- Provide incentives for qualified candidates to take jobs working with low-income clients; upgrade recruitment efforts.
- Provide staff with opportunities for advanced degree education and professional development.
- Provide on-the-job training, including training in conflict resolution and specific training to help workers interact effectively with people of differing cultures, languages, and backgrounds.
- Upgrade management information systems. Promote the use of technology, including electronic benefit transfers (EBT) to increase efficiency and reduce stigma.

Consumer Orientation:

- Upgrade the physical environment of agency offices.
- Establish an atmosphere that is respectful and supportive, that boasts high morale, and that gives consumers a voice in the choices affecting their lives and their families.
- Ensure consumer involvement in service delivery. Include consumer representatives on advisory boards at the state and local levels.

- Scrupulously safeguard all legal rights of consumers relative to the service delivery system, including the right to appeal.

Linkages:

- Establish linkages between welfare departments and other parts of the broader service delivery system.

- Provide everyone who needs or requests it with a case manager who is trained to serve as broker, counselor, and advocate.

- Promote models that integrate health, income maintenance, and social services, including those that utilize one-stop shopping or single-point-of-entry design.

Accountability:

- Enhance system accountability by measuring outcomes rather than process, with the guiding standard being the number of people brought and kept out of poverty.

III. Ensure Financial Security

Despite our best efforts to aid all people in becoming self-supporting, there will always be some segment of the population unable to achieve this goal. NASW believes that adequate financial resources should be provided to those who cannot provide for themselves; recipients of these resources should not be stigmatized. NASW recommends the following:

- Replace the current AFDC benefit scheme with one in which the federal government pays a uniform benefit at what is now the median state benefit level, indexed for inflation. Allow states to supplement the payment at their option.

- Reform and expand the Supplemental Security Income (SSI) program, including updating the definitions of disability to that they reflect current knowledge in the health and mental health fields.

NASW's vision for reform recognizes that the American people have a range of needs that require a flexible range of benefits, supports, and services. We must create opportunity, strengthen families, remove every possible obstacle for those moving toward self-support, and ensure financial security for those who cannot support themselves.

1000 Wisconsin Avenue, N.W., Washington, D.C. 20007
(202) 342-0726

Jennifer A. Vasiloff
Executive Director

WR - Advocacy Groups

November 22, 1993

Robert B. Reich
Secretary, Department of Labor
Francis Perkins Building
200 Constitution Avenue, NW
Washington, DC 20201

Richard W. Riley
Secretary, Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Donna E. Shalala
Secretary, Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretaries Reich, Riley, and Shalala:

The Coalition on Human Needs (CHN) is an alliance of over one hundred national organizations working together to promote public policies which address the needs of low-income and other vulnerable Americans.

A year ago, CHN established a Welfare Reform Task Force in response to our members' strong interest in this subject. CHN's Task Force includes civil rights, religious, labor and professional organizations and those concerned with the well-being of children, women, the elderly and people with disabilities. A list of the participating organizations along with the principles on welfare reform we have developed is enclosed.

In recent months, CHN's Welfare Reform Task Force has organized meetings between members of our Coalition and some of the subgroups of the Administration's Working Group on Welfare Reform, Family Support and Independence. Over the course of these meetings, we have become increasingly concerned that the Administration is pursuing separate workforce development strategies which will result in continued isolation and poverty for individuals in the welfare system.

Specifically, we have seen no evidence of coordination among the Departments of Labor, Education, and Health and Human Services with respect to the Administration's welfare reform initiative at Health and Human Services and the one stop career centers at the

Department of Labor. While the Departments of Labor and Education, but not Health and Human Services, worked together on the school-to-work bill, there were no connections with human services agencies mandated in the Administration's legislation.

This lack of coordination is extremely troubling because the Clinton Administration has a unique opportunity to forge new workplace development strategies that can enhance the skills and earnings of all American workers. The loss of America's competitive edge in world markets combined with economic dislocations in the defense industry has sensitized policy makers to the importance of a well-trained workforce to long-term economic growth. As a result, considerable attention is being devoted to developing education and training systems that will upgrade the skills of underskilled workers, more directly relate training to employer needs, and better prepare young people for the workplace.

At the same time, research over the last decade has shown considerable diversity in the welfare caseload. As much as 70 percent of the caseload leaves welfare in less than two years, but a high proportion return. These individuals, mostly women, are trapped in a vicious cycle of low wage jobs and welfare in large part because of low skill levels. In addition, experience with welfare-to-work programs has demonstrated the enormous education and training deficits of individuals considered to be at risk of long-term welfare dependency. Both groups need remedial education and intensive skills training to enable them to work at jobs that pay enough for them to support their families.

