

CLASP Update

A CLASP Report on Welfare Developments

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State Spending and Welfare

■ **New GAO Report Provides Striking Data.** A new General Accounting Office report provides some striking data about the initial fiscal effects of TANF implementation for the states and federal government. TANF implementation allowed most states to cut state spending while receiving increased federal dollars, at the same time that caseloads were falling.

As a result, even with reduced state spending, most states have had more available funds per recipient. This does not, of course, mean that states are actually providing more assistance per recipient; the report, “**Welfare Reform: Early Fiscal Effects of the TANF Block Grant,**” provides little information about how TANF and state funds are actually being spent. The report does underscore, however, that many states now have significant additional resources that could potentially be available to support employment and address the needs of low-income families.

The report compares federal and state spending from 1996 with available funding and fiscal requirements of the TANF block grant structure. Among the key findings:

- **For most states, TANF resulted in more federal funds for 1997 than for 1996.** Not all states participated in TANF for the full year in 1997. However, if all states had drawn down their full TANF grants in 1997, they would have received about \$1.4 billion more under TANF than they received in 1996 for the same set of programs, i.e., an increase from \$15 billion to \$16.4 billion. Forty-five states were eligible to receive more in 1997 than 1996. The amounts varied between states: the median increase was 9%, but at one extreme, Indiana qualified for 70% more; while at the other extreme, Pennsylvania received 7% less.

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Contributors: Mark Greenberg; Alan Houseman; Maria Kirby; Paula Roberts

NEW FROM CLASP

Child Support Reports

- ***OCSE Guidance for States Seeking Permission to Operate a Linked Local Automated Child Support System Rather Than a Single Statewide Automated System*** by Paula Roberts describes the latest changes regarding waivers in the new law entitled the Child Support Performance and Incentive Act of 1998 (CSPIA). If a state does not wish to create a single statewide automated data processing and information retrieval system, it may seek a federal waiver allowing it to link separate local systems into a statewide system. CSPIA provides new guidance on when and under what conditions such waivers should be granted, and how they should be funded. 6 pages, September 1998.
- ***Federal Guidance on Alternative Penalties Related to Automation Failures*** by Paula Roberts gives a brief summary of the alternative penalties and the qualifications from the latest child support automated systems legislation entitled The Child Support Performance and Incentive Act of 1998 (CSPIA) which established a system of fiscal penalties for states which fail to meet their FSA and/or PRWORA automation requirements. She also describes how the new penalty system will function pursuant to the Action Transmittal 98-22 issued by the federal Office of Child Support Enforcement. 6 pages, September 1998.
- ***New GAO Study About Child Support for Families Leaving Welfare*** by Paula Roberts gives a summary of the findings from the released GAO study that examines the possibility that families leaving welfare will actually obtain child support income to either supplement their wages or replace the public benefits lost when the family reaches its TANF time limit. The study suggests that unless there is major improvement in the child support program, the majority of families leaving welfare due to time limits will not receive substantial amounts of child support. 5 pages, September 2, 1998.
- ***Proposed Federal Child Support Legislation Providing Access to IVD Information and Remedies in Non-IVD Cases*** by Paula Roberts gives a detailed description of S. 2411, introduced July 31, 1998, by Senator Hutchinson of Texas. The stated purpose of this bill is to "expand child support enforcement through means other than programs financed at Federal expense." 6 pages, August 21, 1998.

REGISTER NOW!

Winter 1999 CLASP Audio Conferences

Can welfare recipients who find jobs get out of poverty? A number of programs around the country are focusing on two key components that will be discussed in "Jobs and Wages: Programs that Promote Retention and Advancement." [See the enclosed brochure for more information.](#)

Follow the registration instructions to get your discount—and remember, the entire can staff listen in around the speaker phone and/or invite to your office a group of key players. We encourage you to [use the audio conference as a "briefing" to spark discussion](#) on job retention and wage advancement in your community and state.

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- **TANF implementation allowed states to reduce state spending in 1997 below 1996 spending levels.** Under TANF, states are required to meet a maintenance of effort obligation of 80% of a historic state spending level (or 75% if the state meets federal participation rate requirements.) If all states had dropped to the 80% MOE level in 1997, the required state spending level would have been \$11.1 billion, as compared to actual state spending of \$14.1 billion for the affected programs in 1996.
 - **Even with reduced state spending, TANF implementation resulted in more total available funding for most states.** The GAO considered how much funding states would have had in 1997 if the prior AFDC-related funding formulas were still in effect, and then compared that amount to how much states would have had if they had been in TANF for the entire year while maintaining an 80% maintenance of effort. The GAO concluded that the amount available to states under the TANF formula for 1997 was \$4.7 billion larger than states would have had under the old AFDC formula. The median increase was 22%, with 46 states having more resources.
 - **Since caseloads were falling at the same time that federal resources were increasing, TANF resulted in the possibility of more spending per recipient.** For the nation as a whole, the GAO calculated that federal resources per recipient increased from \$1,193 to \$1,647, while state resources per recipient declined slightly, from \$1,125 to \$1,110. Note however, that this calculation says nothing about what states actually did with the money or whether it actually resulted in additional assistance or services; it merely demonstrates that the capacity was there to do so if states chose to do so.
 - **Not all TANF funding was used.** Under the TANF statute, funds not obligated in a year are available for the state's use in future years. In 1997, the GAO found that 31 states carried over a combined total of more than \$1.2 billion.

