

WITHDRAWAL SHEET

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DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. list	Individuals with personal experiences in the welfare system, 2p (partial)	5/18/94	P6/B6
2. profile	National individual profiles of current and former welfare recipients, 40 p (partial)	5/18/94	P6/B6

P1 National security classified information [(a)(1) of the PRA].
P2 Relating to appointment to Federal office [(a)(2) of the PRA].
P3 Release would violate a Federal statute [(a)(3) of the PRA].
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

PRM Personal records mixfile defined in accordance with 44 USC 2201 (3).

RESTRICTIONS

B1 National security classified information [(b) (1) of the FOIA].
B2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
B3 Release would violate a Federal statute [(b)(3) of the FOIA].
B4 Release would disclose trade secrets or confidential commercial financial information [(b)(4) of the FOIA].
B6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
B7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
B8 Release would disclose information concerning the regulation of financial institutions [(b)(9) of the FOIA].
B9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

MEMORANDUM

FROM: Emily Bromberg

Attached is an updated version of the Welfare Reform information binder. It exists primarily to support the efforts of public outreach, legislative affairs, intergovernmental affairs, and the press office.

The binder is divided into five general areas: general welfare reform information, national model programs, national individual profiles, fact sheets, and working group information.

All of these materials are also available on H:WELFORM for those who can access the shared database.

The binder provides basic information about welfare programs and welfare reform for who will be staffing the external relations of the welfare reform effort (speechwriters, surrogate speakers, legislative liasons, etc.). It provides information that should enable staff to talk and write about the issue, answer questions, and cite examples of what we are trying to achieve through welfare reform.

The binder is broken into five sections:

- I. General Information - this section provides the latest talking points.
- II. Working Group Information - this section includes background information on the Working Group, its process, hearings, outreach efforts, etc.
- III. National Model Programs - this section has fact sheets on programs around the country that are models of the sorts of things that we hope to encourage through welfare reform. These can be cited in speeches, interviews, op-eds, etc.
- IV. National Individual Profiles - this section contains brief profiles of individuals who are willing to have their stories discussed publicly or who can be interviewed by the press. Their experiences highlight both positive and negative aspects of the welfare system that help make the case for reform.
- V. Program Fact Sheets - this section contains fact sheets on programs that are part of the welfare system such as AFDC, child support, child care and JOBS.

All of these materials should be kept confidential and are for internal use only. The fact sheets, however, are for public use. Please let me know any suggestions that you have for additions or changes to the book.

Thank you.

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Welfare Reform Working Group
Talking Points: **OVERALL PLAN**
June 13, 1994

"It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it--not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives. No one who works full-time and has children at home should be poor anymore. No one who can work should be able to stay on welfare forever. We can provide opportunity, demand responsibility, and end welfare as we know it."

President Clinton, Putting People First, p. 164.

Welfare reform is based on two simple principles: work and responsibility. Unfortunately, the current welfare system undermines these values by making welfare more attractive than work, and allowing parents to avoid responsibility for supporting their children. The President's plan would restore the basic values of work and responsibility, provide opportunity, and promote the family.

Under the President's plan, welfare will be about a paycheck, not a welfare check. To reinforce and reward work, our approach is based on a simple compact. Each recipient will immediately design a personal employability plan designed to move her into the workforce as quickly as possible. Support, job training, and child care will be provided to help people move from dependence to independence. But the first time limits ever imposed on welfare will ensure that anyone who can work, must work--in the private sector if possible, in a subsidized job if necessary.

From the very first day, welfare will be a transitional system leading to work. With child care and job search assistance, many people will move into the workforce well before the two-year time limit. And from the very first day, teenage mothers will be required to live with their parents, stay in school, and attend job training or parenting classes. Everyone will be moving toward work.

Our approach also correctly focuses on ending welfare for the next generation--teenagers who have the most to gain and the most at risk. By initially focusing our resources on younger recipients, we will send a strong signal to teenagers that welfare as we know it has ended. They must get the message that staying in school, postponing pregnancy, preparing to work, and supporting their children are the right things to do. Welfare reform will include new measures to prevent teen pregnancy, and real incentives to ensure responsibility.

To support work and responsibility, work must pay. Already, 70 percent of welfare recipients leave the welfare rolls within two years--but most eventually return. That's why we must use the Earned Income Tax Credit, guaranteed health care at work, and child care to make any job more attractive than welfare. The EITC alone will effectively make a minimum wage job pay \$6.00 an hour, helping to lift millions of people who work out of poverty. The combination of work opportunities, the EITC, health care, child care, and improved child support will make the lives of millions of women and children demonstrably better.

To reinforce personal responsibility, the plan will take bold new steps to require full payment of child support. It sets up a new system of paternity establishment to enforce the responsibility of both parents from the moment the child is born. It involves the IRS in tracking delinquent parents from the moment they start a new job to the point that child support is delivered to the family. And it sets up a computer system to be sure that parents don't avoid their responsibilities by crossing state lines.

Welfare reform will mean real consequences for people who don't play by the rules. The new system will require mutual responsibility. We will provide recipients with services and work opportunities, but those who refuse to follow the rules will face tough, new sanctions. And attempts to cheat the system will be promptly detected and swiftly punished.

Responsibility and accountability must also extend to the welfare office itself. Unfortunately, the current system focuses too often on simply sending out welfare checks. We must change the culture of the welfare office to become a place that is fundamentally about moving people into the workforce. To do that, we must reward performance, not process. That means reducing paperwork and focusing on results.

Our approach builds on the successful philosophy of the Family Support Act, championed by then-Governor Clinton and Senator Daniel Patrick Moynihan in 1988. As welfare reform is phased in, a larger percentage of the caseload will be covered by the new rules; and states that want to move even faster will be able to use federal matching funds to do so. And more federal funds will provide increased job-training and development opportunities to older recipients under current guidelines.

Welfare Reform Working Group
Talking Points: PHASE-IN
June 13, 1994

President Clinton's welfare reform plan correctly targets initial resources to the youngest third of the caseload: young single women with the most at risk and the most to gain.¹ This targeting of limited resources will send a strong message to teenagers that welfare as we know it has ended; most effectively change the culture of the welfare office to focus on work; and allow states to develop effective service capacity.

Applying the reforms to young mothers first sends a clear and unambiguous message to adolescents: you should not become a parent until you are able to provide for and nurture your child. Every young person will know that welfare has changed forever.

The phase-in strategy also responds to state needs for manageable initial caseloads. Our phase-in strategy will have almost 400,000 people participating in the WORK program by the year 2000 -- up from just 15,000 now. Our discussions with states indicate that a work program of this size is both effective and feasible. In contrast, the participation requirements in other proposals are totally unrealistic. Moving as swiftly as proposed in the Republican bill, for example, would create enormous administrative difficulties for states.

Under our legislation, initial mandates will be manageable, and states will be given the option of moving more broadly and quickly -- with federal matching funds. Based on our experience with the Family Support Act, we know that many states will implement the new law gradually. But states that want to go further will be able to do so--with federal support.

If forced to immediately help millions of JOBS clients and create hundreds of thousands of WORK slots, as in the Republican plan, states would almost certainly fail to put a meaningful reform system in place. The President's plan ensures that training and work slots will be available, that real work is demanded, and that sanctions can be enforced. Under the Republican plans, states would have tremendous difficulty creating work slots quickly enough -- leading to waiting lists and unenforceable requirements.

In all, our plan will lead to almost one million people either off welfare or working by the year 2000. In addition to the 394,000 people who will be in subsidized jobs, another 222,000 parents will be working part-time in unsubsidized jobs. And 331,000 people who would have been on welfare without reform will have left the rolls. That's real change.

¹Women born after December 31, 1971

We think it's extremely important to send the strongest possible signal to young people that welfare has changed forever. Our phase-in approach is reinforced by other elements in the plan which show teens that having a child is an immense responsibility rather than an easy route to independence. From the very first day, teen parents receiving benefits will be required to stay in school and move toward work. Unmarried minor mothers will be required to identify their child's father and live at home or with a responsible adult. Teen fathers will be held responsible for child support and may be required to work off what they owe.

Welfare Reform Working Group
Talking Points: **WHERE ARE THE JOBS**
June 13, 1994

"But to all those who depend on welfare, we should offer ultimately a simple compact. We will provide the support, the job training, the child care you need for up to two years, but after that anyone who can work, must, in the private sector wherever possible, in community service if necessary. That's the only way we'll ever make welfare what it ought to be: a second chance, not a way of life."
President Clinton, State of the Union address 1/25/94

Many AFDC recipients already leave welfare for unsubsidized employment. Currently, 70 percent of recipients leave welfare within two years and 90 percent leave within five years. Women leave to enter work in fully half of these cases. But child care dilemmas, health crises, or temporary unemployment now cause most women who leave welfare to eventually return.

The child care and child support improvements in our plan, along with the Earned Income Tax Credit and health care, will eliminate the major obstacles to employment. Our plan provides a year of transitional child care for women moving from welfare to work, in addition to increasing child care for the working poor to bolster families just above the poverty line. The expanded EITC will lift millions of workers out of poverty by effectively making any minimum wage job pay \$6.00 an hour for a typical family with two children. And universal health care will allow people to leave welfare without worrying about coverage for their families.

Positions will be available for women moving off welfare. The Bureau of Labor Statistics predicts faster job growth over the next 20 years, with employment increasing by more than 25 million jobs by the year 2005.¹ At least 10 of the 15 occupations expected to grow most quickly do not require advanced education.²

In addition, by the year 2000, we will be creating 400,000 subsidized jobs. These positions will be available for those who hit the time limit without finding unsubsidized employment.

Transitional education and training programs will prepare recipients for the workplace and increase long-term earnings potential. President Clinton's plan requires all teen parents to finish high school and all recipients to participate in training and work preparation through the JOBS program. This approach builds on successful state and local models. In California, for example, JOBS participants' earnings increased an average of 24 percent over the control group average after the second year--55 percent at one site.³

Even a minimum-wage job is an important step toward self-sufficiency. As women gain job skills, work experience--and faith in themselves--they will progress to better-paying jobs and real financial stability.

1. The service-producing sector will grow most, with an estimated 25 million additional jobs. The need for home health aides will increase by 138 percent; for personal and home care aides, by 130 percent; for child care workers, by 55 percent; and for food preparation workers, by 43 percent. Moderate alternative projection, cited in George Silvestri, "The American Work Force, 1992-2005; Occupational Employment: Wide Variations in Growth," Monthly Labor Review, November 1993. Occupational Outlook Quarterly also supplies a list of growing job areas (fall 1991, p. 30).

2. Isabel Sawhill, Office of Management and Budget, quoted in Employment and Training Reporter, April 20, 1994, p. 605.

3. Manpower Demonstration Research Corporation studies of GAIN/Riverside, quoted in Bane/Ellwood testimony.

Working Group on Welfare Reform
Talking Points: **THE WORK PROGRAM**
June 12, 1994

"We will scrap the current welfare system and make welfare a second chance, not a way of life. We will empower people on welfare with the education, training, and child care they need for up to two years so they can break the cycle of dependency. After that, those who can work will have to go to work, either by taking a job in the private sector or through community service."

Governor Bill Clinton, National Economic Strategy 6/21/92

President Clinton's welfare reform plan will demand responsibility by requiring those without private sector jobs after two years to accept WORK assignments. Young parents who reach the two-year time limit without finding permanent employment will gain work experience in temporary subsidized jobs, even as they move toward unsubsidized employment.

President Clinton's welfare reform proposal emphasizes work, not "workfare." Unlike traditional "workfare," recipients will only be paid for hours worked. Most jobs would pay the minimum wage for between 15 and 35 hours of work per week.

To make the WORK program appropriate to local labor markets, the President's plan encourages state flexibility and community-based initiatives. State governments can design programs to fit local labor market needs: temporarily placing recipients in subsidized jobs, in public sector positions, or with community organizations. States may employ young mothers as child care or home health providers, support self-employment and micro-enterprises, or hire private firms to place participants.

Anyone entering the WORK program must first exhaust unsubsidized work alternatives. Each participant must conduct an intensive job search before receiving a WORK assignment, and those who repeatedly refuse to seek permanent jobs will be removed from the rolls. Anyone seeking an additional WORK assignment must first complete a mandatory private sector job search. The goal is to keep WORK participants searching for unsubsidized jobs at each stage of the process and to keep WORK slots to a minimum.

The President's plan will move people into the workplace as quickly as possible, because WORK assignments will always be less attractive than unsubsidized alternatives. No WORK assignment will last more than 12 months, and participants in subsidized jobs will not receive the Earned Income Tax Credit. Reform will continually make welfare a transitional system leading to unsubsidized work.

Those unwilling to accept WORK assignments or unsubsidized jobs will be sanctioned. To create a new culture of mutual responsibility, we will provide recipients with services and work opportunities, but implement tough, new requirements in return. Anyone who repeatedly fails to meet WORK program requirements will be removed

from the rolls, as will people who turn down unsubsidized jobs.

States will be given the option of evaluating whether recipients who have held subsidized jobs for two years had made good-faith efforts to obtain unsubsidized jobs. After two years in the WORK program, recipients can be placed in structured, closely supervised job search programs to determine if they are making good-faith efforts to obtain unsubsidized jobs. Those who were found to have failed to apply for open unsubsidized jobs, who failed to cooperate with potential employers, or who had turned down job offers would be removed from the program and barred from applying for further subsidized work for six months.

However, participants who are willing to work and play by the rules will not be left without a way to provide support for their families. Parents who genuinely do everything expected of them will continue to have work opportunities, and their children will not be unfairly penalized for circumstances beyond their parents' control.

Welfare Reform Working Group
Talking Points: **REPUBLICAN PLANS**
June 13, 1994

"There are all kinds of proposals out there. I know that the Republican welfare reform proposal has a lot of things in it that I like. But I think it's way too hard on financing things through savings from immigrants. I think it goes too far there."
President Clinton, press conference 3/24/94

President Clinton has sought to reform welfare for years and we are pleased that Republicans have developed legislation which shares many of his priorities. President Clinton sponsored innovative programs as governor of Arkansas and was instrumental in passage of the Family Support Act of 1988. His campaign focused attention on welfare reform, and we're glad Republicans agree on the need for change.

The Republican legislation is proof that the consensus on the need for reform reaches across party lines. Everyone--Democrats and Republicans, administrators and recipients--agree that we must reform the welfare system. It doesn't work, and it doesn't reflect the important American values of work and responsibility.

The Republican legislation includes many elements of President Clinton's plan. Both emphasize the values of work and responsibility. Both make public assistance a transitional benefit leading to mandatory work; emphasize parental responsibility and delaying sexual activity; and provide funding for education, training, child care, and job creation. And both recognize that we must spend money to move young mothers toward self-sufficiency.

President Clinton's welfare reform plan correctly targets initial resources to the youngest third of the caseload: young single women with the most at risk and the most to gain.¹ Applying the reforms to young mothers first sends a clear and unambiguous message to adolescents: you should not become a parent until you are able to provide for and nurture your child. Every young person will know that welfare has changed forever.

Our phase-in strategy also responds to state needs for manageable initial caseloads. Under our plan, almost 400,000 people will be participating in the WORK program by the year 2000 -- up from just 15,000 now. Our discussions with states indicate that a work program of this size is both effective and feasible. In contrast, the participation requirements in other proposals are totally unrealistic. Moving as swiftly as proposed in the Republican bill, for example, would create enormous administrative difficulties for states.

¹Women born after December 31, 1971

In addition, our plan places a greater emphasis on making work pay. We recognize that 70 percent of welfare recipients already leave the rolls within two years and often need help hanging on to a job. Republican legislation in the House of Representatives caps the Earned Income Tax Credit, which is a powerful work incentive with bipartisan support. That's exactly the wrong approach.

While the mainstream Republican legislation overlaps significantly with our proposal, we reject the more punitive reforms developed by Charles Murray and William Bennett. By completely eliminating benefits for teenage mothers, their plan would "write off" an entire generation instead of building job skills and self-sufficiency. We believe the Administration's approach is a better way to reward work and responsibility.

Welfare Reform Working Group
Talking Points: **CHILD SUPPORT ENFORCEMENT**
June 13, 1994

"If we value responsibility, we can't ignore the \$34 billion in child support absent parents ought to be paying to millions of parents who are taking care of their children...People who bring children into this world cannot and must not walk away from them."

President Clinton, State of the Union address 1/25/94

Child support can help end the poverty and insecurity that victimize single-parent families. In 1990, absent fathers paid only \$14 billion in child support. But if child support orders reflecting current ability to pay were established and enforced, single mothers would have received \$48 billion: money for school clothing, food, utilities, and child care. Closing that \$34 billion gap is a top priority for this Administration.¹

The Administration recognizes that both parents must support their children, and establishes the toughest child support enforcement program ever proposed. We will promote parental responsibility and ensure that both parents contribute to their children's well-being. Parenthood brings clear obligations and those obligations will be enforced.

Making child support a national priority will help lift single-parent families out of poverty. Along with universal health coverage and the Earned Income Tax Credit, child support payments will allow families to build a base for real financial security. Emphasizing child support will also show adolescents that parenthood has clear and unavoidable obligations. And it will slowly reknit fractured families by emphasizing the bonds--financial and emotional--that link parents and their children.

Our national failure to collect child support has several explanations. Paternity is not established for most children born out of wedlock. Child support awards are usually low and rarely modified; award updating is frequently initiated only at the mother's request and requires extensive litigation. And ineffective collection allows many absent parents--especially in interstate cases--to avoid payment without penalty.

Building on the best state and federal initiatives, we can solve these problems. We can reduce litigation, automate enforcement, and create the proactive system that our children need. In 1993, the federal-state child support enforcement system collected \$9 billion from non-custodial parents. Under our plan, that number would rise to \$20 billion in the year 2000. Our approach focuses on three key steps:

¹Elaine Soransen, "Noncustodial Fathers: Can They Afford to Pay More Child Support?" The Urban Institute (1994).

and **●Establish paternity for all births.** Economic incentives will encourage states to establish paternity for all births regardless of welfare status. Hospitals will expand existing paternity programs, while simplified legal procedures and greater use of scientific testing will facilitate later identification. Under the Clinton plan, a welfare applicant must supply the father's name and location in order to receive benefits.

●Reassess awards guidelines and automatically update payment sums as parental incomes change. President Clinton's welfare reform plan establishes a commission to evaluate national awards guidelines. States will automatically update awards for all families.

●Enforce collection. Using federal funds, states will replace the existing fragmented child support structure with centralized registries. States will monitor payments automatically and use new enforcement techniques: wage withholding, data-base matching, withholding of driver's and professional licenses, even property seizure. President Clinton's welfare reform plan will also locate absent parents nationwide through a new federal clearinghouse and simplify interstate collection through the Uniform Interstate Family Support Act (UIFSA).

Additional Issues

Interstate Enforcement

Because one-third of all child support cases involve interstate collection, that process must be dramatically improved. President Clinton's welfare reform plan will set up a national child support enforcement clearinghouse with three different registries. One registry will locate parents who fail to pay. A second registry will contain information on child support orders. And a third will list new hires nationwide so that withholding can begin from the first paycheck. Meanwhile, the Uniform Interstate Family Support Act (UIFSA) will routinize procedures in interstate cases.

License Withholding

As a last resort, states will withhold the driver's and professional licenses of people who refuse to pay support. License suspension reaches self-employed people unaffected by wage-withholding. And officials in Maine and California, which recently instituted demonstration programs, say that often even the threat of suspension spurs absent fathers to face their obligations. (See attached.)

Welfare Reform Working Group
Talking Points: **TEEN PREGNANCY**
June 12, 1994

"They have to come to understand that children having children is just wrong, and can't lead to anything good for them...We have to change that, and we have to help them change that."

President Clinton, American Society of Newspaper Editors 4/13/94

Teen pregnancy is an important issue for this Administration because it's linked to poverty, welfare dependency, child health, and other domestic issues. Each year, 200,000 teenagers aged 17 and younger have children. The babies are often low-birth weight; infant mortality rates are also disproportionately high among this population. Teen pregnancy frequently leads to poverty and welfare dependency. The costs to society are enormous.

Preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform. Cases headed by unwed mothers accounted for most of the growth in the welfare rolls over the last decade. We need to send the strongest possible signal to teens that pregnancy and childbirth should be delayed. And we also need to focus on teens who are already mothers--with mentoring, child care, time-limited AFDC benefits, requirements to live with a caring adult and identify their child's father, incentives to stay in school, and other services necessary to put them on the path to work and self-sufficiency.

The link between teen births and poverty is clear. Approximately 80 percent of the children born to teenage parents who dropped out of high school and did not marry are poor. In contrast, just 8 percent of children born to married high school graduates aged 20 or older are poor.

Our reform proposal tells adolescents that both parents have clear obligations that will be enforced. The two-year limit will not begin until teens reach age 18, but from the very first day, teen parents receiving benefits will be required to stay in school and move toward work. Unmarried minor mothers will be required to identify their child's father and live at home or with a responsible adult, while teen fathers will be held responsible for child support and may be required to work off what they owe.

To prevent welfare dependency in the first place, teenagers must get the message that staying in school, postponing pregnancy, and preparing to work are the right things to do. Our prevention approach includes:

- **A national campaign against teen pregnancy.** Emphasizing the importance of delayed sexual activity and responsible parenting, the campaign will bring together local schools, communities, families, and churches.

• **A national clearinghouse on teen pregnancy prevention.** The clearinghouse will provide communities and schools with curricula, models, materials, training, and technical assistance relating to teen pregnancy prevention programs.

• **Mobilization grants and comprehensive demonstrations.** Roughly 1000 middle and high schools in disadvantaged areas will receive grants to develop innovative, ongoing teen pregnancy prevention programs targeted to young men and women. Broader initiatives will seek to change the circumstances in which young people live and the ways that they see themselves, addressing health, education, safety, and economic opportunity.

Welfare Reform Working Group

Talking Points: **STATE ISSUES: FINANCING, FLEXIBILITY, AND WAIVERS**

June 13, 1994

"I do believe the states are the laboratories of democracy. I do believe that where people are charged with solving the real problems of real people, reality intrudes, and politics often is more likely to give way to making progress...[The Family Support Act] was never fully implemented because [states] had to spend all [their] money on mandatory...medical costs and building prison cells...So we need to begin there."

President Clinton, remarks to the National Governors' Association 2/1/94

"We gave the states more power to innovate because we know that a lot of great ideas come from outside Washington and many states are already using it."

President Clinton, State of the Union address 1/25/94

President Clinton's welfare reform plan will support states while increasing flexibility. President Clinton recognizes that some welfare problems require federal aid in the form of technical assistance, simplified regulations, or greater federal funding. But other problems are tied to specific social and economic issues and demand local flexibility.

Already, the Clinton administration has recognized the value of state efforts. Since January 1993, HHS has granted demonstration waivers to 14 states. States are already experimenting with time-limited aid programs followed by work, assistance for two-parent families, and special requirements for teenage mothers. Our welfare reform program will build on the knowledge and experience gained through these state initiatives.

Welfare reform will not mean additional unfunded state mandates. Instead, we will increase federal funding for JOBS, pregnancy prevention, child care, and child support enforcement. We will provide new funding for WORK programs. And we will raise federal matching rates to make money more available.

States will share in the benefits of welfare reform. Since AFDC is a joint federal-state program, states will benefit from welfare reform's emphasis on child support enforcement and moving recipients into the work force.

The WORK program continues and expands the flexibility of the existing JOBS program. States must provide work opportunities for those unable to find unsubsidized private sector jobs after two years, but states and local communities can tailor these WORK programs to local needs and circumstances. Local governments will be able to subsidize private sector employers, create public sector work slots, or enter into creative agreements with businesses or non-profit agencies.

The Administration's plan recognizes that states will need adequate time to move to the new system. Our phase-in strategy will have almost 400,000 people participating in the WORK program by the year 2000 -- up from just 15,000 now. Our discussions with states indicate that a work program of this size is both effective and feasible. In contrast, the participation requirements in other proposals are totally unrealistic. Moving as swiftly as proposed in the Republican bill, for example, would create enormous administrative difficulties for states.

Under our legislation, initial mandates will be manageable, and states will be given the option of moving more broadly and quickly -- with federal matching funds. Based on our experience with the Family Support Act, we know that many states will implement the new law gradually. But states that want to go further will be able to do so--with federal support.

The Clinton plan will provide state options to:

- Eliminate discrimination against poor two-parent families in the welfare system.
- Use monetary incentives as well as sanctions to keep teen parents in school or GED class;
- Deny increased benefits to women who have additional children while on welfare;
- Develop mandatory work programs for young noncustodial parents;
- Grant a limited number of extensions to women in work-study programs or other activities necessary to prepare for work;
- Set higher earnings disregards for recipients.

Welfare Reform Working Group

Talking Points: **HEALTH REFORM WILL GET ONE MILLION PEOPLE OFF WELFARE**
June 13, 1994

"It is estimated that one million people are on welfare today because it's the only way they can get health care coverage."

President Clinton, State of the Union address 1/26/94

"It is estimated that one million people are on welfare chiefly to qualify for Medicaid, the government's health care program for the poor. Some welfare recipients have children diagnosed with chronic health problems, or they require frequent health care services themselves."

Secretary Donna Shalala, Christian Science Monitor op/ed 1/28/94

The one million figure is a conservative estimate of the number of adults and children who are on AFDC simply to qualify for Medicaid. It represents approximately 7 percent of the current caseload (14 million adults and children).

It is based on a number of studies that found that between 10 and 25% of AFDC recipients are on AFDC primarily to qualify for health insurance. HHS' best estimate--based on three different research studies--suggests that the provision of health insurance would reduce welfare caseloads by 7 to 12 percent.¹

Today, women trying to leave welfare usually cannot find jobs which provide health coverage for their families. A 1994 Census Bureau study found that over a 20-month period, only eight percent of people who left AFDC were able to find a job with health insurance.

In addition to eliminating "welfare lock," the President's health care reform plan would encourage families to leave welfare in at least two other ways. First, by providing states with funds to set up home- and community-based long-term care programs, the Health Security Act would allow poor adults with disabled relatives to enter the work force. Second, by providing health insurance to people with pre-existing conditions, the Health Security Act would make it easier for people with disabilities to get jobs.

As President Clinton said in his State of the Union address, health care reform and welfare reform address the common needs of Americans for security, and for a society that enables people to work. Health care reform is a critical ingredient of welfare reform.

¹A 1990 study by David Ellwood and E. Kathleen Adams found the effect to be 10 to 20%. Another 1990 study by Robert Moffitt and Barbara Wolfe put the effect at 10 to 25%. And a 1991 working paper by Michael Keane and Robert Moffitt estimates the effect at 16%. Because these studies did not fully reflect the fact that legislation has extended Medicaid coverage to some low-income women and children not on welfare, the Administration has adjusted these estimates to conservatively project that 1 million individuals remain on welfare because of health coverage.

Welfare Reform Working Group

Talking Points: **WHAT WENT WRONG WITH THE FAMILY SUPPORT ACT?**

June 13, 1994

"This spring I will send you a comprehensive welfare reform bill that builds on the Family Support Act of 1988 and restores the basic values of work and responsibility."

President Clinton, State of the Union address 1/25/94

"We never fully implemented [the Family Support Act]. You know it and I know it...There's a lot of evidence that significant progress has been made in the states that have been most aggressive. Why was it never fully implemented? Partly because Congress never fully funded it, partly because...[as Congress] will say, 'Well, but the states never fully used all the money we came up with. States must not have really cared about this because they never provided the state match to use all the funds'...One of the things we need to do is go back and look at that bill, see what's good about it, figure out what will be necessary to change so that the states can take full advantage of that bill, because it had incentives to work, it had supports for families."

President Clinton, remarks to the National Governors' Association 2/1/94

The Family Support Act of 1988 is the cornerstone of President Clinton's welfare reform proposal. It set in place expectations that absent parents must support their children, that welfare should be only a transitional preparation for self-sufficiency, and that training and support services are as vital as cash benefits.

All states implemented their JOBS programs on schedule and continue to meet participation rate and targeting standards. Each month, almost 600,000 people participate in JOBS activities. However, the Family Support Act exempted recipients who were under age 16; were ill, elderly, or incapacitated; had children under three; were at least three months pregnant; or lived where the program was unavailable. Such exemptions effectively excused half the caseload from participation.

The Family Support Act did not anticipate that states budgets would shrink--or that caseloads would expand so dramatically. State budget shortfalls have meant cuts in public aid staff and fewer state funds available for drawing down JOBS and other federal money. In 1992, states drew down only 69 percent of the \$1 billion available from the federal government. At the same time, both child support and AFDC caseloads have grown rapidly. The number of AFDC recipients, for example, increased 33 percent between July 1989 and July 1993.

