

**Welfare Reform Working Group Hearing Tentative Agenda
Wednesday, August 11, 1993**

**Katherine Dunham Theatre
Room 2W35
Kennedy-King Community College
6800 Wentworth Avenue
Chicago, Illinois**

**SESSION I
MODERATOR:**

David Ellwood

ISSUE: "Supporting Work: Providing a Hand Up, Not a Hand Out"

9:30 am Opening Remarks by Working Group chairs

**9:40 am Personal stories of current AFDC recipients and people who have recently left Public Assistance discussing the obstacles they have faced moving from welfare to work
(4 individuals @ 5 minutes each)**

10:00 am Presentations:

Toby Herr, Project Match

Donald Sykes, New Hope Project

**[Presentations by directors of two model transitional programs discussing various aspects of successful transitional services]
(2 @ 5 minutes each)**

10:10 am Discussion/Q&A

10:40 am Testimonials (see above)

11:00 am Presentations:

Denise Simon, Teen Parent Demo

Jody Raphael, Chicago Commons ETC

11:10 am Discussion/Q&A

11:40 am LUNCH

SESSION II
MODERATOR:

Bruce Reed

12:30 pm

Welcoming remarks by elected officials

[Welcoming remarks by local elected officials for 5 minutes each. Depending on their availability, the following might give welcoming remarks:

Gov. Jim Edgar, if present; or designee
Mayor Richard Daley, Jr.
Rep. Bobby Rush
Rep. Dan Rostenkowski, if present
Sen. Carol Moseley-Braun, if present
Cook County Board President Richard Phelan

1:00 pm

Public testimony (3 min. time limit)

[The public testimony period will provide an opportunity for a prearranged list of Chicago elected officials, interest groups and others to provide prepared remarks to the Working Group.]

4:00 pm

Audience Q&A

[A period of questions and answers, perhaps submitted in writing, will provide an opportunity for the general public to have some input before the session ends.]

4:30 pm

Closing remarks, Working Group chairs

4:45 pm

End of session

5:00 pm

Debrief

[The debriefing session will provide Working Group members an opportunity to provide feedback to staff on the entire two day visit that will be helpful in planning the remaining visits.]

**DRAFT
NOT FOR DISTRIBUTION**

**Tentative Witness List
Welfare Reform Working Group Public Forum
Chicago, Illinois
August 11, 1993**

ILLINOIS ELECTED OFFICIALS (as of 8/5/93)

**Mayor Richard M. Daley
Cook County Board President Richard Phelan
Congressman Mel Reynolds
Congressman Bobby Rush**

PROGRAM DIRECTORS (Morning Session)

**Warrine Pace, Project Match
Ameenah Muhammed, New Hope Project
Jody Raphael, Chicago Commons NYC
Denise Simon, IDPA, Teen Parent Demo**

CLIENTS (Morning Session)

T.B.D.

GOVERNMENTAL ORGANIZATIONS (Afternoon Session)

**NACO Sandy Williams for Supervisor John Stroger
NGA Althea Wright, Office of the Governor, New Jersey
USCM TBD
NLC TRD
NCSL TBD
APWA TRD**

WITNESSES (Afternoon Session)

	PHONE	Y/N/U
Spruiel White Chicago Jobs Council	683-0723	Y
Jerry Starmer Voices for Illinois Children	456-0600	Y
Ann Beng Chicago Council on Urban Affairs	782-3511	Y
Daniel Alvarez Commissioner, Department of Human Services	744-0957	Y

Tentative Witness List
Welfare Reform Working Group Public Forum
Chicago, Illinois
August 11, 1993

Continued(2)

Vince Lane Chicago Housing Authority	791-8401	Y
John Bouman Legal Assistance Foundation	341-1070	Y
Maria Svihla Day Care Action Council	561-7900	Y
Rebecca Blank Northwestern University	491-3784	Y
Sister Connie Driscoll St. Martin De Porres Shelter	641-5843	Y
Doug Dohmeyer Public Welfare Coalition	829-5568	Y
David Fata Parental Involvement Demonstration Project	427-4830	Y
Connie Evans Women Self Employed Project/JOLLI	606-8255	Y
Nolly Connaghan National People's Action Coalition	243-3035	Y
Dennis Crowell NASW-Ill. Chapter	236-8308	Y
Jack Connelly Jobs for Youth	782-2086	Y
Betty Williams United Charities	986-4000	Y
Steve Redfield STRIVE	842-2800	Y
Christina Dykes Catholic Charities	655-7516	Y
Henry Bear AFCME	641-6374	U/Y

Tentative Witness List
Welfare Reform Working Group Public Forum
Chicago, Illinois
August 11, 1993

Continued(1)

Ron Gedwitz
Helene Curtis Cosmetics 661-0222 U

Rev. Jesus T. Gonzales
CASA Central 276-1902 U

Rev. Willie Barrow
Operation Push 373-2366 U

UNDER CONSIDERATION

Dick O'Connell (NAB)
Blue Cross/Blue Shield 936-6000

David Whittaker
Chicago Area Project
(FSA Advisory Committee)

John Flukett
Suburban Job Link 522-8098

DRAFT
For Discussion Purposes Only

Welfare Reform Working Group Site Visits
Chicago, Illinois
Monday August 9 - Tuesday, August 10, 1993

Tentative Working Group Itinerary

Monday, August 9

Evening Arrive in Chicago
 Hotel t.b.d.

Tuesday, August 10

9:30 am Breakfast meeting with local Congressional
 delegation t.b.d.

11:00 am **Site visit**
 Project Match
 Cabrini-Green public housing project

NOTE: Project Match was founded in 1985. Using a "ladder" system based on the philosophy that leaving welfare is a process and not an event, caseworkers work with clients to form a plan for job placement and job retention including high-school equivalence and vocational training. Most clients live in the Cabrini-Green public housing project and its surrounding area. The majority of clients are African American (99%), female (77%), and unmarried (95%). Sixty percent of clients are age 25 and under. Most clients are parents (72%). Only 55% of clients came into the program with prior work experience, and over half (58%) also grew up in a home supported by welfare.

Meeting With Program Directors

Focus Groups

The WRWG will break into two focus groups with approximately 10 participants each.

Focus Group A: Project Match staff and clients

Focus Group B: New Hope Project staff and clients

NOTE: New Hope Project is a demonstration project based in Milwaukee, Wisconsin that will assess the effect of subsidizing work for individuals and families who are currently poor. The Project offers participants help in finding a job, a community service job if they are not able to find work after 8 weeks, wage subsidies that assure an income above the poverty level, health insurance, and child care. The New Hope Project represents a work-based offer. Benefits are available only if an individual is working at least thirty hours per week.

1:00	pm	Lunch
2:30	pm	Site visit t.b.d. Focus Groups t.b.d.
5:00	pm	Editorial Board meeting
7:00	pm	Dinner with local elected officials, VIPS t.b.d.

*File:
WR Hearings*

FIRST ROUND OF CONSIDERATIONS
CHICAGO

Willie Barrow
Operation PUSH

Spruiel White (Employment and Training)
Chicago Jobs Council

Jackie Lynn (Self-Help/Life Skills)
Women for Economic Security

Wendy Siegal (Jobs)
Travelers and Immigrants Aid
(study on jobs- Single Adults)

Mary Hartsfield
Recipient

Sabrina Swain
Recipient

Jerry Stermer (Jobs, Transitional Support, Child Advoc.)
Voices for Illinois Children

Ann Seng (Research, Advocate, Eco. Dev.)
Chicago Council on Urban Affairs

Daniel Alvarez
Commissioner
Department of Human Services

Vince Lane
Chicago Housing Authority

Dick Phelan
Cook County Board President

Governor's Task Force on Human Resources Reform

Jean Rudd
Woods Charitable Foundation

McArthur/Joyce Foundation

John Bouman
Legal Assistance Foundation

Geri Jensen (child support)
Assoc. for Children for Enforcement of Support (ACES)

Maria Svihla (Child care)
Day Care Action Council

Head Start Policy Council

William Julius Williams (Underclass/Field Studies)
Sch. of Social Services
Univ. of Chicago

Rebecca Blank
Northwestern Univ.
Economics Department

Sister Connie Driscoll (Homeless)
St. Martin De Porres Shelter

Sekoni Karanja (Welfare to Work)
Center for New Horizons

Doug Dobmeyer (WTW, Policy, Jobs- single adults)
Public Welfare Coalition

David Pate (Fathers of AFDC recipients)
Parental Involvement Demonstration Project (PIP)

Connie Evans (Self Employed, Support Services)
Women Self Employed Project
Jobs Opp. for Low Income Individuals (JOLLI)

Tuesday August 10 Itinerary and Briefing

The first day of the Working Group's regional visit to Chicago is designed to provide an opportunity for members to talk informally with AFDC recipients and to visit programs and offices providing services to people on welfare.

The day will begin with a briefing at the Palmer house on the entire visit. From the Palmer House, we will travel to Cabrini Green to the offices of Project Match to meet with staff and participants from two welfare to work programs, Project Match and New Hope. Descriptions of both programs are included in this section of the briefing book. Staff will provide further information about the programs, and there will be opportunity for questions and discussion. The two programs take very different approaches to the welfare to work transition and serve very different segments of the welfare caseload. Project Match provides long-term services to people with greater barriers to self-sufficiency, while New Hope focuses on getting people to work as quickly as possible, if necessary by providing them with public sector work.

We will then break into two groups to meet with clients and staff from Project Match and Project New Hope. Each focus group will last forty-five minutes to an hour, and Working Group members will meet first with one program and then the other.

Mayor Daley and Congressman Bobby Rush and Mal Reynolds will be joining you at Project Match at approximately 12:30 for a photo opportunity open to the press. The Congressman may then stay for lunch and informal conversation with focus group participants. Lunch is being catered by the Family Focus Teen Cuisine program, which provides innovative job readiness and vocational skill training to Evanston teen-age parents. You will hear a brief presentation about the program during lunch.

In the afternoon, you will be splitting into small groups to visit offices of the Illinois Department of Public Aid. At those offices, you will meet briefly with the Director and then participate in either an intake interview (assuming someone has come in at that time to apply for aid) or an eligibility determination. You will be sitting with an intake worker as s/he goes through the process of interviewing the client (whose permission will be obtained in advance). After the interview, if you wish to meet with other clients or workers, you will be able to work that out at the office with the Director.

After visiting the Public Aid office, we will be returning to the Palmer House. At this point, we have made no plans for an organized dinner, but there is still the possibility that a Congressman or two may wish to have dinner with some members of the Working Group. The staff will finalize these arrangements by Tuesday morning.

This section of the briefing book contains an outline of Tuesday's schedule and fact sheets on Project Match and New Hope. The final section of the book contains information on welfare and poverty in Illinois and a review of press coverage of the issue in the major state newspapers.

**Welfare Reform Working Group Site Visits
Chicago, Illinois
Monday August 9 - Tuesday, August 10, 1993**

Working Group Itinerary

Monday, August 9

Evening Arrive in Chicago

**Hotel: Palmer House Hilton
17 East Monroe Street
Chicago, Illinois
Phone: (312) 726-7500
Fax: (312) 917-1707**

Tuesday, August 10

8:45 am Bruce Reed and David Ellwood, accompanied by Avis LaValle, depart for Chicago Tribune. Driver will be waiting in DHS vehicle at Monroe St. entrance.

9:00 am Editorial Board of the "Chicago Tribune" Meeting with Bruce Reed and David Ellwood

9:30 am Briefing for Working Group members on Chicago visit. Palmer House, La Salle 2 (7th Floor).

**10:15 am Depart for Project Match
Load vans on Monroe Street**

**10:30 am Site visit to Project Match
Moody-Winfield Clinic, Cabrini-Green public housing project**

Meeting With Program Directors

Focus Groups

12:30 pm Photo with Mayor Daley, and possibly other elected officials

1:00 pm Lunch at Project Match

1:00 pm Editorial Board of the "Chicago Sun-Times" Meeting with Bruce Reed and David Ellwood accompanied by Avis La Valle. Driver will be waiting in DHS car at entrance to building.

2:00 pm Depart for site visits

**2:30 pm Site visit
Illinois Department of Public Aid Offices**

Van 1	Humboldt Park	Torres-Gil, Runnell
Van 2	Northern	Stegman, (Reed, Ellwood)
Van 3	Uptown	Carver, Watson
Van 4	Roseland	Sawhill, Foley
4:30 pm	Depart IDPA offices return to the Palmer House	

NOTE: Depending upon interest, there may be interviews or press availabilities at the end of the day.

Wednesday August 11 Public Forum Morning Session

The Chicago public forum has been designed to focus on issues surrounding the transition from work to welfare, highlighting the barriers individuals face in making that transition and the programs and services that have been effective in helping them.

The message we are trying to convey to the press and public through the event is that the Clinton welfare reform team is interested in reforming the system to support work and provide the assistance individual clients need to make the transition from welfare to work. The purpose is to show that there is more to the plan being developed than a time limit and work requirements.

The morning session consists of two one-hour panel discussions with current and former AFDC recipients and service providers. The clients and providers will each present 4-5 minutes of testimony, either telling their personal stories or describing their programs. These presentations will be followed by roughly half an hour of discussion during which members of the Working Group should ask questions and engage in discussion about the lessons to be learned from the individual stories and programs. David Ellwood will moderate these panel discussions.

The clients have been chosen to illustrate a wide range of situations (see attached profiles). You will hear from witnesses who:

- o are part of a working poor family struggling to make ends meet without public assistance
- o have found that work simply doesn't pay and are resigned to staying on welfare
- o are working part time but remain on welfare to get health insurance and are reluctant to take a full time job
- o have made the transition to work through successful transitional service programs, but require ongoing supports to stay off welfare

The witnesses have a wide range of reasons for being on welfare in the first place, but you will note that the majority of these witnesses were married, suffered some form of abuse, and now have

child support issues. You will note also that many of them have worked but have found that "work doesn't pay." There have also been common problems for many of them regarding child care, health care and transportation.

Suggested Questions

When all the presentations are complete for each panel, the Working Group will be expected to ask questions and engage panel members in discussion. Questions will almost certainly flow naturally from the testimony given, but the following are some suggestions to spark your thoughts:

- o Explore the effects of these experiences on the witnesses' children -- both the negative effects of being on welfare and the accompanying prejudice and the positive effects when the parents do go to work
- o Explore the need for ongoing supports after going to work -- this will be an issue for several of the women (Hardy, Sampson) and is important to explore with the service providers
- o Explore the options and problems surrounding child care.
- o Explore what impact receiving child support payments would have on the witnesses
- o Explore the impact of possible universal health insurance on decisions related to work and welfare

You will also want to explore in more detail the contrasting lessons to be drawn from the welfare-to-work programs making presentations. The approaches each program takes are quite different and highlight the diversity of the AFDC population. You may wish to explore such issues as:

- o the role of sanctions in affecting behavior
- o the importance of ongoing supports to the transition
- o the effect of a two year time limit
- o the benefits of an education and training approach (Chicago Commons) as opposed to a labor force attachment program (New Hope)

Profiles of the clients and the programs who will be testifying in the morning are presented in the pages that follow. Results of the Teen Parent Demo were just released on Monday (see enclosed press release).

Lunch will be provided during the break between the morning and afternoon sessions. You will most likely be joined by

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AUG-09-'00 MON 14:29 (D)

TO
TEL NO:

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several elected officials who will be testifying in the afternoon session. The exact attendance list is uncertain and depends on the schedules of the elected officials. The afternoon schedule lists all those who will be testifying, and the attendees for lunch will come from that pool of people.

**Welfare Reform Working Group Hearing Agenda
Wednesday, August 11, 1993**

**Katherine Dunham Theatre
Room 2W35
Kennedy-King College
6800 Westworth Avenue
Chicago, Illinois**

- 8:00 am** Working Group check-out and baggage call
(Bring bags to front desk for loading)
- 8:30 am** Depart for Kennedy-King College
Load into vans on Monroe St.
- 9:00 am** Arrive at Kennedy King College

**SESSION I
MODERATOR:**

David Ellwood

ISSUE:

"Supporting Work: Providing a Hand Up, Not a Hand
Out"

- 9:30 am** Opening Remarks by Working Group chairs
- 9:40 am** Panel 1:

Personal stories by AFDC recipients:

Hellie Sampson

Roxanna Betke

Linda Armstrong

Presentations:

Warrine Pace, Project Match, Chicago, IL

Ameenah Muhammed, New Hope Project, Milwaukee, WI

Discussion/Q&A

- 10:40 am** Panel 2

Personal stories by AFDC recipients:

Letitia Lehmann

Sandra Green

Beatrice Lynn Hardy

AUG-10-1993 13:48 FROM
- AUG-09-'00 MON 14:27 ID:

TO
TEL NO:

94567028 P.09
#118 P87

Presentations:

Denise Simon, Teen Parent Demo

Jody Raphael, Chicago Commons ETC

Discussion/Q&A

11:40 am

LUNCH

12:20 pm

End of Lunch



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary
Administration on Aging

Washington, D.C. 20201

AUG 13 1993

MEMORANDUM

TO: David Ellwood, Bruce Reed, Mary Jo Bane
Co-chairs, Welfare Reform Working Group

FR: Fernando Torres-Gil *FTG*
Assistant Secretary for Aging

RE: Chicago visit - Welfare Reform

I enjoyed this site visit; it was necessary, productive and instructive. Here are some observations and issues arising from this visit:

- There were very few Hispanic witnesses. The California site visit must include a good cross-representation of Hispanic and Asian Pacific Islanders (e.g. Hmong, Vietnamese, etc.) on the panels.
- I very much want to be at the California visit. Strategically, it will be good to have me there. If there is any way to match schedules so that I can insure attendance, I would be appreciative.
- The press we received (good and bad) and a focus on protests was beneficial. It highlights not just what we are doing, but it amplifies the diverse viewpoints and will help educate the public about why President Clinton must take a compassionate yet firm and moderate position (as we are doing).
- Regarding future site visits:
We should consider a suburban/middle-class America location that allows us to show that even the middle class finds itself on welfare and should support our approach to welfare reform.

The Inland Empire in California and San Diego County are two examples of areas where we should consider conducting possible future site visits. Doing so requires a tailored and focussed public affairs strategy to demonstrate why middle-class America has a stake in supporting us (as opposed to a knee-jerk reaction against welfare recipients).

This also entails hearing from those who disagree with us; we need to figure out how to counter/respond to opposing ideological views.

● Regarding California:

However you handle California, take careful note of California politics, including its importance to the re-election efforts, the upcoming Gubernatorial race and the difficult economic and political situation the state currently faces (e.g. immigration fears, middle-class vulnerability and increased welfare caseloads among the poor and middle income groups).

● Overall, the Chicago trip was invaluable. Kudos to your staff and those who made it possible (I want to steal these ideas for our aging initiatives). We do, however, have to resolve the differential experiences of the Working Group: between those who participate in site visits, those who do not and those who cannot attend them all.

Perhaps an overview summary from each site visit could be drafted so as to keep us all on the same playing field.

TOM SCHINDLER

5/11/13

ADM. FOR CHINA & FARMS - CHGO.

312/586-9540

708/383-4288 (home)

File:

WR Form -

Chicago

TESTIMONY OF

CHRISTENE DYKES

PROGRAM DIRECTOR

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF CHICAGO

REPRESENTING

CATHOLIC CHARITIES OF CHICAGO

BEFORE

WORKING GROUP ON WELFARE REFORM, FAMILY SUPPORT AND INDEPENDENCE

AUGUST 11, 1993

Good afternoon, ladies and gentlemen. I am Christene Dykes, Program Director of the Emergency Assistance Programs of the Catholic Charities Of The Archdiocese Of Chicago. Catholic Charities is a multi-service, comprehensive Human Service Agency providing services in Cook and Lake Counties. This year Catholic Charities provided services to over a half million families and individuals.

We will focus our comments on the Welfare Reform issue of a two year time limit to be followed by work. 76 years of experience supports our position that there needs to be a structure set-up from within the system which will enable welfare recipients to receive training to acquire marketable skills for today's jobs. The issue of who should train must be looked at. Perhaps training should come from local colleges, universities and non-profit organizations who will put the best interest of the recipients first.

Welfare Reform proposes to take people off welfare and put them in gainful employment: many of these people will be placed on jobs but will not be successful. Therefore, we are suggesting that casemanagers/caseworkers be trained and re-educated to identify those persons that are marginal or psychologically unable to make the transition from dependency to independents. In order to make welfare reform successful special categories must be established to accommodate persons with special needs.

Catholic Charities believes that people cannot be moved from

WE-IDEAS

STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
Robert W. Wright, Acting Director

WELFARE REFORM
WRITTEN TESTIMONY

August 11, 1993

Good Afternoon. I am Robert Wright, Acting Director of the Illinois Department of Public Aid. On behalf of Governor Edgar and the State of Illinois, I thank you for this opportunity to provide testimony on welfare reform. I will also be providing information on Illinois programs which we believe can be applicable to welfare system restructuring throughout the nation.

