

CLASP Update

A CLASP Report on Welfare Developments

November 2001

Jodie Levin-Epstein, Editor

LEGAL SERVICES: WELFARE REAUTHORIZATION ADVOCACY

In the July 2001 issue of *CLASP Update*, we reviewed the implication of *Legal Services Corporation v. Velazquez*, 531 U.S. 533 (Feb. 28, 2001) on representation by LSC-funded programs of clients in welfare cases. That article did not focus on welfare reauthorization. This article will review what work LSC-funded programs can do during welfare reauthorization.

The Congress and a wide variety of interest groups are about to embark on a critical debate about the reauthorization of the TANF block grant structure, the reauthorization of the Child Care and Development (CCDF) Block Grant, and issues concerning child support, child welfare, immigrant eligibility for public benefits, marriage and family formation, and the Medicaid program. LSC-funded programs and staff should participate in this fundamental and far-reaching debate and may do so as long as they act consistent with the statutory and regulatory prohibitions described below. Indeed, LSC-funded programs have significant information and insights about the impact of TANF and other welfare reform programs that may be very important for policy makers to hear as they consider changes to TANF, Child Care and other programs affected by the welfare reauthorization process.

Permissible Activities Related To Welfare Reauthorization: LSC-funded programs may not attempt to influence pending or proposed legislation. However, they may educate the following people and groups about welfare reform and TANF:

- Administrative officials
- Legislators
- Client groups
- Other grassroots and community organizations
- Other non-profits and providers of human services

INSIDE:

HHS Wants Public's Proposals for TANF.....	4
Recent Congressional Hearings Summaries.....	4
Child Support: New Arrears Forgiveness Policy....	9
Family Cap: GAO Finds Many Families Affected...10	
SUNY Gets Teen Pregnancy Grant Award	11
Reducing Out-of-Wedlock Births.....	12
New Resources.....	14

Contributors: Myra Batchelder, Sara Davis, Christin Driscoll, Christine Grisham, Alan Houseman, Rutledge Hutson, Nisha Patel, Paula Roberts, Vani Sankarapandian, Vicki Turetsky

- Human services organizations that lobby
- Other advocacy organizations that are not LSC funded
- Other LSC-funded programs
- Foundations, IOLTA programs and other funders of human services
- Coalitions of human services groups

LSC-funded programs may participate in discussions with other entities and may analyze the pros and cons of the particular proposals that are to be considered during the welfare reauthorization debate in Congress. LSC-funded programs may also synthesize research on TANF and other programs and draw policy conclusions from this research.

Although LSC-funded programs may not lobby on welfare reform proposals, they may coordinate their activities with other advocacy groups. LSC-funded programs may discuss and analyze welfare reform proposals with other advocacy groups and provide analyses about various proposals to other groups. LSC-funded programs may participate in joint task forces and training programs operated by other LSC-funded programs or by non-LSC funded entities and which include advocates from non-LSC funded programs, pro bono programs or private attorneys. LSC-funded programs may discuss legislative developments regarding welfare reauthorization in task force meetings and other settings.

PLEASE NOTE: The Center for Law and Social Policy (CLASP) is moving its offices *effective November 19, 2001:*

1015 15th Street, N.W.
Suite 400
Washington, DC 20005
Phone: 202-906-8000
Fax: 202-842-2885
www.clasp.org

LSC-funded programs may also track legislative and policy developments regarding welfare reauthorization and inform clients, other LSC-funded programs, attorneys representing eligible clients and others about the content and status of new or proposed statutes or policies and explain how such developments would affect eligible clients. In addition, LSC-funded programs may publish newsletters and other written materials which report the content or status of pending or proposed legislation or policies regarding welfare reauthorization and explain how such legislation or policies would affect the rights and responsibilities of low-income clients, as long as they do not include information that would constitute grassroots lobbying.