Finally, the Family Support Act failed to change the culture of the welfare system. Today, many caseworkers still spend more time processing forms and mailing checks than helping recipients gain the services and skills needed for self-sufficiency. And numerous exemptions diluted the message that welfare should be

a transitional system leading to work.

President Clinton's welfare reform plan fixes the weaknesses of the Family Support Act while building on its successes. While welfare reform is targeted at women under 25, the JOBS program will continue to move older women toward self-sufficiency. Our plan provides additional federal funding and higher federal match rates to ease state fiscal constraints and make sure that JOBS, child support, and prevention programs really work. Greater automation, simplified program rules, and streamlined administrative requirements will minimize resources spent on paperwork. Finally, we will change the culture of welfare. Time limits make clear the real mission is getting people into work. Agencies must clearly explain opportunities and obligations to recipients, move them immediately into employability enhancing programs and services, and enforce--rather than undermine--the values of work and responsibility.

Welfare Reform Working Group
Talking Points: **WAIVERS**
June 13, 1994

"We [must] also revolutionize our welfare system. Last year, we began this. We gave the states more power to innovate because we know that a lot of great ideas come from outside Washington and many states are already using it."
President Clinton, State of the Union address 1/25/94

"I do believe the states are the laboratories of democracy. I do believe that where people are charged with solving the real problems of real people, reality intrudes, and politics often is more likely to give way to making progress."
President Clinton, remarks to the National Governors' Association 2/1/94

President Clinton's welfare reform plan builds on a strong record of state innovation and state success. Under the Social Security Act, the Department of Health and Human Services can exempt states from certain laws governing the AFDC and Medicaid programs. This opportunity for innovation enables states to explore alternative welfare approaches and adapt federal programs to local needs.

The Clinton administration has streamlined the waiver process, increasing state flexibility while maintaining quality services for HHS beneficiaries. Faster reviews have meant more flexibility for states and a better federal partnership.

The number and diversity of state demonstrations reflects state eagerness for welfare reform. Since January 1993, HHS has approved welfare demonstration projects in 14 states: Arkansas, California, Colorado, Florida, Georgia, Illinois, Iowa, North Dakota, Oklahoma, South Dakota, Vermont, Virginia, Wisconsin, and Wyoming. Twelve other states have applications pending.

Waivers allow a striking variety of initiatives. Some states have strengthened current requirements for teenage mothers to live at home rather than in households of their own, to stay in school, and to participate in job training. Others have experimented with ways to time limit assistance in order to encourage work and self-sufficiency.

Our welfare reform plan continues this commitment to flexibility for states. President Clinton recognizes that some welfare problems require federal aid in the form of technical assistance, simplified regulations, or greater federal funding. But other problems are tied to specific social and economic issues and demand local flexibility.

President Clinton's plan will provide state options to:

- Eliminate discrimination against poor two-parent families in the welfare system.

- Use monetary incentives as well as sanctions to keep teen parents in school or GED class;
- Deny increased benefits to women who have additional children while on welfare;
- Develop mandatory work programs for young noncustodial parents;
- Grant a limited number of extensions to women in work-study programs or other activities necessary to prepare for work;
- Set higher earnings disregards for recipients.

Welfare Reform Working Group

Talking Points: **HOW WELFARE REFORM WILL AFFECT BUSINESS**

June 13, 1994

The President's reform plan is based on moving people from welfare to the workforce. We provide support, job training, and child care. But after two years, anyone who can work, must work. The President's plan transforms welfare into a transitional system: a second chance rather than a way of life.

In designing the plan, the Clinton Administration has started an unprecedented collaboration with business. The Working Group on Welfare Reform has consulted widely with trade groups, major businesses, and small firms.

BETTER EMPLOYEES AND CONSUMERS

Welfare reform will make recipients productive employees, able to keep jobs and contribute to companies. President Clinton's plan requires all teen parents to complete high school and all recipients to participate in training and work preparation through the JOBS program. Such education and training represents a broad investment in America's workforce. And our plan's ongoing supports--like the EITC, child care, and case management--will help keep people employed over the long-term.

Welfare reform will have ripple effects on the next generation. Recipients testifying at hearings have repeatedly spoken about how proud their children were when they got jobs. Children accustomed to seeing their parents go to work will have better role models and should make an easier transition into the workforce themselves.

Recipients moving toward independence will also contribute economically to their communities. One demonstration project in our plan facilitates savings through Individual Development Accounts; another assists micro-enterprises through micro-loans and technical assistance. And new workers will support the local economy by purchasing more goods and services as they become taxpayers rather than welfare recipients.

BUSINESS INVOLVEMENT

We encourage ongoing business involvement. Recognizing that companies are uniquely attuned to the labor market, we urge local governments to work with the business community in developing both training and work programs. Local governments will be allowed to contract with placement companies, and to subsidize employers directly.

Such collaboration between the private and public sector is already effective. For example, Atlanta's Marriott Marquis Hotel employs female welfare recipients

through a federally-financed training program; after six months, 94 percent of its hires are still employed.¹ Training, Inc., based at seven national sites, has placed welfare recipients in jobs for almost 20 years. Working closely with local businesses, the organization finds positions for 89 percent of its clients.²

¹Wall Street Journal 4/26/94, p. 1.

²Training, Inc., places 67% of its graduates in unsubsidized permanent or long-term temporary jobs; one year later, over 84% are still employed and 92% have received raises (Working Group on Welfare Reform State Profiles 3/10/94 and Training, Inc., fact sheet).

Welfare Reform Working Group
Talking Points: LICENSE SUSPENSION/ WITHHOLDING
May 3, 1994

"We will...say to absent parents who aren't paying their child support: If you're not providing for your children, we'll garnish your wages, suspend your license, track you across state lines, and if necessary make some of you work off what you owe. People who bring children into this world cannot and must not walk away from them."

President Bill Clinton, State of the Union address 1/25/94

The Clinton Proposal

Under President Clinton's welfare reform plan, states will suspend the drivers', professional, and commercial licenses of parents able but unwilling to pay support. Withholding will end after parents arrange payment schedules.

All states will be required to suspend licenses. States that fail to suspend licenses will suffer financial penalties: primarily, losing some federal AFDC matching funds. The Clinton plan requires states to suspend driver's licenses administratively, in order to avoid the tedious court procedures that have impeded current withholding programs.

States will be able to tailor suspension programs to local needs. They can choose to use administrative procedures or the courts to withhold professional and commercial licenses. They can determine due process rights for obligors and set the threshold amount of child support owed before suspension.

License suspension is effective as a last resort. It reaches self-employed people unaffected by wage withholding. And even the threat of suspension often spurs absent parents to face their obligations.

License withholding will be part of a broad, innovative approach to child support enforcement. States will have a wide variety of tools--including data-base matching, wage withholding, and even property seizure--to enforce payment.

In 1993, seven states ran suspension programs: Arizona, California, Maine, Minnesota, Pennsylvania, South Dakota, and Vermont. Eight others--Arkansas, Florida, Illinois, Massachusetts, Montana, Nevada, Oklahoma, and Oregon--are currently implementing programs.

License matching dramatically increased support collection. California estimates that it has collected \$5-10 million through the license matching program since 1992, while Maine expects to collect \$16.7 million biennially.

Suspension programs have also provided current information about absent parents and targeted difficult-to-reach offenders. In Arizona, professionals cooperated rather than be referred to their licensing boards. In California and Maine, officials located missing parents and updated asset and income information. In Pennsylvania and South Dakota, publicity surrounding the initiative motivated obligors to come forward.

A Shining Example: Maine's "Deadbeat Dads" Bill

Maine withholds licenses simply through an administrative hearing. Because absent parents can stay the process by going to court, due process protection is ensured.

The threat of suspension is the most powerful deterrent. Absent parents usually pay after receiving warning letters. "The Maine plan is designed not to suspend thousands of licenses," says Representative Sean Faircloth, "but rather to create a credible sanction that will motivate deadbeat parents to pay up."

Maine's program is a success. Maine's program should collect an additional \$4.7 million biennially for AFDC families and \$12 million for families not on welfare. Since the program began in July, collection has been ahead of schedule.

Maine has only 1.2 million people. On a national scale, the savings could be immense.

Welfare Reform Working Group

Talking Points: **MINOR MOTHERS**--requirement to live at home

June 13, 1994

"Can you believe that a child who has a child gets more money from the government for leaving home than for staying home with a parent or a grandparent? That's not just bad policy, it's wrong and we ought to change it...We will say to teenagers, 'If you have a child out of wedlock, we will no longer give you a check to set up a separate household. We want families to stay together...'"

President Clinton, State of the Union address 1/25/94

Currently, AFDC allows minor mothers to set up independent households and gives them more money to do it. That's not just bad policy, it's wrong, and we're going to change it. Young mothers under 18 are still children who need nurturing and supervision themselves. The current policy gives adolescents exactly the wrong incentive: to have babies and move out of their parents' homes.

President Clinton's welfare reform plan removes the incentive by requiring unmarried minor mothers to live with a responsible adult, preferably a parent. States currently have the option of requiring minor mothers to stay in their parents' households, but only six states and two territories have adopted the provision.¹ Our proposal would make that option a requirement for all states.

We will, of course, ensure protection for minor parents who cannot live at home for good reasons, such as danger of abuse. Young mothers with good cause will be allowed to live with another responsible adult.

Obligating minor mothers to live at home is part of our prevention strategy of encouraging teens to delay sexual activity until they can be responsible parents. Approximately 80 percent of the children born to unmarried teenage parents who dropped out of high school are poor; in contrast, just 8 percent of children born to married high school graduates aged 20 or older are poor. The Clinton proposal organizes a national campaign against teenage pregnancy and provides grants to schools in disadvantaged areas. It requires minor mothers to finish school and enroll in the JOBS program--as well as live at home--and makes teenage fathers responsible for child support.

The Clinton welfare reform plan tells teenagers that having children is an immense responsibility rather than an easy route to independence. When boys see their brothers committed to pay child support for 18 years, they may reconsider fatherhood. Girls who know that young motherhood will not allow them to leave

¹The states are Connecticut, Delaware, Maine, Michigan, Vermont, and Wisconsin. The territories are Puerto Rico and the Virgin Islands.

home and school may choose other options.

At the same time, we link responsibility to opportunity, showing children that playing by the rules will lead to a better life. President Clinton's School-to-Work initiative facilitates teenagers' transition into the workforce. His crime bill aids youth in disadvantaged neighborhoods. In addition, we propose community-based demonstration programs to help improve health, education, safety, and economic opportunity for youth and families.

Welfare Reform Working Group
Talking Points: **INNER CITIES**
June 13, 1994

"Many of our initiatives, from job training to welfare reform to health care to national service will help to rebuild distressed communities, to strengthen families, to provide work."

President Clinton, State of the Union address 1/25/94

In recent decades, America's cities have fought poverty, job loss, and neighborhood erosion. President Clinton recognizes the desperate problems in so many inner cities and the efforts of elected officials and citizens to combat them.

The President's welfare reform plan responds to the need for economic and social opportunity for all city residents. It creates new jobs that empower individuals and revitalize communities. The expanded JOBS program will provide more welfare recipients with education, training, job search, and child care services. And more positions will be created as recipients move into the WORK program.

With other Clinton Administration initiatives, our proposal expands services for the working poor--child care, health care, the EITC--so that every job will be a good job and hard-working families can succeed. We want to make welfare a transitional benefit, allowing people to improve their skills, reenter the economic mainstream, and contribute to the community again. Universal health care will allow people to leave welfare without worrying about coverage for their families, while the expanded Earned Income Tax Credit (EITC) will lift millions of workers out of poverty by effectively making any minimum wage job pay \$6.00 an hour for families with two children.

Welfare reform is an integral part of the Clinton Administration's commitment to empower and revitalize distressed urban areas. President Clinton's crime bill aids youth in disadvantaged neighborhoods. His School-to-Work initiative facilitates teenagers' transition into the work force. His Head Start expansion and immunization program will help children while creating additional jobs. And empowerment zones and enterprise communities will aid regions by combining tax incentives with relevant social services and economic development programs.

Recognizing local expertise, we build on local initiatives and foster their continued success. Our proposal:

- gives states and counties funds to provide non-displacing jobs;
- facilitates partnerships among labor, business, community groups, and government;
- encourages communities to use diverse strategies appropriate to local labor markets--temporarily placing WORK recipients in private sector jobs, in public sector positions, or with community organizations.

New programs will not place additional financial burdens on local governments. The federal government will provide greater assistance to cities for their welfare programs and lower the state match rate to make money more available. Enhanced match rates will also be implemented for program administration, giving states and localities the tools to truly change the culture of the welfare office. In addition, simplified administrative requirements and program rules will minimize paperwork and eliminate bureaucratic headaches for local agencies.

Welfare Reform Working Group

Talking Points: What if Someone Refuses to Work?

August 3, 1994

"If you really want to know what's wrong with the welfare system, talk to the people who are stuck in it or who have been on it. They want to change it more than most people you know, and if you give them half a chance, they will."

"We still can't change the welfare system unless it is rooted in getting people back to work.... So I say to you, we propose to offer people on welfare a simple contract. We will help you get the skills you need, but after two years, anyone who can go to work, must go to work -- in the private sector if possible, in a subsidized job if necessary. But work is preferable to welfare. And it must be enforced."

President Clinton, Kansas City 6/14/94

Only rarely will welfare recipients refuse to work. Most women on welfare want to become employed and support their families independently. About 70 percent of recipients leave welfare within two years already -- most of them for work. We believe that non-compliance will be extremely rare.

Recipients who refuse to take work assignments (or who quit or get fired) will initially face a series of sanctions, not a complete cutoff of aid. After a first refusal to work, families would lose half their cash grants for one month or until compliance, whichever is sooner. After a second violation, families lose half their cash grants for three months or until compliance, whichever is longer. A third sanction ends the family cash grant for three months or until compliance, whichever is longer. Fourth and subsequent sanctions eliminate the family's grant for six months or until compliance, whichever is longer. Food Stamps and housing assistance will not rise to offset the loss, and individuals will be ineligible for WORK assignments during the penalty period. People who take WORK assignments but miss a day of work will not be paid for that day.

Sanctions alone will convince most people to comply. One program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced a \$160 reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions. In addition, the vast majority of women receiving conditional benefits had extremely positive feelings about the program.

If women are unable to work for good reasons, such as disability, a sick child, or lack of child care, we will help them find solutions. Our plan provides support services to help women enter and remain in the workplace. Women will receive training, guidance, and transitional child care, as well as health insurance.

Our approach is fair but not punitive. Even women who absolutely refuse to work will be eligible for the WORK program again in six months. We believe that people deserve a second chance, and want to encourage people to play by the rules.

In order to protect children, some benefits will continue during sanctions. During WORK sanctions, families will keep Food Stamps, housing assistance, and medical insurance. In cases where children are at risk, social workers will take appropriate action as quickly as possible.

Welfare Reform Working Group
Talking Points: **WHERE ARE THE JOBS**
August 3, 1994

"But to all those who depend on welfare, we should offer ultimately a simple compact. We will provide the support, the job training, the child care you need for up to two years, but after that anyone who can work, must, in the private sector wherever possible, in community service if necessary. That's the only way we'll ever make welfare what it ought to be: a second chance, not a way of life."

President Clinton, State of the Union address 1/25/94

Many AFDC recipients already leave welfare for unsubsidized employment. Currently, 70 percent of recipients leave welfare within two years and 90 percent leave within five years. Women leave to enter work in fully half of these cases. But child care dilemmas, health crises, and low wages now cause most women who leave welfare to eventually return.

The child care and child support improvements in our plan, along with the Earned Income Tax Credit and health care, will eliminate the major obstacles to employment. Our plan provides a year of transitional child care for women moving from welfare to work, in addition to increasing child care for the working poor to bolster families just above the poverty line. The expanded EITC will lift millions of workers out of poverty by effectively making a job paying \$4.25 per hour pay \$6.00 an hour for a one-earner family with two children. A full-time working mother with two children will have an after-tax income of almost \$14,000 even if she works at a minimum wage job. And universal health care will allow people to leave welfare without worrying about coverage for their families.

Positions will be available for women moving off welfare. The Bureau of Labor Statistics predicts faster job growth over the next 20 years, with employment increasing by more than 25 million jobs by the year 2005.¹ At least 10 of the 15 occupations expected to grow most quickly do not require advanced education.² In addition, because of normal turnover, there are at least 30 million job openings a year, a very large proportion of them in entry-level jobs. Welfare recipients will represent less than 5 percent of the women who find new entry-level jobs every year.

In addition, by the year 2000, we will be creating 400,000 subsidized jobs. These positions will be available for those who hit the time limit without finding unsubsidized employment.

Transitional education and training programs will prepare recipients for the workplace and increase long-term earnings potential. President Clinton's plan requires all teen parents to finish high school and all recipients to participate in training and work preparation through the JOBS program. This approach builds on successful state and local models. In California, for example, JOBS participants' earnings increased an average of 24 percent over the control group average after the second year--55 percent at one site.³

Even a minimum-wage job is an important step toward self-sufficiency. As women gain job skills, work experience--and faith in themselves--they will progress to better-paying jobs and real financial stability.

1. The service-producing sector will grow most, with an estimated 25 million additional jobs. The need for home health aides will increase by 138 percent; for personal and home care aides, by 130 percent; for child care workers, by 55 percent; and for food preparation workers, by 43 percent. Moderate alternative projection, cited in George Silvestri, "The American Work Force, 1992-2005; Occupational Employment: Wide Variations in Growth," Monthly Labor Review, November 1993. Occupational Outlook Quarterly also supplies a list of growing job areas (fall 1991, p. 30).

2. Isabel Sawhill, Office of Management and Budget, quoted in Employment and Training Reporter, April 20, 1994, p. 605.

3. Manpower Demonstration Research Corporation studies of GAIN/Riverside, quoted in Bane/Ellwood testimony.

Welfare Reform Working Group
Talking Points: **FINANCING**
August 6, 1994

"We've been very disciplined in working within the budget but I think we're going to make a dramatic difference.... The budget rules are very rigorous.... We did try to raise some money by controlling the growth of benefits to immigrants, and I think that's entirely appropriate. But some folks think we can pay for this much and more, simply by cutting off all benefits to [legal] non-citizens. After a careful study, we decided that we couldn't do that."

President Clinton, interview with U.S. News and World Report 6/20/94

Financing for our plan is balanced and fair. We propose funding welfare reform through appropriate cuts in existing programs, without raising taxes or increasing the deficit. Our financing provisions tighten eligibility rules for the Supplemental Security Income (SSI) program, largely by expecting sponsors of immigrants to do their fair share. We also cap the skyrocketing Emergency Assistance entitlement program. Additional funds come from ending subsidies to farmers with very high non-farm income and extending some expiring provisions in current law.

Our proposal tightens sponsorship and eligibility requirements for non-citizens. Current law provides for a period of sponsor responsibility, during which the sponsor's income is considered in determining an immigrant's eligibility for benefits. In 1993, Congress temporarily extended the SSI sponsor responsibility period from three to five years. Our proposal makes this five-year period permanent law for SSI, AFDC, and Food Stamps. Immigrants whose sponsors are equally poor will be eligible for benefits, but immigrants whose sponsors earn above the U.S. median family income (\$39,500) will not be eligible until they become citizens themselves. Provisions relating to immigrants will create \$3.8 billion in overall savings over a five-year period.

Requiring sponsor responsibility does not deny assistance to legal immigrants whose sponsors are poor. Our proposal ensures that truly needy immigrants will not be denied benefits if they become blind or disabled, or if their sponsors suffer financial reverses or die. Refugees and asylees will also continue to be eligible for benefits. But we believe that benefits must be targeted to those who need them most. SSI was designed to help society's most destitute, not to free sponsors from their commitment to support immigrant family members.

Our proposal to cap entitlement funding for the AFDC Emergency Assistance Program is designed to return the program to its original mission. Initially created to help states respond to the acute needs of disadvantaged populations, the Emergency Assistance program is increasingly used by states to fund existing services that were previously paid for with state funds. As a result, program costs have skyrocketed in recent years, but few new services have been provided to the poor. Our cap on expenditures will balance the needs of states now relying heavily

on EA funds and the potential claims of states which might apply for EA in the future. This provision raises \$1.6 billion over five years.

Stronger sanctions and new time limits will ensure that SSI benefits given to drug addicts and alcoholics are used properly. We will enforce existing requirements that addicts seek treatment and that they identify appropriate individuals or organizations to receive and manage their funds. In addition, cash benefits will end after three years of treatment. These and other SSI-related provisions will yield savings of approximately \$800 million over five years.

Our plan targets meal subsidies to family day care homes to ensure that money reaches low-income children. Currently, the Child Care Food Program provides food subsidies to child care centers and family day care homes. Our proposal maintains existing child care center subsidies, which are means-tested and appropriately reach low-income children. However, we will improve targeting to family day care homes, since an estimated 71 percent of federal food program dollars to family day care homes support meals for children above 185 percent of the poverty line.¹ This provision yields savings of \$500 million over five years.

We will target farm subsidies to smaller, family farms instead of large farms and wealthy producers. Producers with significant non-farm income will no longer receive crop subsidies. This provision will save \$500 million over five years.

Our plan will extend a series of expiring provisions to collect additional revenue. These include the 1990 Farm Bill's state Food Stamp recovery provision, fees for railroad use and custom services, and Superfund financing legislation. These extensions will raise \$1.9 billion over five years.

We will tighten Earned Income Tax Credit (EITC) targeting and compliance measures. Our plan will end the EITC for non-resident aliens, affecting approximately 50,000 taxpayers -- mainly visiting foreign students and professors. But we will extend the EITC to active military families living overseas. To finance this expansion and raise net revenues, military personnel will be required to report nontaxable earned income, increasing compliance with current EITC rules. These provisions will raise \$300 million over five years.

¹USDA-commissioned study, cited in "Work and Responsibility Act of 1994, Financing," p.3.

"There are all kinds of proposals out there. I know that the Republican welfare reform proposal has a lot of things in it that I like. But I think it's way too hard on financing things through savings from immigrants. I think it goes too far there."
President Clinton, press conference 3/24/94

President Clinton's welfare reform plan addresses immigration issues through the values of family and responsibility central to the rest of his approach. The plan requires those who legally sponsor an immigrant -- usually family members -- to make good on the commitment they made to that immigrant's financial well-being, and to help keep the immigrant from becoming a public charge.

Under the President's proposal, immigrant eligibility for public assistance programs will still be based on current sponsor responsibility rules. During the sponsor responsibility period, the sponsor's assets are considered in determining the immigrant's eligibility for means-tested programs. If the sponsor can support the immigrant, the immigrant will not receive benefits. But our plan continues assistance for legal immigrants if both they and their sponsors are poor.

This approach builds on what Congress has already done. In the fall of 1993, Congress extended the period of sponsor responsibility under SSI from three to five years, but this provision expires in 1996. Our proposal makes that extension permanent law beyond 1996, and similarly extends the sponsor responsibility period for AFDC and Food Stamps. In addition, sponsors who earn more than the U.S. median family income (\$39,500) will continue to be responsible after the five-year period until the immigrant becomes a citizen. Immigrant families currently receiving benefits from these programs will continue to do so until redetermination.

Tightening sponsorship requirements targets those who are not needy. In the past, many elderly immigrants who were not in true need nonetheless received SSI benefits. About one-third of the elderly immigrants currently on SSI and subject to the sponsor responsibility rules applied for benefits in their fourth year of residency -- as soon as the responsibility period ended -- even though their sponsors were often financially able to support them.¹ SSI was designed to help society's most destitute, not to free sponsors from their commitment to support immigrant family members.

Our plan will help immigrants who truly need aid, and allow states to administer assistance programs more effectively. By simplifying eligibility criteria for AFDC, Medicaid, and SSI, we will reduce administrative burdens and program inconsistencies. Conforming eligibility criteria will also help ensure that permanent legal residents in need receive equal protection under the law.

Illegal immigrants will continue to be ineligible for SSI. Immigration status is already verified for welfare applicants, often through the Immigration and Naturalization Service's (INS) Systematic Alien Verification for Entitlements (SAVE) process. States can link electronically to the database. If SAVE cannot verify an immigrant's status,

¹"Work and Responsibility Act of 1994: Financing," p. 2

INS does so by other means.

Our plan, unlike the Republican bills, does not take away benefits retroactively or indiscriminately deny benefits to legal immigrants simply because they are not citizens. Our plan saves money by cutting benefits to immigrants who have other means of support, but it does not abandon truly needy immigrants who reside here legally, pay taxes, and fall on bad times. In contrast, the Republican plan denies benefits based on non-citizen status alone, without any differential based on need or sponsor's income.

Welfare Reform Working Group
Talking Points: **WOMEN AND WELFARE REFORM**
August 3, 1994

"Why do people stay on welfare? Is it because the checks are generous? No. Because overwhelmingly, people on welfare are younger women with little children and little education and little employability, and if they take a job, it's a low-wage job, they lose Medicaid for their kids, they have to figure out how to pay for the child care, so it becomes an economic loser. What we have to do is end welfare as we know it, to make it a second chance, not a way of life."

President Bill Clinton, Remarks at Wilbur Wright Junior College, Chicago 2/28/94

"The people who most want to change welfare are the very people on it. They want to get off welfare, and get back to work, and support their children..."

President Bill Clinton, State of the Union Address 1/25/94

President Clinton's welfare reform plan will give women the opportunities and services they need to be able to support their families without public assistance. Our approach builds on the successful philosophy of the Family Support Act and reinforces the core American values of work and responsibility. To help families become independent, we will expand child care, increase training and education, and improve child support enforcement. Along with universal health care coverage and the Earned Income Tax Credit, welfare reform will help women find employment and achieve financial security.

President Clinton's proposal will expand and improve the child care system. We will make work a viable option for single mothers by providing affordable, accessible child care for both families transitioning off welfare and low-income working families. In contrast, neither the Senate nor the House Republican welfare reform bills include any new provisions for child care. Our plan increases availability through additional funding for existing programs, coordinates rules across all child care programs, and encourages the development of safe and nurturing care environments.

To help women become job-ready, our plan expands and improves the Job Opportunities and Basic Skills (JOBS) training program. Created by the Family Support Act of 1988, the JOBS program offers education, training, and job placement services. We will provide additional funding and link JOBS to job training programs offered under the Job Training Partnership Act, the new School-to-Work initiative, Pell Grants, and other mainstream programs. Our plan also encourages self-employment through micro-loan funds; fosters non-traditional training programs to help women prepare for higher-paying jobs; and allows states to grant limited extensions of time to young mothers completing education programs.

The Administration recognizes that both parents must support their children, and has proposed the toughest child support enforcement program ever established. In 1990, non-custodial parents paid only \$14 billion in child support. But if child support orders reflecting current ability to pay were established and enforced, single parents and their children would have received \$48 billion: money for school, clothing, food, utilities, and child care. To reduce *and* prevent welfare dependency, our plan provides for:

- Universal paternity establishment through hospital-based programs;
- Regular awards updating as fathers' incomes change;
- New penalties for those who refuse to pay, such as wage-withholding and license suspension;
- Centralized state registries to track support payments automatically;
- A national child support clearinghouse to catch parents who try to evade their responsibilities by fleeing across state lines.

Welfare Reform Working Group
Talking Points: **CHILDREN**
August 6, 1994

"We cannot permit millions and millions and millions of American children to be trapped in a cycle of dependency with people who are not responsible for bringing them into the world, with parents who are trapped in a system that doesn't develop their human capacity to live up to the fullest of their God-given abilities and to succeed as both workers and parents. We must break this cycle."
President Clinton, Kansas City 6/14/94

President Clinton's welfare reform plan will strengthen families by emphasizing responsible parenting. The President's plan promotes the central American values of work, family, and responsibility. It tells adolescents that they should delay pregnancy until they are able to support their children. It tells parents that they must work to provide for their families. And it helps parents meet their responsibilities--with parenting classes, peer counseling, and demonstrations that involve non-custodial parents in programs such as Head Start, Healthy Start, and family preservation.

Parents entering the workplace will become better role models for their children. Repeatedly, recipients have testified at hearings about how proud their children were when they got jobs. Children accustomed to seeing their parents go to work can learn by example and should make an easier transition into the workforce themselves.

The Administration believes that both parents must support their children, and has proposed the toughest child support enforcement program ever established. In 1990, non-custodial parents paid only \$14 billion in child support. But if child support orders reflecting current ability to pay were established and enforced, single parents and their children would have received \$48 billion: money for school, clothing, food, utilities, and child care. To reduce *and* prevent welfare dependency, our plan provides for:

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- Centralized state registries to track support payments automatically;
- A national child support clearinghouse to catch parents who try to evade their responsibilities by fleeing across state lines.