The Coalition on Human Needs strongly believes that the only way welfare recipients can achieve the skills necessary for self-sufficiency is if welfare education and training programs are part of the comprehensive education and training systems being developed for incumbent workers and young workers. This is because highly targeted training and work programs frequently lead to serious stigmatization of welfare recipients by potential employers and put them at a disadvantage compared to other job seekers. In addition, a coordinated education and training system holds the promise of broader public support and is likely to relate more directly to local labor market conditions and employer needs.

Without this broader vision, welfare reform simply will focus on new requirements to work off welfare benefits, and welfare recipients will remain trapped in poverty -- and in a welfare system -- which they would much rather leave.

All Americans should have access to the resources and opportunities they need to participate in a high wage, high skill economy, regardless of the reasons for their

joblessness or underemployment. We strongly urge the Clinton Administration to lead the nation in meeting the challenges of a global economy in a way that unifies the nation and fosters the contributions that every American can make.

Sincerely,

Jennifer A. Vasiloff
Coalition on Human Needs

cc: Mary Jo Bane, Assistant Secretary for the Administration of Children and Families, HHS
David Ellwood, Assistant Secretary for Planning and Evaluation, HHS
Tom Glynn, Deputy Secretary, Labor
Carol Rasco, Assistant to the President for domestic policy
Bruce Reed, Deputy Assistant to the President for domestic policy
Doug Ross, Assistant Secretary for the Employment and Training Administration, Labor

Enclosure

Jennifer A. Vasiloff
Executive Director

Coalition on Human Needs Welfare Reform Task Force Principles

The Coalition on Human Needs (CHN) is an alliance of over 100 national organizations working together to promote public policies which address the needs of low-income Americans. The Coalition's members include civil rights, religious, labor, and professional organizations and those concerned with the well-being of children, women, the elderly, and people with disabilities. In 1992, CHN formed a Welfare Reform Task Force composed of CHN member organizations that share a strong interest in welfare policy.

CHN's Welfare Reform Task Force believes that certain fundamental principles must guide any welfare reform initiative. We believe that to properly address human needs welfare reform must: **reduce the <u>need</u> for welfare, affirm that Americans work for wages not for welfare, and assure an adequate safety net for children and their families.**

Reduce the <u>Need</u> for Welfare

✔ ***Reform of the Aid to Families with Dependent Children (AFDC) program cannot succeed in the absence of a broader anti-poverty strategy.*** Families are often forced to rely on welfare because other societal systems have failed. A meaningful anti-poverty strategy must include assured child support benefits for all children with an absent parent, improved unemployment insurance protection, a refundable children's tax credit, universal access to health care, an increased minimum wage, an expanded Earned Income Tax Credit, quality child care needed for employment and preparation for employment, improved access to federal nutrition programs as well as other reforms and initiatives outside the AFDC system.

✔ ***Investing in education and training opportunities for welfare recipients is critically important.*** Federal funding for the Job Opportunities and Basic Skills (JOBS) program — or any successor program — should be increased to expand education and training services that give participants the necessary skills to obtain a decent paying, stable job. The state matching funding requirement should be waived or substantially reduced. Job preparation activities for AFDC recipients should include the option to pursue higher education and nontraditional training for women.

✔ ***AFDC parents trying to get work and get off welfare face the realities of a labor market that is increasingly dominated by low-wage, part-time and temporary jobs that cannot support a family.*** In many poor communities, jobs of any kind are scarce. Initiatives to create jobs paying a living wage must be pursued aggressively.

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Executive Director

Participants in the Coalition on Human Needs Welfare Reform Task Force

American Federation of State, County & Municipal Employees; American Friends Service Committee; American Jewish Congress; Bread for the World; Catholic Charities USA; Center for Community Change; Center on Budget and Policy Priorities; Center for Law and Education; Center for Law and Social Policy; Center for Social Policy Studies; Center on Social Welfare Policy & Law; Center for Women Policy Studies; Child Welfare League of America; Children's Defense Fund; Church Women United; Community Family Life Services; Community Service Society of New York; Council of Jewish Federations; Economic Policy Institute; Family Service America; Food Research and Action Center; Human Services Forum; Institute for Women's Policy Research; Joint Center for Political and Economic Studies; Lutheran Office of Governmental Affairs (ELCA); National Alliance to End Homelessness; National Association of Child Advocates; National Association of Homes and Services for Children; National Association of Social Workers; National Board, YWCA of the USA; National Coalition for the Homeless; National Community Action Foundation; National Congress for Community Economic Development; National Council of Churches; National Council of Jewish Women; National Council of La Raza; National Displaced Homemakers Network; National Legal Aid and Defenders Association; National Neighborhood Coalition; National Organization for Women; National Puerto Rican Coalition; National Urban League; National Women's Law Center; NETWORK: A National Catholic Social Justice Lobby; National Organization for Women Legal Defense Fund; OMB Watch; Presbyterian Church of the USA; RESULTS; Save Our Security Education Fund; Service Employees International Union; Southport Institute; Union of American Hebrew Congregations; Unitarian Universalist Service Committee; United Cerebral Palsy Associations; United Church of Christ; US Catholic Conference; United Methodist Church, GBCS; United Way of America; Wider Opportunities for Women; Women and Poverty Project; Youth Policy Institute