LSC-funded programs may educate clients about proposed legislation or policies regarding welfare reauthorization and analyze and explain proposed changes and their effects to individual or group clients. LSC-funded programs may also advise their individual or group clients about the clients' rights to participate in legislative proceedings and to communicate directly with elected or administrative officials about their views of welfare reauthorization. LSC-funded program staff may advise specific individual or group clients whom they are representing how legislation is enacted, and the procedures for testifying. They may also identify the clients' elected representatives. However, LSC-funded program staff may not prepare testimony for their clients, assist clients when they are testifying or train clients to lobby.

Prohibited Activities: The key prohibitions become extremely important as the Congress begins to consider actual legislation relating to welfare reauthorization. LSC-funded programs may not attempt to influence the passage or defeat of any pending or proposed legislation of the Congress. However, under what is known as the Cohen-Bumpers Amendment, LSC-funded programs and their employees may use non-LSC funds to respond to written requests from governmental agencies or officials thereof, elected officials, legislative bodies, committees, or members thereof made to the employees or LSC-funded programs to (1) testify orally or in writing; or (2) provide information, which may include analysis of, or comments upon, existing or proposed legislation, or drafts of proposed legislation.

Such responses to requests may be distributed only to parties who make the request or to other persons or entities to the extent that such distribution is required to fully comply with the request. In addition, no employee of an LSC-funded program may solicit or arrange a request from any official to testify or otherwise provide information in connection with legislation regarding welfare reauthorization. LSC-funded program employees may inform agency or legislative officials who contact them that, in order for the LSC-funded program to respond to the request, the official must put the request in writing. Moreover, non-LSC funded advocacy organizations, non-profit providers of human services, church representatives or others may arrange to request an LSC-funded program to testify.

However, under no circumstances may LSC-funded programs engage in any grassroots lobbying under the guise of responding to a request for information or testimony or in any other form. Grassroots lobbying includes any communication which contains a direct suggestion to the public to contact public officials in support of or in opposition to pending or proposed legislation, regulations, executive decisions or votes by the electorate.

Attorneys, paralegals and others who work for LSC-funded programs may engage in prohibited activities on their own time acting for themselves as citizens if the work is truly on their own time. However, if program staff members do act on their own time, they must be extremely careful to inform those with whom they are working that they are doing such work as citizens on their own time. In addition, program staff acting on their own time may not do work on behalf of clients, a client group or the legal services program. They can only act on behalf of themselves as citizens or on behalf of a group with which they are associated or to which they belong. Moreover, such staff may never use program funds, facilities, phone, Xerox machines, and the like when acting on their own time.

In conclusion, during the next year the work on welfare reform will focus on the legislative arena as Congress begins to consider reauthorization of TANF and related welfare reform issues. LSC-funded programs are encouraged to engage in those legislative activities around welfare reform that are not prohibited or that are specifically permitted under the various exceptions to the appropriations act provisions and the LSC regulations.

HHS WANTS PUBLIC'S PROPOSALS FOR TANF

The TANF program goes up for reauthorization before Congress in 2002. HHS is inviting any organization or member of the general public to provide their comments about what changes they would like to see the Administration propose for TANF reauthorization. This request appeared in the October 17th 2001 *Federal Register*. Comments are due by November 30th, 2001.

- Submit comments through the mail to: TANF Reauthorization Ideas, Office of Family Assistance, 5th Floor East, Aerospace Building, 370 L'Enfant Promenade, SW, Washington, DC 20447.
- Comment electronically or view others comments online at OFA's website: <http://www.acf.dhhs.gov/HyperNews/get/tanfreat/tanfreat.html>
- For further information, contact Ann Burek, Senior Program Specialist, Office of Family Assistance, ACF, at 202-401-4528 or by email at aburek@acf.dhhs.gov.
- To view the HHS request in the Federal Register, go to http://www.access.gpo.gov/su_docs/aces/aces140.html and search the Notices under Volume 66 with the search term "page 52773".