The Illinois Department of Public Aid, as a single state agency administering welfare programs, is a long-time leader in developing innovative approaches to improve AFDC programs and services. As early as 1963, Illinois began a cooperative relationship between IDPA and the Illinois State Board of Education to provide adult education programs for welfare recipients. This Illinois initiative preceded the Family Support Act by more than two decades, has been recommended as a model under the JOBS program and is now being considered a welfare reform measure in many states.

Since the 1970's, Illinois has operated and augmented a Child Support Enforcement program that has collected over \$1 billion for children in need. In the 1980's, Illinois implemented one of the largest welfare-to-work programs in the nation, which in many respects was mirrored by the Family Support Act's creation of the JOBS program.

In these times of diminishing resources and escalating need, Illinois continues to explore new avenues of welfare reform through creative programs, waivers and demonstrations. We recently received approval from HHS to operate five demonstration programs.

These demonstrations, collectively titled Fresh Start, are aimed at removing barriers to employment and family stability and increasing the self-sufficiency of welfare clients. Fresh Start will allow the state:

- to remove penalties against two-parent families,
- to remove the disincentive to accept temporary or seasonal employment by revising aspects of retrospective budgeting,
- to provide enhanced disregards and supports for homeless families,
- to provide employment and training services to non-custodial fathers, and
- to provide prevention services to teens who are in AFDC families and in high school, before they get pregnant or drop out of school.

We are also anxiously awaiting approval of a recently-submitted waiver for a program informally known as the "2 for 3" initiative. This program will change income-budgeting procedures and make work a better long-term option than welfare in Illinois. We have officially christened this demonstration "WORK PAYS"--a simple, direct title to reflect a simple policy and concept. Under this demonstration, for every \$3 earned by an individual on AFDC, the earnings are kept by the client and the welfare grant will be reduced by \$1. Under this budgeting policy there are no percentages, no filling the gaps, no time limited disregards -- just a simple budgeting procedure that both staff and clients can easily understand.

We are very excited by the WORK PAYS initiative. We anticipate it will dramatically increase the number of AFDC clients who will go to work and who will continue to work, because the work will pay. Only by staying in the work force will clients be able to earn their way off assistance.

Through these waivers and demonstrations, Illinois is attempting to eliminate barriers which discourage work, which prevent families from staying together and which discourage the provision of services to at-risk teens. Any national welfare reform effort should follow Illinois' lead and eliminate these barriers totally.

I would now like to provide you with the general principles we think must be in any welfare reform package, along with examples of programs that can work to effect change.

First, and most important, work must be a better alternative than welfare.

The provision of income supplements to the working poor, child care and medical assistance are all needed to make work a better alternative than welfare.

- Current AFDC budgeting procedures are complicated, difficult to explain and provide limited incentives for clients to obtain employment. Procedures require different calculations depending on the time the individual has worked. Incentives to work drop sharply after four months and disappear entirely after 12 months. Under the WORK PAYS demonstration, the department would be operating a simple budgeting procedure that eliminates this disincentive to work. For every \$3 an individual earns, the grant will be reduced by \$1 until the family is no longer eligible for a grant. This procedure will be easy for staff to implement and, more importantly, will be easy for staff to explain to clients as an incentive to work. We urge the federal government to develop a similar simple, direct approach to budgeting income.

- Families who work or attend school must be provided with safe, quality child care, and the provision of care must continue as a family moves from training to employment and from AFDC to the at-risk population.

We hope that recent HHS organizational changes which combined administration of the Child Care and Development Block Grant with Title IV-A Child Care will help to eliminate discontinuities that exist within the various funding streams. Of course, organizational structure alone does not ensure a system of seamless child care for parents moving from welfare to work. With Illinois' implementation of the Family Support Act, we created rate structures, eligibility criteria, fee scales, policies and procedures that are identical across all funding streams. It is critical to us that parents working toward economic independence not be disadvantaged simply because of the way child care funding is constructed.

Our planned change to a system of direct payments to child care providers when an AFDC client is working will eliminate the cumbersome child care disregard and could mean more spendable income for these clients. But, as clients' earnings increase and they become ineligible for AFDC, some may find that the 12-month time limitation of Transitional Child Care (TCC) is another barrier to self-sufficiency.

States should have the option of providing federally matched TCC beyond the initial 12 months until families attain an income up to 75 percent of the state median. This would enable states to make transitional child care eligibility consistent with the Child Care and Development Block Grant and more closely based on a client's ability to pay.

- Medical coverage must be provided for the working poor. I realize that reform of the health care system could be the subject of an entirely different task force. However, the provision of health care is inseparable from welfare reform.

The fear of losing medical care is often a barrier that keeps families on assistance. The implementation of earned income budgeting procedures, such as the WORK PAYS initiative, which provides assistance and medical coverage for low-income working families, coupled with the current medical extension, can help keep families employed. Any changes in the welfare system must address the concerns of families to ensure medical care for their children.

Second, policies must encourage two-parent families and family stability.

- The current AFDC program has policies that penalize two-parent families. These policies often prevent couples from getting married, or result in the father leaving the home so that the mother and children can get benefits.

marriage penalties

Unemployed families can receive assistance only if one parent has established a work history. Young parents, just out of school, might not have a connection to the work force. Some parents might split up in an effort to make their children eligible for assistance.

✓

In addition, if the primary wage earner in a two-parent family works at least 100 hours per month, the family is ineligible for assistance, regardless of the level of income or its adequacy to support the family. This policy is a barrier to a parent taking lower-wage employment which might ultimately lead to a better job.

✓

Illinois will be testing the elimination of these penalties through one of the Fresh Start demonstrations. By eliminating these marriage penalties, the Department of Public Aid hopes to stabilize two-parent households, focus on employment and encourage parental responsibility. Any national welfare reform effort should permanently eliminate these policies nationwide. As the national policy changes, states operating demonstrations should be allowed to implement the new policy for all affected families in the state.

Third, welfare policies must emphasize individual and family responsibility to work toward self-sufficiency.

In Illinois, we agree that welfare should not be seen as a long-term program. Welfare clients should be told upon approval that they should and must work toward leaving the welfare system.

- This month in Illinois, we will begin testing a Social Contract in three of our offices. Under this contract, welfare recipients who are not employed and who are not in education or training programs will be asked to provide at least 20 hours of community services each month. The 20 hours are to be spent in activities that will help move the client closer to self-reliance and independence.

✓

We see the social contract as a vehicle to restructure welfare programs. In the past, welfare agencies have essentially told clients whether they were exempt or required to participate in programs and when they would receive a notice telling them what actions they must take. We have not developed programs that empower individuals to improve their own futures.

With the social contract, staff and clients will discuss personal responsibility and the options and opportunities which are available. We think the social contract can be key to increasing community involvement and individual skills which can ultimately help break the welfare cycle.

Illinois' Social Contract initiative will not be mandatory because the state does not have the funds to support the potential cost of child care and transportation for program participants. I mention this to emphasize that any program that requires services, work or education and training must recognize the cost of supportive services that are needed to ensure participation and the human resources that are needed to track and ensure compliance for a truly mandatory program. We support efforts to require responsibility, but experience has taught us that effective programs need appropriate funding.

- In the discussion regarding welfare reform and family responsibility, time-limited welfare programs have been a recurring theme. In principle, we agree with time-limited welfare. However, in the development of any time-limited program, there must be a provision for the education and training clients need to obtain employment, and there must be options for families when there are no jobs available.

Earlier today you heard about our work in the Young Parent Services program, which provides education, training, counselling and parenting services to young parents. Through this program, we have learned that intense services can increase self-sufficiency. However, young parents who have dropped out of school, who have low literacy levels and low self-esteem, may not be ready to enter the work force after two years of help.

In your visit to Illinois, you have also heard about Project Match, which the department helps support. Project Match research shows that many families on assistance work toward self-sufficiency by meeting milestones. There are often many starts and restarts in their attempts to obtain and keep employment before they are successful.

Our department also funds education and training programs through Chicago Commons. This organization helps the department provide JOBS services to hard-to-serve, long-term welfare clients. Their studies show that many long-term welfare recipients face a multitude of problems including child abuse, domestic violence, substance abuse, low literacy and low self-esteem. These problems must be addressed for the family to become self-sufficient.

In any time-limited program, there must also be an alternative where there are no jobs available. The unemployment rate for June stands at 8.4 percent for Illinois as a whole and 10.3 percent in Chicago. While areas of this great city enjoy relative affluence, many other pockets of the city suffer a devastating lack of opportunity. Furthermore, where there are jobs, welfare clients are now competing with laid-off skilled labor and recent college graduates in the search for employment.

In Illinois, we have implemented a program that we think could be used as a model to develop an alternative to welfare for employable clients. In 1992, Illinois eliminated General Assistance for employable adults who did not qualify for a federally funded program. To address the needs of this group of employable adults, Governor Edgar and the General Assembly implemented an innovative program called Earnfare.

In the Earnfare program, individuals who volunteer can "work off" the value of their food stamps and then receive payment for hours worked, at the minimum wage, up to \$154 per month (the previous General Assistance payment). This program has been successful in developing work slots with employers and in providing an option for those former General Assistance clients who were willing to work and needed the income.

The Earnfare program is unique in that no cash is given to the Earnfare participant until the food stamps are worked off; then additional hours are worked for cash. Earnfare is also unique because the payment comes from the employer. The employer receives the money from the state - up front - to pay the Earnfare participant. The individual looks and feels like an employee, not like a welfare recipient. There is no other program of this magnitude operating in the nation.

Earnfare volunteers have the opportunity to gain work experience, job skills, and the chance to get their foot in an employer's door. Earnfare prepares volunteers for future full-time employment and builds the self-esteem and motivation of those who participate.

The implementation of an Earnfare program in a time-limited AFDC program could provide employable clients with an option at the end of two years if they are unable to find employment. The program could also provide clients with the opportunity to obtain experience that will lead to employment. Illinois is currently studying the feasibility of a time-limited welfare program with an Earnfare component for the AFDC population.

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Fourth, welfare programs must include education and training programs as well as prevention programs. Federal financial support must be provided to operate these programs and provide clients with needed supportive services.

In Illinois, as in most other states, we have worked through many of the challenges of implementation of the Family Support Act. We have designed a program that provides a blend of services that meets the various needs of the welfare population.

- We provide the full range of services, including job search and adult education, as well as four-year college programs.
- We have a unique grant diversion program with the Chicago Housing Authority (CHA) called Step Up, which is providing improved housing and high-paying jobs for AFDC CHA residents. Under this program, which we are told by our regional HHS staff is the only one of its kind in the nation, the AFDC grants of Chicago Housing Authority residents are diverted to the Authority to help offset the cost of training individuals hired to rehab CHA housing. This program is resulting in real jobs for long-term welfare clients.
- We have improved coordination with JTPA program and education providers.
- We have implemented an initiative with the Illinois Community College Board and 10 community colleges whereby JOBS clients can enter the JOBS program and receive JOBS services through the community college. In the Opportunities program, JOBS clients do not have to travel to the Public Aid office to obtain services. They can obtain services on site where they are already attending their educational program.
- We have contracts with community-based organizations, which provide a variety of services to our hard-to-serve clients.

Federal regulations have complicated implementation of the Family Support Act. Specifically, calculation of the participation rate is complex and makes tracking time-consuming and costly. In addition, although the definition of participation as 20 scheduled hours per week has improved and increased the intensity of many programs, it has been costly in terms of supportive services, since required unscheduled activity such as library and study time are not considered.

Since implementation of the JOBS program, we have struggled to find funds in our state budget to provide the needed child care and other supportive services for clients. Less than half of the federal money set aside for the Job Opportunities and Basic Skills Training Program has been drawn down in any given year. The quality programs and services we wish to provide and the tracking required to ensure accountability are costly. In the development of a welfare reform package, federal funds must be more accessible to the state.

Also, our records show that a large portion of the AFDC population does not have the education and work experience needed to perform entry level work. More than 50% of the adult AFDC clients do not have a high school education, almost 60% read at less than the 9th grade level, and over 70% of these are functionally illiterate. More than 30% have no work experience. These deficits alone, not even considering the other barriers, indicate the need for programs which allow for long term education and training.

Employment and training programs must also provide an option for prevention programs for at-risk teens. Currently in the JOBS program, services can be provided to teens only if they become pregnant or drop out of school. We are pleased that, in one of the Fresh Start demonstrations, Illinois will be able to provide prevention services under the JOBS programs to teens who are in school, who are not pregnant and who have not yet dropped out.

Additionally, Illinois is focusing attention on younger children through school-based initiatives, such as Project Success, to help children succeed in school. These prevention services can help ensure that these young people will not end up as long-term welfare recipients.

Other prevention initiatives must also be fundable under any welfare reform initiative as a state policy option.

Finally, I'd like to make some general comments which apply to the development of all of the policy and program changes.

Programs must allow for greater state flexibility without waivers. Problems in urban areas are not the same as those in Montana, and the same requirements and policies do not all necessarily need to apply. States should be allowed flexibility and should be encouraged to try innovative programs that achieve the underlying goals of the federal program.

The current waiver process is the only tool available, and it is often an inappropriate tool. Since a demonstration must be cost neutral by the end of the demonstration, usually 3 to 5 years, many innovative and potentially beneficial programs never get tested, as the long-term savings will not be seen for several years.

In addition, the random selection of participants for experimental and control groups should be reexamined. This impersonal selection can lead to real heartbreak for people. For example, in teen prevention demonstrations, students will be told about the program and then randomly assigned to an experimental or control group. Those assigned to the control group will not be allowed to participate. Selection could be done by more humane means. These waivers involve real people and should not be conducted as a sterile research lab. When appropriate, state comparisons on past experience or between states should be used.

Any welfare reform effort should provide for consistency between welfare programs. Currently, there are more than 50 inconsistent policy requirements between the AFDC program and the Food Stamp program. These programs will be easier for staff and ultimately less costly in administration and errors if simple, consistent requirements are developed.

We would like to see the involved federal agencies support technological improvements such as the Electronic Benefits Transfer (EBT) program for welfare benefits. EBT can reduce long-term cost for government, remove the stigma associated with welfare and reduce fraud. We have submitted an implementation APD for EBT in Illinois, and we urge you to support this type of initiative as part of reform.

In closing, I would like to emphasize that requirements on states due to reform must include additional federal funds for program administration.

Over the last several years, federal requirements for mandatory coverage of expanded Medicaid populations have been implemented with no enhanced match for the state. Reforms in Medicaid have devoured the state's ability to direct resources to supportive services for JOBS and other initiatives. As welfare reform focuses on AFDC, JOBS and Child Support, please remember and address the fiscal conditions and needs of the states.

Presentation Made By Linda Armstrong
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Good Morning. My Name is Linda Armstrong. I am married and the mother of three children age 7, 4 and 3. I want to tell you a little about myself and my experience with the welfare system. While this is my story, it is not unique. It is similar to those told to me by my participants, neighbors and friends. Like me, most people are only on welfare for a few years, while they get themselves together.

I am 30 years old. I made the bad decision to drop out of high school when I was young. I dropped out and went to the army on a four year letter. The recruiter promised training, money, travel and a future. When I went on active duty I told them I thought I was pregnant. Their test results said I wasn't. I was and subsequently I was discharged during my seventh month. That was the first time I was on public assistance. I had to for medical reasons. I did enroll in an EKG training course and completed after the baby was born. The baby died which left me emotionally distraught. I did get myself together and received my GED in 1984.

I did come off and worked until my oldest son was conceived. I was sickly during this time and had to go on welfare again after my unemployment ran out I was pregnant and I needed medical care. After my son was born, I found a good job, but I had no one I could trust to take care of my child. I Chicago to go to Texas, because I felt that the employment and child care opportunities would be better. I did get a better job and found day care, but when they put me on nights I had no support and no one to take care of my child.

My family talked me into coming back to Chicago. I was on welfare again, this time without a permanent place to live. My uncle found me a job at Premium Plastics, where he worked and I stayed with family. After three months, they put me on nights permanently and I had to quit because of child care again. I was out of work one month when I found the job at Lakeview Living Center. I sent my son down south to live with an aunt because I had no permanent place to live. At Lakeview, I met my husband and things were looking up. We both worked for Lakeview Living Center and were being trained through the Illinois Department of Public Health.

After four months, I had to go south to help by aunt who got sick. She was taking care of my child and I ended up there for about six month because of this family emergency.

In 1988, I returned to Chicago and was hired by Somer Set House as an habilitation aide and worked my way up to a unit supervisor at about 10,000 dollars per year. After about a year I lost that job because the facility lost its specialty license. My husband was also working at Somer Set House. The loss of both jobs forced us to go on welfare. We had an apartment, but the landlord said he did not accept welfare and told us we had to move. After moving around for a while, we ended up in public housing.

After a year and a half, I found a job at Albany House in Evanston paying close to 15,000 dollars per year where I worked for a year. My husband could not find work. We were just getting ourselves together, when Albany House was sold to a new owner who immediately phased out my position and reduced my salary from \$7.50 to \$5.00 per hour. I could not afford the cost of travel to Evanston and I needed health care for my children. I was forced to go back on AFDC.

I am currently working at the Wells Community Initiative, Family Development Center as an Outreach Worker for 10,500 dollars per year. I live in public housing. I started on this job in November of 1992. At that time, my family was on public assistance. We received a monthly check of \$414 and \$278 in food stamps. My rent was \$40 per month and we were all covered by the medical card. That left an income of \$652 per month which is hardly enough to live on in Chicago. Today, I bring home \$784 and get \$153 in food stamps. My rent increased to \$173 which leaves me with an income of \$611. A decrease of \$40 per month.

My husband was cut off of medical insurance when I got a job. I thought the children and I are covered by health insurance until November, at that time, I will have to pay \$242 for the family as the employee contribution for health coverage. I am lucky in that I work in the community which saves a minimum of \$60.00 per month in bus fare and I can eat lunch at home which saves another \$3.00 per day or \$60.00 a month.

An issue that I have to deal with now that I am working is child care. I live in a community where there are 373 available Headstart and Day Care Slots within or near the Wells Boundaries. Of those slots, 100 are open to children who live outside of the development. There are 701 pre school age children in the Wells Development alone. My preschoolers are in the YWCA TitleXX day care program which is very affordable.

I live in a community where there are presently over 1000 school age children, 5 to 9 years old. Currently, there are less than 150 extended day slots available in or near the community, leaving a large number of youngsters at risk. I have a male child under nine who needs care and supervision after school. I have to pay someone \$30.00 per week to take care of him after school care. Currently he is in the Madden Park Summer Day Camp which will end August 13. I am concerned about my son and the violence, drugs and gangs which abound. I hope I am not forced to choose between my job and the safety and supervision of my children.

I am lucky in that I am working in a Family Development Center whose purpose is to support families, including those who work for it. If I had a job any place, else I would have been fired months ago. On taking this job, my youngest child was hospitalized for over a month with pneumonia. I had taken him many times with my medical card to get care, prior to his hospitalization. Each time the doctors, over my objections, said it was only a virus. The Family Development Center supported me through this. While I was not paid for time off, I kept my job. In any other setting, a new worker taking 15 to 18 days off during the first three months would have been history.

Also during this critical first months of employment, I was forced to respond to Public Aid's monthly report system to keep food stamps and medical coverage. The certifications are mailed out and are supposed to reach me by the 7th of the month. However they are often late or never come at all. You are held responsible even if it is not your fault. I, and some of my coworkers who were hired under similar circumstances, were forced to take time off work to deal with Public Aid.

Just yesterday, I called the Public Aid Office because I did not receive the report form, food stamps or my revised medical card. I was told that my case was in suspension for failure to submit check stubs along with my monthly reports. I had mailed them in sufficient time, however, somehow they weren't there. In the past, I had either faxed them or hand delivered the reports and stubs. This month I mailed them because I was out of town at a training session. I had to take my lunch hour to go to the office to redo the monthly reports and do the ones I hadn't received in order to qualify for stamps for this month. I found out that I have no health coverage, with doctors appointments pending. The Public Aid Worker said she couldn't tell me why I didn't have medical coverage. While she said she would try to straighten it out. As it was I was late returning from lunch. And it still wasn't straightened out.

I have already received one bill for \$95.00 for a June 30 follow-up appointment for my child who was sick. If you have a supportive Public Aid worker, it may turn out okay. I had to switch offices because of the attitudes of the workers of the office in my area. Some workers are arbitrary in their application of the rules. You have to know what your rights are going in. It helped that the Family Development Center staff was there for me. They allowed me to use the copier and fax machine to take care of my public aid business. You have no idea how many recipients get mistreated and abused because they don't have any where to get help nor information.