State initiatives and demonstration programs will provide additional ways for non-custodial parents to meet their obligations. States will be able to make parents work off the child support they owe. Demonstration grants for parenting and access programs will foster non-custodial parents' ongoing emotional involvement in their children's lives. And other demonstrations will further reinforce parenting

skills by incorporating non-custodial parents into existing programs for high-risk families.

At the same time, we remove the perverse incentives of the current welfare system in order to help families stay together. Families that reunite will no longer have to pay child support arrearages, and AFDC-UP will become a permanent program--instead of expiring in 1998--so that families can receive benefits without breaking apart. States will also have the option to eliminate the special eligibility requirements for two-parent families.

Our proposal will substantially expand the child care system for both welfare recipients and the working poor. The President's plan promises accessible, affordable, quality child care. We guarantee child care during education, training, and work programs, and for one year after participants leave welfare for private sector employment. Increased funding for other federal child care programs will bolster more working families just above the poverty line and help them stay off welfare in the first place. And the EITC expansion will give low-income families money which can be used for child care as well as other needs.

Special efforts will address the quality of child care. Quality improvement funds will support resource and referral programs, licensing and monitoring, training, and other provider supports. Children in group care receiving assistance will be immunized, and consistent health and safety standards will apply across child care programs. We increase the supply of infant and toddler care. We also standardize different child care programs' requirements for provider standards, parental access, consumer education, and parental choice.

Helping children is the core of our welfare reform proposal. Our plan gives parents the supports they need to nurture and care for their children. It moves families toward independence. And it helps ensure that children will grow up confident of their abilities to lead satisfying, productive lives.

Welfare Reform Working Group
Talking Points: **THE IMPORTANCE OF FATHERS**
August 3, 1994

"No nation has ever found a substitute for the family. And over the course of human history, several have tried. No country has ever devised any sort of program that would substitute for the consistent, loving devotion and dedication and role-modeling of caring parents."

President Clinton, Kansas City 6/14/94

President Clinton's welfare reform plan recognizes that fathers are critical to their children's emotional and financial well-being. Our proposal helps both parents meet their responsibilities and become fully involved in their children's lives.

Under our plan, universal paternity establishment will provide a lasting connection between father and child. A paternity establishment outreach campaign, based in pre-natal clinics and WIC centers, will educate parents prior to birth about the joys and responsibilities of parenthood. Expanded hospital-based programs will facilitate voluntary paternity acknowledgement, and states will receive incentive payments based on the efficacy of these efforts.

New programs and expanded initiatives will keep non-custodial parents involved in their children's lives. Demonstration grants to states will support parenting and access programs that provide mediation, counseling, education, and visitation enforcement. States will be able to develop JOBS and/or work programs for the non-custodial parents of children receiving AFDC, and can include parenting classes and peer counseling to help fathers meet their children's emotional needs. Demonstrations will further reinforce parenting skills by incorporating non-custodial parents into existing programs for high-risk families, such as Head Start, Healthy Start, family preservation, and teen pregnancy prevention.

To help families stay together, we remove the perverse incentives of the current welfare system. Families that reunite will no longer have to pay child support arrearages, and the AFDC-Unemployed Parent (UP) program will become permanent--instead of expiring in 1998--so that families can receive benefits without breaking apart. States will also have the option to eliminate the special eligibility requirements for two-parent families that make it difficult to qualify for benefits.

Our proposal gives fathers new supports and opportunities. But at the same time, it demands that they meet their obligations. In 1990, non-custodial parents paid only \$14 billion in child support. If child support orders reflecting current ability to pay were established and enforced, single parents and their children would have received \$48 billion: money for school, clothing, food, utilities, and child care. To ensure that both parents support their children, our plan provides for universal paternity establishment; regular awards updating as parents' incomes change; and new penalties for those who refuse to pay, such as expanded wage withholding and license suspension. Centralized registries will track support payments automatically, and catch parents who flee across state lines to avoid paying support.

Welfare Reform Working Group
Talking Points: **SANCTIONS**
July 29, 1994

"We should encourage teen parents to live at home, stay in school, take responsibility for their own futures and their children's futures. And the financial incentives of the welfare system ought to do that instead of just the reverse. We have to change the signals we are sending here."

President Clinton, Kansas City 6/14/94

President Clinton's welfare reform plan provides opportunity and supportive services, but it also demands responsibility. People who refuse to participate in the JOBS program or fulfill their WORK obligations will be sanctioned. Expectations -- and consequences -- will be clear.

Conditional AFDC benefits work. A rigorous evaluation of one such program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced a reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions or receive services.¹

Under our proposal, individuals who fail to participate in education, training, or employment as required during the first two years will lose cash benefits, and Food Stamps and housing assistance will not increase to offset that loss. The amount lost will correspond to the adult's share of the AFDC grant.

Successive violations will result in longer benefit suspensions. As in the 1988 Family Support Act, after the first violation adults will lose benefits until they begin to comply. A second violation results in sanctions for three months or until compliance, whichever is longer. Third and subsequent failures result in sanctions for six months or until compliance, whichever is longer.

Broader sanctions are imposed on WORK participants who fail to comply with the program's requirements without good cause. Participants who don't work will not be paid. Individuals will also be sanctioned for quitting jobs without good cause; losing jobs for misconduct; or failing to engage in required job searches. After a first violation, families lose half their cash grants -- about \$200 -- for one month or until compliance, whichever is sooner. After a second violation, families lose half their cash grants for three months or until compliance, whichever is longer. A third sanction ends the family cash grant for three months or until compliance, whichever is longer. Fourth and subsequent occurrences eliminate the family's

¹Study conducted by Mathematica Policy Research, 1987-1991.

grant for six months or until compliance, whichever is longer. Food Stamps and housing assistance will not rise to offset the loss, and individuals will be ineligible for WORK assignments during the penalty period.

Both before and after the two-year time limit, recipients refusing to accept private sector jobs without good cause will lose family cash benefits for six months or until they accept private sector jobs. After reaching the two-year time limit, WORK participants will experience the same sanction faced by ordinary workers: lost wages for hours not worked. Former recipients who have reached the time limit and who quit unsubsidized jobs without good cause will be ineligible for the WORK program for three months.

Safeguards will ensure fairness. If states fail to provide services specified in the employability plan, they must grant extensions past the two-year limit to JOBS participants. States will continue existing notice and hearings protection, and recipients will receive benefits during the hearing/appeals process. After the second WORK sanction, states will evaluate the family's need for other services. And job search assistance will continue during WORK sanctioning.

Some benefits will continue -- even during sanctions -- in order to protect children. During JOBS sanctions, children will still receive benefits and families will keep Food Stamps, housing assistance, and medical insurance. During WORK sanctions, families will keep Food Stamps, housing assistance, and medical insurance.

Welfare Reform Working Group
Talking Points: **INNER CITIES**
August 6, 1994

"Many of our initiatives, from job training to welfare reform to health care to national service will help to rebuild distressed communities, to strengthen families, to provide work."

President Clinton, State of the Union address 1/25/94

In recent decades, America's cities have fought poverty, job loss, and neighborhood erosion. President Clinton recognizes the desperate problems in so many inner cities and the efforts of elected officials and citizens to combat them.

The President's welfare reform plan responds to the need for economic and social opportunity for all city residents. It creates new jobs that empower individuals and revitalize communities. The expanded JOBS program will provide more welfare recipients with education, training, job search, and child care services. And more positions will be created as recipients move into the WORK program.

With other Clinton Administration initiatives, our proposal expands services for the working poor--child care, health care, the EITC--so that every job will be a good job and hard-working families can succeed. We want to make welfare a transitional benefit, allowing people to improve their skills, reenter the economic mainstream, and contribute to the community again. Universal health care will allow people to leave welfare without worrying about coverage for their families, while the expanded Earned Income Tax Credit (EITC) will lift millions of workers out of poverty by effectively making any minimum wage job pay \$6.00 an hour for families with two children.

Welfare reform is an integral part of the Clinton Administration's commitment to empower and revitalize distressed urban areas. President Clinton's crime bill aids youth in disadvantaged neighborhoods. His School-to-Work initiative facilitates teenagers' transition into the work force. His Head Start expansion and immunization program will help children while creating additional jobs. The Commerce Department's "Competitive Communities" initiative will support local efforts to build, foster, and attract competitive businesses. And empowerment zones and enterprise communities will aid regions by combining tax incentives with relevant social services and economic development programs.

Recognizing local expertise, we build on local initiatives and foster their continued success. Our proposal:

- gives states and counties funds to provide non-displacing jobs;
- facilitates partnerships among labor, business, community groups, and government;
- encourages communities to use diverse strategies appropriate to local labor markets--temporarily placing WORK recipients in private sector jobs, in

public sector positions, or with community organizations.

New programs will not place additional financial burdens on local governments. The federal government will provide greater assistance to cities for their welfare programs and lower the state match rate to make money more available. Enhanced match rates will also be implemented for program administration, giving states and localities the tools to truly change the culture of the welfare office. In addition, simplified administrative requirements and program rules will minimize paperwork and eliminate bureaucratic headaches for local agencies.

2. Working Group Information

Contents

- I. Description of the Working Group and List of Members
- II. Summary of Working Group Outreach Efforts
- III. Summary of Working Group Regional Visits
- IV. Summary of Working Group Consultation with Welfare Recipients

The Working Group on Welfare Reform, Family Support and Independence

On June 11, 1993, President Clinton appointed an interagency Working Group on Welfare Reform, Family Support and Independence to develop a plan to implement his pledge to "end welfare as we know it." The Working Group, made up of senior level appointees representing six different Departments and seven White House offices, is preparing a plan for transforming the welfare system into a transitional support program that promotes work and responsibility.

The President charged the Working Group with developing a proposal which ensures that people who work are better off than those on welfare, that both parents fulfill their responsibilities to their children, and that expects those who can work to work to support their families.

To develop a plan that accomplishes these goals, the Working Group assigned staff to issue groups to gather information and develop options in the following areas: Making Work Pay, Child Support Enforcement and Insurance, Child Care, Noncustodial Parents, Post Transitional Work, Transitional Support, Private Sector Job Development, Welfare Simplification, and Prevention. The work of these issue groups is now being used by the Working Group in formulating a series of proposals for the President.

PUBLIC INPUT

The Working Group has made public involvement and input a top priority in developing its proposal for the President. To achieve this, the Working Group has taken several steps:

Hearings/Public Events -- The Working Group conducted a series of five hearings in order to provide the public with an opportunity to present the Working Group with their ideas and opinions. The hearings were held in Chicago, Washington, DC, Cranford, NJ, Sacramento, and Memphis. The Working Group also conducted several site visits to model programs, county welfare offices, and individual communities, as well as focus groups with welfare recipients and social service workers.

Meetings/Briefings -- Working Group members and staff have met with hundreds of advocacy coalitions, including women's groups, the business community, hunger groups, housing groups, religious groups, rural groups, African American organizations, Hispanic organizations, Welfare Rights Organizations, and Native American organizations. These meetings are continuing as the Working Group progresses with its proposal.

Speakers Bureau -- The Working Group has a speakers bureau that has arranged for Working Group members and staff to speak at over 40 conferences in the past year.

Intake Center -- The Working Group established an intake center for all mail and information requests. To contact the Working Group, please write to:

Working Group on Welfare Reform
370 L'Enfant Promenade SW Suite 600
Washington DC 20447

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

"It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it -- not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives. No one who works full-time and has children at home should be poor anymore. No one who can work should be able to stay on welfare forever."

-- President Bill Clinton
Putting People First

President Clinton has charged the Working Group to develop a proposal to "end welfare as we know it." The Working Group is guided by four principles underlying the President's vision for reform:

Make Work Pay -- People who work should not be poor. They should get the support they need to ensure that they can work and adequately support their families. The economic support system must provide incentives that encourage families to work and not stay on welfare.

Dramatically Improve Child Support Enforcement -- Both parents have a responsibility to support their children. One parent should not have to do the work of two. Only one-third of single parents currently receive any court-ordered child support. The system for identifying fathers and ensuring that their children receive the support they deserve must be strengthened.

Provide Education, Training, and Other Services to Help People Get Off and Stay Off Welfare -- People should have access to the basic education and training they need to get and hold onto a job. Existing programs encouraged by the Family Support Act of 1988 need to be expanded, improved and better coordinated.

Two Year Time Limit -- With the first three steps in place, cash assistance can be made truly transitional. Those who are healthy and able to work will be expected to move off welfare within two years, and those who cannot find jobs should be provided with work and expected to support their families.

Based on these core principles, the Working Group will be developing a detailed proposal that will not simply change the welfare system but will ultimately provide a genuine alternative to it.

Working Group on Welfare Reform, Family Support and Independence

Chairs

- Bruce Reed *Deputy Assistant to the President for Domestic Policy*
- David Ellwood *Assistant Secretary for Planning and Evaluation, Department of Health and Human Services*
- Mary Jo Bane *Assistant Secretary for the Administration for Children and Families, Department of Health and Human Services*

Members

- Eleanor Acheson *Assistant Attorney General for Policy Development, Department of Justice*
Ken Apfel *Assistant Secretary for Management and Budget, Health and Human Services*
- Michael Alexander *Executive Assistant to the Secretary, Department of Agriculture*
Walter Broadnax *Deputy Secretary, Department of Health and Human Services*
Michael Camunex *Senior Policy Advisor, Corporation for National and Community Service*
Norma Cantu *Assistant Secretary, Office of Civil Rights, Department of Education*
Robert Carver *Deputy Assistant Secretary for Returns Processing, Treasury Department*
Andrew Cuomo *Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development*
- Maria Echaveste *Administrator, Wage and Hour Division, Department of Labor*
Chris Edley *Associate Director for Economics and Government, Office of Management and Budget*
- Joycelyn Elders *Surgeon General, Department of Health and Human Services*
Maurice Foley *Office of Tax Policy, Treasury Department*
Thomas Glynn *Deputy Secretary, Department of Labor*
Ellen Haas *Assistant Secretary for Food and Consumer Services, Department of Agriculture*
- Elaine Kamarck *Office of the Vice President*
Augusta Kappner *Assistant Secretary for Vocational and Adult Education, Department of Education*
- Madeleine Kunin *Deputy Secretary, Department of Education*
Avis Lavelle *Assistant Secretary for Public Affairs, Department of Health and Human Services*
- Marsha Martin *Executive Director, Interagency Council on the Homeless*
Alicia Munnell *Assistant Secretary for Economic Policy, Treasury Department*
Wendell Primus *Deputy Assistant Secretary for Human Services Policy, Department of Health and Human Services*
- Doug Ross *Assistant Secretary, Employment and Training Administration, Department of Labor*
- Isabel Sawhill *Associate Director for Human Resources, Office of Management and Budget*
Marshall Smith *Undersecretary, Department of Education*
Eugene Sperling *Deputy Assistant to the President for Economic Policy*
Michael Stegman *Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development*
- Joseph Stiglitz *Council of Economic Advisors*
Fernando Torres-Gil *Assistant Secretary for Aging, Department of Health and Human Services*
Jeff Watson *Deputy Assistant to the President for Intergovernmental Affairs*
Kathi Way *Special Assistant to the President for Domestic Policy*

WELFARE REFORM WORKING GROUP PUBLIC OUTREACH

The President's Working Group on Welfare Reform, Family Support and Independence has made outreach to individuals and organizations with an interest and expertise in welfare issues a top priority in developing a reform plan. Members and staff of the Working Group have held hearings, conducted focus groups, and met in a variety of contexts with hundreds of individuals and groups to solicit ideas and discuss potential proposals. This outreach complements work to include welfare recipients in particular in the welfare reform debate.

Hearings

The Working Group held five hearings from August through November. Each hearing focused on a different aspect of welfare reform from child support and making work pay to education and training programs and reform in rural areas. The hearings were held in Chicago, Il., Washington, D.C., Cranford, N.J., Sacramento, Ca., and Memphis, Tn. Working Group members heard testimony from over 220 witnesses, including a significant number of people who are now or were once on welfare.

Field Visits

Working Group members also spent time in the field visiting programs and meeting with welfare recipients to get a better first hand understanding of the issue. Members visited such programs as Project Match in Chicago, GAIN offices in Alameda and Contra Costa counties in California, and Parents Fair Share in Trenton, N.J. Additional field work included sitting in on intake interviews in welfare offices, visiting rural clients at home in Tennessee and conducting focus groups with both welfare workers and recipients.

Advocacy Community

A large number of national and regional organizations are devoted to studying and shaping welfare policy, and the Working Group has made a concerted effort to bring these organizations into the policy making process by briefing them and inviting their input in developing the plan. Overall, Working Group members and staff have met with over 370 organizations in over 190 meetings. Among the communities that have been involved are: children's groups, nonprofit programs, religious organizations, women's advocacy groups, legal groups, fathers' rights advocates, African American organizations, Native American organizations, child support advocates, social workers, disability groups, hunger groups, housing advocates and Hispanic organizations.

The Working Group has also established a speaker's bureau that has arranged for members of the Working Group to represent the Working Group at nearly 60 conferences and meetings hosted by numerous advocacy organizations.

Among the communities that the Working Group has made a particular effort to engage are:

Business The creation of work opportunities in the private sector for people interested in leaving welfare is absolutely critical to welfare reform. Involving the business community in a discussion of how to encourage private sector job development has been a top priority. The Group has briefed numerous major national business organizations and conducted a series of focus group meetings with business owners. Additionally, the Working Group maintains a national database of businesses, both small and large, with an interest in the implementation of welfare reform.

Labor The involvement of organized labor is essential as well in thinking about how to move a large number of people into the workforce in both the private and public sectors. The Working Group is meeting with many key unions to ensure that new opportunities for employment are developed in a way which complements the existing workforce and does not displace current workers.

The Working Group has met with numerous organizations with interest and expertise in particular issues of importance to the welfare reform effort. These include child care, child support, education, and teen pregnancy. In particular, the Working Group's issue teams spent a great deal of time with experts from particular fields as they were developing background papers and options.

Additionally, the Working Group has made every effort to ensure that it is reaching out to a diverse range of organizations, making a particular effort to involve minority communities and women's organizations. The Working Group Chairs and issue group staffs have met with representatives of the African American, Hispanic and Native American communities. They have also held numerous meetings with women's groups who have made welfare reform a top priority.

Office of Public Liaison

Public outreach is such a high priority to the Working Group that it has created an office of Public Liaison and appointed a Director to coordinate these efforts. This office has set up a speakers bureau, an intake center, and acts as a clearinghouse for information acquired from outside organizations and individuals.

Anyone wishing to contribute to the welfare reform debate may contact the Working Group at:

Welfare Reform Working Group
370 L'Enfant Promenade S.W.
Suite 600
Washington, D.C. 20447

May 3, 1994

WELFARE REFORM WORKING GROUP REGIONAL VISITS

As part of its public outreach effort, the Working Group on Welfare Reform, Family Support and Independence conducted five public forums from August to November 1993. The forums were held in Chicago, Ill.; Washington, D.C.; Cranford, N.J.; Sacramento, CA.; and Memphis, TN. The Working Group heard from over 220 witnesses, including 24 witnesses who once were or are currently receiving AFDC and three witnesses with child support problems.

An essential element of the four regional visits was the time spent gathering information in the communities themselves. Working Group members went to neighborhoods, visited programs, and met with local residents before each hearing. Overall, the Working Group visited 12 program sites and two private residences, held informal focus group discussions with 66 AFDC recipients, and met with 34 caseworkers. Finally, most members that attended a public forum other than the one held in Washington, D.C. observed an AFDC eligibility interview in a local welfare office.

FORUM SUMMARIES

Each forum had a particular focus. The first three forums centered on three of the President's themes: Make Work Pay, Child Support Enforcement, and Education and Training. The fourth forum explored welfare reform in a rural setting.

Chicago, Illinois August 10-11, 1993

The Chicago visit focused on the principle of making work pay. The Working Group visited Project Match in the Cabrini-Green housing project, where they conducted informal focus groups with staff and participants of Project Match and the New Hope Project of Milwaukee, Wisconsin. Working Group members also observed AFDC eligibility interviews and met with caseworkers at four Illinois Department of Public Aid offices.

During the morning session of the Chicago forum the Working Group heard from six AFDC recipients and program directors from Project Match, New Hope Project, Chicago Commons, and the Teen Parent Demo. The afternoon session featured testimony by Mayor Richard M. Daley, Jr., Congressman Bobby Rush, and Illinois Department of Public Aid Acting Director Robert Wright. Overall, 37 witnesses presented testimony to the Working Group in Chicago.

Washington, D.C.
August 19-20, 1993

The Washington, D.C. event was a day and a half policy forum discussing the four principles with state and local elected officials, researchers, advocates, and AFDC recipients. The Working Group heard from 66 witnesses over two days. In addition to five AFDC recipients, other notable witnesses included Del. Eleanor Holmes Norton (D- D.C.); Patricia Ireland, National Organization for Women; Will Marshall, Progressive Policy Institute; Robert Greenstein, Center for Budget and Policy Priorities; and William H. Kolberg, National Alliance of Business.

Cranford, N.J.
September 9-10, 1993

The New Jersey visit focused on improving child support enforcement. The Working Group visited the Parents' Fair Share demonstration project "Operation Fatherhood" in Trenton, N.J., where they conducted informal focus groups with staff and non-custodial fathers. The Working Group then met with court, probation, and administrative representatives of the N.J. child support enforcement system. Finally, the Working Group visited the Middlesex County Social Services office and conducted informal focus groups with staff and AFDC participants from The Work Group, a model welfare-to-work program from Camden, N.J..

During the morning session of the New Jersey forum the Working Group held a roundtable discussion with single parents, non-custodial parents and advocates for both groups. Of the 30 witnesses, the Working Group heard from four single parents and three non-custodial parents. Other notable testimony was presented by Governor Jim Florio; Assemblyman Wayne Bryant; William Waldman of the N.J. Department of Human Services; N.Y. State Senator Stephen M. Saland; and N.Y. Dept. of Social Services Commissioner Michael Dowling.

Sacramento, CA
October 7-8, 1993

The California visit focused on education, training, and support services, examining lessons from the California GAIN program. The Working Group visited the Alameda County GAIN office and conducted informal focus groups with staff and participants from both Alameda and San Francisco County GAIN programs. The Working Group then visited the Contra Costa County GAIN program for additional focus group meetings.

The morning session of the California forum consisted of a roundtable discussion of the lessons from the GAIN program. The afternoon session covered the four principles and included an open public comment period. Of the fifty witnesses testifying, six were AFDC recipients. Other witnesses included John Wallace from MDRC, Larry Townsend of Riverside County, and Robert Friedman of the Corporation for Enterprise Development. Elected officials presenting testimony included Assemblyman Tom Bates, State Senator Mike Thompson, and County Supervisor Grantland Johnson.

Memphis, TN
November 8-9, 1993

The Tennessee visit focused on both economic development and service delivery in a rural setting. At the suggestion of Congressman Harold Ford (D-TN), the Working Group visited Project Self-Initiative at Hurt Village and conducted a community meeting with staff and residents. Working Group members then visited the private homes of two AFDC recipients in rural counties to see and hear about welfare services and living conditions in a rural setting. Working Group members also held a lunch meeting with staff and AFDC recipients in Fayette County and travelled to Tipton County for additional focus groups and eligibility interviews.

The morning session of the forum discussed ways that a national welfare reform plan could create incentives for job development in a rural setting. The afternoon session reviewed the challenges and barriers to delivering social services. The Working Group heard from three AFDC recipients as part of the 39 witnesses testifying. Other witnesses included former Congressman Ed Jones; Congressman Harold Ford (videotaped remarks); Ray Bryant, formerly of the Lower Mississippi Delta Development Commission; Julia Vindasius of the Arkansas Good Faith Fund; and Department of Human Services commissioners from the states of Tennessee, Arkansas, Alabama, Mississippi, and North Carolina.

January 7, 1994

WELFARE REFORM WORKING GROUP CONSULTATION WITH WELFARE RECIPIENTS

The President's Working Group on Welfare Reform, Family Support and Independence has undertaken significant efforts to gain information, insight and suggestions from a wide variety of individuals and groups. The intensive consultation which Working Group members and staff have had with recipients of public assistance has been especially valuable.

The Working Group has been able to gain the personal views and experiences of welfare recipients through a number of public forums, small informal focus groups, and individual discussions at sites around the country. These efforts complement the group's ongoing discussions with over 230 advocacy organizations interested in social services and welfare issues.

Public Forums

The Working Group has held several all-day forums open to the public, interested individuals and organizations. At each forum, current and former welfare recipients were assured the opportunity to present testimony and have furnished moving and constructive information to the Working Group.

- In Chicago, 25 year-old single mother Roxanne B. talked about escaping from an abusive marriage only to find frustration and hardship trying to play by the rules in the welfare system. In March, 1992 she applied for AFDC and was offered full benefits. Since she was receiving voluntary child support at that time, Ms. B. refused the full grant and opted for only food stamps and Medicaid. Two months later, however, her husband terminated his child support payments. When she reapplied for a full AFDC grant, she was told the application would take 45 days to process. While waiting for her assistance application to be processed, she was evicted from her home. Fortunately, she was able to find a compassionate landlord willing to let her move in without rent or a deposit based on her promise of the pending welfare check. Her AFDC check did not come until five months and many battles after she had applied. Despite her efforts to play by the rules and seek only the minimum support she needed, Ms. B. felt punished by the system, treated as though she didn't have feelings, children, commitments, ideas or choices. She said "Since then, I have questioned many times my decision to trade one form of abuse for another."
- In Washington, D.C., Patty L., a former welfare recipient, talked about her ex-husband who owes over \$105,000 in child support. Even though he earns \$40,000 a year and has been with the same firm for seven years, the county child support enforcement agency has failed to get a withholding order in place. Through the Montgomery County Family Independence Project, Ms. L. was able to improve her skills and find a job. She is still living in government subsidized housing and supports her two sons on an annual salary of \$15,000. Ms. L. reminded us that it is important to continue to help families after their AFDC payments cease: "Even though I found a job, because the pay is low, we would not have been able to survive without some type of assistance."

- Sheila W., a current welfare recipient, expressed her frustration that whenever she tried to go to work or improve her education, the system would "pull the rug out from under" her, burying her in red tape and jeopardizing her benefits for independently finding part time work. She said: "The feeling of a job gives you control over your life and makes you part of the human race," but the welfare system discourages "bouts of independence."

Regional Focus Groups

In order to gain a more personal and in-depth understanding about welfare, the Working Group also arranged numerous small focus group sessions with welfare recipients in their own communities. These visits have allowed members to talk in informal and less structured settings with participants in AFDC and other social service programs, exploring their personal welfare problems and concerns.

- In California, Working Group members gained tremendous insight into the pros and cons of the GAIN program through intensive discussion sessions with participants.
- In Chicago, members visited local Public Aid offices and sat in on intake interviews with AFDC applicants. Members also met informally with Public Aid staff and participants in the Project Match program based in Cabrini Green and in Milwaukee's New Hope Project.
- In New Jersey, the Group met with participants in the Work Group from Camden and examined the special problems experienced by non-custodial fathers in similar small group discussions arranged with a number of men participating in the Operation Fatherhood program.
- In Tennessee, members met with AFDC recipients and agency staff in Memphis and surrounding rural counties. The Group focused on economic development and ways to overcome barriers to services and jobs that rural recipients confront.

In addition to the activities of the Working Group members, 80 staff members visited a dozen income maintenance and human services sites in the Washington D.C. area and met with several hundred AFDC clients. The Working Group ensured that every individual working on the development of the Administration's Welfare Reform plan had the opportunity to visit a welfare or service program.

Washington, DC Focus Groups

On February 28th and March 1, 1994, the Working Group participated in a series of focus groups with welfare recipients at the Administration for Children and Families in Washington, DC. The Working Group collaborated with social workers Jan Hagen and Liane Davis to guide groups of recipients through discussions of specific welfare reform proposals. Focus groups were conducted with three categories of AFDC recipients: teen mothers (up to 21 years old); active participants in the Job Opportunities and Basic Skills Training Program (JOBS) who had at least one child aged three to five; and relatively recent recipients of AFDC who were wait-listed for the JOBS program. A total of 16 women

participated in the focus group discussions, which looked primarily at four topics: the impact of both working and receiving welfare on family life; welfare prevention; time-limited benefits; and child care issues.