RECENT CONGRESSIONAL HEARINGS SUMMARIES

House Subcommittee Holds 2nd Hearing On Welfare Reform. On October 16th, the Subcommittee on 21st Century Competitiveness, a House of Representatives Committee on Education and the Workforce subcommittee, held its second hearing examining welfare reform, entitled "Welfare Reform: Success in Moving Toward Work."

Witnesses included Dr. Lynn Karoly, Director, Labor and Population Program & Population Research Center, RAND Institute; Mona Garland, Wisconsin Works (W-2) Director, Opportunities Industrialization Center of Greater Milwaukee; LaShaunda Hall, former Wisconsin Works participant; Rodney Carroll, President and CEO, The Welfare to Work Partnership; Martha Davis, Legal Director, NOW Legal Defense and Education Fund; and Jennifer Brooks, Director, Self-Sufficiency Programs and Policy, Wider Opportunities for Women (WOW). The hearing focused on work requirements under TANF, and all witnesses emphasized the importance of education and training. Subcommittee members present included Chairman Howard McKeon (R-CA), Rep. Michael Castle (R-DE), Rep. Johnny Isakson (R-GA), Rep. Patsy Mink (D-HI), Rep. Betty McCollum (D-MN), and Rep. Ruben Hinajosa (D-TX).

Lynn Karoly described a HHS-funded research project that Rand is conducting, the goal of which is to hold other factors (e.g., economic factors) constant to try and determine the "net effect" of TANF policies. Key conclusions from the Rand analyses are that work requirements increase employment rates and earnings, and decrease welfare and Food Stamp use; have no impact on income at 2-year follow-up, but may affect poverty; produce no clear change in marriage or fertility. In responses to questions, Karoly stated that many outcomes can be attributed to strong employment opportunities, but that we now face a difference prospect and can expect job loss among leavers.

Mona Garland stated that preparing individuals for employment is not enough; more focus on incumbent worker training, on retention and advancement, and on employers is

needed. She described home-based visits being used to serve "the unreachable" in Milwaukee, adding that faith-based organizations have been very helpful in this effort. In her recommendations for reauthorization, Garland stated that the 20% hardship exemption is currently sufficient in Wisconsin, but should be reconsidered as the numbers may change. She also stated that SSI and disability services need to be formalized into a seamless system with TANF.

LaShaunda Hall described her personal story about overcoming childhood abuse, drug and alcohol abuse, and domestic violence. She went on to describe her experience of getting a GED and retaining employment, and said that she is currently working on a bachelor's degree. In response to a question about the experiences of other W-2 participants, Hall explained that she could only speak about her own experience, but that she thought success depended on attitude.

Rodney Carroll spoke about his experience hiring welfare recipients at UPS's Philadelphia hub in 1996. He stated that welfare recipients hired had a 92% retention rate compared to 60% overall retention rate for UPS workers in the same jobs in Philadelphia. He stated that five years is not long enough for some people to move to self-sufficiency. In response to a question about what type of training and supports the most successful hires have, he replied that workplace literacy and a mentor either inside or outside the company are crucial to making the transition to work.

Martha Davis summarized what is known from the research on education and training programs for welfare recipients. She then explained that while in a strong economy states have had the flexibility to allow education and training activities even though they were not countable (due to the high number of TANF recipients in employment), in a weakening economy states may not be able to do so unless they are countable. In response to a question about recommendations for actual changes in legislation, Davis stated that the following should be relaxed: 1) the 12-month limit on vocational educational training; 2) the 30% restriction on the percentage of individuals on TANF participating in work activities who can be counted toward a state's federal work participation rate; 3) the prohibition on use of federal TANF funds for post-secondary education.

Jennifer Brooks described the decline in the number of TANF recipients participating in education and training. She explained that while caseloads are down and most welfare leavers are working, many are not working steadily and many are back on the rolls within a year. Brooks described WOW's work on the Self-Sufficiency Standard and explained that work supports can lower the amount families need to earn to be self-sufficient. She recommended that HHS reward states that meet locally-based self-sufficiency goals for welfare leavers; identify higher-wage jobs that meet employer, worker and community needs and support the entrance of welfare leavers into those jobs; encourage post-secondary education participation, provide supports such as child care, and count such education as fulfilling work requirements; provide literacy programs that strengthen basic skills in the context of employment; increase the number of families that receive work supports; are responsive to barriers that impede success in obtaining and retaining employment; and "stop the clock" for families receiving TANF who are working.