When I was unemployed, I tried to take advantage of the 4 year college option so that I could get out of this cycle of low wage no benefit jobs. I was told it was not available. I also tried to get into other Project Chance programs. My husband actively sought work for almost three years. He has experience and some training in the health and social service field. He now has a job as a janitor because of the Ebony Article. We were lucky enough to be interviewed by Ebony Magazine and the article appears in this month's issue. There were other families interviewed, with similar stories, which did not reach print. While I am extremely happy that he has been hired, I recognize his job is in spite of the system, not because of it.

In summary, my experience and story shows several points. First, a lot more care has to go into transitioning from welfare to work. The ceilings are much to low to provide an incentive to work. While the earned income tax credit is a good idea, you must remember, it only comes after working, and it can be up to a year later. And without local not for profit agencies to explain this benefit and make sure people know about it you may never get it.

I needed the money when I started work to get clothes, start day care, work until the first pay check. The current two month grace period is no where near enough time. CHA's rent increase

usually kicks in almost immediately, while mine did not because of some paperwork problems, I expect it to be retroactive. The time periods and methods for reporting employment to public aid and CHA are set up to catch people rather than help them. If you report you have job, you are better off than if you don't, but the system has no way to protect you.

Health care and child care are still critical decision making factors. Inadequate child care and child supervision within communities puts families at great risk. Taking a low wage job which has no or costly health care benefits and leaves your children at risk does not make sense. Transportation time and costs also have to be factored in. In Chicago, it cost \$1.80 for a one way ride including a transfer. If you must transfer more than twice you have to pay the fare again.

I lost jobs because of the local job market, especially in the health and social service fields. There are not a lot of jobs in Chicago for people without skills. The skill training programs through the Mayor's Office of Employment and Training are diminishing rather than expanding. The 4 year college option in Illinois had a cap. The military was not a way out for me.

Transitioning to work requires support and information. There's got to be a place to get information. The fact that I am working in my community at a local social service agency will probably make the difference for me and my family. However, funding for these types of programs are in jeopardy. I may be again without a job and back on welfare. Thank-you



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National Association of Social Workers · Illinois Chapter

TESTIMONY PROVIDED FOR

PRESIDENTIAL WORKING GROUP

ON

WELFARE REFORM

Submitted by:

Dennis J. Crowell, LCSW, ACSW

for

National Association of Social Workers

Illinois Chapter

My name is Dennis Crowell and I am testifying today on behalf of the Illinois Chapter of the National Association of Social Workers (NASW). I am currently a member of the social work faculty at Illinois State University--and, like many social workers, I have had previous professional experience working with low-income families both inside and outside the welfare system.

NASW's commitment to improving the lives of low-income families reflects the social work profession's traditional role in both providing income support and delivering social services. It also reflects an ethical framework that places a priority on meeting the needs of vulnerable populations and on fostering personal growth.

Today, trained social workers are no longer concentrated in state and county welfare departments. Instead, they practice in a wide range of fields including health and mental health, criminal and juvenile justice, child protection, foster care and adoption, education and job training, substance abuse, and public assistance. The collective experience of the profession, as well as my own observations, is what informs the recommendations NASW offers today.

I believe that our efforts to improve the welfare system should be guided by two broad objectives: the first is to reduce poverty by increasing earned income. It is critical that we not lose sight of our true goal: to reduce poverty. Reducing poverty is not the same as merely reducing dependence on welfare, nor as reducing welfare costs. Reducing poverty is a much more formidable goal, but one well worth investing in and striving for.

There is some agreement from all sectors--the Clinton administration, Congress, state officials, advocates, workers, and clients--that the preferred route out of poverty is employment. People on welfare represent a diverse group. For some, help in finding a job will be sufficient; others need substantial preparation and support. The one common denominator for families on AFDC is that they have children; what is best for those children should be of paramount concern as we

develop ways to move welfare parents into jobs.

Our focus needs to be two-fold: easing the transition from welfare to work, and, as President Clinton has said, making work pay. Our experience with the JOBS program of the Family Support Act has reinforced the importance of ensuring the availability of accessible, affordable, high-quality child care. What the experience has also shown us is how very far we are from meeting that need. Only about 3% of AFDC recipients and 30% of JOBS participants currently get the child care they need--and as many people here can attest to, there are long waiting lists throughout the country. If we are contemplating a system in which vast additional numbers of AFDC families participate in education and training, and are subsequently moved into the job market, we need to face up to the shortage of age-appropriate, developmentally sound, quality child care. Affordability is one issue; availability is another. I would further recommend that provision be made for elderly family members who are dependent on the welfare client for care. For many adults, child care addresses only a portion of their family caregiving responsibilities; if we are truly committed to facilitating participation in education, training, and work, we must responsibly address the totality of family caregiving needs.

Health care coverage, both during preparation for work and once in the work force, is essential. It should meet the goal of being comprehensive (including substantial prevention and treatment for mental health and substance abuse), affordable, accessible, and universal in coverage. It seems that health care reform and true welfare reform have to be complementary.

Education and training are critical. Experience with the JOBS program has sensitized us to the fact that they can and should take many forms. There are people on welfare who need basic literacy skills--many more than anticipated; there are others who are ready to pursue a high school diploma or GED, and still others for whom vocational education or postsecondary education is the key to a decent and lasting job. Some recipients do not flourish in a traditional

educational environment; for them, we need to develop non-traditional alternatives. We also need to build in the flexibility to allow for different paths for different participants. This flexibility extends as well to the length of time that participants prepare for employment; for some, a two-year maximum is adequate; for others, it is not. We are setting ourselves up for failure if we erect an artificial deadline that fails to reflect the actual readiness of individual recipients to enter and stay in jobs. Furthermore, the opportunity for education and training should not end when employment begins. For many recipients, the path to lasting financial self-sufficiency is not a linear one; it may take several jobs and ongoing or intermittent education and training (as well as other supports) to ensure long-term success. The Clinton administration has embraced a principle of life-long learning for other Americans; that principle should apply to our most vulnerable citizens as well.

In many parts of the country, transportation is also an indispensable service. If welfare recipients are expected to participate in education, training, and work, transportation should be guaranteed--both for them, and for their children to get to and from day care or school.

Finally, effective preparation for employment depends on quality assessment, counseling, and case management services. We are dealing with a group of individuals. Each individual brings to the process a unique blend of strengths, vulnerabilities, and expectations. Each individual is part of a family constellation, an age cohort, and a cultural community that shapes her attitudes, abilities, and needs. If we are expecting to succeed in removing barriers to successful job placement and retention, the entire family or household must be our focus. Accurate assessment and effective case management are indispensable tools in achieving the best possible fit between the client, the service system, and the job market. These processes, that take place between the worker and the recipient, provide the opportunity to maximize efficiency, empower the client, establish realistic expectations, and ensure success. Workers face barriers too, of course, and these must be addressed. An appropriate continuum of services

must be available in the community, and caseloads must be small enough to afford workers the opportunity to establish trusting relationships with their clients.

In addition to adequately preparing people for work, we must ensure that labor force participation will result in income sufficient to support a family. The United States must make it a priority to implement a comprehensive job creation strategy that focuses on developing jobs that pay a living wage and offer adequate benefits. The preponderance of low-wage, part-time, and contingent jobs in today's labor market leads many families to cycle back and forth between welfare and employment. Moving large numbers of families into low-wage work is not a solution; it will not reduce poverty. We, as a nation, must set our sights higher. At the same time that job creation is underway, there are things that we can and must do to supplement low wages; some of these have been outlined by President Clinton. The recent expansion of the earned income tax credit is critical. The unemployment compensation system must likewise be strengthened to reduce the number of recipients moving back and forth onto AFDC. The minimum wage should be increased and indexed for inflation. "Pay equity" legislation should be enacted to eliminate wage discrepancies based on race and gender. Non-traditional job opportunities must be expanded to move women into better-paying occupations. And finally, we need to adopt more flexible workplace policies--including job sharing, flextime, and a reduced work week--to expand opportunities for new entrants into the labor force.

The goal I articulated earlier was to reduce poverty through earned income. Everyone in this country has a right to work, and everyone has a right to work for wages. Community work experience programs in which people on welfare work in exchange for their grants, rather than for wages, are unacceptable. There is no evidence that they successfully move clients toward self-sufficiency. They preclude the accumulation of assets, make no contribution to the economy, and perpetuate a double standard under which people on welfare are treated differently from others who are "playing by the rules".

Much of the debate in recent years has focused on moving people off the welfare rolls and into jobs--and rightly so. NASW is concerned, however, that in our eagerness to promote work, we are neglecting the needs of those families that, for whatever reason, will not succeed in achieving economic self-sufficiency. We cannot eliminate the safety net; in fact, the past decade has left it in desperate need of repair. NASW recommends the following: First, establish a national minimum benefit standard for AFDC. The least we can offer our children--regardless of what state they live in--should be an assurance that they will not go to bed hungry or have to skip school because they have no shoes to wear. Second, increase the amount of earnings permitted without a reduction in public assistance benefits. Workers should not have to choose between subsisting in a low-wage job or receiving welfare; packages should be devised and permitted that ensure financial stability by mixing earned income and public assistance. Third, promote the accumulation of assets, without penalty. Savings are as important to self-sufficiency among low-income families as they are among middle- and upper-income Americans.

Although we need to continue to ensure that the AFDC system and other sources of income support effectively meet the needs of low-income families, regardless of their success in the workforce, the best approaches to helping low-income families are those that help families generally. The more we can create supports that respond to people based on what they need, rather than on who they are, the less likely we are to perpetuate negative stereotypes of the welfare system and those it serves. Our solutions should, whenever possible, lie outside the welfare system in the systems and structures that serve the rest of America. For example, we need to strengthen child support enforcement for all children for whom support is owed. We need to be sure that noncustodial parents have the opportunities for education, training, and work that will enable them to contribute to their children's support. And when, despite our best efforts we are unable to collect what is owed, we should as a nation--through a government-paid assured benefit--see to it that children receive their due.

An ample supply of quality, affordable housing is a must for the country at large. Likewise, we should stimulate the availability of interest-free or low-interest loans to encourage the establishment of small businesses. A refundable tax credit for all families with children, along with a strong network of community-based family support centers, would extend essential benefits not only to welfare families but to all families raising children.

NASW recognizes that the task before you is an immense and extremely complex one. We are anxious to work with you in formulating an effective, responsible, and constructive proposal to improve the lives of the increasing number of Americans who are struggling against tremendous odds to make the best life they can for themselves and their children.

In summary, NASW believes that:

- Government has a responsibility to provide leadership in developing humane and effective policies to reduce poverty.
- Policies should not just address those already in poverty, but should be broad enough to prevent poverty by addressing the needs of the working poor and those most at risk of falling into poverty.
- The AFDC system must be adequately funded, offer comprehensive and multifaceted approaches, facilitate sustained employment, and provide educational and employment opportunities based on individual circumstances. The system must also provide psychological and social support services to ensure successful transition to long-term self-sufficiency.
- Every individual is entitled to an adequate standard of living, regardless of his or her ability to achieve economic self-sufficiency.

Thank you.

STATE OF ILLINOIS DEPARTMENT OF PUBLIC AID
ROBERT W. WRIGHT, ACTING DIRECTOR

WORKING GROUP ON WELFARE REFORM,
FAMILY SUPPORT AND INDEPENDENCE

TEENAGE PARENT DEMONSTRATION

WRITTEN TESTIMONY

Denise K. Simon

August 11, 1993

Good morning. My name is Denise K. Simon and I am the Manager of Youth Services with the Illinois Department of Public Aid. I appreciate the opportunity to tell you about an exciting, successful program that moves young parents to long-term self-sufficiency.

In 1986, HHS awarded the Illinois Department of Public Aid a four and one-half year grant to develop, operate and administer Project Advance, a large scale teenage parent demonstration. Participants in Project Advance were pregnant or parenting teenagers who receive Aid to Families with Dependent Children (AFDC) and reside on the far south side of Chicago or in the southern Cook county suburbs.

The purpose of the demonstration was to move the young parent from welfare to long term self-sufficiency, by providing comprehensive services through a case management model. We tested best practices for program operation and, by having a control group, the evaluation was able to determine the impact of the service delivery system.

The teen parents mirrored the present mandatory JOBS participants in several ways; however, the demonstration only selected mothers who were first-time parents or pregnant with their first child. The program was mandatory. We had a strong child support enforcement component and worked with the fathers of the children of program participants providing the same services as those provided to the young mothers.

Our goal was to provide services, programs and opportunities which would enable participants to sustain long-term economic, social and medical self-sufficiency. We accomplished this by offering a blend of supports, including:

- Specialized, well-trained, compassionate staff;
- A user-friendly, automated case management and administrative tracking system;
- Networking and developing strong ties to the educational, medical, social service, advocate and business communities;
- On-site services, including literacy instruction, GED preparation classes and health instruction;
- On-site child support enforcement worker; and

- A specialized Intake Worker to conduct orientation and introductory workshops; an Employment Specialist to conduct job club/job search and develop job leads; and an Education Specialist to work with the schools, conduct testing, conduct education preparation classes and assist in finding grants, scholarships and making application for post-secondary education.

We offered a mix of service components, including education, training, job club/job search and life skills, which included a home and family life curriculum. We continuously monitored and modified the service mix, as appropriate. We continuously provided family planning and decision making instruction. Introductory workshops for all program participants included information on such topics as parenting skills, child growth and development, abstinence and contraception, the world of work, family health, nutrition, motivation/decision making/advocacy, and life skills/family life management.

I'd like to share with you some information about the population we served:

- The teens were third and fourth generation welfare families with little or no parental support even though almost half the minor mothers lived in their mother's home.
- Nearly three-quarters of the teens were 18 years old; most of the children were infants;
- Fifty-five percent of the teens were school dropouts.
- The literacy equivalent was just below eighth grade.
- About half the girls had held a job but their work experience was short term with low wages.
- The teen's mother (major mother) was likely to have been a teen parent herself. The major mother's socio-economic characteristics and abilities were similar to those of her daughter, such as low literacy skills, low self-esteem, little work experience, involvement in abusive relationships and deficient parenting skills. The major mother is the role model for our participant and our participant's child.

The obstacles of hopelessness, isolation, poverty and the bleak infrastructure of the neighborhood and the community are overwhelming. For these teens, we are the only road up and out.

We found through individualized, flexible joint-service planning with the client, the caring attitude of the program staff where relationships were developed and maintained over time, the provision of a vast array of individualized services as I described earlier, the use of a mandatory policy, which calls for sanctions, and with the support from Department administration and the Governor's Office, we were able to improve school attendance, job training and employment for program participants. We provided information on child care, as most teens were very leery about leaving their children with "strangers" or in licensed child care centers. In addition, the rate of establishment of paternity was greater for demonstration participants.

To break out of the cycle of poverty, we worked with the teens to build for themselves a strong support network, to become a strong advocate for themselves and their child, to help them understand the nature of relationships, and to help them realize they do control their destiny, they can dream and realize their aspirations, they can create opportunities for themselves and their children, and they can prepare to get a good job.

Some of the general lessons learned from the Teenage Parent Demonstration are:

- You can design and operate a mandatory program of education, training and employment to engage a large number of teen parents, and this program will likely affect the young mothers' long run prospects for self-sufficiency.
- You can engage large numbers of teen parents in participation of goal-directed activities.
- An effective program concentrates on early intervention.
- Regarding the provision of child care, you can impact the misconceptions and fears young parents have about leaving their child in the care of others, especially "strangers." With proper information, and education, and in some instances subsidies, lack of child care does not have to be an obstacle to self-sufficiency.
- With an effective, automated support system, and mandatory participation, workers can maintain caseloads as high as 140 with a mix of 80 cases active in education, training or pre-employment activities, while the remainder of the teen parents are working on social problems, are temporarily deferred, or otherwise engaged or sanctioned.

As defined under the following broad categories, on-site we learned to:

Administration

- Treat staff in a professional, continuous manner, and include them in decision making;
- Provide comprehensive, up-to-date, ongoing staff development and training;
- Help staff to realize they are not going to move everyone to economic independence but they can help clients in other ways;
- Use specialized workers for intake activities, education preparation, and employment preparation;
- Offer as complete a program as possible, being more comprehensive than LEAP and Learnfare by having a method of reinforcement which addresses all aspects of behavior, not singling out only school attendance; and
- Develop the support of administrative staff and the Governor's office.

Client Services

- Constantly monitor the child care plan;
- Constantly monitor the teen parent's contraceptive plan or abstinence decision;
- Provide a comprehensive array of services and adjust the service mix, as life circumstances change;
- Conduct teen parent recognition ceremonies and present awards;
- Conduct home visits;
- Consider the whole family when service plans are developed and monitored;
- Develop a mentorship program;
- Take clients on field trips, which may include the children;
- Conduct as many activities and services on-site as possible, including EPSDT activities, pre-natal instruction, WIC coupon distribution and information, literacy and GED preparation classes, computer-assisted learning and life skills and job readiness activities, and more;
- Have a child development/play room and a children's library;
- Have a teen parent newsletter; and
- Develop a comprehensive case management model where follow-up is just as important as identification and referral.

Community Outreach and Coordination

- Know the community, including the neighborhoods; and
- Network, link, and establish reciprocal relationships in the community.

Program Operation

- Make a favorable impression with the teen parent from the onset, beginning with the invitation to participate;
- Develop strategies mirroring real-life situations;
- Develop goal-directed activities;
- Develop activities related to and for the teen parent's child;
- Provide activities so that teen parents are accountable and responsible for themselves and their children;
- Provide continuous support and encouragement;

- Develop individual health plans for the teen mother and her child;
- Serve as role models;
- Provide office accommodations for the teen, reflecting a clean, safe, friendly environment where information is plentiful and accessible;
- Be flexible in program design;
- Have a strong Child Support Enforcement component;
- Conduct case conferences and help staff to transition cases;
- Develop relationships within our own agency to ensure timeliness of sanctions, that child support activities are conducted from a teen's perspective, and that policy and procedures are developed from a teen's perspective;
- Be flexible in scheduling, by considering the teen's school, work, outside activities, and child care schedules;
- Locally and at state level, work with other federal programs such as Head Start, WIC, TEFAP;
- Develop a comprehensive life skills component;
- Under JOBS, develop an open-door policy to accept self-referrals and referrals from the community;
- Be prepared to deal with current issues in teens' lives and don't be judgmental based on values, and;
- Intervene early, realizing long term self-sufficiency is a process which has many incremental steps along the way and takes time.

To serve JOBS clients, states can adopt all or part of the Teenage Parent Demonstration model. All it takes is an investment of time. The pay off is the development of human resources. The savings is future dollars. The Illinois Department of Public Aid continues operation of Project Advance, now called Young Parent Services - South. In fact, in combination with Project Advance's predecessor, now called Young Parent Services - Central, the services described above are available to all young parents residing in Cook County.

To close, I'd like to leave you with a real life story. Meet Cheryl. Since birth, Cheryl has been on AFDC and lived in a public housing project. She has one child, she dropped out of school, and her TABE battery is 6.7. In 1987 at age 18, Cheryl is invited to participate in the Teenage Parent Demonstration.

After several invitations to participate, we send a sanction notice. Now we have Cheryl's attention. Under threat of sanction, Cheryl comes in. Her self-concept is extremely low; her motivation to pursue education and training is minimal. She attends orientation and workshops, and her isolation diminishes. She attends the education preparation sessions and an interest in

education is aroused. She is involved in more workshops; she and her child attend summer camp for a week. With each opportunity and each challenge, Cheryl grows. She learned decision-making, life skills, money management, time management, how to study. She enters a GED preparation class. After only nine months, with the support, encouragement and backing of her case manager and her team of program staff, Cheryl earned her GED. There is no stopping her now.

Cheryl had set personal goals as well as employment goals. She would live in the suburbs and buy savings bonds for her child. After obtaining her GED, she enrolled in training to be a medical assistant. She completed her training, and within a few months, was hired by a major medical center, earning more than \$7.00 per hour.

Cheryl is no longer on AFDC, she lives in the suburbs, has a car, went to the Caribbean on vacation, and, she buys savings bonds for her son!!

Thank you. Should you want additional information, feel free to contact me at (217) 785-0462 or FAX 782-5708.

STATEMENT OF THE CHICAGO JOBS COUNCIL
to the
Working Group On Welfare Reform, Family Support and Independence
Wednesday, August 11, 1993

Good afternoon. My name is Spruiell White. I am here, today representing the Chicago Jobs Council, its 70 member organizations, and the thousands of unemployed, low income Chicago residents whose interests are being served by this forum.

CJC's principal mission is to expand job opportunities for the poor through research, advocacy and community organizing efforts aimed at influencing the development or reform of public policies and programs that guide and support workforce development, welfare-to-work, economic and community development initiatives. CJC also uses the volunteer, working group process as a way of identifying the key issues and formulating strategies.