- The women in the focus groups discussed the value of work to them, not only as a means for economic independence but as a measure of their self-worth and self-esteem. Many of the women also discussed the need for transitional supports. One woman described the importance of the non-cash benefits, saying, "Once you get up there (off welfare and into employment), you realize you can't pay for medical, you can't pay for child care, you can't pay for your transportation and then you wonder why you are working. It doesn't make any sense why you're putting in all these hours and work and you're not getting anywhere."
- The women discussed at length the need to improve the current child support enforcement system and to provide educational and employment opportunities for noncustodial parents. One woman described her own frustration with the enforcement system: "When he stopped paying that child support and I had to come back to the welfare system, I think it pushed me over the edge. I talked to everybody I possibly could...There's something not happening here."
- The Working Group heard mixed opinions regarding time-limited benefits. The older women tended to think that two years was a sufficient amount of time to prepare for employment, provided that transitional supports would be available. For those who wanted additional education and training after those two years, the women suggested combining work and school. One woman identified a clear advantage to the use of time limits, saying, "If you give time limits, then the person might have to hurry up and do this because she has a time limit. That will help people to get off welfare."
- The women spoke strongly about the need to educate young women about life as a single mother. One woman explained, "If they would bring in some of these single mothers into the classroom and show them what they go through I think half of them...I know I wouldn't have had a child at 18 if I had known."
- Finally, the women emphasized the importance of changing the culture of the welfare offices. One woman clearly explained that, "The welfare office needs to find out what your problem is when you walk in there. Everybody who walks in that door had something happen to them that made them financially dependent and in need of help."

Advocacy Groups

Working Group members and staff have also consulted widely with advocacy groups representing welfare recipients, low income children and families, program administrators, elected officials, business and labor groups and community organizations.

Contents

The following fact sheets, which can be distributed publicly, are included in this section:

1. New Hope Project, Milwaukee, WI
2. Project Match, Chicago, IL
3. Teen Parent Demonstration, Chicago, IL
4. Parents' Fair Share Demonstration, New Jersey
5. Riverside GAIN, California
6. ASSETS, Alabama
7. LEAP, Mississippi
8. CAP, New York
9. Single Parent Employment Demonstration, Utah
10. Kenosha JOBS, WI
11. Paternity Affidavit Program, Washington State

The New Hope Project

CONTACT: Julie Kerksick
414-342-3338

LOCATION: 623 North 35th Street
Milwaukee, WI 53208

The New Hope Project is a model welfare to work program that will test the effect of providing work supports and making work pay on the choices of welfare recipients.

MISSION: 1) to demonstrate to leaders, policy makers and citizens that there is a better, more humane, more cost-effective way to deal with poverty and joblessness than the current welfare system; 2) to bring about changes in federal and state policies.

SUMMARY: The New Hope Project, which represents a unique partnership between private and public sectors, is seen by many policy makers as a significant test of how to make work pay. The Project is a three year demonstration that will assess the effect of subsidizing work for individuals and families who are currently poor. It offers participants: 1) help in finding a job (a community service job if they are unable to find a job after 8 weeks); 2) wage subsidies that assure an income above the poverty level; 3) health insurance; and 4) child care. Benefits are available only if an individual is working at least thirty hours per week.

When fully operating, the Project will work with 650 families either currently on welfare, unemployed but not on welfare, or working but still poor. The questions that will be examined by the demonstration include:

- *Will people currently on public assistance respond to the opportunity to work when disincentives are removed?
- *Are there a sufficient number of jobs within the private sector?
- *Can community service jobs successfully fill any gaps between available private sector jobs and low-skilled unemployed individuals?
- *Do more people achieve economic self-sufficiency through the New Hope Project than through other means?
- *How does the cost of the New Hope Project compare to what is currently spent in direct and indirect costs for social welfare?

PILOT: For the past fifteen months, New Hope has run a pre-pilot program with fifty-two participants. The purpose was to test the procedures and to use the experience to make changes in the program or administration prior to moving to the full-scale pilot of 600 families. When the current fifty-two participants entered the New Hope Project, thirty-four were receiving AFDC, twelve were receiving food stamps only, and four were receiving no help of any kind from the welfare system. As of May 1993, 43 participants are working full-time; 32 of these have regular sector full-time jobs and 11 have community service jobs. One participant is working part-time, four are unemployed/in full-time job search, and four participants are inactive.

FUNDING: The budget for the project is \$20.7 million. To date, New Hope has raised almost \$3.5 million from local and national corporations and foundations (e.g. \$1.7 from the Bader and Ford Foundations to fund the evaluation). The Project has raised \$550,000 from the State in General Purpose Revenues, and \$300,000 from the City of Milwaukee. Remaining funds are being sought from private, State and federal sources.

December 13, 1993

Project Match: A Long-Term Welfare-to-Work Program

CONTACT: Toby Herr
312-266-6464

LOCATION: 1276 N. Clybourn
Chicago, IL 60610

MISSION: 1) to provide long-term assistance to welfare dependent families as they move through multiple career stages toward economic self-sufficiency; and 2) to document and disseminate lessons learned about the process of leaving welfare.

Project Match works specifically with long-term welfare recipients with significant needs for support services. It helps this population move through multiple career stages toward economic self-sufficiency.

SUMMARY: Project Match uniquely understands the difficulty involved in leaving welfare and persistent poverty and recognizes that it involves false starts, setbacks and incremental gains. The program, therefore, makes a commitment of long-term support (3-5 years) to its participants. Its service goals include helping participants enroll in and complete training and education programs, obtain and keep jobs, advance to better jobs, and become quickly reemployed when they lose their jobs.

Participants may move through Project Match in a variety of ways. After receiving an initial assessment, a participant is placed in one or more of a range of activities, including education, training, employment, and community volunteer work. The combination and sequence of activities vary for each participant as does the length of time in the program. Key services include job development (i.e., help to find a job), job and school retention support (e.g., help to keep a job or stay in school), and recognition for attainment of incremental milestones (e.g., working for two months, regularly attending GED classes).

SCOPE: Project Match has worked with more than 740 residents of the Cabrini-Green community in Chicago. Service sites include the Winfield/Moody Health Center, the program's primary service site, and a second site funded by the Department of Health and Human Services at a Head Start in Cabrini Green. Northwestern University's Center for Urban Affairs and Policy Research and the Erikson Institute of Chicago serve as research sites.

EVALUATION: A study of participants suggests the relative success of the Project Match approach. The average number of months worked among participants increased by about one month in each of the three years studied, and hourly wages increased by 23% between year one and year three.

FUNDING: Sources include mostly State funds (e.g. Illinois Department of Public Aid and the Illinois State Board of Education) but also a federal grant from the Department of Health and Human Services through their Office of Community Service's Demonstration Partnership Program. The Primary funders of the Project's policy research work include The Joyce Foundation and Woods Charitable Funds. The Project receives other local foundation support and private donations.

December 13, 1993

Teenage Parent Demonstration

CONTACT: Denise Simon, Manager, Youth Services, 217/785-0462

GOAL: to rigorously test on a large scale new policies and programs aimed at reducing the incidence of long-term welfare dependency.

SUMMARY: The demonstration was sponsored by HHS' Administration for Children and Families and Assistant Secretary for Planning and Evaluation. Beginning in 1986, four-year demonstration grants totalling over \$7 million were awarded through a competitive process to the Illinois Department of Public Aid and the New Jersey Department of Human Services. Under these grants, the states engaged in a one-year program design and implementation phase and three years of full-scale demonstration.

MANDATORY DEMONSTRATIONS: The Illinois Department of Public Aid implemented its program, Project Advance, in the areas served by its Roseland, Auburn Park, Southeast, and South Suburban offices. New Jersey implemented its program, Teen Progress, in two sites -- one serving the City of Camden and the other serving the City of Newark.

The programs were employment-focused and designed to offer universal coverage to all first-time teenage parents receiving AFDC; participation in the programs was mandatory. Under federal guidelines, the demonstration programs required first-time teenage parents to attend school, participate in job training, work, or actively pursue activities preparatory to school, work, or training, or face a substantial reduction in their welfare grant until they complied with program requirements. The programs provided the young mothers with intensive case management, including: in-house workshops on a wide range of topics including self-esteem, motivation, family planning, career choices, and parenting; education, training, and employment services; and child care and transportation services.

TARGET POPULATION: There were a total of 5,962 eligible young mothers in the demonstration service areas during a two-and-a-half year enrollment period and 5,297 (89%) of them enrolled in the study sample. The target population was extremely diverse:

- *average age was 18
- *5% were 15 or younger
- *80% had a child under a year old; 60% had an infant
- *1/3 had completed high school; only 1/2 of those who had not were still in school
- *average reading and math skill level at the eighth grade level
- *1/2 were living with a parent
- *less than 1/3 received any support from the noncustodial father of their child

SIGNIFICANT RESULTS: The demonstration programs are being evaluated by Mathematical Policy Research, Inc. under contract to the demonstration sponsors. A long-term follow-up of the study sample and their children is underway, with results to be released in 1996. December 13, 1993

The federal Teenage Parent Demonstration program has been very successful in getting first-time teen parents to stay in school, enroll in job training, or take a job. The program was particularly significant because it was mandatory, universal, and successful. Its participants have a 19% higher rate of success than other AFDC mothers. After two years enrollment, 79% of the participants were in school, job training or a job -- compared to 66% of those receiving regular AFDC assistance.

The Parents' Fair Share Demonstration: Operation Fatherhood

LOCATION: Union Industrial Home for
Children
864 Bellevue Avenue
Trenton, NJ 08618

CONTACT: Barbara Kelley-Sease, Executive
Director, Union Industrial Home
609/695-1492

GOALS: 1) to reduce poverty among children receiving public assistance by encouraging and requiring their noncustodial parents to establish paternity and pay child support; 2) to increase the employment and earnings of noncustodial parents who are unemployed and unable to adequately support their children; and 3) to assist these parents in providing other forms of support to their children when appropriate.

Parents' Fair Share is the nation's first federally funded program to provide services and support to noncustodial parents. This interesting nine state demonstration, created by the Family Support Act, is a model for service strategies likely to be encouraged in welfare reform.

SUMMARY: The nine Parents' Fair Share Demonstration programs use a variety of approaches, built around four core services: employment and training, peer support and instruction in parenting skills, mediation, and enhanced child support enforcement. Fathers generally enter the program because they need a job, and they want to become more actively involved with their children. However, they themselves have a wide range of problems, including substance abuse and legal problems over child support arrears. The Operation Fatherhood program addresses these problems in several ways. First, they offer the men job skills sessions and help with the job search. Second, informal group sessions teach the participants more about their role as a single parent. These sessions are mandatory for program participants. Topics for the sessions include:

- *Personal Development sessions cover issues involving fatherhood, manhood, values, communication, decision-making and self-esteem.
- *Fatherhood sessions cover childhood growth and development, behavior and parenting skills.
- *Relationships sessions cover the qualities and types of relationships in general, dealing with anger, and establishing goals to improve relationships.
- *Health and Sexuality sessions cover sexual behavior, family planning and birth control.

SCOPE: Operation Fatherhood works with noncustodial fathers age 16-35 living in Mercer County who are unemployed or underemployed. The program met its required enrollment level of 300 for the pilot phase which lasted from April 1992 - December 1993. As of August, 1993, 33 men had been placed into on-the-job training slots and 39 entered unsubsidized employment. Child support garnishments were entered for 25 of the participants and collections initiated for 18. As of December, 1993, HHS had decided to continue with the program.

FUNDING: Operation Fatherhood is an initiative of the U.S. Department of Health and Human Services, the Manpower Demonstration Research Corporation, and a consortium of foundation partners, including the Pew Charitable Trusts, AT&T and the Ford Foundation. The funding includes \$750,000 of federal money, \$325,00 in State money and \$200,000 in private funds.

December 13, 1993

Riverside County's GAIN Program

CONTACT: Lawrence E. Townsend, Jr.
Director, Department of
Public Social Services
4060 County Circle Drive
Riverside, CA 92503
909/358-3005

MISSION: to return adult AFDC recipients to productive employment through education, training and placement services.

RESULTS: As MDRC reports in its April 20, 1993 review of GAIN, Riverside had the most impressive results for single parents. In the second year, it raised the program group's earnings by \$1,179, or 53 percent over the group average. Its total improvement in earnings, over the first two years, reached \$2,099 per person. The County also saved \$701 in welfare payments in the second year, a 17 percent reduction compared to the amount of payments made to the MDRC control group. Total welfare savings reached \$1,397 per person after two years. These earnings and welfare impacts were the largest in any of the six counties studied by MDRC, and are larger, according to MDRC, than those found after just two years in previous large-scale welfare-to-work programs.

SUMMARY: The GAIN program is administered by each of the 58 counties in California. However, current GAIN statute and regulation provide a significant amount of flexibility to the individual counties. Riverside County has used this flexibility in an interesting way to create a program with very high participation and employment results. Three key program elements differentiate Riverside from other counties: Employment Focus, Participation, and Job Development.

The Riverside program works on the model of placing participants into employment as quickly as possible because it views real job experience as the best training available to clients. Riverside GAIN managers and staff receive a strong and unequivocal message that their responsibility is to assist AFDC clients in becoming employed. The County enforces a minimum job performance standard of 12 placements per month per worker. Orientation focuses on the expectation that all clients will become employed. Job Club is designed as a training ground to help clients understand the benefits of working, how to locate and secure employment, how to sell themselves, and how to use these skills in the future. Then, in Job Search, clients apply what they have learned in Job Club. Clients who are in basic education or training components understand that they are there to improve their skill level so they can effectively enter the job market.

Riverside County GAIN staff extensively market the GAIN program by identifying the benefits of participation for the client and closely monitoring the progress of the client through the various GAIN components. If necessary, immediate and timely action, sometimes resulting in a financial sanction, is taken to obtain a satisfactory level of participation by the client.

With regard to job development, Riverside GAIN staff, rather than rely solely on the client or other agencies to identify potential job placements, are aggressively involved in locating job vacancies and recruiting employers specifically for GAIN clients. This effort includes acquainting prospective employers with the GAIN program and providing services which make it more appealing to hire GAIN clients to those employers.

The Riverside GAIN program is the single most effective welfare-to-work program evaluated by MDRC. Its heavy emphasis on getting people into employment from their first day on welfare is an excellent example of the sort of culture change in a welfare office which welfare reform will seek to achieve.

December 13, 1993

ASSETS: Avenues to Self-Sufficiency Through Employment and Training Services

CONTACT: Joel Sanders or Gudrun Hanson
Public Assistance Division
Alabama Dept. of Human
Resources
50 Ripley Street
Montgomery, AL 36130
(205) 242-1950

ASSETS is a demonstration program that consolidates food stamps and AFDC into a single cash assistance program. Its redesigned service delivery structure is an exciting model for welfare simplification.

SUMMARY: Through ASSETS, the Alabama Department of Human Resources has initiated a fundamental restructuring of benefit programs. The Department has consolidated the Food Stamp program and AFDC into a single cash assistance program. Child support cooperation among recipients is required, and the JOBS program and Food Stamp Employment and Training Services are also incorporated into ASSETS. The program works to:

- prevent individuals and families from becoming economically dependent
- provide more accessible and understandable benefits to recipients
- encourage recipient independence and flexibility in managing their household budgets and stress the expectation that clients can become responsible managers of their lives
- reduce administrative complexity
- reduce erroneous payments
- save administrative funds associated with insuring, transporting and storing Food Stamps
- permit administrative costs and staff resources to be diverted to the reduction and prevention of economic dependency.

ASSETS uses a case management model utilizing a single worker for eligibility determination and employment and training activities. Under the new program, income is counted the same way for both Nutrition Assistance and AFDC, resources are evaluated in the same manner for both programs, earned income deductions are computed using Food Stamp rules, monthly reporting is eliminated, the requirement for expedited services is simplified and applied to both AFDC and NA, benefit levels are standardized based on income increments, and sanction policies are standardized both within and across program lines. ASSETS also includes a comprehensive Work and Training Services program (WATS) modeled after the Federal JOBS program.

SCOPE: The demonstration program began July 1, 1990 in Limestone County and has since been implemented in Clarke County on November 1, 1991 and in Madison County on January 1, 1991. The project will continue for four years. Waivers were granted for AFDC, Child Support Enforcement and the Food Stamp program in January, 1989. Some of the waivers were granted to conform need standards of AFDC with those of the Food Stamps program and to require participation for more than six months in employment and training programs. Others were granted to cash-out the Food Stamps program and to modify income reporting and budgeting methods.

Abt Associates, Inc. is performing an evaluation through randomly selected demonstration and comparison counties. The final impact report is due in 1994.

December 13, 1993

Project LEAP -- Learn, Earn and Prosper

CONTACT: Dr. Ed Meek, Project Director
601/232-7238

LOCATION: Department of Resource
Development
The University of Mississippi
University, MS 38677

MISSION: to eliminate the high rate of adult illiteracy in Mississippi, which is the source of many of the state's social problems, including poverty and joblessness.

Project LEAP is an innovative partnership program that has used satellite technology to increase the accessibility of education programs for welfare recipients in secluded areas of rural Mississippi. It is a premier service delivery model in the JOBS program, which will be a cornerstone of the welfare reform plan.

SUMMARY: Project LEAP is an exciting partnership of education, government, and private industry serving the educational needs of AFDC recipients. LEAP serves as a local service provider in the overall JOBS program. Now in its second year, LEAP uses satellite technology in an innovative way in order to reach 3000 students in 80 sites in 62 counties statewide. It combines satellite, cable television, and computer technology with traditional classroom-based instruction in offering literacy, GED, and job-readiness training.

In its first year, LEAP concentrated on establishing literacy programs in the most rural parts of Mississippi, generally in areas where there were no adult education programs. Sites are located in a wide range of facilities, including public schools, libraries, armories and even what some would describe as rural "shacks." After only six months of operation, the first 668 students served by LEAP achieved the following:

- 79% of upper level have received the GED
- 16% have become employed while in LEAP
- 30% have progressed to a higher learning level (there are 3 levels)
- 13% have entered community college or other training programs;
some have enrolled at The University of Mississippi
- 5% have been removed from public assistance

LEAP's interactive, instructional programs are broadcast five hours a day, four days a week, via satellite and are carried on the Mississippi Cable Training Network. Each educational center is staffed by a teacher and aides. Master teachers, who present a core curriculum, enrich local classroom activities via satellite from studios on the campus of the University of Mississippi. Reception of these signals by the centers is made possible by satellite-receiving antenna or through the Mississippi Cable Training Network. Additionally, two of the nation's most sophisticated mobile learning laboratories, both equipped with 12 computers and powerful instructional software developed in Mississippi, enhance Project LEAP training. Constructed by CENTEC of Jackson, Mississippi, the 30-foot-long mobile labs include a wide range of computer-assisted programs.

FUNDING: Project LEAP is funded through the JOBS program of the U.S. Department of Health and Human Services, the Mississippi Department of Human Services, the Governor's Office for Literacy, the University of Mississippi, and in cooperation with the Mississippi Cable Training Network.

December 13, 1993

The Child Assistance Program (CAP)

CONTACT: Mike Warner, Program Manager
518/473-7344

LOCATION: 40 N. Pearl Street
Albany, New York 12243

MISSION: to help families with dependent children gain economic security and escape poverty and to remove the stigma of welfare.

CAP, a model program in child support assurance and making work pay, tests several innovative methods for increasing self-sufficiency through work and family support.

SUMMARY: The Child Assistance Program is a New York State DSS pilot program to provide wage supplements to single AFDC parents who can both work and obtain child support orders. CAP is a valuable model program since it gives parents primary responsibility for their children. Although CAP provides a lower basic benefit level (about two-thirds of the AFDC grant), it provides more favorable treatment of earned income. Overall, the pilot program tests: 1) whether the offer of economic incentives will induce AFDC recipients to obtain child support court orders and earn at least \$350 per month to qualify for the economic and enhanced case management incentives; and 2) whether the incentives will increase self-sufficiency and decrease recidivism.

More specifically, CAP involves a major restructuring of benefit levels and service delivery. CAP benefits are reduced by only 10 cents on the dollar up to the poverty level and then 67 cents on the dollar up to the benefit limit at 150% of the poverty level, whereas AFDC takes away benefits almost dollar for dollar. CAP also pays recipients their benefits, as well as child care support, directly and allows them to manage a personal budget. If recipients need training, it ties directly into JTPA or other pre-existing employment and training services.

CAP is based on a holistic, case management system in which recipients develop their own plan for improving their family's economic and social situation. Case workers have a much smaller caseload, thus they can give more individualized attention and help clients receive necessary services quickly.

Waivers for AFDC, Child Support, Medicaid and the Food Stamp Program were granted in September, 1988. CAP requires AFDC waivers for certain provisions, including: 1) replacing earnings disregards with incentives; 2) eliminating the resource test; and 3) eliminating certain employment rules.

SCOPE: Operating in seven counties since 1988, CAP is available to all single AFDC recipients with children who are able to get a support order on a voluntary basis. The program was implemented in counties between October, 1988 and April, 1989. CAP has been authorized to run through April, 1994 but will most likely be extended through 1998.

EVALUATION: A demonstration group of approximately 4200 participating families has been evaluated by Abt Associates, Inc., whose final report was released earlier this year. According to Abt results, two years after recipients learned about CAP, significant progress was demonstrated. Those clients informed about CAP:

- had earnings from employment 27 percent higher than those uninformed about CAP;
- were 25 percent more likely to have obtained a support order for all children lacking one than those uninformed about CAP;
- were 18 percent more likely to have income exceeding 125 percent of poverty than those uninformed about CAP.

Additionally, the evaluation's cost-benefit analysis found CAP able to achieve these impacts without any increase or decrease in government expenditures.

December 13, 1993

Utah's Single Parent Employment Demonstration Program

CONTACT: D. Michael Stewart
Executive Director, Utah DHS
120 North 200 West
Salt Lake City, Utah 84103
801/538-4001

Utah's Single Parent Employment Demonstration experiments with running a universal JOBS program, with no exemptions, in which all AFDC recipients in the project area are expected to be moving toward self-sufficiency.

GOAL: to transform the AFDC program from an income maintenance system to an employment program and to have 70-75 percent of participants achieve an income above poverty in two years, or at least a net increase of \$250.00.

SUMMARY: On October 5th, 1992, federal agencies approved the demonstration and forty-four necessary federal waivers involving six major programs including AFDC, Food Stamps, Medicaid, Child Support, Child Care and JOBS. Under the demonstration program:

- Self sufficiency planning is required prior to eligibility determination for financial assistance, with one-time payments used to divert certain applicants from assistance through employment and child support;
- Child support collection is prioritized for program participants;
- JOBS exemptions are eliminated. All parents and children not attending school are expected to participate, with a \$100 reduction in the family's grant for nonparticipation. Participation includes employment, work experience, job search, job seeking skills, training, education, or other activities to enhance employment potential;
- Eligibility and benefit determination are simplified and financial incentives for work are increased, including: raising the resource limit to \$2,000 and the automobile limit to \$8,000; replacing the current disregards with \$100 plus 45 percent; and expanding eligibility for transitional Medicaid and child care services.

SCOPE: The demonstration began January 1, 1993 at the Kearns office which serves part of Salt Lake County, an urban area. In March, the program was started in St. George, a small city, and in Roosevelt, a rural area with high unemployment and a high percentage of Native Americans. The Kearns office contains both an experimental and control group.

EVALUATION: An independent evaluation is being conducted by The Social Research Institute at the Graduate School of Social Work, University of Utah. The preliminary results, as of May 1993, are very positive. 4 to 5 percent of all demonstration participants, including experimental group participants, are securing employment each month. This is double the control group percentage and the state average. The number of experimental group families receiving financial assistance declined by 151, or 14 percent, in the first five months. In comparison, the number of control group families receiving AFDC declined by 5 percent. Despite enhanced work incentive disregards and a \$40 payment for full participation, monthly grant costs for the experimental group declined by \$49,000, or 13 percent, during these five months. Control group grant costs declined by 2 percent. The additional cost above the normal JOBS cost for the experimental group of 1,100 cases averages about \$45,000 or \$540,000 annually. The proposal projected that AFDC grant savings would equal the additional employment service cost toward the end of the second year.

December 13, 1993

Kenosha County JOBS Program

CONTACT: Larry Jankowski
JOBS Program Director
8600 Sheridan Road,
PO Box 4248
Kenosha, WI 53141-4248
414/697-2550

MISSION: to empower participants in public assistance programs to attain and sustain economic self-sufficiency.

SUMMARY: The Kenosha County JOBS Program offers a unique package designed to move welfare recipients into the work force as quickly as possible. The program is based on several assumptions, including: 1) AFDC is intended to be temporary; 2) the AFDC recipient is capable of employment and of reaching economic self-sufficiency; and 3) the AFDC recipient is always better off employed than being completely dependent on public assistance. Its main strategies include a commitment to the integration and consolidation of services, to engaging participants in JOBS Program activities as soon as possible and to the greatest degree possible, and to involving each participant in a progressive series of activities that require the same level of commitment in terms of time and energy as full-time employment.

The Kenosha County JOBS Program works to break the cycle of welfare dependency by placing clients in employment situations as early as the first week on welfare. Additionally, the program's innovative physical and administrative design serves as a model for reinventing the structure of the welfare system.

The Kenosha County Job Center serves as the core of all county services. At the Center, staff from any one participating agency are not seated together in the general work space, but commingle with other agency staff to provide for maximum communication and to facilitate the building of common caseloads among groups of related staff. The Job Center includes classroom space as well as a professionally staffed, on-site child care room for children of participants who are involved in Job Center activities.

The Program's WorkFirst initiative engages AFDC applicants in JOBS Program activities before the receipt of the first welfare check. WorkFirst strives to provide at least 32 hours per week of JOBS Program activity for the first 23 weeks of mandatory or voluntary JOBS participation and to place all new AFDC applicants into a work situation within eleven weeks of application. The Simulated Work Week engages JOBS program participants in employment and training activities that require the same level of commitment as full-time employment.

Economic Support and JOBS Program intake are done sequentially on the same day, and the applicant is told that receipt of AFDC is conditioned on continuous involvement in Job Center activities for at least the next twenty-three weeks. These activities begin with a two-week Motivation Workshop and a two-week Job Seeking Skills Workshop. If a full-time or a part-time job is not found by the end of the sixth week of Initial Job Search, a Community Work Experience, On-the-Job Training, or Work Supplementation slot is assigned to begin the Monday of week eleven.

RESULTS: In 1992, the JOBS Program provided service to 2,933 AFDC recipients. 85 percent of all mandatory and voluntary participants received services. This compares to a 16 percent participation rate nationwide and a 32 percent rate for Wisconsin. In 1992, Kenosha participants had a placement rate of 32 percent compared to 20 percent statewide. An average of one out of every three participants reported earned income due to employment each month.

December 13, 1993

Washington State Paternity Affidavit Program

CONTACT: John Hoover
Support Enforcement Officer, Paternity
Affidavit Program
(206) 586-3555

LOCATION: PO Box 9162
Olympia, WA 98507-9162

MISSION: Washington State has a focused initiative to persuade new fathers to sign paternity establishment forms, in the hospital, at the birth of their children.

Washington State has a statewide Paternity Affidavit Program designed to persuade new fathers to sign paternity establishment forms, in the hospital at the time of birth. Washington is the first state to run a focused in-hospital paternity establishment initiative.

SUMMARY: While many states provide the opportunity for new fathers to establish paternity at the hospital, Washington has a focused initiative which includes carefully informed consent, training for hospital social workers and midwives and timely follow-up with the father to establish and enforce the support order. Since July 1989, Washington law has required the attending physician, midwife, or their agents (the hospital) to give the unwed father a chance to acknowledge paternity of his newborn. They are given ten days from the birth date to do so, and for each signed and notarized affidavit, OSE pays the agent "finder fee" of \$20. Before signing the paternity acknowledgment, both parents are given written information about the benefits and responsibilities of paternity, including the duty to support and support enforcement services. The hospital sends a copy of the acknowledgement with its invoice to OSE.

Once the Office of Support Enforcement receives its copy of the acknowledgment, it serves the father with a notice of parental responsibility. If the mother and child are on welfare, support enforcement begins when the state authorizes financial and medical assistance for the new baby. If the mother applies for public assistance at the time of birth, the order for support is initiated at the same time.

SCOPE: About 100 hospitals in the state are participating and staffs at 50 of them have received training in the new paternity consent process. OSE also did extensive training with local vital statistics registrars.

EVALUATION: The number of affidavits received has increased each year since the program began. In 1990 6,500 were received and in 1992 the number rose to 10,000. Cases have moved quickly from order establishment into enforcement, and few if any of the original acknowledgments have been contested.

FUNDING: Washington State Department of Social and Health Services

December 13, 1993

National Individual Profiles

The individuals profiled in this section have agreed to speak with members of the press or others interested in their personal experiences with the welfare system. Please check with **Emily Bromberg (401-6953)** or **Helene Grady (401-4886)** before contacting any clients. The list is divided by issue.

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE FOLLOWING PAGE HAS HAD MATERIAL REDACTED. CONSULT THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER FOR FURTHER
INFORMATION.

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Child Support Enforcement and Insurance

Making Work Pay

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May 18, 1994

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 2
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE FOLLOWING PAGE HAS HAD MATERIAL REDACTED. CONSULT THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER FOR FURTHER
INFORMATION.