Direct links to materials authored by CLASP staff and cited in hearing testimony:

- W.K. Kellogg Foundation, *Workforce Development: Employment Retention and Advancement Under TANF*. (Sept. 2001). Available: <http://www.clasp.org/pubs/jobseducation/technical%20paper.pdf>
- Julie Strawn, *Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform*. (Center for Law and Social Policy, 1998). Available: <http://www.clasp.org/pubs/jobseducation/beyond.pdf>
- Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to Help Low-income Parents Sustain Employment and Advance in the Workforce*. (New York: Manpower Demonstration Research Corporation, 2000). Available: <http://www.mdrc.org/Reports2000/SteadyWorkGuide.pdf>

House Committee Considers Economic Recovery and Assistance to Workers. On October 16, the House Education and Workforce Committee held a hearing on “Economic Recovery and Assistance to Workers.” The only witness was Secretary of Labor, Elaine Chao.

In his introduction Chairman John Boehner (R-OH) pointed out that there will be many layoffs stemming from the September 11th disaster, and that the Department of Labor (DOL) will be responsible for securing the safety net for dislocated workers. A letter signed by the committee’s 22 Democratic members requesting additional hearings where representatives of workers would also have an opportunity to speak was submitted at the hearing.

According to Chao, in addition to Unemployment Insurance (UI) and emergency assistance offered by the DOL, President Bush’s 2002 budget proposal calls for \$6 billion in aid for workers, which would primarily be distributed through state-level agencies and the system of one-stop employment centers. Chao also highlighted actions taken by the administration in response to the September 11th attacks, which included a \$25 million grant to displaced workers in New York, \$2.5 million to buy computers and provide services to workers in New York, and extensions on filing for benefits.

The President’s plan to help workers would offer federal funding of unemployment benefits for workers in NY, VA, and in any states which demonstrate a 30% increase in their unemployment rates. Moreover, benefits would be extended an additional 13 weeks, from 26 to 39 weeks.

The administration also plans to devote \$3 billion towards national emergency grants, which state governors could distribute towards the provision of unemployment benefits, health benefits, training, etc. The \$3 billion would come from the \$40 billion already set aside following the attacks. Again, states that experience a 30% increase in their unemployment rate would be eligible to apply. With the decision-making process placed in the hands of each governor, each state would then have the “flexibility” to design spending plans specifically tailored to its own needs. Furthermore, the administration is asking for Congressional support in allowing the application of these national emergency grants towards COBRA payments for displaced workers.

In response to concerns raised by some committee members, Chao assured them that governors would have the flexibility to use the national emergency grants to cover workers previously

considered ineligible for benefits. Grants could also be used to provide benefits for workers who were unemployed prior to Sept. 11, as long as the governor established a connection between the attacks and diminished employment opportunities.

Chao emphasized the idea that while new programs would be accompanied by a long and complicated implementation process, the boosting of current programs would be highly effective in helping workers immediately. In speaking about the national emergency grants, Chao stated that grants would be determined by DOL "career professionals" who are accustomed to disbursing funds. Also, there would be very few regulations or guidelines accompanying these grants, since state DOL's are very comfortable with the program, and would know how to implement it within their states.

Chao also pointed out that additional help would come in the future through the President's \$70 billion economic stimulus package.

Despite a NJ member's calculations that \$3 billion would not be enough to cover even the COBRA payments of displaced workers, Chao assured the committee that the \$3 billion would be adequate.

Senate Committee Examines Job Training. On October 4th, the Senate Committee on Health, Education, Labor and Pensions held a hearing entitled "Job Training: Helping Workers in a Fragile Economy," designed to examine early implementation of WIA.