For the past year, our 20-member Welfare-To-Work working group has examined the issue of welfare reform in Illinois in cooperation with the Center On Budget and Policy Priorities. A major paper summarizing our research will be published in the near future. I would like to share key findings of that research with you, today:

- o Most low-income, single-parent families face two alternatives--low wage work or welfare. Neither provides enough income to support the typical single-parent family (a mother and two children), adequately
- o Without additional education and job training, most families receiving AFDC are unlikely to escape the cycle of low-wage work or welfare
- o Not only do women with low educational levels earn less, but they are also more likely to be in jobs that do not offer health benefits
- o Structural changes in the economy have caused much of the decline in earnings of those with only a high school education or less. The service jobs that have replaced manufacturing jobs are either low skill, low wage or high wage jobs requiring some type of post secondary education
- o A modest investment in employment, education and training services can increase the long-term employment and earnings prospects of poor, single parent families. Such programs begin to show results in as little as one or two years
- o Many mothers and their children who leave AFDC for employment, will still fall well below the poverty line unless policies are adopted that enable them to supplement their earnings with other income supports. Three recommended policy options would include: enactment of earned income tax credits at the state level; fill-the-gap budgeting, and waivers from federal law to change the way earnings are treated in AFDC programs to allow recipients to keep more of what they earn before AFDC benefits are reduced or eliminated
- o Last, if future welfare reform strategies call for local match to trigger release of full federal support, then efforts must be made to allow for crediting of local services to AFDC clients through other than state-funded programs. Over the past three years, the State of Illinois has left unclaimed more than \$30 million annually in Family Support Act matching funds because of limited state revenue applied to the program.

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(revised 08/10/93)

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Welfare-To-Work

TESTIMONY OF
ROBERTA LYNCH
DEPUTY DIRECTOR
AFSCME COUNCIL 31

WORKING GROUP ON WELFARE REFORM,
FAMILY SUPPORT AND INDEPENDENCE

KENNEDY-KING COLLEGE
AUGUST 11, 1993

Good afternoon members of the Working Group and guests. I am Roberta Lynch, Deputy Director of AFSCME Council 31 which represents some 70,000 state and local government employees here in Illinois.

I am here today to share with you not a carefully crafted position, but some initial thoughts, real life experiences, critical questions, and key principles. Like you, our union is still very much in the process of grappling with the difficult and complex issues involved in restructuring the welfare system.

What we do know in the simplest terms is that most people who are on welfare want to work--and in fact many of them do work for considerable portions of their lives. The critical factors in making it possible for many more welfare recipients to work--and to work consistently--are three: 1) adequacy of training; 2) availability of support services (e.g. health care, child care); and 3) supply of jobs.

You have already heard a great deal today about the first two of these; I would like to concentrate my remarks on the third.

While preliminary discussions of welfare-to-work programs have included a strong emphasis on fostering employment opportunities among private businesses and non-profit agencies,

such discussions have also invariably stressed the role of the public sector in the provision of jobs, sometimes as the "employer" of last resort in a workfare model.

Yet, the reality, here at ground level, is that over the past five years, the public sector at the state and local government level has been regularly rocked by fiscal crises--and related cutbacks in services and personnel. If I may be pardoned a partisan comment, I must make note of the fact that the policy of the Reagan and Bush administration was to significantly reduce federal funding to state and local government programs. Over the course of the decade of the 1980's, Illinois lost nearly \$11 billion in federal funding (in constant 1992 dollars).

The result of this decrease--combined with a weak economy and the related decline in tax revenues--has been enormous pressure on state and local governments to reduce costs--and there are few places to make such reductions other than personnel. Thus, rather than creating job opportunities for entry level workers, the public sector here has been steadily eliminating jobs for workers at every level.

Last year, the State of Illinois laid off over 1,500 employees. They ranged from psychologists to maintenance workers. Total state employment has declined by 4.6% just over the past three years.

This process of "disemployment" has been even more pronounced in the City of Chicago workforce. Over the past two years, the City has eliminated some 1,800 positions.

While these reductions in personnel have affected workers at every level, they have fallen most heavily on those in lower-level positions, precisely the types of jobs that one would envision as potential points of entry for current welfare recipients.

It is instructive to look at what happened in two City agencies that have a high concentration of clerical, human service paraprofessional, and technical workers--the Department of Health and the Department of Human Services. Over the past three years, DHS staff in these types of positions have been cut from 678 to 328. The Department of Health staff in similar frontline positions has been reduced by 518. It is also important to note that the overwhelming majority of those who lost their jobs are minorities, primarily African-Americans.

Given time constraints and our purposes today, I will not even try to elaborate on the negative impact of such cuts on service delivery and employee morale. What I do want to emphasize, however, is one simple fact: Currently at the state and local level, many of the people who are losing their jobs are in fact one step away from welfare.

Essentially our policies are taking people who have developed certain skill levels and positive employment traits and forcing them out of the workforce.

Does it make any sense to develop an elaborate welfare-to-work program if all we are really creating is a human recycling program in which we are constantly laying off some employees--and

likely forcing them onto welfare--and then going on to hire others so that they can move off of welfare?

My own answer is that it does not. Welfare reform, as it pertains to public sector employment, can only be meaningful if it involves addition, not subtraction. It must be based on the creation of new permanent positions that do not in any way result in the reduction of jobs, salaries, or benefits of current employees. To characterize such jobs as "make work," as some have done, is either to assume that a program will not be implemented responsibly or to ignore the vast unmet needs that exist in our society.

Most public agencies today are drastically underresourced for the tasks they are expected to perform. The Illinois Department of Children and Family Services is but one example. In an agency charged with the vital responsibility of protecting abused and neglected children, caseloads are two to three times what they should be and caseworkers are overburdened by clerical tasks because of the shortage of clerical workers. I know from firsthand experience that it frequently takes more than thirty rings before anyone can answer the telephone at some offices.

I could give you similar examples from many other agencies. We desperately need additional staff to provide necessary public services--and welfare recipients need and want decent jobs that pay a fair wage. There ought to be a way to construct a welfare reform program that synchronizes these needs.

While on the subject of caseloads and staff shortages, I would be remiss if I did not stress to you that any welfare

reform program must address the very serious problems that exist in agencies like the Illinois Department of Public Aid, which administer welfare programs. IDPA employees work under great stress with too high caseloads and too little support staff. And the problem is steadily worsening. Last year the agency lost 1,000 positions; this year caseloads are expected to grow by 23%

Let me close by telling you about one former City of Chicago employee. Judy S. worked for the City for twelve years as an Employability Review Specialist--she helped to place people in jobs, mostly with private employers. Prior to that she had worked for the YMCA for three years in a similar position--and for nine years initially as a clerical employee. She has over two years of college. This woman with a 24-year solid work history has been unable to find a job since she was laid off by the City at the end of 1991. Her unemployment compensation is about to run out; she is behind on her bills and has to move out of her apartment because she can no longer afford the rent.

Any welfare reform program tht is devised should take into account the lives of all the people who have been on welfare whom you have heard from today. But it must also take into account the lives of Judy and all the others like her if we are to truly create a system that fosters independence and assures a decent standard of living.



Reframe the debate and the Policy

A Presentation
to the

Working Group on Welfare Reform,
Family Support and Independence

by
Jerome Stermer
President,
Voices for Illinois Children

August 11, 1993
Chicago, Illinois

I want to thank the Working Group for coming to Chicago and especially for the time that you have taken to meet with individuals involved with income assistance programs and with community organizations who are dedicated to making the transition from welfare to work successful. I am representing Voices for Illinois Children, a statewide citizens advocacy group. I am also speaking on behalf of Work, Welfare and Families (WWF) a group of civic, religious and social services organizations who work together on behalf of Illinois families dependent on public assistance.

If we were to assemble just the children in Illinois who are today involved with AFDC (Aid to Families with Dependent Children) they would fill the Soldier Field's football stadium nearly nine times. From any perspective 480,000 children is a very large number of children. Our organization, Voices for Illinois Children, is concerned about the fact that too many children in Illinois are growing up in households where AFDC and Food Stamps are the only family income and, at current levels, these children are living far below the federal poverty level. We are also becoming deeply concerned that the debate about reform is being framed in ways that may end up harming, rather than helping children. Too many in this debate erroneously assume that poverty in America results from some lack of individual responsibility and initiative. The flip side of this old record is that everyone can pick up

their free ticket to the middle class simply by taking a little initiative. This in turn leads to the final error that those who fail to take their free ride out of poverty can and must be forced to accept a better life through the strictures of workfare.

Reality in Illinois betrays the myths behind those assumptions. Despite an overwhelming interest on the part of parents, fewer than 10% of the 230,000 Illinois AFDC participants have been able to enroll in Project Chance. The state hasn't had the money to draw down the full federal share of JOBS dollars and during two of the last three years intake was shut off in mid-year. AFDC parents do take the initiative to improve their family income and do enroll in good programs that include quality child care. In Illinois we have long waiting lists of people waiting for their chance to participate in welfare to work programs.

Children have the most to gain and the most to lose in the high stakes process of welfare reform. There can be no more important enterprise for our generation than our efforts to give the next generation a real lift out of poverty.

This Working Group can lead the way toward reframing the "welfare" debate as a discussion about children and families. We support the goals of the Working Group which would mean fewer children growing up below the poverty line and more parents bringing home a decent paycheck. However we are deeply concerned that the "two years and out" approach will not overcome the realities in Illinois: the loss of tens of thousands of good jobs over the past decade, inadequate systems of training and support and a crisis in child care supply. I want to offer three suggestions that may be useful as you proceed and which are part of the WWF policy paper that is attached to my written statement for your consideration.

* First, we support the proposal that AFDC be reframed as a family support program and be continued as a component of the nation's social security system. Just as disabled persons or retired persons have special needs that are supported through social security, so too, families have special needs that must be recognized. Some parents with newborn children will need income support and health care. Some parents with preschool aged children will need child care, employment assistance, health care and income supplements. And some parents with school aged children will need some combination of the above package. Each participant can be expected to make a contribution such as participation in education, job training or other activities to enhance family income. However these activities can only be expected if quality child care is readily available.

Quality child care is not readily available in Illinois. Only about one of ten parents who would qualify for subsidized child care programs are able to secure assistance. Only one half the number of Illinois children eligible for Head Start or similar prekindergarten programs (an estimated 130,000 would qualify) are able to participate in such programs and those are typically only three hour programs. Tens of thousands of Illinois infants and toddlers find themselves in make-do child care arrangements with ill prepared providers. No wonder so many children begin school far behind their peers and little wonder that they never catch up.

This Working Group must not recommend a welfare to work program that is based on "make-do" child care. We urge you to insist that quality child care be an essential component of a new family support program. Child care assistance should not vanish after twelve months or some other fantasy time limit. **Transitional child care should be available for as long as long as a former AFDC recipient's earnings are below a set level.** Without this provision families are at risk of cycling back and forth between welfare and employment on what has to be the most discouraging treadmill imaginable. In looking at child care, we hope the Working Group will take into consideration all of the various kinds of programs that can provide support to families such as Head Start and other early childhood programs. **Changing Head Start rules to provide all day, year round programming would make a lot of sense in welfare to work policy.**

Another essential component is an improved child support enforcement system. Preliminary results from the Child Assistance Program model in New York that reframes AFDC as a child support assurance program are very encouraging.

The comprehensive family support program we are recommending would include a many more opportunities for high quality education and training programs than we have in Illinois today where fewer than 10% of AFDC participants can enroll. Our experience in advocating for this approach in Illinois has convinced us that legislators will be quick to demand a long list of obligations from parents who might need financial assistance but those same legislators are in turn unwilling to support the needed appropriations for training and education programs, child care, and the kinds of support services that Project Match provides. Project Match is a nationally recognized community based employment support program here in Chicago that gives real and personal support to parents who are making the transition from welfare to work. This personal guidance is available without rigid time limits.

Real welfare reform cannot be accomplished on the cheap and the federal government must not expect the states to come up with a lot of new matching funds to pay for new training and child care programs. We believe a reasonable approach is for the federal government to drop the current match requirement for JOBS and to expand its investment in family supports by at least 20% each year during the next five years. This would help Illinois move toward a more complete, well-funded package.

Now is also the time for the federal government to start working on one stop shopping for families. Why not include a consolidation of programming with the welfare restructuring strategy. At the same time as you are looking at combining income assistance and supports for employment you could coordinate services such as W.I.C. and maternal and child health services. Often parents who must take time off from work (usually without pay) in order to apply for Food Stamps or Medicaid find themselves having to take additional time off to enroll in W.I.C. or to have their children immunized. As even more AFDC parents enroll in training programs or begin employment, it is clear that now is an excellent time to move aggressively into one stop shopping for family support services. One stop shopping would

certainly mean that families could apply for a variety of benefits with a single application process and it may mean partnerships between government and community groups who would serve as access points.

* Our second suggestion is that President Clinton's reform package allow for individual flexibility in education and training programs in much the same way that you and I would support employment development for our own children or our nieces and nephews. Some young people are ready to take a job after high school. Others pursue a specialty in college. Most don't stick with their first job. Some move to other jobs by their own choice - some lose that first job for one of a variety of reasons. But as parents or family members we stick with our young people giving them encouragement, support and often financial assistance. This is the same model used here in Chicago by Project Match that supports people moving from welfare to work through thick and thin and for a number of years.

The Project Match experience and studies from around the country tell us at least three things about the journey from welfare to work. First, individual circumstances rather than policy dictate how long the journey will take. Second, reasonable investments in good training programs will pay off. Thirdly, family support programs should not end with job placement but need to be available often for several years. Child care and health benefits are essential parts of that continuing package of supports.

We envision a written agreement between family support programs and individual parents that would spell out responsibilities and obligations. Unless the overall framework allows for flexibility for individual circumstances, all the agreements will look alike. Two years and out. Many people won't need two years and others will need more. Our concern of course is the effect on children whose parents might not be able to get a decent job within the proposed two year time frame because they needed more time for school, because of a death in the family or because there simply are no jobs to be had. Rather than impose workfare obligations this Working Group should design a mechanism for the creation of additional public sector jobs to provide real employment to the thousands of parents in Illinois who are ready or will be ready to transition from welfare.

* Our third suggestion is for the Working Group to include new approaches to making work pay in the new Clinton plan. Clearly the expansion of the earned income credit in the new budget bill is a major step forward. The AFDC formula itself must also be overhauled to make sure that parents are better off working than not. The N.Y. Child Assistance Plan is a good example as is the new policy adopted by Illinois to allow people to keep \$2 for every \$3 that they earn. I urge you to make sure the Illinois plan is quickly approved. New formulas should make it financially advantageous to combine welfare with work as part of the transition process. It also seems impossible that the Working Group would not recommend at least a minimum national payment level for income assistance. It is inherently unfair for children in one state to be dramatically worse off than children in another state. Now is also the time to remedy this shameful inequity.

Our recommendations in summary:

We suggest that income assistance be reframed as a family support program (or a child support assurance program) and that new policy be shaped to ensure that quality child care is available to parents during training and after they secure employment (without rigid time limits.)

We suggest that policies be reframed to allow flexibility for individual circumstances which protect against children and their families losing income and perhaps becoming homeless if parents couldn't meet the proposed two year deadline.

We suggest that national policy be reframed using earned income credits and other strategies to make work pay. This would include approval for Illinois' new policy of allowing AFDC parents to combine welfare with work by keeping \$2 of every \$3 in earnings.

I have attached to my remarks a copy of a more complete paper prepared by Work, Welfare and Families (WWF.) WWF is a coalition of Illinois groups who work on behalf of Illinois families dependent on public assistance. Voices for Illinois Children is an active member of WWF and fully endorses this statement.

KEY COMPONENTS OF WELFARE REFORM

developed by

WORK, WELFARE AND FAMILIES OF ILLINOIS

Work, Welfare and Families of Illinois (WWF) is a diverse coalition of human service, religious, civic and community organizations dedicated to improving the health and well-being of Illinois families dependent on public assistance. Some of the guiding principles underlying the nation's vision for welfare reform are consistent with our commitment to Illinois families, including our efforts to support and promote public policies that respond fairly to the needs of poor families (make work pay), provide families a basic level of economic support, and establish a wide range of education and training support services to assist poor families in becoming economically self-sufficient.

Given that welfare reform is being revisited, Work, Welfare and Families has identified a set of program service components that must exist in any successful program. These components conform to the following overarching principles:

OVERARCHING PRINCIPLES

- ° The needs of children must be paramount in formulating welfare reforms.
- ° Insufficient funding for employment, training, education and support services is a significant barrier to increased participation in welfare to work programs, rather than uninterested or "resistant" participants.
- ° While most AFDC participants are "able bodied" their earning power is extremely limited. Limited high school and work experience and a lack of access to the services needed for single parents to complete education, obtain reliable, quality child care, or enter employment compound the problem. To promote upward mobility, obtaining education, employment skills and experience is necessary to obtain jobs that raise families above the poverty level.

- The direct creation of job opportunities for AFDC recipients is critical.
- Program flexibility is essential in recognition that movement from welfare to work is rarely a straight path. Any time limits must be based on available employment opportunities, and appropriate supports and exceptions which are determined by specific family and individual circumstances.
- Policies must promote positive steps toward self-sufficiency rather than the current trend of imposing punitive measures. Every effort/activity that moves a person closer to employment (including volunteer/community work, a series of short-term jobs, alternating or combining work and education, or returning to welfare for periods between jobs) must be recognized and supported as positive steps toward self-sufficiency.

KEY COMPONENTS of any new or restructured welfare reform/employment program must include:

ADEQUATE SUPPORTIVE SERVICES

Child Care

- Increase child care funds necessary to make quality child care available for all parents who are working or in education/training programs and who need child care arrangements. Eliminate the 12 month time limit for Transitional Child Care.
- Increase child care supply and quality. Create a long term plan with funding attached for developing new slots and programs for quality child care. There is not just a shortage of money to pay for child care, there is an actual supply crisis in many low-income communities.
- Coordinate services and priority populations for currently existing resources including Head Start, Title XX, Transitional Child Care, Title IV-A At-Risk Child Care, the Child Care

and Development Block Grant, and other federal funding pots.

Transportation

- ° Sufficient funds for transportation must be available to enable parents to get to training and jobs, and their children to child care and school.

Health Care

- ° No welfare to work program can be successful without the availability of adequate health care for families. Health care must be available while families are moving from welfare to work and once they have left welfare completely.

Social Services

- ° Funded programs must be available to address other significant barriers to employment such as substance abuse treatment, crisis intervention for the homeless and for domestic violence, mental health counseling, etc.

Non-Participation

- ° The lack of available subsidized child care, health care, or transportation must remain good cause for non-participation in employment/training or mandatory work programs. In addition, situations such as homelessness, domestic violence, substance abuse, and mental health problems should also be considered good cause for non-participation.

ADEQUATE EDUCATION AND TRAINING PROGRAMS

- ° Increase and sustain funding for programs that combine vocational training and education, these have been shown to be the most successful. Training and education should

prepare participants for career paths that will provide increasing wages over time including preparing women for non-traditional jobs.

- Improve access for welfare recipients to other employment, training and education programs such as JTPA, Basic and Vocational education, and Community Development Block Grants (and determine priority populations to be served first).
- Encourage training programs for women in non-traditional fields.
- Mandate employers to either set up their own in-house training or contribute money and/or personnel to a network of employer-sponsored training programs. Amend Bureau of Apprenticeship and Training (BAT) regulations to require a percentage of apprentices in BAT certified programs to be welfare recipients or financially eligible for welfare.
- Individual employability plans, as prescribed in the Family Support Act, must be flexible enough to recognize that people take steps toward self sufficiency at different paces and must reflect the realities of each person's individual life.
- Realistic and appropriate exemptions for people unable to work must be a part of any mandatory work program.

EXPANDED EMPLOYMENT OPPORTUNITIES

- Workfare has been proven to not increase the earnings or employment of participants. Therefore, instead of workfare, we must fund job creation activities including the direct creation of public service jobs for AFDC and other welfare participants. These jobs must pay market wages.
- The minimum wage should be increased, tied to inflation, and should be the lowest amount paid for work.

- Link federal contracts with jobs and/or training for AFDC participants.
- Create adequate incentives for the private sector to hire welfare recipients.
- Because part-time work is the most viable option for many families (particularly those with young children), and given the realities of the current job market, part-time employment must be considered as fulfillment for any mandatory AFDC work requirements.

MAKING WORK PAY

- Make work pay by developing rules that allow welfare recipients to keep more earned income before AFDC benefits are reduced or eliminated.
- Expand the Earned Income Tax Credit, which should be used as one way to maintain minimum family income.
- Eliminate food stamp and other federal regulations that penalize work.

SUPPORTING FAMILIES

- Federal Child Support Assurance: Protect all children in single-parent families by establishing a minimum level of support that children must receive from their non-custodial parent, with the federal government guaranteeing this minimum level if children do not receive at least the established minimum amount.
- Establish national minimum benefit levels for AFDC recipients who are unable to work.
- Remove all categorical limitations on AFDC eligibility for two parent families.