Issue: Child Support Enforcement and Insurance

[REDACTED]

[REDACTED] does not receive child support from her ex-husband and has had to go on AFDC. A lack of child support and transitional services has kept [REDACTED] on the edge of AFDC and self-sufficiency for several years.

[REDACTED] is a 30-year old mother of three children, ages 8, 6, and 2. Because she does not receive child support from her ex-husband, the father of the two older children, [REDACTED] has been on and off of public assistance and struggling to make ends meet.

In 1987, [REDACTED] husband left her while she was six months pregnant with their second child. She had been in the military earlier, as was her husband, but was not working at the time that he left her. He filed for divorce, and [REDACTED] moved in with her mother. At nine months pregnant, [REDACTED] got a legal separation and applied for AFDC. After she had her child, [REDACTED] knew that AFDC was not enough to support herself and two children, so she looked for work.

After about four months on AFDC, [REDACTED] got a job as a secretary at the Spartan School of Aeronautics. At this point, [REDACTED] struggled with child care and other costs of living. She made too much money to qualify for public aid, but not enough to be self-sufficient. She still lived with her mother. After two years, [REDACTED] went back on active duty in the military. During this time she became pregnant with her third child. [REDACTED] resigned from the military and had her baby in April 1991. She had been receiving unemployment compensation and Food Stamps for three months; when she had her baby, she went back on full AFDC. The father of the third child does pay child support.

This time on AFDC, [REDACTED] tried to join a job placement and counseling program. She could not get a spot in a state program and went to a Vo-Tech program on her own for career counseling, but it really did not help her at all. At this time, her mother lost her house because she could not afford to help support [REDACTED] and her children. [REDACTED] got a part-time retail job and then a temporary job; she was still partially on AFDC during this time. Finally, [REDACTED] found a full-time job doing factory work. She is currently in this position and is off AFDC. She receives Food Stamps and childcare assistance. She still pays approximately \$350/month for the child care. She has just begun to receive, after six months on the job, health care benefits. [REDACTED] is still struggling, but is glad to be off AFDC.

[REDACTED] ex-husband lives in Ohio and currently has felony charges against him for failure to comply with his child support order. [REDACTED] had a URISA on her case for four years, but nothing was done. He currently owes [REDACTED] approximately \$33,000 and the state approximately \$5,000.

Interviewed by: Helene Grady, WRWG staff, after receiving a child support campaign postcard from [REDACTED] who put her phone number on the card.
February 7, 1994

[REDACTED]

██████████ although never completely dependent on welfare, can explain how the lack of child support can keep a family from maintaining its self-sufficiency.

██████████, 47, is the mother of three girls, ages 24, 18 and 9. She is currently a junior anthropology major at the University of Maryland. She is working two part-time jobs because she receives only sporadic child support from her ex-husband, the father of her 18-year old daughter. She has never received AFDC, although she has always struggled to maintain her self-sufficiency.

██████████ ex-husband owes more than \$72,000 in unpaid child support. They were separated in 1980 and divorced in 1984, following an abusive relationship. Prior to their separation, ██████████ had run a family business with her husband. In 1982, ██████████ entered a job training program at Montgomery County Community College. Upon finishing the program, she found a job and received a child care subsidy from the state. In 1983, however, ██████████ became ill and was forced to stop working. Since then, she has worked several part-time jobs while her mother provided child care for her daughters. Since 1988, when she located her ex-husband, ██████████ has been trying to collect child support. Her husband is self-employed and lives in D.C. while she lives in Maryland, making enforcement even more difficult. She currently earns approximately \$10,000 a year and is trying her best to stay off of AFDC and Food Stamps, although it is difficult to meet her family's needs without the father's support.

When ██████████ testified before the Working Group in Washington, DC in August 1993, she concluded her testimony by saying, "When I think about the amount of tax dollars that has been wasted on my child support case by the courts I can only imagine that if the money had been more wisely spent on a program of effective child support, then my children would not be in this situation [resorting to Food Stamps] once again."



██████████ is an example of a mother who, because of a lack of child support and an inter-state case, is struggling to maintain her self-sufficiency and to stay off of public aid.

██████████ is a 40-year old mother of two children, ages 13 and 10. She has never been on AFDC because she does not qualify. However, because of a lack of child support, ██████████ has struggled to maintain her self-sufficiency. She has her high school degree and one year of college and currently works full-time as a medical assistant at the Urological Group of Union County. She has been divorced since 1985.

At the time of her divorce, in May 1985, ██████████ ex-husband was ordered to pay \$60 per week in child support for his two children. However, in November of that year, the father left New Jersey and moved to Florida. ██████████ managed to track him down through the mail system, with no help from the probation office. ██████████ received a court order through Florida for only \$10 per week per child. This order was not reevaluated until later in 1986 when it was increased to \$12.50 per week. According to the State of New Jersey, the father owes over \$40,000 in arrears.

██████████ does not qualify for public aid because her salary is too high. However, her mortgage payments take over half of her annual income, and she is constantly behind in her utility bills. ██████████ is very frustrated with the child support enforcement system and fears losing her security and independence.

█████ testified before the Working Group in New Jersey. After relaying the details of her interstate enforcement case, █████ told the Working Group: "The first time my son asked me if we were poor, he was only nine years old, and this was at our dinner table. I am embarrassed to open the refrigerator door because you can see straight through it. I just don't see the system working. I fill out the forms and they're going from one state to the other. It seems there's three different levels of government...and it's not solving the problem. It's been eight years."



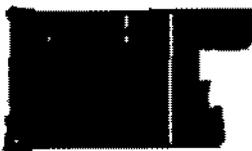
█████ is a prime example of how the child support enforcement system needs to be improved in order to help many welfare recipients become self-sufficient.

█████ of Silver Spring, MD is a 42-year old divorced mother of two boys, ages 14 and 18. █████ began on public assistance in 1984 after her husband left her with virtually no money. She described her devastation to the Working Group when she testified in August, saying, "When my husband abandoned the family in August of 1984, we had a chicken in the refrigerator and \$5 in cash and were in the process of becoming homeless because he had sold the house before he left."

In 1986, through the Family Independence Program in Montgomery County, MD, █████ completed a six-month business training course. After a period of unemployment, █████ started work full-time in 1988 as a data entry clerk for the National 4H Council where she currently works earning \$15,000 a year. █████ does not receive child support from the father of her two sons who owes back arrears amounting to more than \$105,000.

On leaving welfare, █████ experienced the typical withdrawal of supports those leaving the system encounter, including increased rent and the loss of health benefits. She has successfully held her job for six years now, and her experience illustrates the difficulty many single mothers face when they must support their children on a low income with no help from the children's father. █████ is independent of welfare but does live in subsidized housing. █████ does receive the Earned Income Tax Credit which she uses to pay for summer clothing and a summer break for her children.

█████ explained to the Working Group: "One of the main reasons why women like myself are forced onto welfare is the lack of regular child support payments. Since 1984, I have gone from a welfare recipient to a member of the working class poor...In the nine years since their (her sons') father left us, they have received a total of \$1,000 in child support. For seven of those years my sons' father has lived and worked in the same place earning over \$40,000 per year. But because of inadequacies of the Montgomery Child Support Office...my sons did not receive any support."



█████ story illustrates the difficulty that single mothers often have with the child support enforcement system as it currently operates.

█████ is a 45-year old mother of two sons, ages 16 and 9. She is not on public assistance but has had trouble maintaining her family's self-sufficiency due to a problem in collecting child support.

██████ has been separated from her physically abusive husband for approximately eight years. Initially, the court ordered him to pay \$100/week in child support. During these years, she has only received a child support payment two times, after her husband had been arrested for nonpayment. She has had much trouble with the enforcement system. In one year, ██████ went to court six times, with six days off of work, and the father never showed up. After five years, ██████ found out his work address in Hackensack, NJ and notified the Sheriff's office, but the father left the job before they caught him. He now lives in New York, and ██████ has given his address to the authorities. Because he is out-of-state, there is nothing they can do with it.

██████ was scheduled to testify before the Working Group in New Jersey. Although she did not make it to the hearing, we had the chance to interview her in preparation for her testimony.

Making Work Pay

[REDACTED]

[REDACTED] is a great example of a rural welfare recipient with years of work experience who had difficulty finding even low-wage, part-time work. She is now working in her field of expertise and saving money so that she can start her own business. Her job does not pay for health insurance and she does not know what she will do when her transitional coverage expires.

[REDACTED] is a skilled, certified cake baker and decorator with many years of experience in the field. She was married, had two children, and was employed at a state college as a baker for over four years when she got divorced. In 1990, after her divorce, she was forced to go onto welfare in order to obtain enough money to pay child care costs and rent. Had her husband paid child support she probably would not have needed to go on welfare because her job provided health benefits and a decent salary.

She was at her wits end, contemplating suicide, in January of 1991 when she talked to her caseworker in Kansas. While she was not in need of job training, she was demoralized and her confidence was extremely low and she did not believe in her ability to work and be productive. He immediately enrolled her in the basic skills and fundamental skills classes at Southeast Kansas Area Technical/Vocational School.

Those classes turned her life around. The first thing the teacher told the class was "I don't have any losers, only winners," and that stuck with [REDACTED]. Through the courses and the encouragement of the staff at the school, [REDACTED] rebuilt her confidence in herself and her skills.

On Valentines Day she brought in a cake she had baked and decorated and people were so impressed that she got 15 cake orders that day. Her teacher told her that her cakes were better than the ones in stores and that she should apply for a job at the Dairy Queen which was being built. So, [REDACTED] did.

While she had years of experience in cake decorating, she needed to be certified to work at DQ, so Kanwork paid for her certification class. She ended up teaching the teacher many things, and now she teaches the certification course twice a year for a month each time.

She was hired by Dairy Queen where she has been working since April, 1993. She started working 20 hours a week at \$4.35 an hour and now works up to 35 hours per week. She has also been building up a home baking business clientele. KanWork helped her purchase a Kitchen Aid Mixmaster, and through word of mouth, people have heard about her cakes. Until she gets a license to cook in her home she can only sell at cost, but she is building up her reputation and hopes that by June she will have the money to apply for the license.

Currently [REDACTED] gets health coverage and child care funds through KanWork transitional assistance, however, that will run out in April, and DQ does not provide benefits for anyone. So, she is trying to find a better paying job, though not many are available.

Interviewed by: Abbie Gottesman, WRWG staff

Referred by: Melvin Briley, Southeast Kansas Area Vocational/Technical School, 316/429-3863

[REDACTED]

[REDACTED]

[REDACTED] experience on welfare illustrates the correlation between health care and welfare and also the need for a safety net to help even in-tact families who have emergencies.

[REDACTED] is a 35 year old mother of four children, ages 13, 9, 7 and 6. She has been married for 13 years. She was on AFDC for 18 months when her husband got sick and they needed access to health insurance. She is now working and going to school, and not on welfare.

[REDACTED] had formerly worked as a fast-food manager, but was not working in January 1992 when her husband hurt his back and the doctor ordered him not to work. The family did not have health insurance and went on welfare in March 1992 in order to get coverage. After starting on welfare, [REDACTED] talked to her caseworker about opportunities for her to go to school or to a training program. The caseworker told her that she did not have to do anything because of her husband's disability. They did not help her at all, even though she wanted to do something.

In September 1992, [REDACTED] went ahead and started school on her own, with the help of Pell grants and student loans. She attends Tulsa Junior College and should receive her Associate's Degree in Education in May 1994. She also works part-time at the College as a secretary. She is not currently on AFDC, but also does not receive health insurance from her job. Although her husband is covered under his disability, [REDACTED] and her children are not covered.

[REDACTED] is a good spokesperson for the correlation between health care and welfare and also on the need for a stronger education and training network. She appreciates the safety net that welfare offered her family during their 18 months of dependence, but also believes more can be done to move people off welfare. She speaks often about her personal experience and has testified before Oklahoma's State Task Force on Welfare Reform.

Referred by: Steven Dow, Project Get Together, 918/835-2910

Interviewed by: Helene Grady, WRWG staff

February 21, 1994

[REDACTED]

[REDACTED] represents the mother on welfare who has tried working instead of welfare and has had to return to welfare because she could not make ends meet.

[REDACTED] is a 22-year old single mother of one child, eight months old. [REDACTED] was raised on welfare and is now supporting her child on AFDC. Laura entered the JTPA program and got a good job with a construction company. However, as soon as she started work, her benefits were cut. She had to pay \$200 a month for child care three days a week. The other two days, she brought her child to work with her. She writes in her letter, "I have recently started working, and...my benefits have been cut. I have to pay out \$200.00 a month in child care alone...I pay \$150.00 a month to rent a room, and then I have expenses such as gas, insurance, and clothing. Now, this does not allow for me to save money for renting or buying my own home or to go to college...this leaves no room to get

off or out of the system."

█████ could not afford her expenses, especially child care, and had to quit her job in order to stay with her baby. She now owes \$800 in back rent for her apartment which costs \$250 a month. She only receives \$241 in cash benefits. She is facing eviction, and the waiting list for HUD housing in her area is several months long. █████ does not receive any child support from the father of her daughter, who lives in Virginia.

Interviewed by: Helene Grady, WRWG staff, after receiving a letter that █████ wrote to Secretary Shalala.

September, 1993

█████

█████ story illustrates the need for provisions in welfare reform that help working poor families earn enough money and benefits so that they can be free of the welfare system.

█████ has had extreme difficulty trying to obtain gainful employment. █████ wants to work and spent the last four years in school developing her skills. She has been on welfare for 17 years. █████ is married, her husband has a college degree, works part-time as a janitor, and suffers from manic depression. █████ and her husband have four children. She cannot support her family on a minimum wage job without public assistance. Although █████ did work for four months in a flood relief agency, during which time she was able to leave welfare, her job has ended, and she now needs to reapply for AFDC. She wrote to President Clinton, saying, "I want to work, I need a job and I want to be able to take care of my children, without public assistance."

Interviewed by: Helene Grady, after receiving a letter that █████ wrote to President Clinton.
December, 1993

█████

█████ experience illustrates the importance of making work pay in order to help low-income workers maintain self-sufficiency.

█████ is a 30 year old single mother of three children, ages 9, 3 and 21 months. She only receives sporadic child support, and has been on AFDC for approximately three years now.

When █████ was in high school, she worked part-time at McDonald's and attended a private high school. Her parents were divorced before she graduated, however, and her mother could not afford to pay her bill at school. Even though █████ completed her four years, she did not receive a diploma because she owed a balance. Upon leaving high school, █████ continued to work for McDonald's and eventually became a manager.

In 1985, █████ first son was born. At five months pregnant, █████ had had to stop working because of kidney stones. She was on welfare at this time, but went back to her job at McDonald's after her son was born. She then received only child care assistance. In 1988, █████ added a part-

time job as a bank teller to her full-time job at McDonald's. She stayed at the bank for six months.

In January 1991, [REDACTED] had her second child and stopped working at McDonald's, as she was tired of that position by this time anyway. After the second child was born she began working at Thriftway supermarket part-time and receiving partial AFDC. However, only 18 months later, in July 1992, [REDACTED] had her third child. Because of problems with the baby, [REDACTED] had to stop working and was completely on AFDC.

By November 1992, [REDACTED] wanted to find a program that could help her become qualified for a job that could pay enough to support three children. She wanted a program with on-site child care because her two younger children were so young. Her mother told her about the Lifestrides program at the YWCA in Cincinnati, a job readiness and personal development program that works to move welfare recipients into further training and education or employment. [REDACTED] started at Lifestrides in January 1993. She went through a six-week personal development and readiness course and then entered a GED training program, also at the YWCA. In November 1993, [REDACTED] received her GED. She enrolled in Mount St. Joseph College in January 1994. She is still on welfare and hopes to get a good job that will free her from welfare when she graduates.

Referred by: Diane Marowitz, Lifestrides, 513/241-7090

Interviewed by: Helene Grady, WRWG staff

[REDACTED] experience emphasizes two major problems encountered by families on AFDC: 1) the current system discourages work by cutting benefits as soon as the person receives a certain income level that is still too low for a family to survive; and 2) the need for health insurance as a support to families who are trying to gain self-sufficiency through work.

[REDACTED] is a 31-year old mother of two children and separated from her husband. [REDACTED] began on AFDC in 1990, after working as a bartender and a waitress because she wanted to enroll in school full-time at John Tyler Community College. She had been working part-time but could no longer afford to support her children without a higher-paying job with health benefits for which she needed a college education. Because she continued to work while in school and was earning more than \$291 a month at her job, she was dropped from AFDC.

[REDACTED] had to drop out of school in the spring of 1993 because she could not afford it without her benefits. In March 1993, [REDACTED] went to work for the State Division of Forensic Science where she works full-time - originally as a wage employee earning \$7.24 an hour and currently as a salary employee earning approximately \$350/week. She still plans to go back to school at night to earn a degree in computer programming.

[REDACTED] explained to the Working Group in Washington, DC in August 1993 that she first turned to welfare in part because she needed health insurance for her children. She explained, "Social Services offered me a way to help my children, and that was the most important thing to me. I believe that the system was overly willing to give me a monthly check, but most importantly I believe the system was holding me back from being self-sufficient. The system helps people with no income coming in, but once a person receives a part-time job their benefits are cut back drastically or terminated altogether."

[REDACTED]

[REDACTED] story illustrates a common problem for welfare recipients -- it simply does not pay for them to go to work.

[REDACTED] is a 32-year-old mother raising three children without any child support. She was on welfare for five years but is now working full time earning \$7.36 per hour in a sheet metal apprenticeship program at Cates Sheet Metal. When [REDACTED] first applied for AFDC benefits in 1989 after leaving her second husband, she found out that she was making too much money to qualify for benefits. At the same time, her three jobs as receptionist, housekeeper and desk clerk did not pay enough to support her family. When she went to apply for welfare assistance, she learned she would need to quit two of her jobs in order to qualify for assistance. [REDACTED] explains that "I went in for a little bit of assistance. They told me I was making too much money, so I quit my jobs and went back and reapplied. It's pretty sad when you're working hard and they won't help you." A common problem for people trying to leave welfare is that it simply does not pay for them to go to work. The President's welfare reform plan will make work pay more than welfare for single mothers through three initiatives: promoting the recently increased Earned Income Tax Credit; dramatically increasing child care for both welfare recipients in education and training programs as well as low-income working families; and, through the Administration's health care initiative, providing universal health care for all families.

In May 1993, [REDACTED] joined the FUTURES program where she went to Adult Basic Education and to Full Employment Counseling/Job Training. She finished the program in May 1994 and found a job with Cates Sheet Metal in Olathe, MO, where she has been working for two months. She is in a five-year union apprenticeship program; when completed, she will earn between \$21 and \$24 per hour.

[REDACTED] met with President Clinton [REDACTED]

Referred by: Diane Patrick, FUTURES

[REDACTED]

[REDACTED] story shows how the lack of health care can very often force a working mother onto welfare.

[REDACTED] a 34-year old mother of three sons ages 17, 15 and 11, is divorced after being married for six years. She receives child support for her two older sons; but her ex-husband (father of her third son) owes child support to her. [REDACTED] has her high school degree and two years of credits from Penn Valley Community College. She had been on and off AFDC for several years until the FUTURES and Women's Employment Network helped her to find a steady job with HOK Sports Facilities. [REDACTED] story illustrates how the need for medical care can keep single mothers on welfare rather than in entry-level jobs.

Welfare Simplification/Service Delivery

[REDACTED]

[REDACTED] also represents the problem with rural service delivery and the inaccessibility of both training programs and employment opportunities in rural areas.

[REDACTED] is a 37-year old mother of two children, ages 21 and 11. She is on AFDC and has been since she was 16 years old and had her first son. She has never been married. She had dropped out of high school to care for her child. At 17, she was accepted into a federally funded program in Texas that would pay for her transportation to Texas and her books and expenses while she attended a GED program. She got her GED through this program while her son stayed with her mother. After moving back to Tennessee, she had difficulty finding a job. In 1979, she heard of a plastic factory forty miles from her home that was hiring. She worked at this factory until 1982 when the plant moved out of state. While she was working at the factory, she was completely off AFDC. However, she has not worked at all since then and has been completely dependent on AFDC. In 1982, when she lost her job, she also had her second son.

[REDACTED] has not been able to find a job at all. Although what little her caseworker has told her about the JOBS program interests her, [REDACTED] has not been able to participate because she has absolutely no transportation. She lives in a relatively rural area without public transportation. The nearest town to her is twenty miles away.

[REDACTED] testified before the Working Group in Tennessee, where she explained: "DHS offered me vocational training in 1992. I was given a basic skills test and made a perfect score. They did not offer transportation, however...The nearest vo-tech is 25 miles away from my community...Child care is another reason people can't work or go to school. We don't have anyone to take care of our kids. I would like to go to college and pursue a career in accounting or maybe a registered nurse or a lab technician. [Even though] I'm 37, I still have dreams of working and helping my son realize his dreams."

[REDACTED]

[REDACTED] is an excellent representative of the problems with rural service delivery under the JOBS program.

[REDACTED] is a 44 year old mother of two grown children, ages 22 and 18. [REDACTED] is divorced and lives in the very rural mountain town of Clearfield, TN. [REDACTED] is now off AFDC but had been on and off for 15 years. She first started on welfare in 1970 after she separated from her husband. She was pregnant and had to quit work. After her child was born, she worked on and off in temporary jobs. For a short time, she was reunited with her husband, but neither of them could find work. They ended up back on AFDC, and they eventually split again. Once alone, [REDACTED] alternately worked and depended on an AFDC check. In the early 1980s, [REDACTED] became involved as a volunteer with the Woodland Community Land Trust in her town, where she still works.

Living on a mountain, [REDACTED] has always had problems with transportation and with access to JOBS

programs. She has not always had a car; when she did not she would have to walk or catch rides down the mountain. JOBS has not had very much to offer [REDACTED]. When introduced to the program, [REDACTED] was given the choice of only two tracks to follow: nurses' aid courses or secretarial courses. [REDACTED] was not interested in either of these areas and also knew that few, if any, job opportunities existed in her area in these fields. [REDACTED] would have had to travel approximately twenty-five miles each way into the town of LaFollette to attend these classes which were only held at night, when her children were at home.

[REDACTED] testified before the Working Group in Tennessee, where she told the Working Group: "In 1986, I was told of the JOBS program, and I thought, "Great." For a year, it was fill out papers and wait, as all the pieces were not put into place. In the long run, I couldn't participate. Classes were 30 miles away...If you have children and classes are in the afternoons or the nights, who's going to watch them? When the training was over, because the two that were really offered were secretarial and nursing, where are you going to get a job? Out of your community?...It may work for some people in urban places, but it doesn't work for rural people."

Child Care

██████████ was a working mother who had to quit work and go on welfare because she could not afford her child care payments.

██████████ is a 27-year old single mother of two children, ages 8 and 5. She has never been married. ██████████ received benefits under AFDC off and on for several years before she was able to obtain a steady, well-paying job with Pepsi-Cola. One major problem that kept ██████████ on welfare was the lack of available subsidized child care.

██████████ had her first child at age 19 and her second son at age 20. She went on welfare when she had her first child. However, this child died an accidental death when he was 22 months old, leaving ██████████ emotionally distressed and with little motivation. After recovering from the accident, ██████████ started working at K-Mart; she went off AFDC and continued to receive Food Stamps and Medicaid. After five months, ██████████ left K-Mart for a better-paying job at a grocery store. ██████████ was still off AFDC. In 1988, ██████████ had her third son and continued to work at the grocery store, until she ran into problems with her child care. She was living in subsidized housing at the time, but was on a waiting list for subsidized child care for both of her children. At this time, ██████████ had to leave her job and go back onto AFDC because she could no longer afford her own child care. In 1990, ██████████ finally received the subsidized child care and accepted a job with a Richmond Gorman department store as a shipping supervisor. In 1991, Richmond Gorman went out of business and ██████████ lost her job. She went back to welfare, and volunteered for the FUTURES program. FUTURES helped her to find the job that she currently has with Pepsi-Cola where she has been a laborer since December 1992. ██████████ earns \$11.35/hour and is independent of AFDC.

██████████ met with President Clinton ██████████

Referred by: Diane Patrick, FUTURES

Emily Monge
320 West 214th St.
Carson, CA 90745
H: 310/782-2728

██████████ story illustrates how the lack of child care can keep even someone who is motivated to work or go to school dependent on AFDC.

██████████ is a 25-year old mother of two sons age 6 and 3. She has been on AFDC since June of 1991 and started in California's GAIN program in August 1993. She has held several jobs since high school, mostly retail positions and restaurant work, and currently works part-time in a flower shop as a florist's assistant. She has never been married and receives only random child support payments which go to the state.

██████████ is from California but moved to Georgia with the father of her two children several years ago. In April 1991, when things were not going well between herself and the father, she moved back to California. She lived with her grandmother, but had no child care. In June of 1991 she went on

AFDC and was not working because she could not afford the child care. In August 1991, she got an apartment in the Harbor Hill Housing Project. Living in the project only lowered her self-esteem more than even going on AFDC had done, and [REDACTED] decided she needed to do something with her life.

[REDACTED] enrolled in school at Harbor College in the fall of 91. She started working at the flower shop to pay for her child care. All of this time, she was on AFDC and was interested in GAIN but had been told that they were not taking volunteers. In April 93, she finally moved out of the housing project into a rented home, but because of the rent increase, she could no longer afford child care, and had to drop out of school in April.

Finally in August 93, she was accepted into GAIN and went through Job Club. At Job Club the workers told [REDACTED] she could go back to school through GAIN and receive child care, as long as she worked 15 hours a week. However, because of administrative errors, her approval was delayed. She missed the registration deadline at Harbor College and now has to wait until next semester to start back.

[REDACTED] testified before the Working Group in California in October 1993. [REDACTED] described her struggle being on AFDC, working, and attending school, saying: "I found a job at a flower shop right down the street from the projects... And the money that I earned from my job was cut off my AFDC grant. So, you take away the grant cut that I got and the food stamp cut and what I paid for child care and transportation, I was actually getting much less money going to school and working and doing my best for my kids than I would have if I would have just been staying home." [REDACTED] added, "Since I've been on AFDC, I've completed three semesters of college; and it would have been four but, in the spring, I had to cut school half-way through the semester, after midterms, because I could no longer afford the child care. It was especially hard because I had just received notice that I had made the honor roll for the grades that I earned in the fall."

[REDACTED] also represents the mother who wants to be trained for a job and to work but who cannot afford the child care that would give her the opportunity to move off of welfare.

[REDACTED] is a 24-year old mother of three children ages 2,3 and 4. She is on AFDC now and has been since February 1993, but is not, despite her efforts, in the California GAIN program. She cannot participate in GAIN because her daughter is not yet three years old and her county is not taking volunteers who do not have their own child care provider.

[REDACTED] worked in manager positions after she graduated from high school. She has managed two restaurants and one portrait studio. After her husband left home in September 1992, [REDACTED] continued to work and support her children. However, in January 93 her store closed, and she was laid off. She lived off of her savings until late January when she was evicted from her home. She lived with friends and then at Harbor Interfaith Shelter until April. She had gone on AFDC in February and applied for the GAIN program at that time. The state would not admit her because her daughter does not turn three until May of 94. Until then, they told her that she could go to school but would have to find her own child care which [REDACTED] cannot afford. Without this child care, [REDACTED] cannot afford to work either.

When her daughter does turn three, [REDACTED] not even sure that she will be able to participate because her daughter needs special medical care, and [REDACTED] doesn't know if GAIN will provide the special care. [REDACTED] is very motivated to start school, and thinks GAIN could be a good program, but is frustrated with this question of her daughter having to be a certain age to get the child care she needs.

[REDACTED] testified before the Working Group in California. [REDACTED] told the Working Group that "My worker at GAIN looked at my application and told me I would never qualify for GAIN, I'd never have a chance to use the GAIN program. She said I would not be eligible because my daughter is legally blind, has a seizure disorder, and is not yet three years old...Without the money for child care [that GAIN would provide], it's impossible for me to go to school and finish my education. And education, for me, means a career, a career that will allow me to make the kind of money that I can - that I need to support my children...I don't want to be here for the rest of my life."

Transitional Support

██████████ exemplifies how a welfare recipient who stays on welfare for under two years can easily end up back on welfare repeatedly because she does not have access to secure employment.

██████████ is a 38-year old mother of two children, now age 21 and 18. ██████████ had been on and off AFDC over the past ten years. Since February 1993, however, she has been in the same full-time job, has employee benefits and a decent salary, and has been completely independent of public aid.