Witnesses included: Emily DeRocco, Assistant Secretary, Employment and Training Administration; Thomas Menino, Mayor of Boston and Vice President of the United States Conference of Mayors; Harry Van Sickle, County Commissioner, Union County, PA; Rebecca Yanisch, Commissioner, Minnesota Department of Trade and Economic Development; and Sigurd Nilsen, Director, Education and Workforce and Income Security, General Accounting Office (GAO). The GAO released its report on WIA implementation at this hearing. Senators in attendance were: Full Committee Chairman Edward M. Kennedy (D-MA), Employment, Safety and Training Subcommittee Chairman Paul Wellstone (D-MN), Hillary Clinton (D-NY), Jim Jeffords (I-VT), and Patty Murray (D-WA).

In light of the events of September 11th and a weakening economy, the hearing took on particular importance in addressing the ability of the WIA system to respond to increasing need for training for dislocated and low-income workers. Senator Kennedy opened the hearing stating that he wants to ensure that the system can respond to those in need, and that job training is a crucial investment for both workers and businesses in order to build a strong economy. Senator Wellstone applauded recent bi-partisan efforts to stop WIA cuts and reiterated that WIA should be key to any economic stimulus plan.

Assistant Secretary DeRocco testified that the Department of Labor believes that the workforce system and one stops are a critical part of the safety net in both good times and bad, and feels that the WIA system has "made great strides" in its implementation phase. When asked by Senator Kennedy how the system can respond to increased need when significant numbers of individuals are already not receiving training, she responded that training was not as necessary

during good economic times when individuals could make use of services that offered them rapid reemployment. She did note, however, when questioned by Senator Wellstone, that there was not sufficient evidence to know for sure whether this was the case. Sigurd Nilsen of the GAO said that if those easier placements possible in a good economy lessen, he does not know how well the system will respond, noting that most existing funds have been already obligated by states (this was reiterated by Commissioner Van Sickle). DeRocco further insisted that the Department could meet emergency needs, despite the current draw on existing emergency Labor funds.

Senator Clinton commented that the system has to be better prepared to deal with current realities, and urged that there be better guidance from the federal level and an examination of the rules that may hinder the system's ability to respond.

Reprinted and excerpted with permission from The Workforce Alliance *Washington Update*, October 5, 2001.

Working Families are Focus of Senate Subcommittee. The “Strengthening Working Families Act of 2001”, S. 685, was introduced on April 3, 2001, by Senator Evan Bayh (D-IN) and 12 original co-sponsors, including Senators Breau (D-LA), Clinton (D-NY), Graham (D-FL), Carper (D-DE), Dodd (D-CT), Johnson (D-SD), Kohl (D-WI), Lieberman (D-CT), Rockefeller (D-WV), Landrieu (D-LA), Lincoln (D-AR), and Snowe (R-ME). Referred to the Senate Finance Committee, the legislation was reviewed during an October 11, 2001, subcommittee hearing, chaired by Senator Breau. Senators Rockefeller, Bayh, Carper, Thomas, Breau, and Kyl were all in attendance.

The legislation includes a number of provisions related to low-income families, including child support assignment and distribution changes, state block grant funding for fatherhood programs, restoration of the Social Services block grant, reauthorization and increased funding for the Promoting Safe and Stable Families child welfare program, expanded funding under the Earned Income Tax Credit expansion for larger families, and support for employer-sponsored child care.

Two low-income parents, Mary Frank and Freddie Belton, testified about their circumstances. Among other observations, both parents testified that fathers are discouraged from paying child support by current distribution rules, which require that states, and not families, keep child support payments as welfare cost recovery. Other witnesses testifying in support of the legislation included Sharon Daly, the Vice President of Catholic Charities, and Christine James-Brown, the President and CEO of United Way of Southeastern Pennsylvania, and Rodney Carroll, the President and CEO of the Welfare to Work Partnership.