The report includes state-by-state charts on the fiscal impact of the shift to TANF and on the impact on potential resources available in each state.

The report includes an extended discussion of state approaches to rainy day funds (i.e., keeping funds in reserve), issues arising around use of the federal contingency fund, and recommends that HHS consult with states and explore options to get better information about states' plan for their unused TANF balances.

While the report provides helpful information about the extent of additional potential resources in 1997, it provides little new information to address the basic question of how states are spending their TANF and maintenance of effort funds. The report provides some illustrative examples of states that have increased spending on employment services and child care, and of states that were able to use additional federal funds to free up state funds and achieve budgetary savings. However, the report does not seek to quantify how TANF and MOE funds were spent in 1997 or compare those expenditures to patterns of prior years.

While the GAO report focuses on 1997, it seems clear that the magnitude of available funding for states would have further increased in 1998, as caseloads have continued to fall since that time. Accordingly, as states approach their 1999 legislative sessions, it will be important for administrators, legislators, and other concerned persons to seek to develop some measure of the magnitude of unobligated TANF funds and to explore the array of alternatives for potential expenditure of those funds.

- Contact Mark Greenberg (mhgreen@clasp.org) and Steve Savner (ssavner@clasp.org) at CLASP for more information about issues and choices in spending TANF funds and meeting MOE requirements.
- For CLASP's latest publications on TANF and maintenance of effort funds for community service employment initiatives, child support assurance programs, child care expansions, expanding access to education and training, and working family support, visit CLASP's web page (www.clasp.org). CLASP also contributed to a valuable resource for potential legislative initiatives, "**Reinvesting Welfare Savings**," available from the Center on Budget and Policy Priorities (www.cbpp.org).
- The GAO Report "**Welfare Reform: Early Fiscal Effects of the TANF Block Grant**" GAO/AIMD-98-137 (August 1998) can be located at www.gao.gov/new.items/ai98137.pdf.

■ **NCSL Report Traces TANF, MOE Money.** In "**Where Does the Money Go? A Look at Innovative Spending Strategies**," the National Conference of State Legislatures (NCSL) examines spending through TANF as well as the Welfare to Work block grant. The following excerpts are from the July 1998 NCSL publication by Dana Reichert:

Most states are spending their TANF and state maintenance of effort (MOE) dollars in traditional ways: cash assistance, employment services, child care, and emergency assistance. Some state legislatures have gotten creative. They have appropriated TANF and MOE money in new and innovative ways:

- **Tax credit for low-income families:** Established in statute, Virginia provides a state earned income tax credit for working families who qualify. MOE dollars will be used to provide the actual credit to families.
- **Substance abuse treatment:** Allows non-medical substance abuse treatment for welfare recipients using MOE dollars. New Mexico established two programs—one targeted at Native Americans TANF recipients; the other at non-native TANF recipients.

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- **Individual Development Accounts:** Allows welfare recipients and low-income individuals to establish special savings accounts to be used for purchase of a home, educational advancement, or to start a business. Indiana is using MOE dollars to fund the establishment of 800 accounts, and will provide \$3 for every \$1 deposited by recipients.
 - **Tuition vouchers:** Gives selected welfare recipients an opportunity to further their education by attending a community college or technical college. Colorado has required the development of a tuition voucher using TANF dollars, using job market information to identify emerging labor trends and high-earning potential jobs.
 - **Teenage pregnancy prevention:** Develops a strategy focused on reducing teenage pregnancy. Florida uses MOE funds for teen pregnancy prevention and focuses services in areas with high teen pregnancy rates.
 - **Services for Teen Parents:** Helps teen parents by providing assistance with GED or high school completion, job counseling and support services. Illinois has targeted MOE dollars for a program to serve teen parents.
 - **Utility Assistance:** Helps recipients pay for utility bills. Arizona targeted TANF dollars to provide recipients with help paying the high cost of utilities.
 - **Immigrant Services:** Provides services to legal immigrants who are TANF eligible. Illinois and New Jersey have used MOE dollars to provide nutritional services to immigrants who lost eligibility for food stamps. Children's nutrition, naturalization and employment assistance are a part of Illinois' program.
 - **Homeless Shelter:** Grants services to homeless or at-risk families at local shelters. Illinois uses MOE to provide homeless or at-risk families with access to support services, counseling, and local shelter services. Arizona provides a similar service.
 - **Transportation Services:** Services and benefits to help recipients with transportation barriers to employment. Michigan and Kentucky are using MOE dollars to fund the development of transportation services.
 - **Expanding Head Start:** Expands child care services that prepare at-risk children for kindergarten. New Mexico and California is using MOE funds to provide services targeting pre-kindergarten preparation.