The organizations listed above participate in the Coalition on Human Needs Welfare Reform Task Force. The welfare reform principles of this Task Force were developed during a series of policy discussions during the summer of 1993. While each organization listed may not have a position on every subject included in this document, the recommendations outlined here reflect the general consensus of the group.

October, 1993

NATIONAL WELFARE RIGHTS & REFORM UNION

NWR&RU

WR- Advocacy Groups

MEMORANDUM

TO : BRUCE REED **DATE: 8/22/93**

FROM: Kevin Aslanian

SUBJECT: Disingenuous information presented by MDRC relative to California & Riverside County GAIN

During the 8/20/93 Welfare Work Group hearing, Mr. Riccio of Manpower Demonstration Research Corporation (MDRC) alleged that GAIN was a success, especially in Riverside County.

If success is sanctioning poor families, then Riverside County is a success. From the perspective of welfare recipients, the Riverside County GAIN program is one of the worse programs in the Country with its primary goal to sanction families, including those who should have been exempted from the program due to remoteness, lack of child care or disability. Riverside County has sanctioned more people per year than the number of persons who have obtained employment that resulted in termination of AFDC benefits. It should be noted that Riverside County has one of the lowest unemployment rates in California- a fact deceitfully withheld from your work group and the public by the GAIN proponents.

The primary purpose of the GAIN program is to help poor families become self-sufficient. It was not meant to help organizations such as MDRC produce more income for themselves by desiminating untruthful propaganda.

The following represents actual numbers taken from Riverside County's own GAIN 25 reports.

Period	Number of Sanctions	Number of Jobs Resulting in Termination of AFDC
7/92 through 5/93	3,013	1,177
FY 1991-1992	2,538	1,699
FY 1990-1991	2,644	262
FY 1989-1990	2,384	311

SOURCE: Riverside County GAIN 25 Report

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We should point out that there is no evidence that the jobs which resulted in the termination of AFDC benefits were obtained as a direct result of the GAIN program. We believe that there is reason to believe that these figures are "doctored" given the over 600% increase in the number of persons who obtained employment that resulted in termination of AFDC benefits from FY 90-91 to 91-92 and 92-93.

THE ALLEGED SUCCESS OF GAIN IN CALIFORNIA & RIVERSIDE COUNTY

Again, MDRC's presentation of their own work is disingenuous to say the least. It is designed to mislead government officials and the public to make a "turkey" program look good. However, that's what MDRC is paid to do. What is amazing is the number of people who have ignorantly jumped on the MDRC bandwagon not withstanding the facts set forth below.

The FACTS are very simple based on the data reported in the MDRC 1993 report. Statewide in California, those who participated in GAIN earned an average net income of $155 more than those who did not participate in GAIN.

This may be "statistically significant" to some, but what it really means is $155 for two years, or $155 for 720 d***ays, or 21¢ a day.*** We do not consider 21¢ a day to be statistically significant, except that MDRC received millions of dollars to discover that recipients got 21¢ cents a day more than non GAIN participants .

MDRC also failed to tell the U.S. government and the public that taxpayers had to pay over ***$5 a day so GAIN participants can recieve a mere 21¢ a day more than non GAIN participants***. MDRC will eventually devulge these figures after squeezing several more million AFDC dollars from federal and state governments.

How did Riverside County rate in this study? In Riverside County, over a two year period, or 720 days, ***GAIN participants had a net increase of $720 , or 98¢ a day. The cost to the taxpayer is $8 a day***. Thus, the cost of the program is 800% higher than the benefits to clients. How sad that this is touted as a model program for America.

What is the true message of GAIN? Bureaucrats receive the dollar bills while AFDC families get the pennies. A successful GAIN program should have bureaucrats receiving pennies and AFDC families gaining dollars.

We were disappointed that representatives of the "organized poor" were excluded from this hearing. To the extent that the work group will be reaching out to the National Governor's Association for "state input", we hope that the work group would reach out to the organized poor as well.

cc: John Riccio of MDRC