- Two summaries of S. 685 appeared in the June and August issues of CLASP UPDATE. For more information, please visit the CLASP website at <http://www.clasp.org>
- Please contact Vicki Turetsky at vturet@clasp.org for further information about S. 685 and related child support distribution bills.

CHILD SUPPORT: NEW ARREARS FORGIVENESS POLICY IN CALIFORNIA

Custodial parents of children receiving foster care services under Title IVE of the Social Security Act may be required to pay child support. If the support is not paid, it is classified as “child support arrears” and may be pursued as a debt owed to the state.

The wisdom of this policy has been questioned because it can undercut efforts aimed at family reunification in two ways. *First*, the parent may try to work too many hours in order to keep current in payments. This may interfere with that parent’s ability to participate in the activities (e.g., parenting classes, counseling) required by the reunification plan. *Second*, the parent may focus on reunification efforts and fail to pay the support. Substantial arrears then accrue. When the family reunites, the parent has to struggle to both support the child and pay off the arrears. The strain can cause reunification efforts to fail.

California has recently enacted legislation designed to address these issues. AB 1449 requires the development of standards for determining when it is in the child’s best interest to even refer a case for child support enforcement. The standards must consider whether the payment of support will be a barrier to implementation of the proposed reunification plan and whether imposition of a support obligation will compromise the parent’s current or *future* ability to support the child. This should reduce the number of cases inappropriately referred for child support services. The legislation also requires the development of standards under which arrears (and any accrued interest) may be compromised in some cases. In the future, when a low or moderate income custodial parent reunites with her/his child, and the child has been living with a relative or guardian, foster care or TANF arrears owed to the state may be forgiven. In a state like California that widely uses kinship foster care, this change could help many families.

FAMILY CAP: GAO FINDS MANY FAMILIES AFFECTED; CALLS FOR MORE STUDY

About 108,000 TANF families in 20 states had their cash grant “capped” in a single month last year according to a GAO study released in October. This represents about 9 percent of the total number of TANF families in the 20 states. It also represents a loss, on average, of about 20 percent of the cash assistance that otherwise might be made available to the families.

A “family cap” or “child exclusion” policy excludes from the family’s grant calculation a child born into a welfare family. This policy is in place only in the 20 studied states (another 3 states have grants that don’t fluctuate based on family size, independent of the timing of the birth of the child). The 1996 federal welfare law is silent on the subject of “family cap” policy but under the law’s broad flexibility, states may establish such policies. Virtually all of these 20 states passed their family cap law prior to the 1996 federal welfare law (implementation was allowed under the old welfare program, AFDC, if the state received a federal waiver of AFDC rules). While federal waivers required an evaluation, no such evaluations are required any longer; states also are not required to report on numbers of families capped.

The 108,000 figure is, according to the GAO, “a minimum number of families who may have been affected during 2001.” This is because the number is only for a single month and additional

families may have been capped at different points throughout the year. An earlier CLASP study sought to collect more than one month's data and hints at the extent to which the 108,000 figure understates how many families are affected by the provision. For example, Arizona reports that about 660 families were capped in one month in 2000; however, about 1800 were capped over twelve months between 1995-1996; New Jersey's one month figure is 7,265 compared to a sixty month total of 28,000 between 1993-98.

Another reason the 108,000 is a "minimum" figure is that according to officials in California, the most populous state, the state's number is likely to increase over time since the number reported to the GAO came early in California's implementation. (This is unlikely to be the case in other states since virtually all state family cap legislation was enacted before the 1996 welfare law and implemented either before or around that time period).