Welfare-to-Work: The Budget Reconciliation Act of 1997 established a new Welfare-to-Work (WtW) Block Grant focused on providing assistance to recipients who have multiple barriers to employment, or on non-custodial parents who face similar challenges to becoming wage earners for their children (75% of the funds are made available to states through formula grants; private industry councils—or

alternates designated by the governor—are to administer 85% of these monies, and the remaining 15% is distributed by the governor.) Most states are using funds to provide employment-related services like job readiness, basic education, work experience, and subsidized employment. States also are extending these same services to non-custodial parents. Many states focus on additional support services like child care or career counseling. A few states have gone further—here are some of their innovations detailed in state plans:

- **Transportation:** Most WtW plans address transportation and will provide participants with increased access to transportation services. States are using both the 85% and 15% money to fund projects. Some states will be providing bus passes, others have developed work groups to come up with more comprehensive strategies that address transportation needs.
- **Domestic Violence and Substance Abuse:** Kentucky is using its 15% money to develop pilot projects aimed at recognizing the relationship between substance abuse and domestic violence. The program will be sponsored by the department of Mental Health and the Division of Substance Abuse.
- **English as a Second Language:** A few states are targeting services to help participants become literate in English. States are using both the 85% and 15% money to fund projects.
- **Work-Related Expenses:** Texas is using the 85% money to provide a wide range of support services, including money for tools, equipment and uniforms that are work related.
- **Immigrants:** Texas and Wisconsin are using the 15% money to fund programs geared towards providing wide-ranging services to immigrants. Texas will target refugees and Wisconsin is targeting Southeast Asian populations.
- **Crisis Management Hotline:** Tennessee is using 85% money to fund a hotline designed to help participants deal with emergency situations that may prevent them from daily employment. Hotline workers will be trained to help broker situations like domestic violence emergencies, finding transportation if a car breaks down, or daycare for sick children. Workers will also act as mediators between employers and participants.
- **Incentive Payments:** Vermont is using the 85% money to provide participants with monetary rewards for completion of certain activities. Rewards range from completion of an assessment or job finding workshop for \$25, \$50 for continual work to \$100 for educational grade achievement or completion of a vocational class.
- **Individual Development Accounts (IDAs):** A few states are using grant funds to fund the development of IDAs that allow participants to save money for

educational goals, first home, or to start a business. These accounts match deposits made by participants to help facilitate savings.

- **Relocation Assistance:** New Mexico will provide help with moving expenses if participants move to a location where they are likely to find employment.
- For additional information on TANF, state MOE, or WtW expenditures, contact Dana Reichert at NCSL's Denver office: (303) 830-2200.

After Welfare: Will there be Child Support Income?

In August 1996, the cash welfare program known as Aid to Families with Dependent Children (AFDC) was abolished and replaced by Temporary Assistance to Needy Families (TANF). One of the premises of TANF is that single parent families should not rely on public assistance for long-term support. Rather, they should use welfare as a short-term income source, moving quickly to become self-supporting through a combination of wages and child support. To underscore the temporary nature of public assistance, TANF places a five-year lifetime limit on the receipt of federally funded benefits. States may choose to provide assistance for an even shorter period of time.

The General Accounting Office (GAO) has just released a study examining the possibility that families leaving welfare will actually obtain child support income to either supplement their wages or replace the public benefits lost when the family reaches its TANF time limit. The study suggests that—unless there is major improvement in the child support program—the majority of families leaving welfare due to time limits will not receive substantial amounts of child support. The GAO report three distinct, but related, issues:

- How states which have experimented with time-limited welfare benefits in the past few years fared in obtaining child support for families which reached their time limit;
- How the most successful child support programs generally fare in obtaining child support for families receiving public assistance; and
- The implications of time limits for both families and the child support program.