IMPLEMENTATION AND EVALUATION

- ° No policy changes will achieve the desired outcomes without appropriate program implementation, staff training, interagency coordination, due process for participants, monitoring, and outcome evaluation.

STRIVE

CHICAGO EMPLOYMENT SERVICE, INC.

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**Testimony to the Working Group on Welfare Reform,
Family Support and Independence**

Chicago, August 11, 1993

Good afternoon. My name is Steven Redfield and I am the Executive Director of STRIVE/Chicago Employment Service, a non-profit organization that helps chronically unemployed adults enter the work force and build stable work histories. I have been asked to speak to the private sector perspective in the welfare-to-work transition, based on our experiences with 450 low-income clients, 300 of whom have become employed.

The process of moving into the workforce and obtaining a living wage clearly depends on employers' entry-level hiring needs. We have a good picture of those needs, and overall they are making it increasingly difficult for people to move off welfare in a short period of time. We have seen the following trends:

1. Entry level jobs are requiring higher skill levels, even in non-technical areas. For example, one hospital we work with requires a high school diploma for workers who do food tray set-up, and another has a writing test for housekeepers, because these requirements meet their needs for job consolidation and evolving job responsibilities down the road.

2. Companies are continuing to move to the suburbs. The City of Chicago has lost 100,000 jobs since 1990, despite regional job growth. Public transportation does not work "in reverse" to suburban job centers, so our city clients cannot gain access to those new jobs.

3. Companies are relying increasingly on part-time or temporary help, now estimated at 25% of the workforce. With short hours, no stability, no benefits and no sick days, the prospects of losing these jobs are extremely high. 60% of our clients start work in these jobs, and on average those first jobs last 3 months. But we have clients who have worked successfully for more than a year and remain part-time because no full-time jobs are available within their company.

4. Starting wages continue to fall for low skilled jobs. Our clients start at an average of \$5.60 an hour. Even working full time, that keeps a family of three below the poverty line.

More and more, employers will only pay well for people with problem solving skills, adaptability and communication skills, along with technical abilities. These conditions mean that there is no quick fix in the transition from welfare to work. Many of our clients have been working more than two years and are not off

public assistance. Welfare reform must provide services that are comprehensive and focused on real advancement, while income supports must be in place to give incentives to working people trying to move out of poverty.

- * Education of high quality must be available free for basic literacy, GED preparation, higher level reading, math, writing and problem-solving skills, college prep, and at the college level.
- * Training opportunities must include self-esteem building, work readiness, relevant skills training, apprenticeships and on-the-job training opportunities.
- * Support services must include medical benefits, transportation and child care subsidies, and must be easily obtained. Our clients routinely report that they do not receive all of the benefits they are supposed to receive.
- * Client services must be on-going and long term. The STRIVE model for example provides life-time support to clients and actively works with people for at least three years.
- * Public aid staff in the welfare-to-work programs must be individuals trained in employment and training issues, not people transferred from the job of determining welfare eligibility and re-trained only in filling out forms and processing paperwork, as they are now in Chicago.

I'm sure you will hear about most of these throughout your study.

The best private sector strategy is to promote a robust

economy that creates stable, good-paying jobs. In such an economy, there are then specific roles the private sector can play to help people move off of welfare:

-- A few companies have created in-house training and career ladders, presumably because they decided it is better to develop their own staff, reduce turn-over and supervisory costs, and improve the quality of their product or service. They should be brought into the discussion to see how to convince others to do the same and to document what has been successful.

-- On-the-job training and apprenticeships can provide valuable experience for individuals and help business find and train workers for full-time, permanent employment. These relationships are most likely to work in fields where employers face shortages in skilled positions and where the public and non-profit service providers have given individuals a very strong base in literacy, problem solving and work readiness, so they can do more than learn tasks by rote, along with support for health and child care needs, so they can participate consistently.

-- Businesses can cooperate with service providers in designing appropriate training programs and gaining access to jobs once people are prepared.

-- Businesses with summer jobs can link up with high schools to create incentives for students to stay in school, to prepare them for employment and to train them for permanent jobs after graduation, and help them avoid the need for welfare.

I hope that careful, step-by-step reform does not fall prey to old campaign rhetoric or partisan posturing. As with any person who progresses from education to preliminary work experiences, to a career and supporting a family, the steps for people who receive public assistance are no less individual, varied and deliberate. I hope your work can reduce people's need for public assistance and not reduce public assistance by shuffling people in need through the system.

TESTIMONY

CHICAGO FORUM ON PUBLIC WELFARE REFORM

WORKING GROUP ON PUBLIC WELFARE REFORM
DEPARTMENT OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C.

KENNEDY-KING COLLEGE
CHICAGO, ILLINOIS

WEDNESDAY, AUGUST 11, 1993

BY

BETTY L. WILLIAMS
VICE PRESIDENT
UNITED CHARITIES
14 EAST JACKSON
CHICAGO, IL. 60604

TESTIMONY

The public's perception of the Aid to Families With Dependent Children program as a long-term, easy way of life for poor people is a myth that is perpetuated in the face of all kinds of evidence to the contrary. The fact that about 56% of the children in poverty receive AFDC and well over half of their caretakers move off the welfare rolls within 2 years, is a well kept secret. Another well kept secret is that nearly 2 of 3 poor families with children already have one or more people working. In spite of their work, they are a part of the millions of American families that live in poverty. Many working families with children live well below the poverty level, in substandard housing and deteriorating neighborhoods. And while some might wonder if they would be better off living on public assistance grants, they have only to look at their neighbors who do so to dispell themselves of the notion.

"Reforming the welfare system," is a theme that always plays well. Moving the issue past theme and rhetoric is the real problem. "Welfare to Work" is the other catchy phrase. By now we all know that it is easier said than done. This is by no means an easy task. Other speakers have already addressed problems associated with providing jobs, with training recipients and with providing supports to keep people working. Most believe that there must be strong programs with adequate funding, federal and state collaboration and public/private efforts to ensure success in helping those individuals who can work, to find and to maintain employment that pays a living wage. However, such reform does not address the remaining group of recipients; those men and women and children for whom employment is not a ready option, and who must have income to meet their basic needs. To that end, we wish to focus our remarks on providing the kind of reformed system we believe must be in place for those families for whom work is not the alternative. Mothers of infants and young and sick or disabled children, children and youth, men and women with disabilities and men and women who have aged out of the labor market have special needs for income assistance.

When the ADC program was designed as a part of the early Social Security legislation, it was seen as a way to help mothers without other sources of income to care for their children. The Aid to the Blind and Old Age Assistance portions were also designed to ensure that there was some income for those for whom work was not readily

an option. As we examine welfare reform, we should not lose sight of the original needs these programs met. The needs still exist. We need a strong and viable economy and we need millions of jobs that pay a living wage in order to provide income to American families. We also need a strong system of family support to ensure that financial resources are also available to those who must rely on public support.

"Nationwide, the benefits provided to a family by the AFDC program and the Food Stamp Program together do not provide a family with enough assistance to obtain anything approaching a decent standard of living. They do not enable families to buy the food, clothing, shelter, school supplies, household furniture and supplies that most all Americans would agree are absolutely necessary to enable a family to function as a family and provide a home in which children can be enabled to learn and grow to the fullest of their ability....The combined benefits available to a needy family from AFDC and food stamps are below the poverty level in all 50 states and the District of Columbia...Over the past two years, fewer states have increased their benefit levels, and more states cut benefits, than at any other time in recent history. (Living At The Bottom: An Analysis of AFDC Benefit Levels. Center on Social Welfare Policy and Law, July 1993.)

The Report from the Center on Social Welfare Policy and Law graphically describes the chief problem with the welfare system---- it simply fails to provide adequate financial assistance for those it was intended to serve. There are some who are quick to blame the current system for making people dependent and for keeping them poor. They are at least partially right. The current system definitely does keep people poor. Welfare recipients are some of the poorest people in our land. A family of three in Mississippi receives \$120.00 in cash per month. A family in Chicago receiving \$367.00 is also very needy.

For the family which must receive assistance, for six months, two years or 10 years, there are basic needs that must be met. We know that people who are poorly nourished and ill-housed often suffer from physical ailments and they often do not reach their potential. Their very poverty almost ensures that they will continue to be less able to meet their own needs. It is well documented that poverty stricken populations suffer disproportionately from poor health, poor school performance, and have excessive needs for services in the child welfare, mental health and law enforcement systems.

In plain and simple terms, children cannot wait until their parents are trained and working at good paying jobs to eat, to sleep and to have good health care. Families need more adequate income to meet their needs WHILE they receive AFDC. In those instances when

employment is not in the best interest of either mothers or their children, families still need income for their daily existence. In spite of the fact that many mothers of young children now work, most of us still promote mothers staying at home as long or as much as they can in order to give their children a good start. The recent passage of the Family and Medical Leave Act is a reminder of how important we believe caring for children and family is. It is imperative that we recognize that poor mothers and their children have the same needs in this regard as others.

The question of "dependency" always seems to arise when welfare reform is discussed. Oddly enough, it is not too often raised when we discuss others who need government assistance, such as small businessmen, farmers or even large corporations. To those who view the need for financial assistance as a "negative dependency", we can only say that all citizens in this country are dependent upon our government in one way or another and that income assistance is available in many forms, including tax breaks and subsidies. It is ironic that we only seem to disdain dependency when it applies to the poor.

At United Charities, a large family service agency with offices in Chicago and several of its suburbs, we have provided services to low income families since 1857. In that time, we have seen hundreds of thousands of families and we have learned much. Specifically, we have learned that: 1. Virtually every family will need some kind of help at some time. 2. All families are better equipped to handle the problems they face if they have support in their communities. 3. Families can handle crises better if they have adequate financial resources to care for their basic needs for food, clothing and shelter. These are simple truths but they are not acknowledged nor provided for on a consistent basis in our society. In the final analysis, the individuals and families who function well in America are able to do so because of strong public and private supports.

Since its early days as the Chicago Relief and Aid Society, which took care of the victims of the Chicago Fire, United Charities has been concerned about poverty and about ways to help individuals and families to care for themselves. We helped to fashion the Social Security Act of 1934, giving specific assistance to the design of the public assistance programs. We believed then, as we do now, that there are times when individuals have legitimate need for public financial assistance. We continue to support the idea that such assistance should be given in adequate amounts and in such a manner that empowers people and which helps them to be as productive as possible. We also believe that productivity does not

mean only work outside the home for remuneration. Productivity can definitely mean rearing ones family and volunteering and participating in community activity. Productivity can also mean feeling worthwhile and being able to transmit such a feeling to ones children, thus better preparing the next generation of workers and United States citizens.

This nation joins other Western nations in examining social welfare programs in this time of international economic crisis. Most other nations examine their programs from a framework of strong policies supporting children and families. We believe this country needs to use the same lense. Putting millions of unemployed men and women to work is definitely an important way to lead to economic recovery. It is also important to make our entire social welfare system more responsive to assist families in meeting their grave responsibilities. Programs like the Earned Income Tax Credit are especially beneficial to poor families. The President's inclusion of an expansion in the EITC and to recognize it as part of his economic recovery program is perhaps the greatest welfare reform measure at our disposal.

In our view, reform of the welfare system is all of the above. In addition, it is an immediate increase in grant levels to provide a reasonable standard of living; it is an immediate review of rules and procedures to ensure implementation of a fair and humane system; it is enforcement of child support collection; and it is the examination of the impact of the entire program in terms of its impact on families and family life. We need a "family friendly" system based on principles that keep families together through coordinated, community programs.

We should move quickly to provide jobs for both men and women who can work. We should move quickly to provide training and retraining for those who need new skills to move into jobs. We should provide affordable, quality child care where it is needed to ensure that mothers and fathers in the workforce, and all of us as American citizens, can have confidence that our children are well cared for. And we should move quickly to reform the system to provide income to needy individuals and families.

To those who call for an eradication of welfare programs and usually began their discussion with the "welfare mothers", we can agree that "welfare" as we know it should be eradicated. In its place, we should establish a system of support for families in need that can respond in appropriate ways, not to "welfare mothers"---- but to individuals and families who must be maintained and supported to ensure a strong future for this country.

Betty Williams
August 11, 1993

TESTIMONY PRESENTED
TO THE
WORKING GROUP ON WELFARE REFORM
FAMILY SUPPORT AND INDEPENDENCE
BY
DAVID E. WHITTAKER
CHICAGO AREA PROJECT

Kennedy King College
August 11, 1993

Good afternoon, and thank you for the opportunity to speak before you today. I also want to applaud the President for sponsoring these hearings which are very important to Illinois and to the country.

My name is David Whittaker and I am the Executive Director of the Chicago Area Project. I have also served for the past two (2) years as President of the Illinois Social Services Advisory Council which is the official state-wide advisory body to the Department of Public Aid.

I want to offer a few comments and ideas from the experiences of both organizations.

Of particular concern to our organization is the identification and elimination of barriers to economic self-sufficiency. Only then will the path to real economic self-sufficiency be accessible to all people.

It is also important to explore the underlying premises upon which the traditional welfare reform efforts are based. In other words, I think it's important to take a close look at the prevailing biases and attitudes that may interfere with sound policy decisions.

- 1. What approach will drive our efforts to reduce the welfare rolls? Will it be one which is rigidly time limited and laden with punitive sanctions for the smallest infractions - thereby quick to eliminate clients from the welfare rolls -
- (and thus responding to the apparent wishes of many middle class voters)??**

Or, will the approach be one which encourages, reinforces and empowers those who are seeking a way off the welfare rolls and out of poverty? My argument is for the latter and our experiences from around the state consistently demonstrates the effectiveness of an incentive based approach.

The State of Illinois, to its credit, has taken another important step in this direction with the recently enacted:

- a) 2 for 3 waiver
- b) Extended childcare

2) I am also suggesting that the final plan should be one which is not only well thought out, but comprehensive in its approach as well. Welfare reform should not isolate the welfare system and attempt to address the issue of public assistance in a vacuum.

Real reform should integrate accessible health care, economic and job development, schools, adequate and available housing into an overall plan.

For instance, how effective will job training be in an urban setting like Chicago, Detroit and Los Angeles, when jobs are leaving these cities by the 10's of thousands. Clearly, inner-city job development has to be a priority.

This places a greater emphasis on looking at the environment in

which people live, in addition to the behavioral modification approach. The behavioral modification approach alone will not be effective. Factors in and the conditions of the environment in which people live is just as important, if not more, in how effective we will be in lifting the greatest number of people out of poverty.

Finally, I have been asked recently by people and providers from Southern Illinois, i.e., the rural areas of our State, to bring their particular set of issues, concerns and problems to this body. Rural Illinois and perhaps by implication, rural America, do not want to be forgotten. Their barriers are just as real and just as devastating as those experienced by clients in urban America.

Some of their major barriers include factors like:

1. Transportation - It is not unusual for people in rural counties to have to travel 50, 60, 70 and up to 80 miles round trip for education, job training programs and other services. This represents a built in failure.
2. Medicaid Card - When the Medicaid card is not accepted by the local medical provider in the rural area, this creates real hardship. The nearest provider in these instances are generally many miles away, so people choose to do without important medical services until they become emergencies. Important and cost effective preventive medical attention is deferred. Prenatal care becomes non-existent in these rural counties.
- (3) Education and Training - We have to look closer at the

correlation between job training and the job market. There are too many instances of people being placed in inappropriate job training when the jobs they are being trained for do not exist in the local market.

Thank you for this opportunity, and I would like to conclude by asking the committee to consider putting welfare recipients on your committee or at least in your small working groups. This, I believe, will ensure maximum sensitivity to the critical work of the committee.

WORKING GROUP ON WELFARE REFORM,
FAMILY SUPPORT, AND INDEPENDENCE

PUBLIC FORUM AT CHICAGO, ILLINOIS
August 11, 1993

Testimony of John M. Bouman

Supervising Attorney, Welfare Law Unit
Legal Assistance Foundation of Chicago

Good afternoon. My name is John Bouman. I am an attorney with the Legal Assistance Foundation of Chicago (L AFC), which is the largest provider of free civil legal services to poor persons in the city. I have spent my entire 18-year career representing persons receiving public assistance. Through thousands of individual cases, I have seen the country's and the state's welfare policies and procedures at work. For the past eight years, I have supervised the Welfare Law Unit at L AFC. In that capacity I continue to come into contact with thousands of individual cases, but I also am involved in broad programmatic and budget issues.

On behalf of our clients, we will be submitting separately written materials that address all of the points in the President's charge to the Working Group. In addition, we will submit written comments about some of the glaring examples of inefficient, unwise and overtly anti-family rules in the current AFDC program that should be addressed as part of the overall reform of the welfare system. Indeed, we believe that most of these specific AFDC program improvements can and should be implemented immediately, so that they are in place during any phase-in period for the more global reforms. Finally, we will submit ideas about a safety net for single adults and job access for all welfare recipients.

Today, however, I wish to discuss the idea of time-limiting

the receipt of welfare benefits, referred to by the President in his charge to the Working Group. The President has mentioned this idea as one of the operational ways to achieve the main goals of a reformed welfare system: providing a humane safety net while moving welfare recipients into the workforce and preventing long-term welfare dependency. We agree with these goals. But the key question in the case of each recipient is how and when to accomplish the move into the workforce. So the key question for program design is how to structure welfare so that it delivers both the "how" and the "when" for all recipients. We think that the idea of time limits is a dangerous one that could actively defeat the goals of the program by depriving many recipients of the humane safety net while doing nothing to move them into the workforce.

There are many reasons why welfare recipients apply for benefits, keep receiving benefits, or cycle on and off of benefits:

-- Current AFDC rules essentially tax earnings dollar for dollar, so that, with the added expenses of working, recipients suffer a financial penalty for working compared to staying on assistance without working. Moreover, the loss of health benefits, inevitable because the jobs most recipients can get do not provide benefits, causes many ex-recipients to cycle right back onto welfare at the first health crisis.

-- There are tremendous skills deficits among the population. Over half of the adults in the AFDC caseload in Illinois have no high school degree or equivalent. Project Chance Annual Report 1992, Illinois Department of Public Aid, at 11, Table 1.

Approximately 67% of JOBS participants in Illinois have reading levels below 10th grade; 25% below 6th grade. Id., at 17, Table 3.

-- Recipients present a wide array of very serious personal and social barriers to working, including children who have special needs that require diagnosis and treatment, domestic violence or other abusive living arrangements, homelessness, mental and physical health problems, alcohol or drug dependency, and crime. As one example of this type of social or personal barrier, we have been told by several clients that they cannot find a job that can accommodate their need to personally accompany their children to and from school through dangerous streets filled with gang violence and recruitment activity.

-- There is a huge shortfall in the amount of adequate and reliable child care available to welfare recipients in employment and training programs, as well as to the working poor. Women rightly do not want to work if it means leaving young children unattended or attended by incompetent or untrustworthy caregivers.

-- The simple lack of jobs in our national and local economies for hard to employ individuals. The formal unemployment rate does not even include most of the persons who are longer term welfare recipients.

As I understand the time-limits idea that the Working Group is considering, after the time-limit would come a mandate to engage in work activity, enforced through a cutoff of benefits to recipients who do not find work or engage in whatever work-like activity is mandated. The time-limit often mentioned is a rigid two year

period, during which the recipient would be offered education and training and other supportive services. The time-limit and the post-time-limit mandates do not appear to acknowledge or deal adequately with the diversity of the caseload.

As an attorney in this field of work, I have seen many programs that mandate activities by recipients through a threat of a cutoff of benefits. Some of them recognized the diversity of circumstances present in the caseload; some of them ignored that diversity. Three examples illustrate some lessons about such mandatory programs.

The first example is the current JOBS program in Illinois. The JOBS program recognizes the diversity of circumstances in the caseload by calling for individualized employability plans and for careful procedures that are followed prior to any cutoff of benefits, so that only the truly incorrigible suffer that sanction, and it is ended when they amend their behavior. A very recent study of Project Advance, a sub-program of the Illinois JOBS program, released just this week, found that this individualized approach was productive among teenage mothers in improving their likelihood of continuing in school or training programs. While many had to be threatened with sanctioning before they began to participate, the sanctioning was focused upon prompting compliance with individualized programming, goals and timetables. The sanctions were removed when the participants complied. Building Self-Sufficiency Among Welfare-Dependent Teenage Parents (Executive Summary), Mathematica Policy Research, Inc. (June 1993), R.

Maynard, Ed.

The second example involves a predecessor program to JOBS and shows the costly futility of programs that fail to account for the diversity of the caseload. The WIN-demonstration program in Illinois mandated a two-month job search and then followed with three months of mandated workfare. The program made no attempt to reckon with the varieties of barriers to working that plague so many recipients. The program also strictly imposed sanctions, completely failing to appreciate the many good reasons why recipients sometimes could not come to meetings or otherwise participate. There were tens of thousands of sanctions and dismal results in terms of employment and earnings. The Manpower Demonstration Research Corporation studied the Illinois WIN Demonstration program in the mid-1980's. It found that the mandated workfare-plus-job search design had no impact at all on employment or earnings. But 15% of all participants did suffer a removal of benefits at some point during their participation. Final Report on Job Search and Work Experience in Cook County, Manpower Demonstration Research Corporation (November 1987). Thus, by failing to be structured to deal with the diverse circumstances present in the caseload, and by mandating pointless make-work activity, the program neither preserved the safety net, nor moved people into the workforce. The program did generate a bitter distrust of welfare-to-work programming among recipients that has been extremely hard to dispel.