██████████ was married at age 17 and never received public aid during her married life. She separated from her husband in 1984 and moved from her home in New Hampshire to Massachusetts, where she first began receiving AFDC. She stayed on welfare for 1-2 years, tried to reconcile with her husband, finally divorced and ended up back on AFDC. She has never received any child support. ██████████ worked part-time retail jobs on and off and went on welfare when needed. She never stayed on AFDC for more than two years at a time, but she could not seem to stay off of welfare either.

The last time she resorted to welfare, she asked her caseworker about any programs for which she could be eligible. She subsequently completed a Displaced Homemaker program that helped her regain her self-esteem and take control of her life. In January 1993, ██████████ entered the SER's Jobs for Progress New Options program. She went through assessment testing, job search and non-traditional job training. After only four weeks in the New Options program, ██████████ was connected with a position as a service technician with a pest control company. She still holds this job, which is full-time with benefits. She has not received public aid since February 1993.

Referred by: Maria Fonseca, SER's Jobs for Progress, 401-724-1820

Interviewed by: Helene Grady, WRWG staff

January 31, 1994

██████████ is an example of a long-term, low-skilled welfare recipient who had little hope of being self-sufficient until a non-traditional training program trained her and placed her in a high-wage job.

██████████ is a 28-year old single mother of two sons, ages 7 and 9. She just recently began receiving child support payments. She had been on AFDC for 9 years, but is now working full-time, earning \$9.73 an hour with full benefits, and is independent of welfare. She lives in subsidized housing.

██████████ did not graduate from high school, but left school to go to work. She did not have any job skills, however, and worked in low-paying fast food positions until 1984 when, at age 19, her first son was born. ██████████ moved into subsidized housing and went on welfare. She stayed home with her son and in 1986, had her second son. ██████████ stayed at home and was completely dependent on welfare until both of her sons were in school.

At this point, ██████████ wanted to do something more. She received a flyer from her welfare office

about new programs being offered and [REDACTED] applied for every program. She was called into the Harrisburg Area Community College's (HACC) Job Link program which trains women for non-traditional jobs and places them in employment positions. She began the program in September 1992 and finished in June 1993.

[REDACTED] spent her first six months at HACC in a job prep program that consisted of self-esteem workshops, job interview skills, resume writing, and also basic math skills. Then [REDACTED] entered a training program that trained her specifically for the position she now has at Keystone Railway where she assembles parts for trains. [REDACTED] began her job on June 21, 1993 and has been off welfare ever since. She is also working on her GED. She works the night shift, from 4:15 pm to 2:45 am, while her cousin watches her children. She loves the work and especially loves being independent.

Referred by: Nora Baldini, HACC Job Link, 717/780-2663

Interviewed by: Helene Grady, WRWG staff

[REDACTED] is an example of a long-term welfare recipient who finally made her way off AFDC after becoming involved in a private training and employment program that, for the first time, found her a job that suited her skills and interests.

[REDACTED] is a 37-year old divorced mother of two children, ages 17 and 13. [REDACTED] was divorced approximately twelve years ago and was on AFDC for eleven years. She is now off AFDC and has been working in one job since October 1992.

[REDACTED] had been raised by her mother on AFDC. She graduated high school and worked as a dietician in a hospital for three years, and got married. When she got pregnant with her first child, she quit work. She did not work much throughout her marriage. When divorced in about 1982, [REDACTED] went on welfare. She says that she did not even think much about it, since she had been raised on welfare also. Once on AFDC, she got into a rut and could not get her life on track.

At age 27, [REDACTED] decided to go back to school, and with the help of welfare, enrolled in business school, where she learned basic clerical skills. It was a 2-year course, but [REDACTED] quit after the first year. At this time, she got a temporary job and was off AFDC for six months. However, the job did not become permanent because she lacked the skills really needed for the work. [REDACTED] went back on welfare and looked for other training opportunities. Eventually, she went to a Twin Cities technical school, but did not last in the program.

Finally, [REDACTED] found out about Skills 2000, a local Minneapolis training and placement program. She started by taking eight weeks of basic skills classes at Skills in 1991. Then [REDACTED] interned at Abbott Northwest Hospital as a station secretary. She did not like the job because of its high pressure, need for more advanced medical knowledge, and contact with patients. After about one month on the job, [REDACTED] decided to change to the medical record field. Skills set her up to intern at Fairview Southdale Hospital. [REDACTED] interned here for 3 months and earned her certificate as a file clerk in medical records. She finished this in February 1992.

However, the internship did not turn into a permanent job. Skills 2000 continued to help [REDACTED] find a permanent job. After two months, [REDACTED] found a temporary job with the State of Minnesota working on a special filing project. This lasted approximately 10 weeks. Finally Skills 2000 put

Adele in touch with Group Health which was hiring a medical records clerk. [REDACTED] got the job and started in October 1992. She has been in the job ever since.

Referred by: Liz Beer, Skills 2000, 612/861-2361

Interviewed by: Helene Grady, WRWG staff

February 22, 1994

[REDACTED] a long-term welfare recipient, succeeded at Training, Inc. and has found a job.

[REDACTED] is a 26 year-old single mother of two girls and one boy ages 7, 5, and 1 1/2. She has been off and on AFDC since the birth of her first child in 1986. [REDACTED] most recently went back on welfare in 1991 when she became pregnant with her third child. [REDACTED] mother was on welfare when [REDACTED] was in elementary school. [REDACTED] is renting a house from a friend for \$300 a month.

Initially the father of [REDACTED] two daughters denied paternity, but a paternity test proved that he was indeed the father. He is currently unemployed and was ordered to pay \$68 a month for the two daughters. He has never fulfilled this obligation. [REDACTED] has gone to court three times to try to get the child support she is owed. The father of [REDACTED] baby son is involved in the child's life and gives her support when he is able, but even if [REDACTED] received the child support owed to her, she would not be able to afford to feed her family and pay for child care and transportation.

When [REDACTED] was in seventh grade (for the third time at age 16) she was suspended from school for fighting. At the time she was making all A's but the principal of the school told her parents to let her drop out because he said that she would never make it through high school. She quit school and got her GED. [REDACTED] volunteered for Project Independence when her welfare case manager told her about the program. She entered Training, Inc. in July of 1993 and will graduate at the end of December. [REDACTED] feels strongly that Training, Inc. provided her with the self-esteem, motivation and skills she needed to obtain a job. She was offered the first job she applied to since entering the Training, Inc. program, a part-time bank teller, with the opportunity to move up into a full-time position. [REDACTED] daughter has benefitted watching [REDACTED] go through the training program. She now says that when she grows up she wants to wait to have children until she has a well-paying job.

Last month doctors thought that [REDACTED] daughter had leukemia, but she only had a virus. [REDACTED] new job does not offer health benefits until she is working full-time. She is worried that if another one of her children gets seriously ill after her transitional benefits run out, she would not be able to afford the medical costs and be forced to go back on the welfare rolls.

From my conversation with her, I consider [REDACTED] a very informed and articulate welfare recipient who can express her experiences well and would be willing to talk with anyone about those experiences. She is delivering a speech at her upcoming graduation from Training, Inc.

Referred by: Scott Howard, Training, Inc., 504-529-2245

Interviewed by: Toby Graff, WRWG staff, 202-401-9258

██████████
██████████ was a low-skilled and long-term welfare recipient who had not dreamed of being self-sufficient until she entered a nontraditional training program after which she found a job paying \$8.25 an hour.

██████████ is a 25-year old single mother of one son, age 8. She has never been married and does not receive child support for her son. She had been completely dependent on AFDC for approximately seven years until she found a full-time, high-paying job in the private sector.

In 1986, ██████████ became pregnant, and because she was so sick during her pregnancy, dropped out of high school. Once her son was born, ██████████ signed up for AFDC. She stayed on AFDC and stayed home with her son, without working much at all, for approximately seven years. She had never heard of the Single Point of Contact program (PA JOBS program) and was never encouraged to enter an education or training program. Twice, at age 18 and again at age 19, ██████████ signed up to attend a GED training class, but never heard back from the program about her participation. Patricia had little education and even less job experience, and really needed a training program in order to hope for decent employment that would make it worth it for her to leave welfare.

Finally, in 1992, ██████████ received a letter from the welfare office about the Job Link program at Harrisburg Area Community College. ██████████ applied for the program, was accepted and began in 1992. She went through a nine month program that consisted of full days. Half of her day was spent in machinist training, and the other half in both life skills workshops and basic education. Through the program, ██████████ earned her GED. Less than a month after finishing Job Link, ██████████ was matched with an employment position at True Temper Hardware. She has worked there since March 1, 1993 in a full-time job with benefits available, earning \$8.25 per hour. She works 10pm until 6am while her brother ██████████ has been off AFDC since soon after she started working.

Referred by: Nora Baldini, Job Link, 717/780-2663
Interviewed by: Helene Grady, WRWG staff

██████████ is a short-term welfare recipient who found the right training program at the right time.

██████████ is a 24 year-old mother of one son age 3. She went on AFDC 8 months ago when her marriage broke up. She is currently living at home with her mother. ██████████ graduated high school and spent two semesters at Southern University. She transferred to Delgado Community College where she stayed for one year before dropping out to get married.

When her marriage ended she got a job at a fast food restaurant called Swagmans. At the time her son was a baby and had frequent ear infections and asthma. ██████████ did not have very reliable child care so she was often forced to miss work to take care of her baby. Her employer told her that she was not dependable and should resign if she did not want to be fired. She resigned and took a temporary job as a mail processor in the post office, but when the job was over she could no longer afford to pay rent and take care of her child. She was extremely depressed about the break-up of her marriage and she was overwhelmed by the responsibility of being a single mother. ██████████ then moved home and went on AFDC.

achieve self-sufficiency.

██████ is a 32-year old divorced mother of two sons, ages 8 and 9. She left an abusive marriage and receives no child support. After approximately one year on AFDC, ██████ was introduced to Cleveland Works, a training and employment program in Cleveland, and she is currently independent from public aid.

While married, ██████ owned a used car lot with her husband. When she left him because of abuse, the court gave the business to her husband and ordered him to pay child support to ██████. He has never paid the support. ██████ ended up in a shelter for battered wives with her two children when she applied for AFDC in May of 1990. ██████ tried to find work, but because her only work experience had been in business with her ex-husband, she could not get any references.

After several months of trying desperately to find work and trying to recover from her marriage and divorce, ██████ was referred to Cleveland Works. She started at the program on February 27, 1991, and borrowed money to buy a car. At Cleveland Works, ██████ went through 4 to 6 weeks of job skills training -- interview skills, etc. Then ██████ went through a training program for typing, computer skills, english and math. She became certified in medical terminology because she was applying for a job with Blue Cross/Blue Shield. ██████ interviewed with several employers, and was offered more than one job. She took a job as a technical secretary in the library at Notre Dame College of Ohio in May 1991. The job paid a little over \$13,000 per year, but had no medical benefits. ██████ stayed in this job for almost two years, but because she did not receive a raise during that time, she turned again to Cleveland Works.

The Corporate Representative at Cleveland Works helped ██████ to find another job within one month at Case Western Reserve University where she started work as secretary of the school of engineering on February 1, 1993. ██████ currently earns more than \$19,000 per year with health benefits and is completely independent of public assistance. She loves her job and is also taking classes at the University.

Referred by: Peter Nagusky, Cleveland Works, 216/589-9675
Interviewed by: Helene Grady, WRWG staff

████████ is an example of a very young and unskilled welfare recipient who could potentially have been a long-term welfare dependent except that the Ontario JOBS program put her directly into training and found her a full-time job.

████████ is a 17 year old single mother of one child, who will be two years old in April, 1994. She has never been married and receives no child support for her son. ██████ had only been on AFDC for less than 18 months before she was placed in full-time employment.

At age 15, ██████ got pregnant by her 19-year old boyfriend who had believed he was sterile. She dropped out of high school and moved in with her boyfriend and his parents. In March 1992, ██████ applied for AFDC, and she had her son in April. ██████ was a high school dropout with no work experience. However, because the Ontario JOBS program put ██████ immediately into a training program, she is independent of AFDC today.

The JOBS program placed [REDACTED] in a GED training program which she began in November 1992. The JOBS program also helped her boyfriend, who she is no longer with, to find a job. By January 1993, [REDACTED] earned her GED and was placed in a volunteer on-the-job training position at the Training and Employment Consortium (TEC). [REDACTED] volunteered at TEC for seven months. A paying position opened up at the office, and [REDACTED] applied. She was hired September 30, 1993 as a secretary/receptionist. It is a full-time job, with benefits and opportunity for advancement. As of her being hired, [REDACTED] cash grant was closed. She continued to receive Food Stamps through January 1994. [REDACTED] receives medical benefits through her job, but is subsidized by the State for her contribution to medical insurance and for her child care. [REDACTED] is also living in subsidized housing.

Referred by: Susie Douglas, Ontario JOBS program, 503/889-9141 ext. 210
Interviewed by: Helene Grady, WRWG staff

[REDACTED] experience illustrates how a successful training program can work to move welfare recipients quickly into the work force.

[REDACTED] is a 33-year old mother of one son, age 3. She has been divorced since 1989 and had been receiving AFDC for three years, until September 1993. She is an example of a successful California GAIN participant.

[REDACTED] was seven months pregnant with her son when her drug-addicted husband left her. She was accepted onto AFDC, and her son was born. [REDACTED] volunteered for the GAIN program in [REDACTED] County, CA. Through GAIN, she entered the Hayward Adult School while GAIN paid for her child care and transportation costs. She stayed in GAIN for two years. While in school, she interviewed for jobs and volunteered in a law office. The lawyer for whom she volunteered hired her part-time, and she recently became full-time. [REDACTED] is now independent of AFDC and has her own apartment.

[REDACTED] testified before the Working Group in California, where she explained, "In 1989, I truly thought my life was over. My husband abandoned me, I was five months pregnant, I was left homeless with no money, no medical insurance, nowhere to turn, and considered a burden on society. GAIN offered me more than an education with benefits from its different components. There was counseling, assessment, and time to research my career options which would make me financially independent of public assistance. Another essential component of GAIN is child care, without which none of these goals I have achieved would be attainable...In return, I attended school every day, doing what it took to succeed and to learn the skills and training that will last a lifetime."

[REDACTED] is an excellent example of someone who lives in an area with few employment opportunities, has a large family, had been dependent on AFDC for an extended period of time, but with the help of a good Job Search and training program, became independent of AFDC in approximately two years of her beginning her training program.

█████, age 36, has been married for 17 years, has four children and had been dependent on AFDC for 6 years. With the help of the Rural Minnesota Concentrated Employment Program at Brainerd County, █████ is now an RN working two different jobs, with an average salary of more than \$10/hour.

█████ attended a Minnesota STRIDE/JOBS orientation in November of 1990. At this meeting, she expressed the frustration and difficulty of finding employment in the Brainerd area that would support a family of six without the assistance of AFDC. █████ had worked as a sales secretary for \$4.75 an hour when her position was terminated in July of 1982. Her family had been receiving AFDC since April 1987.

After attending the orientation, █████ was referred by Social Services to participate in a required Job Search program at Rural MN CEP. Her husband has a part-time business at home, and █████ decided she had to develop a plan to bring additional income into the household. She completed a three day career planning workshop where she identified nursing as a possible career goal that could meet her family's needs.

Once █████ decided to pursue training in the nursing field, she left no stones unturned. She began with the LPN entrance exam, completed certified Nurse and Home Health Aid training, as well as took summer courses to help prepare to enter full time LPN classes in September 1991. █████ received an Achievement Scholarship of \$600.00 from Brainerd Technical College in April 1992. She completed the LPN program in July with a 4.0 GPA. She was accepted into the RN program at Brainerd Community College. █████ completed another year of school and graduated with honors in May 1993. She went off AFDC for good in July of 1993.

Financial support through Rural MN CEP assisted █████ with fees for tuition and books, uniforms for clinical practice, test fees, gas assistance to attend workshops and interview clothing.

Through her concentrated Job Search efforts, █████ is now working at the Brainerd Regional Human Service Center for \$11.44 an hour and also at Gold Heart for \$10.00 an hour. She and her husband now support a family of six without the assistance of AFDC.

Referred by: Robert Thomas, Rural Minnesota CEP, 218/829-2856
Interviewed by: Helene Grady, WRWG staff
February 9, 1994

█████ story illustrates how training and case management can help move a teenage mother off welfare for good.

█████ a 21-year old single mother of two-year old son, was on welfare for approximately nine months before finding a full-time job as a research clerk at Commerce Bank in Kansas City. █████ had her son at age 19, soon after graduating high school. She had been working as a clerk at T.J. Maxx retail store until her son was born, and she applied for welfare. She is not in touch with his father and does not receive child support.

█████ story illustrates how training and case management can really work to move welfare

recipients off welfare and into employment quickly. After six months at home with her son, [REDACTED] says that she was "tired of sitting at home...I wanted to work for a living." [REDACTED] heard from a friend about a computer training course at the Urban League, which she started attending in March 1992. The Urban League also set her up with the FUTURES program to provide her the supports (including child care assistance, counseling, and transportation assistance) that she would need in order to make the transition from welfare to work. FUTURES assigned [REDACTED] an advocate/case manager who visited her on-site at the Urban League every week. The Urban League's job placement office helped [REDACTED] with her resume and interview skills so that by June 1992, [REDACTED] had been offered a job by Commerce Bank. [REDACTED] is still in this job, earns \$6.71 per hour with benefits and is independent of public assistance.

[REDACTED] met with President Clinton [REDACTED]

Referred by: Diane Patrick, FUTURES

[REDACTED] lives in a rural area with few jobs. She was lacking even fluency in reading before she entered an educational program at a local community college. Now she has the skills to work at an entry level job.

[REDACTED] is 34 years old and married, with two children, ages 12 and 14. She is in a CWEP job as a teachers assistant at the MILL Program at Fort Scott Community College. She qualified for the position after she completed two sessions in MILL program where she improved her basic reading and communication skills and also learned typing and other work skills. She happily travels 25 miles each way, everyday, to the gain work experience and to work for her benefits.

She and her husband have been on and off of welfare for many years. [REDACTED] graduated from high school but her reading and other basic skill levels were very low. Her husband never graduated from high school and both have been unable to find long-term work or jobs which pay working wages or provide benefits. They have been on welfare on and off for the past 16 years.

[REDACTED] plans to begin part-time college level business classes in the fall and continue in her CWEP position. However, her SRS caseworker and the individuals at the MILL program think she may be able to find work at a school near her home.

She and her husband have two children, ages 12 and 14. Her husband is currently in the MILL program basic skills program and working toward GED preparation courses.

Referred by: Connie Corbett-Whittier, MILL Program, 1-800-TRI-FSCC

Interviewed by: Abbie Gottesman, WRWG staff

██████████ can speak about the importance of the emotional support that she received from the FUTURES program; this support helped her move from dependence to independence.

██████████, a 26-year old mother of two sons ages 5 and 7 has been on and off welfare since 1986. Six weeks ago, she started a job in customer service with the Pitney-Bowes Management Service which pays \$7 per hour with full benefits; this was her last month on welfare. With the help of both the Women's Employment Network (WEN) and the FUTURES programs, ██████████ has come from living in a shelter to working full-time and supporting her two sons.

██████████ has tried working several part-time jobs to support her children, since she was getting no help from their father. She realized she needed more training in order to get a better job and to get off welfare once and for all. She entered the Women's Employment Network (WEN) in 1989. WEN was extremely supportive, encouraging her efforts to obtain a GED. They helped her with her interview skills, job readiness training, clothing, and parenting skills. Part-way through WEN, ██████████ became involved with the FUTURES program as well. FUTURES assigned an advocate (case manager) to ██████████ who helped her find her current job as a customer service representative at Pitney-Bowes Management Service. ██████████ appreciates the strong case management approach of FUTURES, saying: "It's so breathtaking. Talk about the support. FUTURES was always there for me...when they couldn't help, others did. When I got my GED, they even hung a banner to congratulate me."

██████████ met with President Clinton ██████████

Referred by: Leah Klein, Women's Employment Network

██████████ story illustrates the fact that even the most unskilled and emotionally distraught welfare recipients can be reached by a mandatory training program and can change their lives as a result.

██████████ is a 45-year old mother of three children, ages 23, 11 and 8. ██████████ was a long-term welfare recipient who, with the help of the GAIN program, has regained her independence. ██████████ dropped out of high school at age 17 and worked as a garment packer. She had no marketable job skills. She married an abusive husband, had a child, left her husband, and filed for unemployment compensation. When her unemployment ran out, ██████████ began receiving AFDC. She worked on and off in unskilled labor positions and stayed off AFDC until 1980 when she had a second daughter and returned to the welfare system. At this point, ██████████ was drinking heavily and had neither motivation nor job skills. She had a third child in 1985.

In 1989, ██████████ was told she had to participate in the California GAIN program. Despite a bad attitude at first, ██████████ enrolled in GAIN and began basic skills and job training. She earned her GED and went through vocational training where she learned computer and typing skills. She received three awards from the GAIN program and now works full-time for Santa Clara GAIN as a clerk-typist.

██████████ testified before the Working Group in California, where she told the Group about both her depressing experience on welfare and her positive experience with GAIN. ██████████ explained that, "I had applied for AFDC and didn't find that very motivating. I looked for more work and I worked

for an electronic company. After that job ran out, I had less skills, I had no skills at all. I applied for AFDC the second time and I had a second daughter in 1980. I started drinking awfully heavy every day. My motivation was low, I had no self-esteem, I had really nothing to live for. And then I got pregnant again and I had a third child in 1985.

I received a letter from the GAIN program and they emphasized that I should come in for orientation. I didn't want to go there, I had no motivation. I didn't belong there. I felt like they were just taking me out of my world; I was doing what I wanted to do...I went in for testing. And, after I was tested, I still had this attitude and a chip on my shoulder.

I enrolled into the GAIN program and went to CTC school in Santa Clara. I also took up training, I started to learn -- I went to ABE, I got my GED, I also went through vocational training. I learned WordPerfect 5.1, Lotus 1-2-3, and I brought my skills up to typing 65 words per minute. My daughters were very thrilled over this; they were excited. I could help them also with their math problems, I could help them with problems that I never thought that I could do...And I find myself very happy. I have high self-esteem. I'm very motivated, I care a lot for myself and my children as well."

██████████ story illustrates how just a little bit of help can enable a welfare recipient to move successfully into the workforce.

██████████, a 34-year old single mother of three children ages 14, 6 and 5, raises her children without child support. The father of her oldest child has not been located, while the father of her two younger children lives in Michigan, making it difficult for ██████████ to collect the owed support. ██████████ was receiving AFDC for more than five years, but now works full-time as a Team Coordinator at Continuum Vantage, an insurance company, where she supervises three employees and handles all billing for more than 700 clients.

In 1987, ██████████ was working for an insurance company in a position that she had held for a year and a half. When she began having medical problems and required minor surgery, ██████████ whole life changed. The medication that she was taking made her drowsy, she missed a lot of work, and she finally had to give up her job. She had one child at the time, but soon after leaving work, found out that she was pregnant with her second child. At this time in late 1987, ██████████ turned to AFDC to support her family.

██████████ moved in with the father of her younger children, who turned out to be an abusive boyfriend and father. He soon entered a drug treatment program. Meanwhile, ██████████ was working in seasonal jobs while receiving AFDC and Food Stamps.

██████████ story illustrates how important just a little help can be in getting on one's feet. ██████████ started at the Women's Employment Network in the summer of 1992. They provided money for child care, transportation and emergency assistance. ██████████ participated in their 15-day life skills/job readiness component and then began intensive job search.

Prior to WEN, ██████████ had repeatedly tried to interview with Continuum Vantage. With her newly improved resume and interview skills, ██████████ was offered a job and started there as a billing clerk in

█████ is a 30-year old mother of three sons, ages 8, 8 and 4. She had been receiving AFDC for approximately one and a half years but has been free of public aid, except for Food Stamps and Medicaid, since February 1993.

█████ a recovering addict, entered a rehabilitation program four years ago, after separating from her husband. Her aunt took custody of her three sons while █████ fought to stay off of drugs. Upon completing the rehab program, █████ regained custody of her sons and moved in and out of different temporary housing situations. She was receiving partial AFDC and working in waitressing jobs.

█████ heard about Amandla Crossing, a transitional housing program in New Jersey where mothers on AFDC can stay in an apartment with their children for one year while they work toward self-sufficiency. In order to be referred by welfare to Amandla, █████ had to quit her work and be receiving full AFDC benefits. Wanting a new and nice place to live where she could become used to being independent, █████ did so.

█████ stayed at Amandla for a little over one year, with an extension, and enrolled in college while she was there. She stayed on AFDC and received child care through the New Jersey REACH program. █████ left Amandla in October 1992 and has lived in the same apartment since. She attends school, alternately full and part-time, at Middlesex Community College where she is working toward her Associates Degree in Accounting. She also works full and part-time, alternately. █████ receives regular child support from her husband, is free from AFDC, receiving only Food Stamps and Medicaid, and expects to graduate within one to two years.

Interviewed by: Helene Grady, WRWG staff

Referred by: Janet Jones, Amandla Crossing, 908/549-5559

█████ story shows how working poor parents who have difficulty maintaining self-sufficiency can be helped by a supplemental education or training program.

█████ a 33-year old mother of two children, spent over eight years on AFDC. Her husband left her and the children eleven years ago and has never been contacted. At that time, █████ who had been working full-time, started on AFDC despite continuing to work full-time. She could not make ends meet and needed additional assistance. When her employer shut down in late 1987, █████ decided to start school full-time which she did in the spring of 1988. By December 1991, █████ had earned an associates degree. During these three years, she was completely dependent upon AFDC.

█████ considers her lack of education as the primary reason for her dependence. She made three times less salary than a coworker in a similar position because the coworker had the college degree that █████ lacked. Additionally, she emphasizes child care expenses and the lack of insurance as major obstacles. At one point, when █████ had no insurance coverage, one of her children was injured, needed surgery, and █████ had to pay for the treatment herself. █████ has never received any child support from her ex-husband.

The Employment Development Program at the Martin Luther King, Jr. Community Services Center in Freeport trained █████ for a job and helped to find her an interview while she was still finishing school. During her last semester, █████ divided her time between school and her on-the-job training arranged through the King Center. █████ began her current full-time permanent position as a

programmer analyst in December 1991 and has been free of public assistance since then.

Interviewed by: Helene Grady, WRWG staff

Referred by: Kara Fiene, Martin Luther King, Jr. Community Services, 815/233-9915

██████████ is a divorced mother who does not receive child support, and was forced onto AFDC because she lacked the work experience and could not get a job to support her family. Through KanWork, the JOBS program in Wichita county, she was trained to be a 911 dispatcher and now she is self-sufficient and has been since April 1993.

██████████ age 32, is an Emergency Medical Dispatcher for Wichita 911. She first went on ADC in July, 1989 when she got divorced. She got pregnant again during the divorce but has never received child support from the father of either child. Before the divorce she had been supported by her husband.

██████████ worked at odd jobs but because of her lack work skills and experience, she could not get a job which made ends meet. She took a data entry course from a vocational course which claimed high job placement rates.

██████████ and her two children lived off of ADC, Food Stamps, and lived in low cost housing when she went into the Kanwork program in 1992. Through CWEP she began working in the Wichita City Warrant Office and was there for 11 months when she learned about the 911 program.

She qualified for the 911 training and went through the three month course. During that period she continued to receive ADC, Food Stamps, a gas allowance, and day care. After she passed the 911 exams she was hired there, full time, in April of 1993, for \$8 an hour.

Work as a 911 dispatcher is not for everyone. There is always a high rate of burnout among 911 dispatchers because of the stress of dealing with life and death situations. In addition, the requirements of the job are rigorous. ██████████ works eight hours a day, with two ten minute breaks and a half-hour lunch. There is no room for slacking off or mistakes. Any mistakes made by dispatchers lead to official reprimands which stay on a person's record until they have a year of perfect performance.

Three KanWork clients went through ██████████ training course and two are still there. One woman dropped out, but ██████████ says the women did not have the drive to work as hard as is required of a 911 dispatcher. ██████████ and the other woman who went through her course both love their jobs and they are very supportive of each other, helping to take care of each others' children while the other is working.

Interviewed by: Abbie Gottesman, WRWG staff

Referred by: Becky Stewart, Wichita/Sedgwick County 911 Emergency Dispatch, 316/383-7078

[REDACTED]

[REDACTED] attributes much of her success at moving from a teenage mother on welfare to an independent working mom to her case manager, or "advocate," at the FUTURES program.

[REDACTED] is a 21-year old single mother of a three-year old daughter who, with the help of Kansas City FUTURES, obtained her GED and is now employed at Lutheran Trinity Hospital. At 17 she applied for AFDC and dropped out of high school, thinking that the father of her child would care for them. When he forgot their daughter's first birthday, she knew that it was up to her alone to raise her daughter.