Experience of States with Time-Limited Welfare. The GAO looked at data on families in Connecticut, Florida, and Virginia who had reached a state time limit established prior to TANF. The analysis sought to determine whether the state had been successful in obtaining child support for the families prior to termination. What

the GAO found is disturbing because of its implications for both the families and the child support program. Most families did not receive child support because the child support program was unable to carry out its basic functions: to locate missing parents, establish paternity, and obtain support orders. Among the findings:

- In each state, a vast majority of the families which reached their time limit had **no child support** collected for them during the 12 months before their assistance was terminated; frequently this occurred because the family didn't even have a support order; and,
- The major reason families did not have an order was the failure to locate the non-custodial parent.

What makes this particularly disturbing is that when an order is established and the support is collected, child support payments can significantly boost family income. Even when collection efforts are not totally successful, the GAO notes that mean monthly child support actually collected ranged from 22 percent to 60 percent of the mean grant received in the month before termination.

Child Support Services in High-Performing States. The GAO also looked at two states—Minnesota and Washington—with relatively high-performing child support programs. The goal here was to identify the *potential* of child support as an income source for those terminated from TANF due to the time limits if the child support system functioned reasonably well. To assess the possibilities, the GAO selected child support cases for families receiving AFDC which were opened in 1992 and which remained open for five years (the TANF time limit). In those cases:

- About two-thirds of the families received some child support in the last 12 months of the five-year period. The mean amount collected in the last 12 months was more than \$2,000 per case. Collections in AFDC cases that remained open for the entire 5-year period were somewhat lower than this, however.
- A relatively small percentage did not have a child support order.

Implications. The GAO concluded that child support *could be* an important supplement to the income of post-TANF families. However, unless states dramatically improve the performance of their child support programs, it is unlikely that child support *will be* such an income supplement.

While the GAO cites a variety of actions to improve performance, its primary emphasis is on the need to improve parent locate services. In this regard, the GAO distinguishes what needs to be done on existing cases from strategies which may be more appropriate in new cases.

- For a copy of **Child Support an Uncertain Income Supplement for Families Leaving Welfare**, GAO/HEHS 98-168 (August 1998) visit GAO's web site

(www.gao.gov). Paper copies can be ordered by calling (202) 512-600 or faxing a request to (202) 512-6061. Copies can be also be obtained by mail from U.S. General Accounting Office, P.O. Box 37050, Washington, D.C. 20013.

- For more information, contact Paula Roberts at CLASP (proberts@clasp.org), or visit www.clasp.org for an expanded version of this article.

Civil Legal Assistance

■ **Civil legal assistance is the focus of a new statewide planning process.** The legal services programs funded by the Legal Services Corporation together with other civil legal assistance providers and state bar associations are currently seeking to improve civil legal assistance in each state. To assist this ongoing planning process, The Project for the Future of Equal Justice, a joint project of CLASP and the National Legal Aid and Defender Association, has prepared a “Discussion Draft” designed to provide state planners with a framework to evaluate their civil legal assistance system. (A copy is available at the Project’s web site: www.equaljustice.org.)

A comprehensive, integrated statewide system has three overall objectives. Some potential users of the system recognize that they could benefit from legal assistance, and they want to use the judicial or administrative system for help. These users need to know where and how they can get access to effective, high quality legal assistance. Some potential users do not recognize that could benefit from legal assistance, but they might seek help if they recognized that the situation could be addressed in that manner. This group needs information and education and may require outreach activities. Some potential users recognize—either before or after outreach and education—that they could benefit from legal assistance, but for whatever reason, choose to do nothing, solve the problem themselves, seek out assistance from a non-legal third party, or access the judicial system pro se. These users need to know their options and perhaps receive support for self-help or other assistance short of legal representation.

A comprehensive, integrated statewide civil legal assistance system has six essential capacities. It must:

- increase awareness of rights, options and services by all segments of the low-income population within the state, including hard-to-reach groups;
- ensure that services are accessible from all parts of the state and include centralized or coordinated “advice and brief services” providers organized throughout the state as well as easily accessible centralized or coordinated intake systems that include telephone screening, case evaluation and referral;

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- ensure the collective capacity through a community of advocates to provide a full range of civil legal assistance services to all clients, regardless of their location or the forum within which their legal problem is best resolved.;
 - ensure high quality civil legal assistance throughout all parts of the state including the capacity and flexibility to identify and respond to new and emerging legal trends and changes in the nature of the legal problems of low-income persons;
 - ensure statewide coordination and support for providers of civil legal assistance including state-level resource development, effective monitoring, analysis, and timely distribution of information regarding all relevant legal developments, coordinated advocacy in all state-level legal forums, and coordinated statewide education and training activities and;
 - ensure coordination among states and nationally.