The third example also illustrates the failure of rigid

program requirements that do not address the diversity of circumstances among welfare recipients. The child support enforcement program in Illinois in the early to mid-80's required recipients to identify the father of their children with enough information to actually locate him. If the recipient could not produce that information, the recipient was deemed not cooperative with the program and her benefits were cut off until she cooperated by supplying the information. Since she in fact had no more information, the sanction was never-ending. There were about 50,000 such sanctions in Illinois during a time when the state was among the worst in child support collections. Again, by failing to deal with the many different social and other reasons why the fathers are not locatable by many welfare mothers, this rigid program removed the safety net from innocent mothers and children, while the goal of obtaining child support payments was not furthered. Indeed, in the years after these policies were enjoined in a lawsuit, Illinois actually has improved its child support collections annually, illustrating the tendency of these rigid-type burèaucratic rules to lose contact with the real purposes of the programs they are supposed to be implementing.

I represented many of the women and children affected by the WIN Demonstration and child support policies described above. The havoc in their lives was real and irreparable: evictions; homelessness; women having to put up with abusive relationships because of no alternative; children malnourished and without decent clothes.

The time limit idea that you are considering has the potential to repeat these mistakes and cause similar hardships. To avoid this, the Working Group should recommend policies that:

A. Implement the "make work pay" agenda, especially liberalized AFDC earned income budgeting rules, child support assurance and universal health coverage. These changes would spell success for the many recipients who already try to work in spite of the current fiscal disincentives, and they would powerfully motivate many more recipients to seek work or to prepare for work. Also, if any adult ends up with a cutoff of benefits due to failure to engage in the education, training, work, or work-like activities you may decide to include in the program design, child support assurance will at least protect innocent children from the complete removal of their safety net.

B. Continue to allow the states flexibility to implement JOBS in ways they find successful for their AFDC populations and in their economies, and facilitate JOBS expansion through full federal funding.

C. Avoid rigid deadlines and "one size fits all" bureaucratic rules. These are proven failures. Moreover, in this context they will create unwieldy situations irrelevant to or overtly at odds with the purposes of the programs. Will a recipient making progress in her education and/or treatment programs have the rug pulled out after two years even though she appears likely to succeed? What if she could not be placed in the necessary program until after one year of benefit receipt; will she still lose her

eligibility for education and training after two years of AFDC receipt? What about a recipient who was on assistance almost two years, then got a job, but then lost it and had to return to welfare -- how much education and training can she get? How much welfare can she get? Is a recipient eligible for AFDC after she has received it for two years and then had a job and then lost it? What do any of these questions have to do with the goals of the program: humane safety net and movement into the workforce?

D. Do not mandate workfare after the end of education and training or the end of a time-limit. Workfare is a proven failure in terms of moving recipients to the workforce. It is likely to be a costly failure, given the need for child care and transportation and the cost of contracting for the workfare slots. There is no need for workfare, since it will not promote the goals of the welfare program. The only factor driving the discussion about workfare is that it is perhaps the only affordable "work-like" activity that can be imposed after the time-limit. Without it, the argument might run, the time-limit has no force. But what is the magic of a rigid time limit if it has no clear relationship to the goals of the program? Why impose workfare solely to give muscle to time-limits that themselves are not rationally related to the purposes of the program?

A better system would have two different time-limits. The first would be a one-year time limit on AFDC receipt prior to a mandate to participate in JOBS. This would give the recipient one year to find work or otherwise resolve her situation on her own

prior to assuming her responsibility to work on her employability, although she could volunteer sooner. Many, if not most, AFDC cases last less than a year. The one-year time-limit would thus also serve to limit JOBS spending on persons not likely to need it the most.

The second time-limit would be individualized. When the recipient has completed a plan and is deemed job-ready, then she would be required to look for work or accept job referrals in the private or publicly-funded sector. In that sense, her "time" for receiving AFDC would have expired. But if she in good faith failed to find work, or there were no job referral, she would not become ineligible. Rather than assigning her to senseless workfare, the welfare department could oversee her job search, or it could re-assess her employability and assign her to new education or training designed to prepare her for a different job market. This is both rationally related to accomplishing the goals of the program and cheaper than rigid time limits and workfare.

Thank you for this opportunity to discuss these issues with you in person. And thank you for the opportunity to submit written materials regarding other aspects of your charge to reform the welfare system.

WORKING GROUP ON WELFARE REFORM

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Testimony, August 11, 1993

Ann Seng,
President

Thank you for this opportunity to testify.

The Chicago Council on Urban Affairs is a multi-racial/ethnic civic organization that works on a variety of urban issues and problems. We are a research and public policy development organization committed to decreasing poverty and discrimination. The base of our financial support is philanthropy, both foundations and corporations. We are not a special interest group nor an advocate of one sector or one population.

However, we do define welfare reform as a major urban issue that affects all of us who live and work in Chicago. That definition itself is significant. Welfare reform is not a special interest issue. It is central to the vitality of our cities because our people are our greatest resource.

It is in that context that the Council has worked with a team of experts from community based employment training and literacy organizations and from the City Colleges of Chicago to design a model welfare-to-work project.

Based on that experience we make the following recommendations. First, partnerships between employers, educators and human service counselors should be encouraged. All three are essential to the success of welfare-to-work programs. We can not, should not make our teachers social workers, nor our social workers teachers. Effective, coordinated involvement of both will, no doubt, make for the most successful welfare-to-work programs. Welfare recipients who have been on public assistance over an extended period of time will most likely need both educators and counselors as they pursue jobs and independence.

None of this will work without the early involvement of prospective employers. Employers can lend realism to the program plans. Likewise, a specific job in sight or a part time job in hand helps motivate people to stay with the program. We all need that type of motivation and encouragement.

Second, holistic programs among educators, social workers and employers need to be coordinated, preferably at one site, in order to avoid sending people to 20 different sites. The welfare recipients are the customers, their time is valuable. There is specialization and fragmentation in Chicago. People are tested and retested, assessed and referred. This redundancy has to be eliminated. It is not cost effective and it wastes peoples' time.

Third, there is no one easy formula for success. Programs must be flexible and capable of encompassing individualized plans. Rigid definitions of success may make it easier to count something, but it is not the stuff out of which human progress is made and long term effects realized. We've had several decades of punitive prescriptions in regard to welfare. We've rewarded quick fixes only to find that they didn't last and did not work. We've been recycling people on and off programs, jobs and welfare.

Last, it is important to be honest and realistic about time limitations on program services. The failure of our market economy to produce jobs, enough jobs, and jobs that pay enough to live on is what has caused welfare dependency as much as the failed design of our welfare programs. Who here can successfully predict, much less control, job growth two weeks, two months or two years from now? Time limitations for Congress may be a popular idea. But even for Congress we're not talking about 2 years. We need goals, accountability and evaluation.

I wish you success in this work. If the Chicago Council on Urban Affairs can assist you in the future, we'd be pleased to help.

Thank you.

WELFARE-TO-WORK PARTNERSHIP OLIVE-HARVEY COLLEGE AND COMMUNITY BASED ORGANIZATIONS

THE GOAL: ASSIST PUBLIC AID RECIPIENTS TO ENTER THE JOB MARKET

Currently, there are approximately 82,900 public aid recipients in Cook County who are eligible to participate in welfare-to-work programs. Existing programs can serve fewer than 20% of these individuals.

PROGRAM COMPONENTS:

- Orientation and employment planning
- Case management services to provide assistance in problem solving, locating resources
- Education and training, including a life skills/education program for participants with low basic skills
- Job placement with assistance from case managers and job developers

INNOVATIVE FEATURES:

- A holistic, comprehensive approach linking community resources, literacy, job training, and job placement, through a partnership of Olive-Harvey College and community based organizations
- A continuum of services based on meeting the needs of individuals who face multiple barriers in making the transition from welfare to work.
- Active case management services to provide support, assist in problem solving, locating resources, and maximize participant retention in the program.
- A geographic-based cluster of community service providers to serve as a resource network to ensure coordinated services to participants. The cluster will include social service providers, day care providers, job training and placement agencies, and area businesses.
- Job placement assistance integrated as a program component.
- Participant tracking for two years after they complete the program to measure outcomes.
- Designed in a collaboration of City Colleges of Chicago, community based organizations, civic groups, women's organizations, Mayor's Office of Employment and Training, Illinois Department of Public Aid, Illinois Community College Board.

THE PROGRAM

Designed around the people it serves and the problems they face, case managers will work with participants to develop carefully tailored, individualized plans and linkages to community and college services and programs. Individuals will receive the services they need to be successful at work. Three hundred participants will be served in the first year.

PROGRAM COMPONENTS INCLUDE:

Orientation and employment planning

Case management services to provide assistance in problem solving, locating resources.

Education and training, including a life skills/education program for participants with low basic skills.

Job placement with assistance from case managers and job developers

Selection of the specific education or training component will be based on the needs of participants. Participants will engage in one or more of the following: life skills/education program; "skills brush-up" program to attain minimum skills needed for enrolling in a vocational or job training program; English as a second language, literacy and basic education; GED preparation; short-term occupational training; pre-baccalaureate program; and/or job placement.

Job placement will be flexible and tailored to participants' short-term and long-range goals as defined in the employment plan. Local, downtown and suburban employers will be recruited to be active program advisors to both ensure that vocational training programs teach appropriate skills and to assist in identifying potential jobs and work experience opportunities.

Concurrently with implementation of individual employment plans, the program will provide opportunities for participants to solve a range of personal and social problems which have hindered their progress in the past. Examples of these problems are: drug and alcohol addiction, domestic violence, poor health and mental health. The case manager will link participants with community and social service resources and opportunities; mediate between and advocate among service providers, agencies, and institutions to ensure that systems support participants in the attainment of their goals. Individual case managers will work with no more than 70 participants.

Child care and supportive services (transportation, books, fees) will be available to all participants.

For further information or to obtain a copy of the program description for this Welfare-to-Work Partnership, please contact the Chicago Council on Urban Affairs, 6 N. Michigan Ave., Suite 1308, Chicago, IL 60612, or phone (312) 762-3511.

Testimony for the
Working Group on Welfare Reform, Family Support
and Independence

August 11, 1993

By the Public Welfare Coalition
and the Welfare Alumni Association

Doug Dobmeyer, Executive Director
Carol Friar, Vice-President, Public Welfare Coalition
Lynda Wright, Welfare Alumni Association

The Public Welfare Coalition
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THE *Welfare*
Public Coalition

FOR A HUMANE PUBLIC AID PROGRAM IN ILLINOIS

Douglas C. Dobmeyer
Executive Director

August 11, 1993

Testimony of Lynda Wright, Member of the Public Welfare Coalition (PWC), former public aid recipient, and founder of the Welfare Alumni of Illinois (WAI). I am speaking on behalf of both organizations today before the Working Group on Welfare Reform, Family Support, and Independence public hearing in Chicago, Illinois.

The Public Welfare Coalition is comprised of over 200 organizations and individual members from the state of Illinois. PWC represents the interest of public aid recipients, religious groups, human service providers, labor unions, and other civic minded organizations. We provide direct advocacy services for those on public aid through our hotline, educational activities for recipients and those seeking information about welfare, and public policy advocacy on local, state and national levels. Our goals are to improve public aid programs and to advocate for economic opportunities for low income people in order to provide them with better alternatives to public aid.

The Welfare Alumni in Illinois (WAI) is a group of former public aid recipients dedicated to enhancing the lives of those on public aid. WAI has actively provided public education and advocacy on many issues that are important to the lives of Illinois 1.4 million public aid recipients.

Today, I want to address several major issues including:

- 1.) The politics of division in this country need to be changed... a system that treats public aid recipients as second class citizens, setting them apart from the rest of society as people of lesser stature. I hope that President Clinton will show the leadership to unify our various economic sectors and stop the politics of division;
- 2.) The creation of and access to jobs for public aid recipients is of foremost concern. We must ensure that welfare-to-work programs provide transitional support services, including medical coverage and quality child care based on level of income, not on a time-limited basis; and
- 3.) The single adult population inhabiting the streets of this country must be considered in the development of a comprehensive federal welfare reform plan. It can't be denied that the elimination of benefits to the single population in many states was a significant factor in the explosion of homelessness during the early 1980's. The attached National General Assistance platform formulated by a broad-based alliance representing many states, supports a federal program for this segment of the population.

I come before this working group today fresh from the fight against welfare-bashing activities and the struggle for improved welfare programs and budget allocations in our state's capitol this legislative session. The mood in this state is not positive for poor mothers, children, and single people. This is a battle which must be fought with positive welfare reform at all levels of government with federal leadership. We desperately need a new environment in which to develop a positive movement for the very poor in this country to be included rather than excluded from the system. President Clinton by virtue of raising the welfare issue, has created a debate that will not subside until the millions of poor excluded people are at the table and savoring a piece of the economic pie.

I have a personal history of being on public aid and now working to establish economic opportunities, housing, and rights for low income people at the Community Workshop on Economic Development. Much of my experience has been in the trenches while searching for adequate employment and affordable housing. But I have never been able to forget the deep misery that I went through as a public aid recipient and that over a million must go through in Illinois and throughout the country.

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If political rhetoric of "2 years and out" or "ending welfare as we know it" is to translate into meaningful terms we must have a litmus test for evaluating the proposals. The Public Welfare Coalition, the Welfare Alumni of Illinois, and many other groups have assembled such a test with input from many organizations and recipients in this state. Progressive welfare reform must meet this test:

- 1) Any changes must be progressive, not regressive. Changes must increase or stabilize resources available for recipients;
- 2) Changes must be proactive, not punitive;
- 3) Changes should enhance the public perception or understanding of the program and its participants;
- 4) Changes must support self-determination of participants;
- 5) Changes must take into account varying capacities through an individualized approach using fair criteria;
- 6) Changes must improve the earnings to at least the poverty level or job potential of participants; and
- 7) Changes must ensure that kids are not put at risk.

Federally, we need to address employment, education and training on two levels: first, AFDC/JOBS federal funding must be expanded to serve a greater portion of AFDC household heads with a reduced or eliminated state match; and, second, the marginalized population of single adults must be served by a federal program of income maintenance and job training.

In Illinois the situation for those on public aid is worsening. As shown in the accompanying fact sheet, THE GROWING CRISIS, PUBLIC ASSISTANCE IN ILLINOIS, this is not the place to be to capitalize on public aid benefits. While we rank as the 7th wealthiest state, we also rank 46th in accessing Congressional appropriations for job training for AFDC mothers. The state is given the latitude to do what it wants, and it does little for the poor. We need to improve that situation. The most common question asked by recipients today is, "where are the jobs"?

We must look objectively at the fluctuating status of our economy and the changes in our urban areas in order to understand how urgent the expansion of this program to single people is. Over the past decade, Chicago has lost more than 200,000 blue-collar jobs, while the surrounding counties have gained an equal number of jobs. In addition, jobs have moved to the suburbs making access difficult for those living in the city. The much publicized shift to service sector employment offers minimum wage jobs at best and little room for career development. In Chicago, the cost of living is so high that a job paying \$7.00/hr. is needed to afford a one bedroom apartment.

We are shortchanging our citizens and our economic welfare by ignoring this pool of human resources that is, for the most part, able and more than willing to attend educational programs or job training to acquire employment for a decent livable wage. According to a 1991 report from the Governor's Task Force on Human Resource Development, Illinois will face a labor shortage by the end of the decade if marginalized workers do not enter the active labor pool. This report went on to say that, "...businesses can no longer afford to ignore public aid recipients, prison inmates, and the disabled as potential workers...we must reclaim these adults and provide them with the necessary skills for success in the modern workplace, especially the basic skills necessary for entry-level employment at livable wages." We agree.

The time has arrived for the federal government to take a lead in creating jobs for unemployed single people, as well as parents with children. The states have cut General Assistance benefits, now is the time to create economic alternatives that provide a living wage.

RECOMMENDATIONS

The Public Welfare Coalition and the Welfare Alumni of Illinois present the following recommendations:

- 1.) New requirements to the states to provide service to all areas of a state;
- 2.) The inclusion of single people in welfare reform legislation proposed by the administration, so they too may receive an opportunity to have a better economic future.
- 3.) Adopt the specific recommendations of the Welfare Simplification and Coordination Advisory Committee:
 - a. Establish a work group of the chairs of the relevant Congressional committees to coordinate program oversight.
 - b. Ensure that all low income individuals have access to health care.
 - c. Establish uniform rules and definitions for eligibility determinations.
 - d. Allow states to make effective demonstration projects permanent, as long as they are not punitive measures.
 - e. Audit procedures should focus on family success.
 - f. Establish a uniform implementation date for all regulatory changes, including cost of living adjustments.
 - g. Encourage public/private partnerships to meet client needs (ex. privately run sheltered workshops).
 - h. Combine employment and training programs into one program.
 - i. Streamline the verification process.
 - j. Expand outreach by making program information available in more public places.
 - k. Develop tables to show clients how changes in circumstances would effect their benefits.
- 4.) MINIMUM WAGE: Support indexing the minimum wage according to inflation.
- 5.) AFDC reform that includes:
 - * Take lead of states like Illinois in implementing income budgeting methods which allow recipients to keep more earned income
 - * Provision of full federal JOBS funding with reduced or eliminated state match
 - * Change the current HHS rules reducing the required 20 hr./wk. participation rule
 - * Do not grant federal waivers to allow payments of lower grants for new residents
 - * No reduction of benefits based on recipient behavior
 - * High quality support services
 - * Transitional child care payments based on 75% of the median income
 - * Transitional health care coverage based on 75% of the median income
 - * Social services to support people in job training
 - * Develop an accurate and inclusive employability plan
 - * Expanded employment opportunities
 - * Support the Microenterprise and Asset Development Act.
 - * Recognize value of women working at home or in non-paid community work
 - * Raise AFDC grants to federal poverty level and provide annual cost of living increase
 - * Staff Social Security Administration to levels to reduce backlog
 - * Eliminate Family Assistance Reduction of 1/3 SSI payment for those living in family's home
- 6.) General Assistance (single person) reforms that includes:
 - * Federalize GA within the mandate of the attached statement
 - * Streamline SSI - Interim Assistance - Medicaid application process
 - * Include single people in welfare reform legislation proposed by the administration

Any manner of welfare reform must include recipients participation in the creation, implementation, and evaluation of the reform process. There needs to be national accountability to ensure a high standard is being met.

The Public Welfare Coalition and the Welfare Alumni of Illinois look forward to a continued working relationship with the federal Working Group members and staff to fashion a program that meets the needs of poor people in Illinois and throughout the country.

Our organizations will forwarding additional comments to the Working Group in the near future.

Thank you for the opportunity to appear before this working group.

Attachments:

WHITE	TESTIMONY OF PWC AND THE WELFARE ALUMNI OF ILLINOIS
PINK	THE GROWING CRISIS, PUBLIC ASSISTANCE IN ILLINOIS
BLUE	FACT SHEET ON PUBLIC AID IN ILLINOIS, INCLUDES MAP WITH LEVELS BY COUNTY
YELLOW	NATIONAL GENERAL ASSISTANCE PLATFORM
GREEN	SUMMARY OF FINDINGS OF <u>NO WELFARE, NO WORK, ABLE BODIED MEN ON THE STREETS OF CHICAGO</u>
PINK	CRITERIA FOR WELFARE REFORM IN THE UNITED STATES

THE GROWING CRISIS, PUBLIC ASSISTANCE IN ILLINOIS

As of June, 1993, the number of individuals trying to survive on some form of public assistance in Illinois numbered 1,404,903. This number has risen from 1,362,886 just since December, 1992. This number contains all people on the Illinois Department of Public Aid (IDPA) programs. The overall number includes:

People receiving grants	777,681
Zero grant status	13,569
Medical only	<u>613,653</u>
Total Persons	1,404,903

Actual cases include the following number of people:

Aid to Families with Dependent Children (AFDC): 237,790 cases that contains 480,499 children among 703,295 persons on AFDC. The average size of AFDC family is 2.95 down from 2.98 in June, 1992.

Food Stamps: There are 497,431 cases that contain 1,187,218 people. The average household is \$177.31 per household.

Transitional Assistance-TA (formerly General Assistance-GA): 3,124 cases with 7,468 people in family cases for those not qualifying for AFDC. In addition there are 11,375 single individuals on TA (Chicago numbers only, in addition there are approximately an additional 5,000 on TA in downstate Illinois).