At this point, [REDACTED] had been on AFDC for one year and realized that in order to support her daughter on her own, she needed to do something more with her life. While in a GED training course in 1991, she learned about the FUTURES program and believes that without this program, she would still be on welfare today. FUTURES provided her with tuition assistance and child care which allowed her to earn her GED and continue training to become an admissions clerk. Despite this assistance, it was a difficult time for [REDACTED], but she attributes much of her success to the constant support of her FUTURES advocate (case manager) [REDACTED]. In 1992, one of her training sites was so impressed with her work that they hired her without previous experience. She has been working at Trinity Lutheran Hospital as an admitting clerk ever since. [REDACTED] describes her experience with FUTURES by saying, "It helped me out so that I could support my daughter on my own. It's improved me to help my daughter."

[REDACTED] met with President Clinton [REDACTED]

Referred by: Diane Patrick, FUTURES

[REDACTED] is an ideal example of someone who had been relying on AFDC until she got involved with a job readiness program which helped her become completely independent of welfare.

[REDACTED] is a 25-year old mother of one daughter, age 4. She lives alone with her daughter in a rented apartment, has never been married, but does receive child support. [REDACTED] had been on AFDC from 1989 - 1991 but is now completely independent from welfare.

At age 20, [REDACTED] was in her second year at the Community College of Rhode Island in a law enforcement program, close to graduating with her AA degree. However, [REDACTED] got pregnant, had to quit school to have her baby, and applied for AFDC. Although she had enjoyed school, once she had her baby and was on AFDC, [REDACTED] became used to being at home with the child. She relied on AFDC completely for approximately two years.

Finally, [REDACTED] began to be bored at home, but without any real job experience, her prospects did not look good. She called the JOBS program and was told about the Supportive Work program for which she volunteered. Supportive Work provided job readiness and preparation skills such as interviewing, resume writing, career development, etc. After the eight week readiness program, Supportive Work arranged for [REDACTED] to receive on-the-job training as a staff assistant from a private temporary employment agency called Job Link. During this time, [REDACTED] daughter was in a child care program subsidized by the Rhode Island Pathways/JOBS program.

After her training period, [REDACTED] who went into the program without any computer or office skills training, stayed on in a full-time position. She has since been promoted to manager of Job Link, a full-time job with full benefits. She does not receive any public assistance. Her daughter is now in pre-school. [REDACTED] also serves in the army reserves.

Referred by: Jim Glover, Supportive Work program, 401-861-0800

Interviewed by: Helene Grady, WRWG staff

January 25, 1994

[REDACTED] is an example of a long-term welfare recipient who was helped off welfare, despite her lack of work experience, by Cleveland Works.

[REDACTED] is a 37 year old, recently married, mother of two daughters, ages 15 and 8. [REDACTED] was on welfare for approximately 13 years but is now off AFDC, working full-time and receiving only Food Stamps and Medicaid assistance.

Before her first pregnancy, [REDACTED] had worked as a cashier in restaurants; she did not have a high school degree. At age 19, [REDACTED] became pregnant and applied for AFDC for the first time. However, she suffered a miscarriage and went back to work for \$2.25/hour at the Society for the Blind. Then at age 21, [REDACTED] became pregnant for the second time, and she went on AFDC. She had to stop working because of medical problems with her pregnancy. After her child was born, she stayed home until the baby was 3 years old. At this time, [REDACTED] went to cosmetology school and finished. She did not take her licensing exam, however, because she became pregnant a second time. She was still on welfare, and has not received child support for either child.

After her second child was born, [REDACTED] went to a GED training course which also paid for her child care. However, in 1987, [REDACTED] took the GED test and failed by 7 points. She was having trouble with her child care provider, was distracted and decided to go back home with her children.

In 1990, [REDACTED] saw David Roth, Executive Director of Cleveland Works, on television talking about his program. She went down to Cleveland Works right away and asked to be accepted into the program. At first, they were not going to take her because she really lacked any job skills. However, after her pleading with them, they took her on. By 1991, [REDACTED] had gone through the training program and was offered a job with John Klein & Associates, a marketing firm. She started there as a production assistant which involved working with databases and mailing lists, etc. In June 1993, the firm downsized and [REDACTED] stayed on but moved into the receptionist's position, where she is still.

[REDACTED] was married in May 1993. She currently receives no AFDC, only Food Stamps and medical assistance and lives in Section 8 housing.

Referred by: Peter Nagusky, Cleveland Works, 216/589-9675

Interviewed by: Helene Grady, WRWG staff

[REDACTED]

simultaneously took GED courses and a job training course, at the same time she raised her three young children. She started out in a low-wage job and has slowly moved into better paying positions as she has gained work experience.

is 26 years old and has three children, ages 3, 7 and 9. She dropped out of high school after 10th grade and began receiving AFDC, Food Stamps, Medicaid. At times she worked in nursing homes doing housekeeping and dietary work but wages were low and she would lose her AFDC benefits and it became hard to make ends meet.

In 1989 she moved into the Whispering Oaks housing project and was required, as a condition of her lease, to join project self sufficiency. She took the basic skills class which helped her gain confidence and think about her future. The first elements of her self-sufficiency plan were to get a GED and get a job.

While she took classes to prepare for her GED, she also began a six month training course in home care which she found out about through the Women's Center and which was paid for with JOBS funds. She completed the home care class but failed her GED test by just a few points. She took the GED again and passed.

found her first job on her own. She worked doing telemarketing. She continued to work with a case worker from Project Self Sufficiency and with the workers help, she heard about a job as a production clerk at the Girl Scout Council. With her experience in telemarketing she was able to obtain the better paying job with the Girl Scout Council. has been working there since 1992.

Slowly she has moved toward self sufficiency. She no longer receives AFDC or Food Stamps. She is working on purchasing, rather than renting furnishings for her apartment. By the end of 1994 believes she will be completely self-sufficient, except that her children may still need Medicaid coverage, for her coverage through her job does not cover her children and she cannot afford to pay for their coverage.

Interviewed by: Abbie Gottesman, WRWG staff

Referred by: Karen Perkins, Women's Center of Tarrant County, 817/927-4050

With the help of the FUTURES program, was able to become independent of welfare and to become qualified to teach school in the Kansas City School System.

is a 27-year old single mother of a six-year old daughter who went on welfare in 1992 to help pay for child care. Since the father was not paying any child support, was struggling to support her child and realize her goal of earning a college degree. had begun college many years earlier but financial struggles had kept her from it. In 1991, with the help of FUTURES, was able to return to school and complete her college education.

Since graduation, [REDACTED] has worked as a student teacher, and in the fall will begin working full-time as an elementary teacher for the Kansas City School System. She believes that FUTURES "helped me tremendously. Their support group allowed me to meet with other mothers and receive additional support. FUTURES showed me opportunities I did not know existed."

[REDACTED] met with President Clinton [REDACTED]

Referred by: Diane Patrick, FUTURES

[REDACTED] illustrates how sometimes the JOBS program does not work for welfare recipients, but how other local training and placement programs are working in some areas much more effectively to move welfare recipients into the workforce.

[REDACTED] is a 27-year old single mother of one child, age 3. She has never received child support. She had been on AFDC for 2 and 1/2 years but is now working full-time.

Having dropped out of high school early, [REDACTED] was working in a grocery store for \$5.50/hour and no benefits in early 1991 when she found out she was pregnant. She quit her job and went on welfare in August 1991 in order to have health coverage for herself and for her son who was born with some health problems. [REDACTED] stayed home with her son for two years and stayed completely dependent upon AFDC and Medicaid for the duration.

After two years, [REDACTED] realized that she needed to get on with her life. She knew that she needed to get her high school diploma or a GED in order to get a job with benefits. However, when she asked her welfare caseworker about training opportunities, she was told she had to be on welfare for three years before she could participate in their education program.

[REDACTED] found out about a program in Minneapolis called Skills 2000 from a flyer hanging in a supermarket. She applied for the program and began in June 1993. [REDACTED] went through a five-month program on-site at Skills 2000 and earned her diploma in November 1993. Then she went through a skills assessment and found out that she was a good match for the medical field. The job developer at Skills 2000 literally went out and found [REDACTED] an internship at Methodist hospital sterilizing operation equipment. [REDACTED] had on-the-job training for three months, then was hired part-time for a couple of weeks, and on February 21, she began full-time. [REDACTED] went off AFDC when she began working part-time, but she kept her medical assistance. Now she has full benefits and is completely independent of public assistance.

[REDACTED] is really motivated, with a very good personality, and a great example of how a program like Skills 2000 can work.

Referred by: Liz Beer, Skills 2000, 612/861-2361
Interviewed by: Helene Grady, WRWG
February 22, 1994

#

█ has moved from welfare dependence to working full-time as a registered nurse and supporting her family without public assistance.

█ is a 34-year old married mother of a daughter age 14 and a son age 10. █ husband, diagnosed with manic depression and disabled from a car accident a few years ago, is unable to work full-time. As a result, █ and her family have been on and off of welfare for the last ten years. In 1993, with help from FUTURES, █ was able to graduate from nursing school. Since November of 1993 she has been working full-time as a home health registered nurse at Excelsior Springs City Hospital. For █, FUTURES allowed her to become self-sufficient; it provided her the support and encouragement she needed to complete her degree and get off welfare.

█ met with President Clinton █

Referred by: Diane Patrick, FUTURES

█ story illustrates how a good training and placement program can help individuals who are destitute and emotionally distraught become self-sufficient.

█ is a 28 year old divorced mother of one child, age 2 1/2. She was on AFDC for approximately 8 months after her divorce from her husband. However, she entered a good job training program which helped place her in the position she currently holds. She is off AFDC completely except for the transitional Medicaid assistance.

█ had dropped out of high school and in 1984 received her GED. She worked in decent jobs in an athletic club in Denver and later with a CPA firm. █ was doing fine until she got pregnant and had her baby in July 1991. Despite a rocky relationship, █ married the father of her child in 1992. It was a tough marriage, and after only five months, they were separated in December 1992, when her husband kicked her and their child out of their home.

█ moved in with her mother and began receiving AFDC. █ was now the single mother of a year and a half old child and emotionally ruined by her marriage and divorce.

By April 1993, only a few months after being on AFDC, █ heard about Colorado Women's Education and Employment (CWEE), a private nonprofit job training and placement program in Denver, from her welfare caseworker. Because the State-run jobs programs had long waiting lists

and lots of paperwork, [REDACTED] decided to try CWEE.

[REDACTED] began at CWEE in early April, where she went through an orientation and assessment. She then went through a basic skills and computer skills course and a personal development course that focused on attitude and motivational skills. Then [REDACTED] went through a Job Search that lasted two weeks and provided her with a number of choices in positions. On May 15, 1993, [REDACTED] began the job that she currently holds at Conference Associates in Denver where she is a Conference Coordinator. Her job is full-time at \$9/hour. She does not currently receive health benefits, but her employer plans to offer her a benefit package before her transitional Medicaid runs out. [REDACTED] also recently began receiving \$600 per month in child support.

Referred by: Lisa Weinman, CWEE, 303/892-8444

Interviewed by: Helene Grady, WRWG staff

April 13, 1994

[REDACTED] story shows that once a welfare recipient is put in touch with a local program, she can often find success very quickly.

[REDACTED] is a 24-year old, single mother of two children. With the help of FUTURES [REDACTED] has worked full-time as a payroll clerk for Allied Security for the last two years. [REDACTED] was 16-years old when she had her first child, a son. Without any child support from the father, [REDACTED] turned to welfare. In 1990, after graduating from high school, she became pregnant with her second child. Unable to secure child support, [REDACTED] took a part-time job at a restaurant to supplement her welfare checks. Eager to support herself, [REDACTED] began taking computer training classes at a community college where she learned of FUTURES. At the end of the program and with the support of FUTURES, [REDACTED] was able to find a full-time job with Allied Security, and now, instead of receiving \$242 a month, she earns \$1500 a month and has been off of welfare for two years.

[REDACTED] met with President Clinton [REDACTED]

Referred by: Diane Patrick, FUTURES

Private Sector Job Development/Economic Development

██████ is an example of a displaced homemaker, with much ambition, who took advantage of a local microenterprise program for AFDC recipients to establish her own business and begin to make her way off AFDC.

██████ is a 29-year old divorced mother of two children, ages 4 and 5. She has been on welfare for approximately 2 1/2 years and lives in subsidized housing but has now started her own business and will soon be independent of AFDC.

██████ finished high school and worked in a clerical position for the IRS and other temporary jobs. After getting married, ██████ continued to work full-time at the University of Missouri--St. Louis as a library clerk, a job she held for four years. In 1986, while still in this job, ██████ also started cosmetology school at night. She wanted to enter a career in cosmetology because it would offer her more flexibility than a nine-to-five job. She finished beauty school in 1987. She wanted to someday open a salon.

Eventually, ██████ became pregnant, quit work and became a housewife while her husband worked. After both of her children were born, however, in 1989, ██████ was divorced from her husband. She was not working at the time, and went on AFDC. She received no child support. She went to a temp agency, but could not find work. ██████ really wanted to do something with her life, instead of stay on AFDC.

██████ saw an ad for Project Work, a microenterprise development program run by the Human Development Corporation in St. Louis, in the newspaper, and applied for the program. She wrote an essay on why she wanted to open a business, and was accepted into the program in February 1993. ██████ went through a six-month business program during which she drafted a business plan and applied for a \$5,000 low-rate loan. During this time, the Missouri FUTURES/JOBS program provided child care and a transportation stipend.

██████ finished the classroom program, found a site for her beauty salon, and opened in September 1993. She has an understanding landlord who helped curb some of her initial expenses and she bargain-shopped for equipment. She currently has one employee and is interviewing for more.

██████ is very proud of her business. She is still on AFDC, as the program allows participants to maintain their benefits until they reach a certain income level. However, ██████ knows that she is on-track and will soon be independent of AFDC.

Referred by: Angela Evans, Project Work
Interviewed by: Helene Grady, WRWG staff
February 22, 1994

██████ is a welfare recipient who has launched a business out of her home and is now struggling to be independent of public assistance.

██████ has been on AFDC since 1991. She went on public assistance after the birth of her second child and the demise of her marriage. Her ex-husband is an alcoholic and she suffered through a very abusive marriage. She is a college graduate who majored in broadcasting and public relations. She worked for over 10 years in business with her husband, which failed because of his mismanagement.

She went on AFDC just to buy time while exploring other options. ██████ feels very fortunate because she had an especially helpful caseworker, informing ██████ of the available options. She could not find adequate or affordable child care for her daughter who was on a heart monitor and support system. She applied for a block grant to get a child care subsidy because her first concern was to find care for her daughter. Her house was about to be repossessed so she applied for section 8 housing. It took over a year to get a housing voucher. ██████ saw a newspaper article about the ISED program and by the time she received her first AFDC check she was enrolled in the program. When she first received a subsidy for child care she was not able to choose where she sent her daughter (laws have since changed). One day she went to check out the child care center in which her daughter was enrolled and found horrible conditions and a child care worker screaming at the children. She immediately pulled her daughter from the center.

When she entered the business training course, it was very difficult for her to believe that she was capable of doing anything but picking up a check at a welfare office. Her nine year old son has an attention deficit disorder and her daughter also shows signs of the disorder. She was struggling emotionally with many other difficulties including a tremendous financial burden as the result of her failed business. ISED gave her the self-esteem to believe in her ability. ██████ enrolled with 12 other people and by the time the course ended the class had dwindled down to three, but ██████ persevered. She completed her training and made arrangements with debtors to make payments that were within her AFDC budget. It took ██████ an additional 5-6 months (than the normal 15 week course time) to make her business plan presentable, but in November of 1992 she applied for an Iowa Department of Economic Development loan and received a loan of \$8,700. Her child protection business (assists people in "child-proofing" their homes) has been growing and is now grossing between \$1,500 and \$2,000 per month. She is working out of her home, only during "mother's hours" because she does not have child care for when her son gets home from school. She wants to enroll in a computer training class but she will not be able to if she cannot get child care for her son.

██████ is currently struggling to maintain and hopefully expand her business. She would like to employ a single mother some day so she can help someone else achieve self-sufficiency. When her two years of transitional benefits runs out, however, she does not know if she will be able to survive because of the high cost of self-employment taxes, health care, child care and transportation.

Referred by: John Else, ISED, 319/338-2331

Interviewed by: Toby Graff, WRWG staff

March 23, 1994

██████ story illustrates how a microenterprise program can work to move a welfare recipient toward economic self-sufficiency.

██████ is a 31-year old widow and mother of three children. She began on AFDC when she moved

with her husband to Chicago; he eventually began working, and they went off welfare. However, she left her husband five years ago and because she was not receiving child support, went back on welfare for three years. While on AFDC, [REDACTED] was not receiving enough money to support herself and her children and had to work at the same time. [REDACTED] also had problems with child care and transportation that kept her dependent on welfare. She explained to the Working Group in Chicago that, as a commercial artist, she and her three children "would walk up and down the street and ask different businesses if they could use her talent," because welfare was not enough to support her family.

Eventually, [REDACTED] became involved with the Women's Self-Employment Project (WSEP) in Chicago to which she was referred by an art teacher who saw potential in [REDACTED] work. She was on AFDC when she joined WSEP's Buddy System program. Here she worked with four other women in similar situations who also wanted to start a business. This "ladies success circle" provides WSEP with collateral for their loans through peer pressure rather than through financial means. [REDACTED] used her first \$1500 loan to begin a graphic arts business, [REDACTED] Designs. After 18 months, she had expanded her enterprise from business cards and signs to Afro-centric posters and calendars, t-shirts and murals. Her second loan for \$3500 bought more supplies, and [REDACTED] business continues today. She is now supporting herself and her children without public aid.

[REDACTED] testified before the Working Group in Chicago.

[REDACTED] experience highlights the potential value in microenterprise and asset based development programs for creative and motivated welfare recipients.

[REDACTED] is a 46 year old mother of two children, ages 21 and 12. After separating from her husband six years ago, [REDACTED] worked part-time jobs and received AFDC to support herself and her daughter. At the time, [REDACTED] had no marketable job skills. Eventually, she entered a Regional Occupations Program where she mastered the art of ceramics and sold pieces on her own. She shared a studio for a short time, but could not keep up with the payments. Needing a loan, she turned to The West Company in Ukiah, CA, and she joined their microenterprise program. After a twelve-week course in business skills and orientation, [REDACTED] was given a \$2500 loan to set up ceramics equipment in her home. She has since been selling her work, making money, and has been classified as self-employed by the welfare agency. She is almost ready to be independent of AFDC completely. [REDACTED] currently has one piece of work in the Ukiah Museum and is planning her first solo showing for May, 1994.

Referred by: Sheillah Rogers, The West Company, 707/468-3553

Interviewed by: Helene Grady, WRWG staff

[REDACTED] is an example of a welfare recipient for whom self-employment made a great difference.

[REDACTED] a 28-year old single mother of three children, grew up on welfare in her mother's home. [REDACTED] graduated high school but during her first year in college, she had a child and went back to the welfare system. [REDACTED] has never received child support from the father of her children in seven

years. [REDACTED] has held two different jobs in these seven years, but had to quit both of them because the day she was hired, her public aid was cut. Although her mother provided [REDACTED] children with child care, she could not afford self-sufficiency when her job did not pay enough for her to support her family.

Two years ago, [REDACTED] got involved with the Women's Self-Employment Project, and it has helped to change her life. [REDACTED] had been a street peddler when she heard about the program that could lend her money and offer her support in her business initiative. The program allows her to hold onto her AFDC benefits for two years while she is self-employed. These assets have made it possible for [REDACTED] to start her own home-cleaning business called Kyle's Cleaners. She works out of her home, her business is successful, and she expects to be free of public aid within a year.

Referred by: Connie Evans, Women's Self-Employment Project, 312/606-8255

Interviewed by: Helene Grady, WRWG staff

[REDACTED] is a welfare recipient for whom self-employment was a successful option.

[REDACTED] is a single mother of two sons ages 11 and 5. She has custody of both children, but the older son lives with his father. She went on ADC in the Spring of 1989. She had returned to live in Iowa after living briefly in Arizona and could not find a job and therefore could not support her young child. [REDACTED] has a high school diploma and also a degree as a medical secretary from a two-year technical program. It was the worst year of the recession in Iowa and the job market was non-existent. [REDACTED] does not receive child support from the father of her younger child because paternity was never established.

One day [REDACTED] received a flyer in her monthly welfare check about the Institute for Social and Economic Development (ISED) program. She threw it away, but a few months later thought that self employment might be a way to self sufficiency. She had a difficult time getting information about ISED from her local welfare office, but finally she did and enrolled in the program in December of 1990.

[REDACTED] completed her business training and opened her framing business in May, 1991. She mounts and frames art, posters, souvenirs, cross-stitch patterns and memorabilia of all types. Her mother owned a successful art gallery nearby so [REDACTED] already had an identified clientele. She was able to open her business with a \$9,700 loan from a Waterloo bank with partial loan guarantee from ISED. [REDACTED] sales average is \$4,000 a month. December, 1993 sales were in excess of \$10,000. She went off AFDC in the summer of 1992, but continues to receive Food Stamps and medical coverage. As a self-employed individual she cannot yet afford to pay for health care insurance. She currently resides in Section 8 housing, but is hoping to be able to buy her own home next year.

Recently, [REDACTED] was contacted by the welfare office informing her that she was eligible for \$100 per month, but she turned down the benefits because she does not want the welfare office to be a part of her life. She has had a difficult time dealing with the welfare office because they have the mentality that anyone who owns their own business must be rich. Her loan should be paid off in two more

years and she is hoping to be out of the system entirely (if she can afford health care).

█ believes that self-employment is a good option, but only for people who are self-motivated and have a good business sense. It is a difficult undertaking for people who are not adequately prepared.

Referred by: John Else, ISED, 319/338-2331

Interviewed by: Toby Graff, WRWG staff

March 23, 1994

Contents

The following fact sheets, which can be distributed publicly, are included in this section:

1. AFDC
2. A second AFDC fact sheet, with more statistics, that makes a case for welfare reform
3. AFDC-UP
4. Child Support Enforcement
5. Child Care Programs
6. Welfare Reform Demonstrations
7. JOBS
8. EITC

Fact Sheet

Aid to Families with Dependent Children Program

Aid to Families with Dependent Children (AFDC) provides transitional financial assistance to needy families. Federal and state governments share in its cost. The federal government provides broad guidelines and program requirements, and states are responsible for program formulation, benefit determinations, and administration. Eligibility for benefits is based on the state's standard of need as well as the income and resources available to the recipient.

Eligibility Requirements

In order to be eligible for AFDC, a family must have a dependent child who is:

- Under age 18 (A state may elect to extend the age limit to include 18-year-olds who are expected to complete secondary school or the equivalent level of vocational or technical training before turning 19.);
- Deprived of parental support or care because of a parent's death, continued absence, incapacity, or the unemployment of the principal family earner in a two-parent family under the AFDC-Unemployed Parent (UP) program;
- Living in the home of a parent or other specified, close relative;
- A resident of the state; and
- A U.S. citizen or an alien permanently and lawfully residing in the U.S.

Along with the dependent child, an application for AFDC includes any eligible natural or adoptive parent and any eligible blood-related or adoptive sibling with whom the child is living.

Income and Financial Need Considerations

Each state sets its own need standard for determining eligibility. The term "need standard" refers to what a state determines that a particular size family needs to live. A state takes into consideration the needs as well as the income and resources of all individuals in the assistance unit. The state "disregards" some family income, thus permitting it to be retained along with AFDC payments.



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Determination of income eligibility is a two-step process. First, the gross income of the assistance unit, after applicable disregards, cannot exceed 185 percent of the state-determined need standard. The disregards include the first \$50 per month of child support received by the family and optional earned income disregards for certain students.

Second, the family income is compared to the state's need standard. In addition to the disregards described above for the 185 percent test, the state must disregard the Earned Income Tax Credit (EITC) and the following amounts of earned income:

- \$90 per month for work expenses for individuals employed full- or part-time;
- For an individual who received AFDC in at least one of the prior four months:
 - all of the monthly earned income of a child who is a full-time student or who is a part-time student and not employed full-time;
 - \$30 and one-third of such person's remaining income for the first four consecutive months, and \$30 for each of the eight subsequent months;
- For full-time workers -- actual expenses for dependent care up to \$175 per month for each dependent child who is at least age two or each incapacitated adult, and up to \$200 per month for each dependent child who is under age two. (For part-time workers, a lesser amount may be applicable at state option.)

Resource Limitations

The federal statute sets a maximum limit of \$1,000 in resources per assistance unit. Resources include such things as stocks, bonds, and real property. The family's place of residence, burial plots, and funeral agreements valued up to \$1,500 are excluded from this resource limit as is that amount of equity in an automobile. The state may set lower dollar amounts for total resources, funeral agreements, and the automobile, and may also exclude from consideration household necessities.

Benefit Calculations

Each state establishes its own payment standard to determine the assistance unit's benefit amount. The payment standard may be lower than the need standard and is generally the amount which the state actually pays to a family for assistance. The state determines the benefit amount by considering the countable income of all persons included in the assistance unit and applying it against the state's payment standard. Income disregarded in determining eligibility is also disregarded in calculating benefits.

Work Program Requirements

The Family Support Act of 1988 established a Job Opportunities and Basic Skills Training (JOBS) program and revamped the requirements for state-operated welfare-to-work programs. All states have JOBS programs in place. The program provides training, work experience, and education opportunities for AFDC recipients. Unless otherwise exempt, AFDC recipients are required to

participate in JOBS as a condition of eligibility. The goal of JOBS is to promote self-sufficiency.

Program Operation

All 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam participate in the AFDC program. American Samoa is authorized under the Family Support Act of 1988 to operate an AFDC program. States must submit plans and plan amendments to the Department of Health and Human Services for approval.

Federal Financial Participation

The federal government reimburses the states for operating an AFDC program with matching funds. Federal financial participation is provided to the states at different rates for various activities. Administrative and training costs are matched at a 50 percent rate. AFDC benefit payment costs are matched under a formula which takes into account a state's per capita income relative to national per capita income. The federal matching rate for AFDC benefits may range from 50 percent for states with the highest per capita income to 83 percent for the state with the lowest per capita income.

Caseload and Expenditures -- Fiscal Year 1993

AFDC Caseload

Average No. of Monthly Families _____	4,981,300
Average No. of Monthly Recipients _____	14,144,315

Benefit Expenditures

Total _____	\$22.5 billion
Average Monthly Benefits (per Family) _____	\$376.70
Average Monthly Benefits (per Recipient) _____	\$132.64

January 1994

FACTS RELATED TO WELFARE REFORM

Aid to Families with Dependent Children (AFDC)

Benefits

- AFDC benefit levels range from \$120 per month for a family of three in Mississippi to \$923 per month in Alaska, with the median state paying \$367 in AFDC benefits (January 1993 figures). Food stamp benefits fall as AFDC benefits increase, however, offsetting to some degree the disparity in AFDC benefit levels among the different states.
- AFDC benefit levels have declined by 42 percent in the last two decades. The average monthly benefit for a mother and two children with no earnings has shrunk in constant 1992 dollars from \$690 in 1972 to \$399 in 1992, a 42-percent decline.
- This decline has been partly offset by an increase in food stamp benefits, such that the combination of AFDC and food stamps for a mother and two children with no earnings has declined by 26 percent between 1972 and 1992.
- In all 50 states, AFDC benefits are below the Census Bureau's poverty threshold, varying from 13 percent of the threshold in Mississippi to 79 percent in Alaska (median of 39 percent).

Caseloads

- The number of persons receiving AFDC each year has increased significantly between 1975 and 1992. In 1975, 11.1 million individuals received benefits, and in 1992, 13.6 million persons received AFDC (up from 12.6 in 1991). Over the same time period, the average size of AFDC families has fallen, from 3.2 persons in 1975 to 2.9 persons in 1992.
- Reciprocity rates, defined as the total number of AFDC recipients divided by the State population, have not followed a uniform trend among all States. While rates in some States increased substantially between 1975 and 1992, 22 States experienced a decline in monthly reciprocity rates over that time period.
- Two thirds of AFDC recipients are children. In 1992, AFDC provided benefits to 9.2 million children.

Expenditures

- Despite the increase in the number of recipients over the time period, benefit expenditures have remained relatively constant in real terms between 1975 (\$21.3 billion) and 1992 (\$22.2 billion). Real spending on AFDC apart from AFDC-UP has actually fallen since 1975, from \$20.3 billion in 1975 to \$20.1 billion in 1992.
- Contrary to the general conception, not all States have experienced an increase in total AFDC expenditures. While the national average between 1985 and 1992 was a 17-percent increase, State-by-State figures varied from an increase of 184 percent in Arizona to a decrease of 38 percent in Wisconsin.
- The share of Federal spending devoted to AFDC has declined from 1.5 percent in 1975 to 1.1 percent in 1992.