To accomplish these far-reaching goals, all civil legal assistance leaders within the state will have to take responsibility for—and provide leadership to ensure—effective civil legal assistance throughout the entire state through ongoing planning and management processes. An effective statewide, integrated system should respond to the most critical statewide legal needs, address legal needs unique to or disproportionately experienced by specific segments of the low-income population, and undertake advocacy that will result in the longest-term benefits on issues of greatest significance to low-income persons.

- For more information, contact Alan Houseman (ahouse@clasp.org) at CLASP.

Reproductive Health and TANF Teens and TANF

■ **Proposed New Jersey Legislation Would Eliminate Nation's First Family Cap.** In New Jersey, assemblywoman Charlotte Vandervalk (R) has introduced legislation to repeal the family-cap provision of the state's welfare policy in response to a Rutgers University study that indicated it precipitates abortions among New Jersey's welfare recipients, the *Bergen Record* reports.

Vandervalk, chair of the Assembly Health Committee, initially opposed New Jersey's 1997 welfare provision capping payments to women choosing to have more children while on welfare, a provision supported by Gov. Christine Todd Whitman (R). The provision's recent connection with abortion has stimulated calls for reform. Vandervalk "said she considers the policy discriminatory and punitive to women and their families."

The Rutgers study states that the family-cap policy "appears to be responsible for about 240 more abortions per year among welfare recipients," and Vandervalk said "many say the study gives fresh ammunition to those who oppose the policy." She added, "[T]he (study) really brought it to the surface. We just didn't know then what we know now."

Lenora Lapidus, legal director for the American Civil Liberties Union of New Jersey, said, "I don't think any legislator in the state wants to have a policy that coerces poor women to have abortions." The ACLU is challenging the provision in state Superior Court, and arguments are scheduled for Sept. 17. The state initially disputed the study's findings, and has refused to release the report to the public. Jacqueline Tencza, spokesperson for the state Department of Health Services, said, "I think the message of personal responsibility is an important one—that families, not government, should be taking care of children."

Vandervalk and co-sponsor Assemblywoman Joan Quigley (D) will formally introduce the legislation this week, and state Sen. Diane Allen (R) will introduce similar legislation in the Senate.

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■ **Massachusetts Welfare and Teen Parent Evaluation.** As part of reforming welfare eligibility, Massachusetts implemented residency and education requirements for teen parents. To better understand the effects of the new rules on teens in Massachusetts, the legislature funded researchers at Boston University (BU) to conduct a short-term study to evaluate the state's Teen Living Programs (TLPs)—structured residential programs for those teen parents on TANF who are unable to live at home or with adult relatives. Study findings are based on interviews with current and former TLP residents, and on site visits to the TLPs. The BU study also analyzed the effects of welfare reform on the broader population of teen parents, most of whom are not living in TLPs, by analyzing state agency administrative data.

Interviews with current and former TLP residents revealed a wide range of views about their experiences in the TLPs. Outcomes for former residents (over varied amounts of time) included: 65% reported engaging in some education or training experience since exiting the TLP; 44% reported having been employed at some point after leaving the TLP; 25% reported being currently employed; 71% reported currently receiving welfare; 16% reported having been homeless at some point after leaving the TLP; 28% reported having become pregnant since leaving the TLP; 14% reported having experienced some type of abuse; 13% reported having called the police for domestic violence; 18% reported that a suspected child abuse report had been filed on behalf of their child; and most teens reported some formal and informal supports.

Numerous relationships were found between outcomes and client characteristics. In terms of program characteristics, longer stays in the TLPs were associated with positive outcomes

such as completion of education or training, current employment, and fewer child maltreatment reports.

The site visits to the TLPs found that TLP staff had positive feelings about the TLP model and the comprehensiveness of services the model offers. Sites reported difficulties with the provision of follow-up services because of limited staff time.

Using administrative data supplied by the Department of Transitional Assistance (DTA) and the Department of Social Services, two cohorts of teen parents (one pre-welfare reform and one post-welfare reform) were compared. No significant cohort differences were found in terms of percent of closed cases or the time until cases were closed. No differences were found between cohorts in percentage of child maltreatment reports or substantiations. Statistically significant differences were found among the two cohorts in terms of their housing status (public or private), language (but not race), work status and reason for case closure.

DTA is currently considering changes to the program to better serve teens and prepare them for self-sufficiency in the future.

■ **HHS Selects Mathematica to Evaluate Abstinence Program.**

Mathematica Policy Research, Inc. has been selected by the Department of Health and Human Services to undertake the national evaluation of abstinence education funded through a provision that was part of the 1996 welfare law. Funding for the evaluation, however, was not part of the 1996 welfare law but rather was included in the 1997 Balanced Budget Act. That measure included a provision for up to \$6 million over two years to be made available for research on abstinence education programs authorized by the 1996 law.