This program has been reduced from 87,622 individuals in June, 1991 in the City of Chicago. The state enacted massive cuts to GA and renamed the program Transitional Assistance. The net result is over 70,000 individuals with poor education, low work skills, and little hope of entering a meaningful work force job. They were left without any income or a job.

Demographics on Chicagoans cut off from TA indicate that 74% are male; 90% are African American; 71% are between the ages of 25 and 45; 48% do not have a GED or high school diploma; and 67% have labor or service work experience.

Earnfare: A non-entitlement pre-employment program that puts approximately 5,000 former GA clients a month in a \$154 a month maximum income program of public service/private sector jobs. In addition the person is eligible for \$111 a month in Food Stamps. IDPA has chosen to operate Earnfare under the auspices of the Food Stamp Act, thus making single people and their employment a legitimate concern of the federal government.

As of February, 1993, IDPA reported having 6,800 job slots developed statewide, with 5,492 clients currently in the program. The program's turnover rate is averaging 33%, with no detailed information on causes of people leaving the program. Permanent jobs had been provided to only 102 individuals as of that date. Little information has been given on the nature of those jobs.

For individuals and families still accessing income assistance grants, the situation has not improved. Transitional Assistance cash grants were reduced by the Emergency Budget Act in January of 1992 from \$165 per month to \$154 per month--only 27% of the Federal poverty level and 40% of the State Standard of Need. AFDC cash benefits are similarly inadequate, at 38% of the Federal poverty level and 43% of the State Standard of Need.

FACTS ABOUT PUBLIC AID IN ILLINOIS

- There are over 1.4 million Public Aid recipients in Illinois, an increase of 17% in two years. This number represents 12% of the state's population, the highest ever;
- The state appropriated \$ 6.4 billion for Public Aid in FY94. 73% is for medical, 16.9% for income assistance, 7.5% for administration, and 2.3% for employment and social services. Medical costs jumped by 6.4% over the previous year;
- Half of AFDC recipients are children. Half of the children are age 6 and younger;
- The average Public Aid family includes just 2 children;
- Despite a basic 7.5% grant increase in 1990, a recipient receives a cash grant providing only 43% of the State Standard of Need (state's poverty index). There has been only one increase since 1985, when the grant provided 54% of the Standard of Need. In 1992 Transitional Assistance recipients had a reduction from \$165 to \$154 a month. The cost of living in the Chicago Metropolitan Area alone has gone up by 29.7% from 1985 to 1992;
- A mother with two children only has \$11.90 a day in cash assistance to support a family;
- The buying power of the Public Aid recipient's dollar is 52% less than it was in 1970;
- An increasing number of Public Aid families are spending 80% or more of their cash grants on housing costs. Less than 19% of recipients have subsidized housing;
- There has been a large growth in homelessness among families. The number of homeless people in Illinois is estimated to be over 100,000, compared to 40,000 in 1986;
- 97% of Illinois counties have increased in Public Aid levels per 1000 population between 1989 and 1991; and
- The highest rates of Public Aid are found in Alexander, Hardin, Massac, Union, Pulaski, and St. Clair counties. Downstate poverty is a growing economic fact in Illinois.

SAMPLE PUBLIC AID GRANTS AND OTHER BENEFITS IN ILLINOIS COMPARED TO THE STATE STANDARD OF NEED AND THE FEDERAL POVERTY LEVEL

<u>FAMILY SIZE</u>	<u>* 1993 CASH GRANT</u>	<u>MAXIMUM FOOD STAMPS</u>	<u>MAXIMUM TOTAL BENEFITS</u>	<u>1993 STATE STANDARD OF NEED</u>	<u>FEDERAL POVERTY LEVEL</u>
1	\$ 154	\$ 111	\$ 265	\$ 501	\$ 581
3	\$ 367	\$ 292	\$ 659	\$ 867	\$ 991

* The grants listed in this table are the highest payment levels, in 14 counties. In other counties the payment levels are even lower. The Cash grant only provides 43% of the State Standard of Need for AFDC and 40% for Transitional Assistance as of February, 1993.

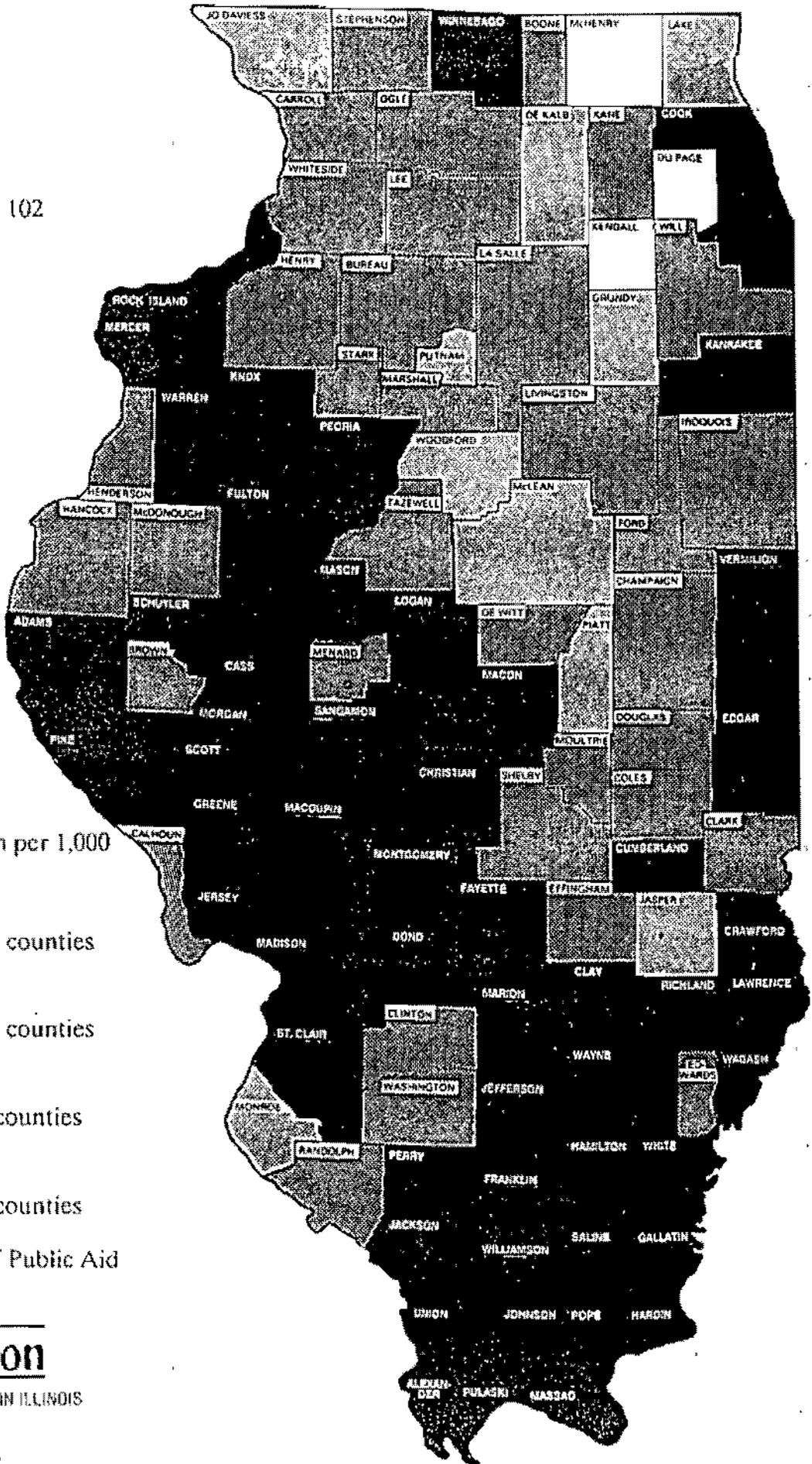
The map found on the reverse side shows the level of Public Aid per 1000 population by county at the end of 1991. The map shows the levels of poverty continue to grow in Illinois.

Sources: Illinois Department of Public Aid, US Department of Labor
8/93

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PUBLIC AID AFFECTS ALL OF ILLINOIS

State of Illinois
Number of Counties: 102



Incidence of Public Aid
Recipients Per 1,000
Population, by County
December, 1991

Category	Population per 1,000	Number of Counties
1	90 +	54 counties
2	60-89	36 counties
3	30-59	9 counties
4	0-29	3 counties

Source: Illinois Department of Public Aid

THE *Welfare*
Public Coalition

FOR A HUMANE PUBLIC AID PROGRAM IN ILLINOIS

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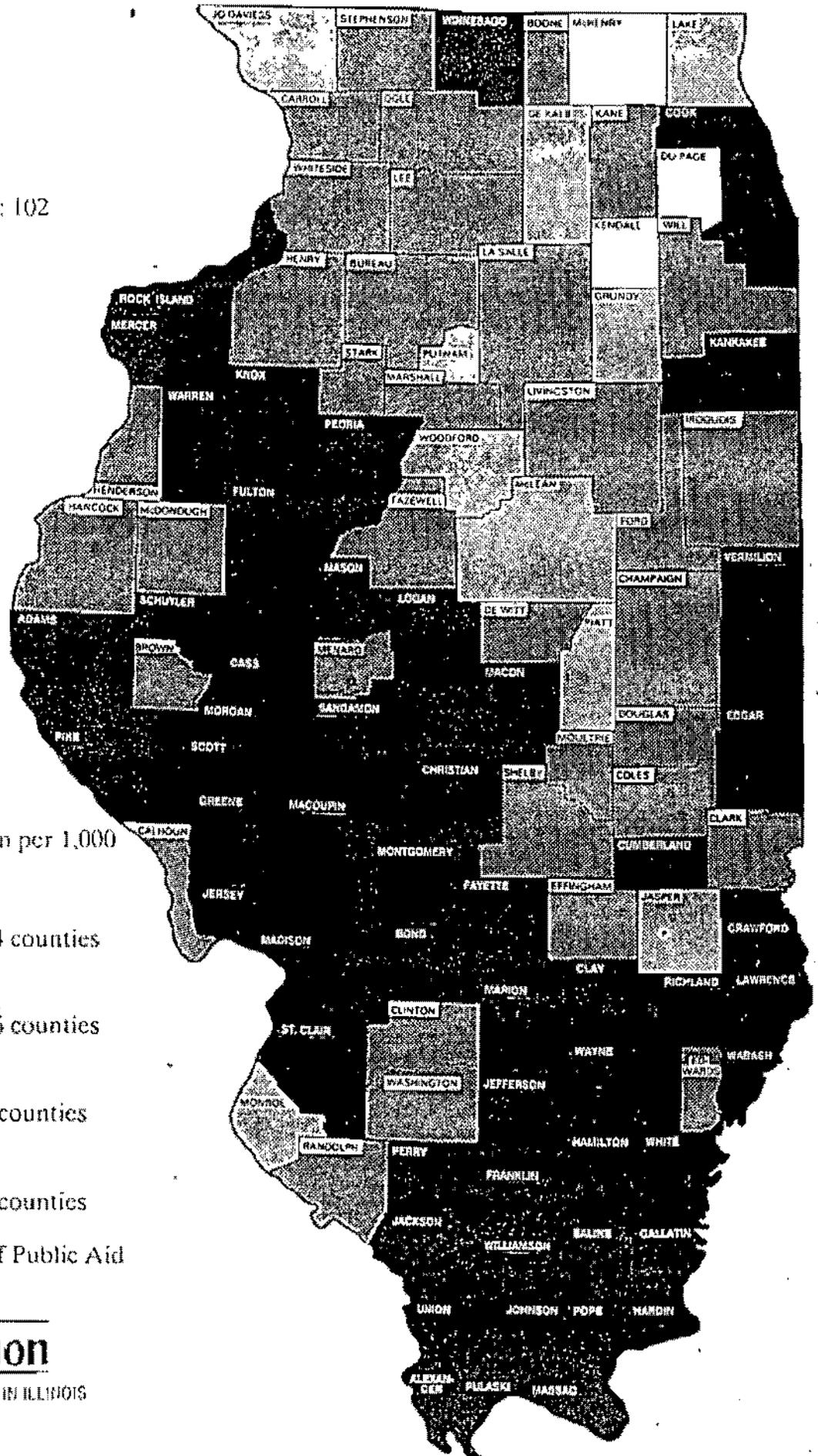
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Source: Illinois Department of Public Aid

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Preamble:

The plight of single adults without an adequate income is a national tragedy. The National General Assistance Working Group (see attached) believes that the federal government must not pit families against single adults. Rather, single adults must be included in the national welfare reform and job creation agenda. We are deeply disturbed about recent state actions in seventeen states, including Michigan, Ohio, Illinois and California, to either eliminate or significantly cut general assistance programs, the income of last resort for homeless and poor single women, men and seniors. We affirm the following set of principles to begin to frame this discussion:

1. All people have the right to have their basic human needs met. This includes both physical, human dignity and self-esteem needs. Our society has a stake in ensuring that all people fully participate in their communities. A failing economy is the problem, not people who do not want to work. We reject the concept of the "deserving" and the "undeserving" poor, and confirm that all people, regardless of income status, are equal.
2. Homeless and low-income people currently or formerly on general assistance must be involved in the policy process.
3. The issues of income support cannot be separated from the issues of universal health care, decent affordable housing, and community supports to enhance the transition to independent living and employment.
4. The emphasis on personal responsibility (i.e. individuals bringing themselves out of poverty) must be coupled with the federal government creating opportunities for people to move up and out of poverty.

National Jobs and Income Support Platform:

We support the following agenda to create opportunities which will allow homeless and low-income single adults access to jobs and income supports:

1. The federal government must become the employer for no and low-income single adults when no private sector jobs are available, and provide income support until the federal government creates jobs.
2. New federal initiatives to create jobs must include job creation and job opportunities to move single adults up and out of poverty. This includes "job set-asides" for this population. Finally, this package must support community-based economic development which includes, but is not limited to, support for micro-enterprises.
3. The federal government must supplement income when a job does not pay enough to provide for the basic needs of the person.
4. For those who cannot work, there must be increased access to Supplemental Security Income (SSI). This includes "presumptive eligibility" to reduce the waiting time to begin receiving benefits as well as increasing SSI benefits.
5. Raise the minimum wage to a decent, liveable wage to address the basic housing, transportation, health, nutritional, clothing and educational needs of the person.
6. Minimize bureaucratic barriers to access federal entitlement programs. This includes retaining flexibility on assistance criteria.

July 27, 1993

ORGANIZATIONS ENDORSING THE NATIONAL INCOME MAINTENANCE PLATFORM

<u>STATE</u>	<u>ORGANIZATION</u>	<u>CONTACT PERSON</u>	<u>PHONE</u>
California:	Los Angeles County Wide Coalition to End Homelessness	Bob Erlenbusch Executive Director	213/746-6511
	California Homeless and Housing Coalition		
Conn:	Connecticut Coalition to End Homelessness	David Martineau Executive Director	203/721-7876
• Illinois:	Public Welfare Coalition	Doug Dobbmeyer Executive Director	312/829-5568
	Chicago Coalition for the Homeless	John Donahue Executive Director	312/436-4548
	Interfaith Council for the Homeless	Jessica Porter Advocacy Director	312/421-1152
	Jewish Council on Urban Affairs	Molly Bougearel Public Policy Director	312/663-0960
	Chicago Institute on Urban Poverty/ Travelers & Immigrants Aid	Wendy Siegel Acting Director	312/435-4555
	Chicagoland SSI Coalition	Mark Peysakhovich Executive Director	312/427-4830
	League of Women Voters/Chicago	Betty Willhoite Public Policy Chair	312/787-6018
	United Charities/Legal Aid Bureau	Pamela Purnell	312/986-4298
	Homeless on the Move for Equality	Jack Graham, Director	312/435-0225
	Illinois Coalition/End Homelessness	Jack Graham, Acting Director	312/435-4538
	Operation PUSH	Rev. George Riddick Vice-President	312/373-3366
	Lakefront SRO Corporation	Jean Butzen Executive Director	312/561-0900
	Howard Area Community Center	Sr. Cecilia Fandel Advocacy Director	312/262-6622
	Eighth Day Center for Justice	Carol Cook Poverty Issues Group	312/641-5151
	Evanston Township General Assistance	Veranda Jolliff Executive Director	708/475-4481
	Midwest Women's Center	Rebecca Roberts Public Policy Specialist	312/922-8530
	Community Council of Chicago	Anthony Kopera Executive Director	312/760-0205

	CUC Peace & Justice Committee	Janet Marsh	815/338-8621
	Strategies Unlimited	Elisabeth Solomon	312/643-1131
	Marillac House	Azleaner Ellis	312/722-7440
Mass:	Massachusetts Coalition for the Homeless	Sue Marsh Executive Director	617/737-3508
Michigan:	State representative David Hollister (D-Lansing)		
	Michigan League for Human Services	Sharon Parks	517/487-5436
	Detroit Pastoral Alliance	Cathie DeSantis	313/751-3636
	Catholic Caucus-Detroit	Julie Telang	313/869-1314
	Michigan Fair Budget Coalition	Ruth Williams	313/963-3342
	Detroit Wayne County Union of the Homeless	Jessie Young Vice President	313/831-7536 313/831-7322
Minnesota:	Minnesota Coalition for the Homeless	Val Baertlein Executive Director	612/870-7073
	Elim Transitional Housing, Inc.	Sue Watlow Phillips Executive Director	612/379-8520
New York:	New York State Coalition for the Homeless	Lorraine Warner Executive Director	518/436-5612
Ohio:	Ohio Coalition for the Homeless	Jim Cain Associate Director	614/291-1984
	Center for Urban Poverty & Social Change / Case Western Reserve Univ.	Claudia Coulton Director	216/368-2304
D.C.	National Law Center on Homelessness and Poverty	Maria Foscarinis Director	202/638-2535
	National Coalition for the Homeless	Fred Karnas Director	202/775-1322
	Community for Creative Non-Violence	Carol Fenley Director	202/393-1909
Tennessee	Nat'l Homeless Health Care Council	John Lozier	615/386-0302

The National General Assistance Working Group is in formation .

NO WELFARE, NO WORK, ABLE BODIED MEN ON THE STREETS OF CHICAGO
Meeting the Employment and Training Needs of the City's Destitute Men

Spurred by the harsh reality of massive welfare cuts in Illinois in 1992 and responding to the subsequent human consequences, in late 1992, the Chicago Institute on Urban Poverty launched the Employment Policy Initiative, a policy research and advocacy project advised by a coalition of twenty social welfare and civic groups including the Public Welfare Coalition. In this action-research paper, the Initiative describes the population of destitute men in Chicago, the barriers blocking access to work for the men, a set of approaches that could be effective in increasing the men's access to work, and an illustration of the comparative cost of various approaches.

RESEARCH FINDINGS

Who are Chicago's destitute men?

- * 86% are African-American
- * The balance are white or Hispanic, in equal numbers
- * Most are prime working age
- * More than one-half have completed high school
- * Most have never been married
- * Most have always lived in Illinois
- * White men in the target group are older but not better educated than the average
- * Hispanics differ from other members of the target group by including a large portion of poorly educated immigrants
- * Only 10% have no work experience. Many have substantial work histories and skills
- * Most are eager to work, willing to be trained, and tenacious in seeking work

What are the systemic barriers to employment for these men?

The Initiative's research--the literature search and numerous telephone contacts, the telephone survey, the focus groups--isolated six important systemic barriers, broad issues of social policy and resource allocation, which block the access of the target group to finding and keeping jobs. These barriers are:

- * Racial discrimination;
- * High levels of unemployment and failure to create enough jobs in the economy;
- * Homelessness and life in homeless shelters;
- * Inadequate public transportation systems; and
- * Alcohol and drug abuse;
- * Lack of accountability among public agencies.

The first three systemic barriers--racial discrimination, lack of jobs in the economy, and homelessness--are the stubborn triangle of systemic barriers blocking the target population's access to work. Transportation, substance abuse and accountability barriers further bar the way.

Connecting the population of destitute men to stable jobs requires a variety of approaches appropriate to the wide range of individual circumstances, resources, needs, and strengths represented among the target group. The research indicate that the array of needed components includes at least the following:

- | | |
|--------------------------------|---------------------------------|
| * Food, clothing and housing | * Supportive social services |
| * Job readiness training | * Job placement |
| * Job training and re-training | * On-going, job-related support |
| * Regional transportation | |

A further finding which cuts across several of these component categories is that, in order to effectively reach a major segment of the target group, the services often must be offered in a comprehensive, case-management style, at a single, "sheltered" site (or under the administrative umbrella of a single provider agency). They must be delivered in a person-to-person manner emphasizing personal accountability, peer-support, genuine concern by the service staff, and they must demand a real, operational contribution to the program by the men themselves.

What are the current employment and training program gaps?