Recipient Characteristics

- Thirty-four percent of caretaker relatives (usually the mother) of AFDC children in 1992 were white, 39 percent were black, 19 percent were Hispanic, and 4 percent were Asian.
- Only 22 percent of AFDC families reported any non-AFDC income in 1992.
- Forty percent of female welfare recipients gave birth to their first child before the age of 19. Just over half had a high school degree when they entered the AFDC program, and 49 percent had not worked in the 12 months prior to entry.

The JOBS Program

- Of adult AFDC recipients not exempted from the JOBS program in 1992, sixteen percent met the participation rate requirement. Only Indiana, Maine, Maryland and Guam failed to reach the 11 percent participation rate mandated in the Family Support Act for fiscal year 1992.
- Fiscal year 1992 Federal funding for the JOBS program was capped at \$1 billion. However, State spending was only sufficient to draw down two-thirds of the available Federal funding for fiscal year 1992, and only 11 States claimed their full allocation of Federal funds. Only 19 States intended to spend enough to claim their full allocation in fiscal year 1993.

Other Facts

Living Arrangements of Children

- While the total child population in the United States was approximately the same in 1960 as in 1991, the percent of children living with a single parent increased from 9 percent to 26 percent. The majority of children born today will spend some time in a single-parent family.

Labor Force Participation of Women

- The percent of women who work in the wage labor market has increased dramatically in recent decades. Between 1950 and 1992, the labor force participation of women with children under age 6 increased from 14 percent to 58 percent.

Child Poverty

- In 1992, 22 percent of children lived in poverty. Among children in female-headed families, the rate was 54 percent; among children in families with a male present, the rate was 11 percent.

Child Support Enforcement

- In families with children with an absent father in 1989, 58 percent had a child support order in place, 37 percent received some payment, and 26 percent received the full payment.

Fact Sheet

AFDC Unemployed Parent Program

The Aid to Families with Dependent Children-Unemployed Parent (AFDC-UP) program provides transitional cash assistance to families in which a child is deprived because one of the parents in the household is unemployed. Under the provisions of the Family Support Act of 1988, the program is mandatory in all states.

The Family Support Act of 1988 allows certain states to limit the period of assistance. However, these states must provide eligible families with AFDC-UP benefits for at least six months a year. AFDC-UP covers families in which both parents are living in the household and the principal earner, whether the father or the mother, is unemployed.

Eligibility Requirements

In order to be eligible for AFDC-UP, a family must meet all of the regular eligibility requirements for AFDC. A family must have a dependent child who is:

- under age 18;
- living in the home of both parents;
- a resident of the state; and
- a U.S. citizen or alien permanently and lawfully residing in the U.S.

In addition, eligibility is based on the unemployment of the parent who is the principal earner. The principal earner is whichever parent earned the greater amount of income in the 24-month period immediately preceding application for aid.

Before a family can receive aid, the principal earner must have been unemployed for at least 30 days. As defined in regulation, a person who works less than 100 hours a month is considered to be unemployed.

The principal earner must demonstrate a recent attachment to the labor force by having (a) six or more quarters of work in any 13-calendar-quarter period ending within one year prior to application for aid, or (b) received (or qualified for) unemployment compensation within one year prior to application for aid.

A principal earner may establish quarters of work in the following ways:

- Receive \$50.00 or more of earned income in a calendar quarter;
- Qualify for a quarter of coverage under the Social Security program; or
- Participate in the Job Opportunities and Basic Skills Training (JOBS) program.



At the option of the state, a principal earner may establish up to four of the six required quarters of work in the following ways:

- Attend an elementary school, a secondary school, or a vocational or technical training course full-time that is designed to prepare the individual for gainful employment; or
- Participate in an education or training program established under the Job Training Partnership Act (JTPA).

If qualified, the principal earner must apply for and accept unemployment compensation.

Work Requirements

In any month, including the 30-day period prior to receipt of aid, the principal earner cannot refuse, without good cause, a bona fide offer of employment.

If the principal earner is exempt from participating in work or training activities because of living too far away from the JOBS program location, that individual must register with a public employment office in the state.

At least one parent in a family must participate for at least 16 hours a week in a work supplementation program, a community or other work experience program, on-the-job training, or a state-designed work program.

If a parent is under age 25 and has not completed high school, the state may require the parent to participate in educational activities directed at attaining a high school diploma (or equivalent), or in another basic education program.

If the principal earner fails to meet the work and training requirements, and the second parent is not participating in JOBS, the needs of the principal earner and of the other parent will not be taken into account in determining the family's need for assistance and the amount of its assistance payment.

Caseload and Expenditures -- Fiscal Year 1993

AFDC-UP Caseload

Average Monthly Families	359,012
Average Monthly Recipients	1,488,748

AFDC-UP Benefit Expenditures

(Federal and State)	\$2.3 billion
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AFDC-UP Average Monthly Benefits

Per Family	\$540.38
Per Recipient	\$130.36

Fact Sheet

Child Support Enforcement Program

The goal of the Child Support Enforcement (CSE) Program, which was established in 1975 under Title IV-D of the Social Security Act, is to ensure that children are financially supported by both their parents. Recent laws, including the Family Support Act of 1988, provide for strong child support enforcement measures to assure that parental responsibility is met.

The CSE program is usually run by state and local human services departments, often with the help of prosecuting attorneys, other law enforcement agencies, and officials of family or domestic relations courts.

Child Support Enforcement services are available automatically for families receiving assistance under Aid to Families with Dependent Children (AFDC) programs. A family receives up to the first \$50 of any current child support each month without a decrease in the AFDC payment. Any remainder reimburses the state and federal governments for AFDC payments made to the family. AFDC recipients must assign to the state any rights to support that they or eligible children may have.

Child support services are also available to families not receiving AFDC who apply for such services. Child support payments that are collected on behalf of non-AFDC families are sent to the family. For these families, states must charge an application fee of up to \$25, but may pay such fee from state funds. Some states may also charge for the cost of services rendered.

The most recent census data show that in 1989 approximately 10 million women were raising a total of 16 million children under age 21 whose fathers were not living in the household. Of these women, only 58 percent, or 5.7 million women had been awarded child support. Among the women due child support payments in 1989, half received the full amount due, a quarter received partial payment, and a quarter received nothing. Of the total \$16.3 billion owed for child support in 1989, \$5.1 billion was not paid.

During FY 1993, about \$9 billion in child support payments was collected under this program. Paternity was established for more than 550,000 children that year, clearing the way for the establishment of child support orders and other vital links between the children and their non-custodial parents.

There are four major services provided by the Child Support Enforcement Program:

- Locating Absent Parents
- Establishing Paternity
- Establishing Child Support Obligations
- Enforcing Child Support Orders



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Locating Absent Parents – Child support enforcement officials use local information and resources of State and Federal Parent Locator services to locate parents for child support enforcement, or to find a parent in parental kidnapping/custody disputes.

These resources include:

STATE:

Motor Vehicles/Drivers Licenses
Employment/Unemployment Records
State Income Tax
Public Assistance Records

FEDERAL:

Internal Revenue Service
Department of Defense
Social Security Administration
Veterans Administration
Selective Service System
Federal civilian personnel records

About four million cases are processed annually by the Federal Parent Locator Service. The FPLS provides an address in approximately 80 percent of the cases submitted.

Establishing Paternity -- Establishing paternity (legally identifying a child's father) is a necessary first step for obtaining an order for child support when children are born out of wedlock. Establishing paternity also provides access to:

- Social security, pension and retirement benefits;
- Health insurance and information; and
- Interaction with members of both parents' families.

Many fathers voluntarily acknowledge paternity. Otherwise, father, mother, and child can be required to submit to genetic tests. The results are highly accurate. States must have procedures which allow paternity to be established at least up to the child's eighteenth birthday.

Establishing Support Obligations -- States must have guidelines to establish how much a parent should pay for child support. Support agency staff can take child support cases to court, or to an administrative hearing process to establish the order. Health insurance coverage can also be ordered.

Enforcing Child Support Orders – A parent can be required to pay child support by income withholding – money held out of the paycheck by the employer and sent to the child support office or court. Overdue child support can be collected from federal and state income tax refunds. Liens can be put on property, and the property itself may even be sold with the proceeds used to pay child support arrearages. Unpaid child support can be reported to credit bureaus so that a parent who owes child support may have trouble making purchases on credit.

Fact Sheet

CHILD CARE PROGRAMS

The Administration for Children and Families (ACF) administers a variety of programs to help low-income families obtain child care services. ACF child care services focus on assisting individuals in low-income families who are employed, or are in training for employment, and who need child care to achieve or sustain self-sufficiency. Child care assistance is available through the states in the following four programs: the Child Care and Development Block Grant; At-Risk Child Care; Child Care for AFDC Recipients; and Transitional Child Care.

Child Care and Development Block Grant (CCDBG)

The Child Care and Development Block Grant provides low-income families with the financial resources to find and afford quality child care for their children. In addition, CCDBG increases the availability of early childhood development and before- and after-school care services. Funds are available to states, Indian tribes, and territories to provide grants, contracts, and certificates for child care services for low-income families. To be eligible, a family must need child care either because a parent is working, attending a training or educational program, or because the family receives or needs to receive protective services.

This program emphasizes the role of parents in choosing the care that best meets their family's child care needs. Parents may choose from a variety of child care providers, including center-based, family child care and in-home care, care provided by relatives, and sectarian child care providers.

Grantees must ensure that child care providers meet minimum health and safety requirements and set procedures. In addition, during normal hours of operation, parents must have unlimited access to their children and the providers.

FY 1993 funds were awarded to 269 grantees, including the 50 states, the District of Columbia, Puerto Rico, 4 territories, and 213 Indian tribes.

Since September 1991, ACF has provided states with almost \$2.4 billion in CCDBG funds. For FY 1994, almost \$893 million is available. No state matching funds are required.

At-Risk Child Care

The At-Risk Child Care program gives states the option of providing child care to low-income working families who are not receiving AFDC, who need child care in order to work, and who would be at risk of becoming dependent on AFDC if they did not receive child care assistance. Families must contribute to the cost of care according to their ability to pay.



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The central point of program planning, design, and administration with the state welfare agency. In this way, state agencies, which also have the responsibility for providing welfare, employment, and related services under the Job Opportunities and Basic Skills Training (JOBS) program, can coordinate child care with these services.

States may provide child care in the following ways:

- Directly;
- By arranging care through providers by use of purchase of service contracts or vouchers;
- By providing cash or vouchers in advance to the family;
- By reimbursing the family;
- By adopting such other arrangements as the state agency deems appropriate.

All child care providers must meet applicable state and local standards and allow for parental access.

Congress appropriated \$300 million for this program for FY 1994. State matching funds are required.

AFDC Child Care

AFDC Child Care provides funds for AFDC applicants and recipients through the AFDC and JOBS programs. This financial support allows them to pursue employment or work training and approved education which will help them to become economically self-sufficient.

Congress appropriated \$450 million for FY 1994. State matching funds are required. In FY 1992, AFDC-funded child care served an average monthly number of over 175,000 families and 275,000 children.

Transitional Child Care

Transitional child care continues child care assistance for up to 12 months after a recipient leaves AFDC as a result of increased work hours, higher wages, or the loss of income disregards due to time limitations. Congress appropriated \$95 million in federal funds for FY 1994. State matching funds are required. For FY 1992, a monthly average of some 40,000 families and 62,000 children were served.

Other ACF Child Care Activities

Several other ACF activities play a vital role in the delivery of child care services:

- The AFDC Dependent Care Disregard supports AFDC recipients' efforts to work by providing offsets against income from work for recipients' child care costs up to \$200 for a child under age 2 and \$175 for a child at least age 2.
- The Head Start program, while not specifically targeted to provide child care, offers comprehensive services to enhance the development of low-income, pre-school children. Head Start and the CCDBG can develop mutually beneficial arrangements to provide extended day child care for Head Start children who need it due to their parents' work or training schedules, or to provide CCDBG recipients with a Head Start experience. AFDC child care may also be used to "wrap around" an AFDC child's Head Start program to enable the child's parent to work or participate in

approved education and training.

- **Dependent Care Planning and Development Grants** are made to states to pay 75 percent of the planning and development costs for establishing information and referral systems and school-age child care.
- **The Social Services Block Grant (SSBG)** enabled states to provide social services which are best suited to the needs of its residents. Services can include child care.
- **Child Welfare Services** are available to states to provide child care and to help child care centers meet licensing requirements. In addition, as a complement to the state grant program, the Temporary Child Care/Crisis Nurseries program awards grants to public and non-profit agencies for research, demonstration, and training.

Fact Sheet

STATE WELFARE DEMONSTRATIONS

Under section 1115 of the Social Security Act, HHS is authorized to grant states waivers of current laws governing the AFDC and Medicaid programs. This authority is intended to give states the flexibility to demonstrate alternatives that better match their residents' needs.

HHS is committed to fulfilling President Clinton's mandate to make the waiver process more efficient. This should give states more flexibility in their management of joint federal-state programs while maintaining quality services for HHS beneficiaries.

Since January 1993, HHS has approved welfare demonstration projects in Arkansas, California, Colorado, Florida, Georgia, Illinois, Iowa, North Dakota, Oklahoma, South Dakota, Vermont, Virginia, Wisconsin and Wyoming.

ARKANSAS

Under Arkansas' demonstration, AFDC parents age 16 or younger will be required to attend school regularly or face reductions in benefits if they fail to do so. If appropriate, teenage parents can meet the requirement by attending an alternative educational program.

In addition, Arkansas will implement a policy of not increasing AFDC benefits when additional children are born into a family receiving welfare. Family planning and group counseling services focusing on the responsibilities of parenthood will be included in the demonstration.

Arkansas' application was received on January 14, 1993 and approved on March 5, 1994.

CALIFORNIA

California's demonstration will encourage teenage AFDC parents to regularly attend school by paying them a \$100 cash bonus for maintaining a C average, and \$500 for ultimately graduating from high school. Teenage parents who fail to maintain a D average can have their AFDC payments reduced by up to \$50 a month for two months.

The demonstration will also permit AFDC families to accumulate \$2,000 in assets and have \$4,500 equity in a car. In addition, families will be able to deposit \$5,000 into savings so long as the funds are used to purchase a home, start a business, or finance a child's postsecondary education or training.

Finally, the demonstration will allow recipients who work -- but who have low AFDC benefits -- to opt out of the program. They will remain eligible for health care under Medi-Cal as well as other services, such as child care, which are available to AFDC recipients.

California's waiver request was received on September 29, 1993, and granted February 28, 1994.

COLORADO

Colorado is initiating a "Personal Responsibility and Employment Program" which includes a number of major revisions to the State's AFDC program. The demonstration will operate in five counties. Under the demonstration, parents who are able to work or able to participate in a training program must do so after receiving AFDC benefits for two years. Individuals who refuse to perform the assignments can face a loss of AFDC benefits.

Additionally, the demonstration will "cash out" Food Stamps for participants, meaning that the value of the coupons will be added to the monthly AFDC payment. Participants will be encouraged to work through a new formula which will enable families to keep more of the money they earn. Asset levels and rules pertaining to ownership of an automobile will also be changed so that participants will be permitted to own a car regardless of its value or their equity in it.

Finally, the demonstration provides for payment of financial bonuses when participants stay in school and graduate from a secondary (high school) or GED program, and permits financial penalties to be assessed when parents fail to have their children immunized. Colorado's waiver request was received on June 30, 1993, and granted on January 15, 1994.

FLORIDA

Florida is implementing a "Family Transition Program" for AFDC recipients in two counties. Under the plan, most AFDC families will be limited to collecting benefits for a maximum of 24 months in any 5-year period.

Individuals who exhaust their transitional AFDC benefits, but are unable to find employment, will be guaranteed the opportunity to work at a job paying more than their AFDC grant. The demonstration also provides a longer period of eligibility -- 36 months in any 6-year period -- for families who are at a high risk of becoming welfare dependent.

Medicaid and child care benefits will be available in the demonstration. Local community boards will play a large role in overseeing the program.

Other elements of the demonstration include an increase in the earnings disregard formula and asset ceilings, as well as a statewide requirement that AFDC parents must ensure that their children have been immunized. Florida's waiver request was received on September 21, 1993; and granted on January 27, 1994.

GEORGIA

Georgia is initiating the "Personal Accountability and Responsibility Project" (PAR) which strengthens federal work requirements that must be met in order to receive cash benefits. Georgia's welfare agency will now be able to exclude from an AFDC grant any able-bodied recipient between the age of 18 to 60 who has no children under the age of 14 and who willfully refuses to work or

who leaves employment without good cause. The rest of the family will continue to be eligible for AFDC benefits.

The plan will also allow the state to deny additional cash benefits for additional children born after a family has been on welfare for at least two years if the child was conceived while the family was on welfare. However, PAR would allow recipients to "learn back" the denied benefits through the receipt of child support payments or earnings.

Medicaid and Food Stamps eligibility will continue for all family members. In addition, Georgia will offer family planning services and instruction in parental skills to AFDC recipients. Georgia's waiver request was received on May 18, 1993, and granted on November 2, 1993.

ILLINOIS

The Work Pays component, added to the previously approved Project Fresh Start, encourages employment and thereby self-sufficiency by enabling recipients to keep more of their earnings than is normally allowed. The State will disregard two of each three dollars earned for as long as recipients continue working. Illinois' waiver request was received August 2, 1993, and granted on November 23, 1993.

IOWA

Iowa is implementing a reform plan that will encourage AFDC and Food Stamp recipients to take jobs and accumulate assets through a program of "Individual Development Accounts." Funds deposited in an account can only be withdrawn to pay for education, training, home ownership, business start-up, or family emergencies. The current law which limits each family's assets to \$1,000 will be changed to allow each applicant to have up to \$2,000 in assets and each AFDC family to possess up to \$5,000 in assets. Additionally, the vehicle asset ceiling will rise from \$1,500 to \$3,000.

Recipients will also be encouraged to work under a new formula which disregards 50 percent of their earnings in the calculation of benefits. For recipients lacking in significant work histories, all income will be disregarded during the first four months on AFDC. A Family Investment Program will be created for most AFDC parents, requiring them to participate in training and support services as a condition of AFDC receipt. Only parents with a child under 6 months old at home, those working at least 30 hours per week, and the disabled are exempt. Individuals who choose not to participate in the Family Investment Agreement will have their AFDC benefits phased out over six months and will not be able to reapply for another six months. Iowa's request was received April 29, 1993, and granted August 13, 1993.

NORTH DAKOTA

North Dakota's demonstration will provide federal AFDC matching funds to the state for low-income women during the initial six months of pregnancy with their first child. Such payments are usually not available until the last trimester of the pregnancy.

In addition, the demonstration links AFDC to a requirement that individuals enroll in the state's welfare-to-work program and pursue education or training activities both during the first six months of pregnancy and after their child is three months of age.

North Dakota's waiver application was received on August 19, 1993, and approved on April 12, 1994.

OKLAHOMA

Oklahoma's demonstration seeks to encourage welfare recipients to regularly attend school and ultimately graduate from a high school or equivalent educational program.

The demonstration provides that AFDC recipients between the ages of 13 and 18 need to remain in school or face a reduction in benefits if they drop out. The plan applies to teenage parents as well as children. Oklahoma's request was received December 28, 1992, and granted January 25, 1993.

SOUTH DAKOTA

South Dakota is initiating its "Strengthening of South Dakota Families Initiative" that encourages welfare recipients to undertake either employment or education activities. The program assigns AFDC participants to either an employment or education track that enables them to move from dependency to self-sufficiency. Individuals enrolled in the employment track will receive up to 24 months of AFDC benefits; those participating in the education track will receive up to 60 months of AFDC benefits.

Upon completion of either track, participants will be expected to find employment, or failing that, will be enrolled in approved community service activities. Individuals who refuse to perform the required community service without good cause will have their benefits reduced until they comply.

In addition, in conformance with the Food Stamp program, AFDC benefits can be denied to any family in which an adult parent quits a job without good cause. The sanction period will last three months, or until the parent acquires a comparable job.

The demonstration also enacts new rules pertaining to the employment and earnings of children receiving AFDC. Under current law, income earned by children can reduce the family's overall AFDC payment. The South Dakota demonstration will disregard such earnings for children who are attending school at least part-time. Children will be permitted to have a savings account of up to \$1,000. Additionally, AFDC children 14 and over, who are employed part-time, will be permitted to own an automobile worth up to \$2,500.

The South Dakota demonstration will involve a rigorous evaluation that utilizes random assignment to experimental and control groups.

South Dakota's request was received August 6, 1993, and approved March 14, 1994.

VERMONT

Vermont's "Family Independence Project" (FIP) promotes work by enabling AFDC recipients to retain more income and accumulate more assets than is normally allowed. FIP also requires AFDC recipients to participate in community or public service jobs after they have received AFDC for 30 months for most AFDC families or 15 months for families participating in the unemployed parent component of AFDC. Current child support payments will now go directly to families entitled to them. Vermont's request was received October 27, 1992, and granted April 12, 1993.

VIRGINIA

Virginia's "Welfare Reform Project" will encourage employment by identifying employers who commit to hire AFDC recipients for jobs that pay between \$15,000 and \$18,000 a year and by providing additional months of transitional child care and health care benefits. A second statewide project will enable AFDC families to save for education or home purchases by allowing the accumulation of up to \$5,000 for such purposes, encourage family formation by changing the way a stepparent's income is counted, and allow full-time high school students to continue to receive AFDC benefits until age 21. Further, in up to four counties, AFDC recipients who successfully leave welfare for work may be eligible to receive transitional benefits for child and health care for an additional 24 months, for a total of 36 months. In one location, Virginia will offer a guaranteed child support "insurance" payment to AFDC families who leave welfare because of employment to assist the family in maintaining economic self-sufficiency. Virginia's request was received July 13, 1993, and granted November 23, 1993.

WISCONSIN

Wisconsin's reform plan, "Work Not Welfare," will require that most AFDC recipients either work or look for jobs. The plan provides case management, employment activities, and work experience to facilitate employment. Receipt of AFDC benefits will be limited to 24 months in a 4-year period, except under certain conditions, such as an inability to find employment in the local area due to a lack of appropriate jobs. Upon exhaustion of benefits, recipients become ineligible for 36 months.

With exceptions, children born while a mother receives AFDC will not be counted in determining a family's AFDC grant. In addition, child support will now be paid directly to the AFDC custodial parent in cases where the funds are collected by the State. Wisconsin's request was received July 14, 1993, and granted November 1, 1993.

WYOMING

Wyoming's reform plan will encourage AFDC recipients to enroll in school, undertake a training program, or enter the workforce. Wyoming's plan will allow AFDC families with an employed parent to accumulate \$2,500 in assets, rather than the current ceiling of \$1000.

Wyoming will promote compliance with work and school requirements with tough penalties: AFDC minor children who refuse to stay in school or accept suitable employment could have their monthly benefit reduced by \$40; and adult AFDC recipients who are required to work or perform community service, but refuse to do so, face a \$100 cut in their monthly benefit. Also, Wyoming will severely restrict eligibility for adults who have completed a postsecondary educational program while on welfare, and will deny payment to recipients who have confessed to or been convicted of program fraud until full restitution is made to the State.

Unemployed, non-custodial parents of AFDC children who are not paying child support can now be ordered, by the courts, into Wyoming's JOBS program. Wyoming's request was received May 20, 1993, and granted September 7, 1993.

Job Opportunities and Basic Skills Training (JOBS) Program

The Family Support Act of 1988 created JOBS, a comprehensive welfare-to-work program. JOBS provides recipients of Aid to Families with Dependent Children (AFDC) with the opportunity to take part in job training, work, and education-related activities that lead to economic self-sufficiency. JOBS also provides welfare recipients with necessary support services, such as transportation and child care. Responsibility for the JOBS program rests with the state welfare agency. However, in some areas, JOBS is under the administration of an Indian tribe or Alaska Native organization.

The Primary Goal of JOBS – Self-Sufficiency

The ultimate purpose of JOBS is to improve a family's ability to become and remain self-sufficient. It targets resources to those AFDC recipients most at risk for long-term welfare dependency, especially young, never-married mothers and teenaged parents who did not complete high school. It also focuses on AFDC recipients who have been on welfare a long time.

Fundamental Shift in Welfare Policy

Passage of the Family Support Act and the establishment of JOBS reflect a rethinking of the welfare system. It no longer merely provides cash assistance to meet the basic needs, but now encourages economically disadvantaged people and families to gain skills that allow them to move permanently into the economic mainstream, while cash assistance is considered transitional.

The system places primary responsibility for JOBS implementation and accountability with the state welfare agency. Welfare agencies are required to provide job training and employment and education-related services as well as transitional cash assistance. New relationships among welfare agencies and other state and local agencies, community-based organizations, educational institutions, and public interest groups demonstrate this shift in welfare policy.

Program Flexibility

The Family Support Act allows each state considerable flexibility to design its own JOBS program. It specifies certain program requirements, such as participation rates, but allows each state to define its own program goals and objectives. The Act allows each state to tailor its JOBS program to meet the needs of its recipients while assuring that each state provides an array of services and activities. While the Administration for Children and Families (ACF) sets program goals and provides funding, states determine the appropriate types of services to offer welfare clients to overcome employment obstacles.



A state must offer educational programs, job skills training, job readiness activities, and job placement and development services. It also may choose two or more of the following activities: job search, on-the-job training, work supplementation, and community work experience or other work experience.

Making It Easier for Families to Participate in JOBS

The Family Support Act provides that AFDC recipients receive child care and supportive services, such as transportation, that are necessary for participation in JOBS.

States may fund child care through vouchers, direct payments, or other types of financing. It may be provided by relatives, neighbors, family day care providers, independent contractors, or day care centers. AFDC recipients who have found employment and are no longer eligible for cash assistance may receive up to one year of transitional child care and medical assistance.

The Link Between JOBS and Child Support

The Family Support Act strengthens the link between AFDC and effective child support enforcement. It requires state welfare agencies to furnish JOBS, AFDC, and child support services in an integrated way. An underlying theme of this legislation is that both parents, whether or not they are living together, must be involved in financially supporting their children. In many cases, AFDC families can become self-sufficient by coupling child support payments with the custodial parent's earned income.

Encouraging Extensive Coordination and Partnerships

The Administration for Children and Families has a strong leadership role in uniting programs that serve vulnerable families. ACF promotes integration among the AFDC, JOBS, and Child Support Enforcement programs. It encourages active dialogue among organizations that provide employment services, job training, education, child support enforcement, child care, and other community services. ACF also supports collaboration with the business community to increase job training and work opportunities for JOBS participants.

Fact Sheet

Earned Income Tax Credit

Contrary to popular understanding, work is not a guarantee to escaping poverty. In 1991, 9.2 million workers were poor, 2.1 million of whom worked full-time, year-round. Fully 5.5 million people lived in poor families with children which contained one full-time, year-round worker.

The Earned Income Tax Credit (EITC) is a refundable tax credit designed to help the working poor. The credit offsets the tax liability of low-income heads of household and is paid as a percentage of earnings to a certain maximum.

The recently-passed reconciliation bill includes a major expansion of the EITC which would achieve President Clinton's goal of enabling families of four with a full-time worker to reach the poverty line. The five-year cost of this expansion is \$20.8 billion, with \$7.0 billion spent in fiscal year 1998.

Eligibility Requirements

Under the provision, working poor families with two or more children would receive a \$4 wage supplement through the EITC for every \$10 of the first \$8,425 they earn. A family of four with full-time, full-year minimum wage earnings would receive the maximum credit of \$3,370.

For families with two or more children, the credit phases out at a rate of 21 cents for each dollar earned above \$11,000. Eligible tax filers making up to \$27,000 in earnings will still receive a credit.

For the first time, a credit will also be available for low-income workers without children. A childless worker would receive a maximum credit of \$306 based on earnings between \$4,000 and \$5,000. Nearly five million workers without children who have very low incomes (less than \$9,000) and are between the ages of 25 and 64 would also benefit.

Impact

Compared to the situation with no EITC at all, the enacted legislation would amount to a 40 percent higher return from working for low-income families with children. Compared to current law, a two-parent family with two children and one wage-earner working full-time at minimum wage would get \$1,375 more per year. In effect, this raises the pay for such a person by 16 percent over the situation under prior law.

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The expansion will substantially increase the anti-poverty effectiveness of government tax and welfare policy. In 1994, when the enacted legislation is fully implemented, approximately 1.5 million people will be removed from poverty, even if no more people go to work.

Enactment of the expanded EITC is an important first step in the welfare reform effort. One of the major principles in reforming welfare is to "make work pay." The expansion of the EITC significantly increases the return from work and increases the incentive to begin work. It lays a solid foundation for the Administration's welfare reform plan -- anticipated later this year -- to make work a more viable option than welfare.