The 1996 abstinence education provision provides for federal funds and a state match of close to \$0.5 billion over 5 years; the funds are largely restricted to eight abstinence education themes spelled out in the law. Funded programs are expected to teach such themes as “sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects” and that “a mutually faithful monogamous relationship in the context of marriage is the expected standard of human activity.”

The evaluation will include a focus on program effectiveness in reducing rates of sexual activity, pregnancy, births, and the incidence of sexually transmitted diseases. The results of this study will be of particular importance in light of the current status of existing research. The absence of demographic data of participants and control groups from many of the available state studies to date has made data difficult to interpret. In addition, a comprehensive review of evaluations of abstinence programs concluded that “Even though abstinence-only programs may be appropriate for many youth, especially junior high and middle school youth, there does not currently exist any scientifically credible, published research demonstrating that they have actually

delayed (or hastened) the onset of sexual intercourse or reduced any other measure of sexual activity...The weight of the evidence indicates that these abstinence programs do not delay the onset of intercourse. On the other hand, this evidence is not conclusive, because all but one of these evaluations had significant methodological limitation that could have obscured program impact.” (Doug Kirby, *No Easy Answers: Research Findings on Program to Reduce Teen Pregnancy*, March 1997)

Six sites will be selected for the study; the “most intensive” abstinence-only education programs will be the primary focus. Although many statewide initiatives exist, their scope is considered too long-term and broad to be considered “intensive.” Therefore, smaller geographic areas whose impact will be more concentrated are more likely to be chosen.

The Mathematica researchers who will be conducting the evaluation are Rebecca Maynard and Barbara Devaney. Preliminary findings are expected to be available by August 2000, with a final report due 12 months later.

Earlier products will include a summary of the types of programs that have been funded through the new program and a research synthesis on the effects of abstinence education.

■ **House Examines Administration and Use of Abstinence-Unless-Married Sex Education Grants.** On September 25th, the House Commerce Subcommittee on Investigations and Oversight heard testimony on early implementation of the new federal abstinence education initiative established in the 1996 Welfare law. The hearing began with testimony from Dr. Peter Van Dyck, acting associate director of the Maternal and Child Health Bureau, the agency responsible for distribution of grant funds. Many of the questions focused on the actions of specific states with regard to proper use of the funding and adherence to the guidelines delineated in the 1996 welfare law. For example, members asked why California had not yet drawn from its \$5.7 million grant, and if the state of Rhode Island had altered the definition of abstinence education such that the result was not consistent with federal guidelines. With respect to California, Dr. Van Dyck stated that the state is “participating” but has “not drawn down their money.” Congressman Joe Burton (R-TX), chair of the Subcommittee, stated “I get the impression that the Clinton Administration’s heart is really not in the abstinence program. I feel you are doing as little as possible. To this charge, Van Dyke noted that abstinence program “does form the pillar of our overall program. We are very committed to this.” In response to the suggestion that Rhode Island was out of compliance with the law, Van Dyck asserted that the federal agency was “firm” in ensuring that states were in compliance. He added that money was not released until submitted program components agreed with federal rules.

Later testimony from state officials of Louisiana, Virginia, and South Carolina revealed that the early stages of implementation have not come without debate and

controversy. For example, in South Carolina, a \$1.3 million grant was awarded to Heritage Community Services, a Charleston-based organization. In materials submitted as part of the testimony, Susan Fulmer, a director from the University of South Carolina's Department of Health Promotion and Education questioned Heritage's proposed curriculum and evaluation. In a local press story, she noted that the texts which Heritage plans to use were rejected by South Carolina school advisory committees and "were judged medically inaccurate and overly explicit and graphic for middle-school students" (*The State*, Columbia, South Carolina, August 9, 1998). Program officials disputed Fulmer's interpretation and plan to precede with their decision to fund the Heritage abstinence education program.

Daniel Richey, Louisiana State Coordinator for the Governor's Program on Abstinence, stated that while many public health officials assert that they support abstinence as the best option for teens, these public health professionals also say "it doesn't work." The National Coalition for Abstinence Education echoed this theme. NCAE spokesman Peter Bradt asserted that "There has been a concerted attempt by some in the public health establishment to water down, and, in some cases to even violate the intent of the law. This subversive effort has been successful in too many states."

■ New Reproductive Resources

- **"Will Welfare Reform Reduce Teen Childbearing?"** This new release from the Urban Institute's New Federalism project notes the following:

"Abstinence programs may or may not reduce teen pregnancy. The researchers report that, as yet, no rigorous evaluations of abstinence programs are available; enforcement of statutory rape laws are likely to have only a modest impact on teen childbearing; and the minor teen parent living arrangement rule may or may not diminish subsequent childbearing; while there is an association between living with parents and longer periods between births, there is no evidence that one causes the other."