Although a number of programs in Chicago serve destitute men to some degree, there are few programs that focus primarily on such men, and fewer still which are able to offer access to the full array of services characterized above. Among 22 selected employment-training and substance abuse provider agencies interviewed, only a few offer a wide array on-site services for destitute men. Providers testify that while many of the program components needed for a comprehensive approach may be available from time-to-time in the Chicago area, program openings are rarely available when needed.

GENERAL RECOMMENDATIONS

Let us wear out myths:

- * about the men themselves: the image that people are lazy and do not want to work simply is not true.
- * that there are plenty of jobs, training is useless if not tied to real jobs.

The Initiative identified a number of approaches that could be effective in removing barriers to work on behalf of destitute men, including job readiness, job access, and systemic reform measures.

1) Job readiness approaches include expansion and/or reform of the following types of programs:

- * Comprehensive habilitation programs
- * More job readiness and placement programs
- * Job Training Partnership Act (JTPA) and similar training programs that include supportive services and which do not have admission criteria that exclude this population
- * Earnfare could assist more destitute men if it were expanded and reformed to include supportive services and incentives for employer participation

2) Approaches to increase the availability of jobs include:

- * Access to existing jobs through construction set-asides
- * Access to existing jobs through increased civil rights
- * Job creation/Urban economic development
- * Direct job creation

3) A systemic reform "menu" might include:

- * A regional perspective on poverty
- * Increased civil rights
- * Increased primary research concerning the target group

CRITERIA FOR WELFARE REFORM IN THE UNITED STATES

1. The primary goal of any restructuring should be long-term employment, for recipients or potential recipients able to work, in satisfying work that pays a wage compatible with a persons health and well-being. Any welfare to work policy should focus on the individual needs of the recipient in terms of training, education, supportive services and placement. "Make-work pay" activities such as "workfare" have been proven to be counterproductive to the goals of long-term employment and self-sufficiency.
2. "Work" should be defined broadly and kept gender neutral. For example, parenting should be recognized as work, valued and rewarded. The idea that one must engage in activity outside the home in return for a regular paycheck in order to be "working" is limiting at best.
3. Related to the idea that work should include parenting is the notion that any restructuring should encourage, not discourage, family unity. There should be incentives built into the system for families to stay together where ever possible. Within this goal the domestic and street safety of families and women need to be ensured. Moreover, our definition of "family" should be expanded to reflect the reality that the nuclear family is not the only one. Non-traditional family units should be recognized.
4. We should recognize that significant barriers exist to making the transition from welfare to another means of financial support. These include: (1) Adequate affordable health care, including mental health and substance abuse treatment; (2) Satisfactory child care arrangements; (3) Education and Training; (4) Income security; and Street and domestic safety. By "income security" we mean that a person who has the opportunity to move from welfare to an employment situation may hesitate if they know they are giving up a certain source of income (e.g., AFDC) for a job that pays considerable more, but may not last more than six months. The lack of "income insecurity" in this country is growing as corporations lay off even very highly skilled workers. All of these barriers and others that are identified must be addressed in any policy.
5. Recognize that not everyone on public assistance can find or sustain gainful employment. There must be a safety net for persons who cannot find work. There have always been, and always will be, individuals who, for a variety of reasons, cannot secure employment. It is in the best interests of our society to provide at least a subsistence level of financial support and health coverage for such individuals. Moreover, there simply are not enough jobs for people who are well-educated and eager to work. Official unemployment rates for many Illinois counties, mainly downstate, exceed 10%. These official rates do not take into account persons who have given up trying to find work.
6. Poor people are not a monolith. Each person and family who at some time or another needs public assistance to survive is different and should be treated individually. It has become stylish to bash the poor and stereotype them as lazy and useless. True patriots recognize that all of our citizens are resources, not liabilities. The welfare of everyone depends on the welfare of our poorest citizens. We should reject the strategy of divisiveness for one of unification and stop bashing poor people.
7. Any policy on welfare restructuring should be based upon reality, not ideological or political myths. Over the past several years we have seen a proliferation of "reform" proposals that are based upon myth rather than reality. One example is the proposed cap on AFDC benefits for additional children which, fortunately, has failed to advance in the Illinois legislature. This is based upon the myth that women on AFDC have babies just to secure a meager amount of additional welfare benefits. Studies have proven that this simply is untrue.
8. Welfare restructuring should avoid punishments and focus on incentives.
9. The interests of children should not be served in an effort to punish parents for their conduct. The cap on benefits bill is a good example of the type of policy proposal that should be avoided.
10. Any restructuring proposal should serve to empower the poor and give them options instead of forcing them to engage in any particular activity.
11. Discrimination of any kind, especially based upon disability, gender or race, typically implicit in bashing of the poor, should be eliminated from policies and rhetoric. This discrimination only compounds the deep problems of race and poverty.

**Report to the Working Group on Welfare Reform,
Family Support, and Independence**

August 11, 1993

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Deputy Assistant Reed, Assistant Secretary Elwood, Assistant Secretary Bane, Mayor Daley, distinguished members of the Working Group, honored guests:

My name is Jody Raphael. I am the Director of the Chicago Commons West Humboldt Employment Training Center, or ETC, as we call it. I am also the Director of Public Policy Studies for Chicago Commons, a social services organization that has been charting new directions in Chicago for 100 years. It is these two hats, one, hands-on and developmental, and the other, conceptual and research-oriented, that have worked together to bring me here today.

ETC is the only welfare-to-work demonstration project of its kind in Chicago. It is now two years old and has already given us essential information. We now know the low level of skills and the range of problems that are presented by low-income persons on public assistance. We also know what it takes in terms of programmatic effort and the length of time it takes to bring these participants from welfare to work.

I want to do three things this morning:

- briefly describe our program and its essential elements
- tell you the findings of our program to date
- extend those findings to recommendations for public policy at the federal level

WEST HUMBOLDT EMPLOYMENT TRAINING CENTER -- DESCRIPTION

Our Employment Training Center (ETC) is a model based on the premise that participants need to build at least four kinds of skills. In addition to literacy skills, which are basic and essential, participants need to build psychological and social competencies in order to participate successfully in the job market. The acquisition of these skills generally must precede formal job training.

Our model requires two essential ingredients: a case management approach to participants and their families; and the availability of comprehensive on-site support services. On-site services must include literacy training, GED classes, English-as-a-second language, health care, support groups, and both child care and Head Start services for their children. Only by providing these basic human services, on-site, is it possible for participants to stay in a program long enough for us to learn the dynamics of moving people from welfare to work. We were therefore able to closely observe the efficacy of a well-designed, long-term training program and to identify the remaining, more subtle barriers that can prevent participants from succeeding in raising their skill levels. Many of these barriers are not visible or observable until a level of trust and a working relationship have been established.

We have constructed an innovative, effective literacy and GED curriculum which is delivered through community college instructors. Family literacy training is also an important requirement of the program, adding another incentive for participants with children.

The ETC program is intensive and concentrated: Participants spend 20 hours per week, five days per week, at the site. ETC has served a total of 369 participants since its opening in February 1991; 127 of them are new in the past year. At the successful conclusion of their training at the ETC site, participants are assisted by their case managers to enroll in an appropriate job training program or are helped to find employment, each according to an individual employment plan.

PROGRAM FINDINGS

Time is a Key Variable

What have we learned in the past two-and-a-half years? First, almost 20% of all participants who entered since February 1991 are employed and are off welfare. Approximately 25% have dropped out of the program. The remaining 45% are still following their employment plans, but are not yet ready to make the transition from welfare to work. For many, the transition will require far more than two years. Thus, the length of time allowed for becoming employable is a key variable to a successful transition from welfare to work.

Successful Transitions

Our research also shows that 90% of those who make the transition from welfare to work are able to retain employment. We attribute this success to the program's highly structured environment. Participants spend at least six months in small group education. With the help of teachers and a case manager, they work through issues like punctuality and attendance and learn to solve problems such as how to regularly evaluate and revise their educational plans, and how to deal with child care. By the time participants are ready to seek employment, they have gained a number of competencies essential to employment.

Common Barriers to a Successful Transition

Low Basic Skills

Many job training programs require the GED, as do many entry level jobs in today's economy. Most job training programs and community college vocational training programs require reading levels ranging from 8.0 -10.0 with 10th grade the usual level. However, almost 40% of our participants come to ETC with reading levels at 6th grade or below, and an additional 30% range between 6th and 9th grade. Thus, 70% of welfare recipients who enter our program need extensive training before they can pass their GED.

Those who enter ETC with reading levels at 7.0, need an average of one and one-half years just to pass the GED exam. For those reading considerably below 6th grade, we have found it necessary (due to practical considerations) to find career paths which do not involve

passing the GED. For example, certified nursing assistant training does not require the GED, but an 8th grade reading level. Alternate career paths for low-level readers enable these participants a viable means of getting off welfare and improving their situation. Unpaid internships at area businesses are also a means for low-level readers to gain work experience and job skills needed for entry level employment.

Social and Family Barriers

The following are some startling statistics which indicate some definite social and family barriers to a successful transition:

- 54% of new participants during the past year were living in domestic violence situations when they came to ETC.
- 13% were past victims of rape or incest.
- 14% presented severe mental health problems, including depression and schizophrenia.
- 14% were misusing alcohol and using drugs, mostly marijuana and cocaine.
- 28% of new participants during the past year live in households with at least one child with a severe physical or mental handicap, including learning disabilities, retardation, Down's syndrome, and psychological problems such as behavior disorders, multiple personalities, and schizophrenia.

Multiple Barriers

Success in moving from welfare to work strongly correlates with the participant's ability to overcome their social and personal barriers. Success is even more elusive for participants who must overcome multiple, interrelated barriers. For instance, many participants are incest victims, substance abusers, and victims of current domestic violence -- at the same time. One problem leads to another; participants' children suffer trauma as a result of violence and exhibit behavioral problems. The behavioral problems are usually lessened when the domestic violence is eliminated. (See Appendix for descriptions of these ETC participants)

Motivating people to overcome barriers is made difficult because participants are often clinically depressed as a result of domestic violence. Domestic violence keeps the participant in a low state of self-esteem and afraid to make independent decisions. Welfare keeps many victims in violent situations because of economic dependence upon the abuser.

Some participants need professional therapy and family therapy to recover from the effects of incest, child abuse, and domestic violence. **Ongoing domestic violence is one of the main causes for participant failure in the ETC program.**

The good news is that a large percentage do extricate themselves from domestic violence situations and do find relief from the symptoms of depression. **One unexpected benefit of the ETC model is that its emphasis upon group activities and group support provides the therapeutic commonality which is necessary for psychological recovery from incest and domestic violence.**

Another surprising result of the ETC demonstration is that the number of households with handicapped children is relatively high. Many of these handicaps are due to the trauma of domestic violence, incest, and child abuse, but also may be caused by drug and alcohol use during pregnancy and/or domestic violence during pregnancy. We have successfully assisted participants to obtain a proper medical diagnosis for their handicapped children, and to secure necessary services including therapy and proper school placement. In 25 instances this year, we have helped them win SSI benefits for these children. Not surprisingly, we find that the mother is unable to remain focussed upon her own educational goals until the needs of her handicapped child have been met.

RECOMMENDATIONS FOR PUBLIC POLICY ON WELFARE-TO-WORK

Comprehensive Services

All of ETC's participants who are successful in getting off welfare have to overcome personal and social barriers like domestic violence and depression, as well as enhance their literacy and other job-related skills. For this reason, purely educational programs offered by community colleges, which cannot deal with personal and social problems, are unlikely to result in participants entering the labor market. Unfortunately, the bulk of Chicago's Project Chance participants who are in JOBS educational components, are in these non-comprehensive educational programs where success is unlikely.

Federal funding for comprehensive programs such as ETC has been virtually non-existent. We strongly support the provision of federal funds earmarked for comprehensive services to persons with low skills and social and personal problems. Without these comprehensive services, we are unable to support a time limit for receipt of public welfare.

Adequate Time to Make Welfare-to-Work Transition

Assuming that comprehensive services are provided, the length of time needed for the work transition will differ, depending upon the individual's skills and ability to overcome past and current problems. Though there are many unique success stories, there are probably five or six standard pathways from welfare to work. One of the standard pathways -- literacy training, GED, vocational training, and job search, requires more than two years. Passing the GED takes a minimum of 1.5 years; vocational training takes at least four months to a year; and the average job search takes participants three to five months.

These different pathways mandate certain mixes of services, supports, and opportunities. Some participants can move ahead within six months to a year, while others need between two and three years to complete the necessary steps. With all our experience it remains difficult to predict which participants will succeed in overcoming their problems and which will not. However, most participants need a minimum of two years to complete the process. Thus, the proposed two year limit is inadequate for many participants.

Effective Vocational Training vs Publicly Supported Employment

Well-designed and well-funded vocational training programs are essential to provide the higher skills necessary for participants to obtain permanent independence through employment. The ETC experience gives us a unique perspective as to why most job training programs fail. Publicly supported vocational training programs, unfortunately, yield little results for two reasons. First, welfare participants enroll without proper skills or preparation. Second, the programs are too short to result in the transfer of any job-related skills. On the contrary, the ETC model provides a bridge, a mechanism for welfare participants to gain the package of competencies they need to succeed in these vocational training programs.

Based on experience, we do not believe it is cost effective to put participants to work in publicly supported employment because two thirds would be unable to perform anything but the most menial of tasks. Community work experience and public employment are good alternatives for some individuals at certain times, but should not be applied as remedies across the board.

Participants Who Cannot Make the Transition

There are large percentages of welfare participants who presently cannot work due to physical or mental problems, or significant health and psychological problems of their children. The ETC experience indicates that approximately 55% of recipients initially fall within this category. Fortunately, these numbers can be significantly reduced if social and psychological services are provided.

Data from the current year indicate that 17% of these participants continue to struggle with these issues after a one-year period and may never overcome these barriers. After a mid-course assessment, if the physical or mental situation does not improve, an application for SSI should be considered. For all its deficiencies, welfare does provide a safety net for the small segment of recipients who ultimately cannot make the transition from welfare to work.

SUMMARY RECOMMENDATION FOR WELFARE-TO-WORK PROGRAM

A successful transition from welfare to work depends on four major variables: the availability of comprehensive services; adequate time to complete an individual employment plan; effective vocational training; and a mid-course assessment of an individual's situation, progress, and future capabilities. A long-term solution to our nation's current welfare woes must include the components mentioned in order to heal, educate, train, and enable a whole new segment of our population to become independent, contributing members of society.

APPENDIX A
PARTICIPANT DESCRIPTIONS

CHARACTERISTICS OF SELECT ETC PARTICIPANTS

1. Participant, an incest survivor, is in therapy; is a recovering drug addict; was a victim of domestic violence; and has a six year old daughter with schizophrenia (hears voices).
2. Participant has a seizure disorder and suffers from depression; and has a young daughter with a learning disability and a problem with depression.
3. Participant is a recovering drug addict, but still abuses alcohol; is an incest survivor; and children are incest victims.
4. Participant is a polio victim who recently had foot surgery; takes medication for her nerves; and has a son who is speech impaired and emotionally severely disturbed.
5. Participant is a victim of domestic violence; has a mother with AIDS; one daughter has a behavioral disorder; and another suffers from ulcers.
6. Participant was using cocaine but is now a recovering drug addict; was a domestic violence victim; and is currently being treated with medication for an anxiety disorder.
7. Participant was a rape victim at age 13; and has two young children who are incest victims and have severe behavioral problems and learning disabilities.
8. Participant was a domestic violence victim and is currently on medication as a result of a nervous breakdown.
9. Participant is a recovering drug addict who just left a severe domestic violence situation; and her daughter is suicidal serves as a result of the violence.
10. Participant's daughter is a heroin addict, who often leaves her three children with her mother for weeks at a time.
11. Participant was an incest victim and is a domestic violence victim, who after she extricated herself, was hospitalized for mental illness; and her son also suffers from mental illness.
12. Participant, an alcoholic, suffers from severe high blood pressure and depression; and her son has been hospitalized for schizophrenia.

APPENDIX B

ETC PROGRAM ORGANIZING PRINCIPLES

THE ETC PROGRAM - ORGANIZING PRINCIPLES

Family Focus

ETC is a family literacy model. Chicago Commons believes that strong, healthy families and children's success in school are directly linked to parents' ability to succeed in the labor market. The ultimate goal thus is for program participants to obtain jobs that provide decent wages and health benefits that will keep them and their families off the welfare rolls.

At their time of entry most ETC participants' literacy skills are too low to enable them to gain admission to job training programs or obtain employment. As a result, they can only reach their employment goals by improving their literacy and math skills, obtaining their GED, or learning to speak English.

At the same time, ETC's focus is preventive in nature; the goal is also to prevent the illiteracy problem from being transferred to the next generation. This purpose is accomplished through 20 hours per week of child development activities for participants' children who are on-site at ETC in Head Start and day care classrooms. In addition, participants receive training in parenting and in serving as their child's first teacher. This organizing principle enables ETC to focus on the entire family.

Collaboration

Due to a shortage of resources it is essential to coordinate existing resources to organize a comprehensive project like ETC. The ETC project is a collaboration with several major organizations. They include:

City Colleges of Chicago. Through Daley College, City Colleges provides eight training specialists who work on site 16 hours per week providing literacy training to ETC's participants. City Colleges has allowed these teachers to help design and implement the innovative ETC curriculum, as well as use the small group model employed by ETC.

Erie Family Health Center. The center provides on-site health screening, health services, health case management, and health and nutrition education to ETC participants.

The Chicago Public Schools. Through the Orr School Network, an organization of the community's 11 elementary and one high school, eligible parents are recruited for the ETC program. The Illinois Department of Public Aid, one of ETC's funders, also refers participants.

The Head Start Program. (City of Chicago Department of Human Services). The City provides funding for two Head Start classrooms at the ETC site which enables ETC to offer on-site child care, making ETC services more accessible. Head Start also enables ETC to provide educational programming and child development services to participants' children in an attempt to prevent the transfer of illiteracy to the next generation.

Integration of Individualized Employment Goals with Literacy Instruction

Each ETC participant designs an employment plan which delineates his(her) ultimate job goal and the educational competencies which need to be achieved in a given time frame. Participants spend 20 hours a week five days per week at ETC, but they stay in on-site literacy components only until their literacy skills are at the level necessary to proceed to the next step in their employment plan. Eight City College instructors from Daley College work part-time along with ETC's literacy and ESL coordinators to provide literacy instruction. In addition, job skills components at ETC help participants develop employment-related skills. Internships on-site and at various area businesses are offered which help them gain important work experience and strengthen work-related skills; competencies gained include: ability to follow directions; ability to complete tasks in a timely manner; ability to complete work accurately; and ability to make good decisions and think critically.

Coordination with Needed Social Services: Case Management

Simultaneously with their literacy training, ETC enables participants to solve a range of personal and social problems which have hindered their progress in the past. These issues include alcohol and drug addiction, domestic violence, poor health and mental health, among others. Case managers are the critical program component which responds to these needs of ETC participants, linking participants with the wealth of social services opportunities present within and outside the community.

Case managers:

- facilitate the 80-hour Life Skills component which is the prerequisite for admission into ETC. During this component, a group process is used to assess participants and ready them to make the commitment to intensive skills remediation and personal problem-solving;
- design individualized employment plans with participants;
- obtain necessary off-site services, including domestic violence shelters, individual and family therapy, alcohol and drug treatment, etc;
- facilitate monthly support groups;

- help make arrangements for job training or further education for participants;
- assist in child care planning; and
- track participants for a two year period following employment to assist in problem-solving and job retention.

ETC's interventions are flexible. Each participant has distinctive needs which must be met and problems must be solved in the order which makes sense for the participant. Often these problems are those of other family members which are serving as barriers for the ETC participant. The case management component of ETC enables the combination of services in the proper order needed by the family to be provided.

Although intensive one-on-one case work does occur with each participant many times during participants' involvement with the program, resources do not permit ETC to provide one-on-one counseling and case management services to participants on more than a monthly basis. ETC is thus demonstrating the effectiveness of the more economical group work model.

Basic Support Services on Site

Medical Care

In addition to case management, ETC provides two additional support services on-site. Because poor health constitutes a serious barrier to making the transition from welfare to work, two part-time nurse-practitioners affiliated with Erie Family Health Center provide primary health care, preventive health care and health education, and medical case management to ensure that all participating adults and their family members are put on a course guaranteeing better physical health and development. Statistics are being kept so that eventually ETC can determine the relationship between program success and the presence of various health factors.

Child Care

ETC's on-site child care enables approximately 80 of the children of ETC's participants to obtain needed developmental programming. At the ETC site there are two Head Start classrooms (capacity 34 in the mornings) and one full day classroom funded by Title XX. (17 children.) In addition, ETC operates an Infant and Toddler Center (capacity 15) and a 3-5 year old classroom which contains 12-15 children ineligible for Head Start or for whom Head Start is not available due to Head Start's capacity enrollment.

In addition, ETC's on-site child care helps participants make the transition to using community-based child care opportunities.