The researchers, Richard Wertheimer and Kristen Moore of Child Trends, Inc., also look at other policies directed at teens (not necessarily only those receiving welfare) and offer assessments of their likely impact.

➤ The full report is available at www.newfederalism.urban.org.

- **"Toward More Perfect Unions: Putting Marriage on the Public Agenda"** addresses topics such as: why marriage has declined; why it is now emerging on the public agenda; benefits of marriage for children, adults, and society; and goals and principles to guide an inclusive, nonpartisan marriage agenda.

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- To order a copy of the report from the Family Impact Seminar, send \$22 to FIS, 1730 Rhode Island Avenue, N.W., Suite 209, Washington, DC 20036-3101.

The Poverty Picture

■ **Massachusetts Study Finds Earnings Inadequate.** “With housing and day care consuming half their income, working parents in Massachusetts earn far less than they need to cover their families' minimum needs...

In Boston, for example, a single parent of one infant needs to earn \$47,244 a year to provide adequate food, housing, and full-time care in the home or in day care facilities, according to the study released by the Women's Educational and Industrial Union in Boston...

The minimum standards called for in the study are well beyond the reach of at least 40 percent of low-wage workers in Massachusetts whose take-home pay is \$14,000 to \$35,000 a year, the study found...

The study said that a subsistence wage for families in other cities or in rural areas starts around \$25,000 and can be much higher because of the costs of keeping a car running for transportation to work.

The study—one of seven state studies in a series being coordinated by Wider Opportunities for Women, a Washington advocacy group—argues that the federal minimum wage of \$5.15 an hour is inadequate. It also argues that such measures of income as the federal poverty guidelines used to determine food stamp eligibility are outdated at a time welfare reform has required that women who had been on public assistance enter the work force.”

- Excerpted from “**Study: Families Don't Earn Enough to Cover Needs**” by Kimberly Blanton, *Boston Globe*, September 23, 1998

■ **Oregon Study: Poverty Does Not Drop with Decline in Welfare Rolls.** Recent dramatic reductions in welfare caseloads should not be equated with a reduction in the number of poor Oregonians, according to a new study released by the Oregon Center for Public Policy. Two years after the passage of federal welfare reform, Oregon's welfare rolls are lower than they were in 1969, but the number of poor Oregonians is likely one-third *higher* than in 1969.

“The Oregon Department of Human Resources regularly showcases the tremendous decline in Oregon's welfare caseload and implies that it is winning the war on poverty

and that welfare reform is a success,” said Sheketoff. “But an analysis of the numbers shows that Oregon is helping a smaller percentage of the poor.

These claims were made as the Center for Public Policy released a report commissioned from ECONorthwest, an economic consulting firm.

“While work has always been more profitable than receipt of public assistance, just because someone is working doesn’t mean they are not poor,” noted Sheketoff. The 1998 Federal Poverty Level for a single-parent, two-child family is \$13,650 per year, or \$1,138 per month. If the parent leaves welfare for a full-time job at \$6 an hour, Oregon’s current minimum wage, gross earnings will provide only 91 percent of the poverty level. Federally-funded Food Stamps and the federal Earned Income Tax Credit lift the working family out of poverty each month and off-set their child care costs and state income taxes. At \$10 and \$12 per hour jobs, however, a three-person family’s spendable income is less than poverty, due to a phase-out in the state’s subsidy for child care, a phase-out of the Earned Income Tax Credit, and the loss of Food Stamp benefits.

“Oregon’s cash assistance caseload has declined much faster than the Food Stamp caseload. Many families who left cash assistance—or avoided enrolling—failed to secure incomes sufficiently high to move them out of poverty and off the Food Stamp program,” added Sheketoff, who noted that about one-quarter of welfare recipients who leave welfare for work only obtain part-time employment. And he cited the recently released study by the Manpower Demonstration Research Corporation for the U.S. Department of Health and Human Services of the welfare program in Portland. This study showed that more than 79 percent of the welfare recipients were still below poverty two years after leaving the public assistance rolls.

In December 1997, Health and Human Services Secretary Donna Shalala was quoted in *The New York Times*, stating “The whole point of this [welfare reform] is to eliminate poverty in the United States, not just get people off welfare.” Sheketoff stated that Oregon’s Department of Human Resources officials “also need to recognize that caseload reduction is not a sign of whether welfare reform has been a success. The issue is poverty, pure and simple.”

- To get a copy of the study, "Comparing Recent Declines in Oregon’s Cash Assistance Caseload with Trends in the Poverty Population," send \$5.00 to the Oregon Center for Public Policy at OCPP, P.O. Box 7, Silverton, OR 97381-0007 or e-mail info@ocpp.org or call 503-873-1201.

Resources

- **“Building Opportunities, Enforcing Obligations Impact: Implementation and Interim Impacts of Parents’ Fair Share”**—a new report from the Manpower Demonstration Research Corporation (MDRC) on the largest national

demonstration program for unemployed noncustodial fathers of children on welfare—finds mixed results. Interim findings show that the seven-site Parents’ Fair Share Demonstration (PFS) has succeeded in increasing the fathers’ child support payments, which was a key goal. However, the program has not yet improved the fathers’ employment and earnings. PFS was the first major national effort to develop and test a program aimed at fathers who are behind in their child support payments because they are unemployed. Increasing child support payments was a goal of the federal legislation authorizing the demonstration, but PFS also aimed, more broadly, to improve the men’s employment and earnings—and to assist them in playing a wider constructive role in their children’s lives.

➤ Copies of the Executive Summary are available from MDRC, 16 East 34th Street, New York, NY 10016; (212) 532-3200, phone; (212) 684-0832, fax. Or you can find a copy on the web at www.mdrc.org.

- **“Welfare to Wages: Strategies to Assist the Private Sector to Employ Welfare Recipients,”** published by the Charles Stewart Mott Foundation, brings forth new research which evaluates the performance of current welfare-to-work initiatives. The data presented was collected in two phases. The first involved interviewing business owners in Baltimore, Detroit, and Orlando in an effort to discover their understandings, expectations, and experiences with the welfare-to-work movement. The second segment focused on analyzing the size and types of firms hiring welfare recipients based on data matches provided by the states of Florida, Maryland, Missouri, and Oregon.

Its major findings cite the need for welfare agencies, advocates, and recipients to gain a better understanding of the opportunities and realities of the labor market. Emphasis is also placed on the importance of educating the private sector about the challenges of welfare-to-work efforts. It concludes that successful transition efforts for welfare recipients must include elements of continuing social supports, job retention emphasis, and career advancement. The study offers ten specific strategies for connecting welfare recipients and employers and assistance in guiding local efforts for working with the labor market.

➤ Copies of this report can be downloaded from the Foundation’s web site (www.mott.org). It also is available free of charge by writing the Mott Foundation at 1200 Mott Foundation Building, Flint, MI 48502; sending an e-mail message to infocenter@mott.org; or calling the Publications Hotline, 1-800-645-1766.

- **“From Generation to Generation: The Health and Well-Being of Children in Immigrant Families”** is a recently completed two-year study published by the National Research Council and the Institute of Medicine. It examines the health status of immigrant children, finding that most children in these families start off at least as healthy as children with U.S.-born parents. However, as immigrant children become integrated into American society, their health status deteriorates

for reasons that were unclear from the research. The information included in this study summarizes the relevant research literature and demographic descriptions of immigrant children and families, assesses the delivery of health and social services available to these groups, and makes recommendations for further research needed to improve existing data and current public policy discussion.

- To obtain a copy, contact National Academy Press, 2101 Constitution Avenue NW, Washington, DC 20055; Phone: 1-(800)-624-6242; Fax (202) 334-2451. It can also be ordered via Internet at <http://www.nap.edu/bookstore>. Total cost of the full report is \$47.95 plus \$4.00 for shipping and handling.

Taylor Institute Publications/Conference

- **“Trapped by Poverty, Trapped by Abuse—New Evidence Documenting the Relationship Between Domestic Violence and Welfare”** (1997), a research compilation providing an overview of several recent studies in the area of domestic violence and welfare receipt, has been updated (1998) with new research on the impact of domestic violence on welfare participants.
- **“The Family Violence Option: An Early Assessment (1998)”** provides a first look at how the 50 states, District of Columbia, and Puerto Rico are handling the issue of domestic violence in their welfare caseloads and which states have chosen the Family Violence Option under the new federal welfare law.
- An April 16–18 **Trapped by Poverty/Trapped by Abuse Conference** in Ann Arbor, Michigan, is now being planned. Advocates, policy makers, welfare department staff, researchers, and grassroots organizations are invited to share information about the relationship of domestic violence, work, and welfare; learn about new research data; discuss innovative service delivery approaches; help determine policy implications, and envision a new research agenda.
- To order a report or register for the conference, contact the Taylor Institute at (773) 342-5510; (773) 342-0149 (fax); or via e-mail at taylorinstitute@worldnet.att.net. For new research data, conference information, and other project news, visit the Institute’s web site at <http://www.ssw.umich.edu/trapped>.