While nearly 1 in 10 TANF families is capped in the 20 states, there is significant variation among the states. For example, Illinois reports that 19.6% of its total TANF families were capped in an average month in 2000, while Tennessee reports 0.6% of its families were capped. [See accompanying table]

Family cap states	Average monthly number of capped-benefit families	Capped-benefit families as a percentage of the state's total TANF families, in an average month
Based on 20 states	107,554	8.9
Arizona	662	1.9
Arkansas	451	4.0
California	53,417	9.5
Connecticut	1,741	6.4
Delaware	382	7.8
Florida	1,581	2.3
Georgia	3,949	7.5
Idaho	No data	No data
Illinois	17,137	19.6
Indiana	5,054	13.8
Maryland	848	3.2
Massachusetts	6,410	14.6
Mississippi	1,551	10.4
Nebraska	485	4.6
New Jersey	7,265	14.1
North Carolina	3,675	7.6
North Dakota	130	4.5
Oklahoma	373	2.4
South Carolina	164	1.0
Tennessee	317	.6
Virginia	1,962	6.0
Wisconsin	No data	No data
Wyoming	No data	No data

Source: General Accounting Office, "Welfare Reform: More Research Needed on TANF Family Caps and Other Policies for Reducing Out-of-Wedlock Births", (GAO-01-924), September 2001.

The GAO report examined existing studies to try and ascertain the impact of the family cap on out-of-wedlock births. The agency contends that the available research suffers from limitations that make it impossible to ascertain the impact of the family cap. The GAO states that “we cannot conclude that family cap policies reduce the incidence of out-of-wedlock births, affect the number of abortions, or change the size of the TANF caseload.” The GAO recommends, that if appropriate the HHS research agenda should be revisited and consideration given to get more information about “how best to prevent and reduce out-of-wedlock pregnancies.” The report was undertaken at the request of three House members, Congressmen Donald Payne (D-NJ), Charles Rangel (D-NY), and Christopher Smith (R-NJ).

- For information on how to access a copy of the GAO report, “Welfare Reform: More Research Needed on TANF Family Caps and Other Policies for Reducing Out-of-Wedlock Births”, visit the GAO homepage at <http://www.gao.gov>, or send an email to info@www.gao.gov, or call (202) 512-6000.
- For a copy of CLASP’s “Excluded Children: Family Cap in a New Era” visit: <http://www.clasp.org/pubs/teens/excludedchildren.htm#top>

SUNY GETS GRANT AWARD TO STUDY TEEN PREGNANCY PREVENTION

A \$285,000 non-competitive grant award has been made to the State University of New York (SUNY) Research Foundation to provide an in-depth analysis of the implementation of family formation and pregnancy prevention programs in 19 states and 26 counties within those states in light of TANF. The central research question that will be addressed is: What are the major policies and programs operating in the state, using TANF or MOE funds, addressing these goals? The project is to be completed in September 2002.

REDUCING OUT-OF-WEDLOCK BIRTHS: FINANCIAL BONUSES TO INDIVIDUALS?

Rep. Wally Herger, Chairman of the House subcommittee responsible for welfare reform, recently asked at a hearing on welfare and marriage: “what can or should we do to help young couples and new parents form more permanent relationships including, when appropriate, marriage?”

The *LA Times* reported September 24, 2001 that Wade Horn, Secretary of the Administration for Children and Families at the federal Department of Health and Human Services, “supports financial incentives [to encourage marriage and two parent families], such as West Virginia's \$100 monthly bonus for welfare parents who are married. He is also open to more radical ideas, such as identifying young women who are at risk of getting pregnant and promising them \$5,000 if they have their first child after marriage.”

Two recent demonstration proposals have been put forward that provide financial incentives to “young couples” who marry before the birth of a child. The table below offers specifics on the

two proposals; Isabel Sawhill from the Brookings Institution and the National Campaign to Prevent Teen Pregnancy tests an incentive through an increase in the child tax credit, and Robert Rector from the Heritage Foundation utilizes grants through a demonstration.

	Isabel Sawhill	Robert Rector
Proposal:	Child tax credit "baby bonus"	A demonstration testing a program participant bonus
Eligible Population:	Young couples with earnings who marry before the birth of their child.	An identified "high risk group" of girls younger than 18 who meet certain criteria (listed below).
Bonus Amount:	Up to \$10,000	Up to \$10,000
Proposal Details:	<p>Up to \$10,000 is awarded if the young couple stays married until the child is five years old. A couple may receive no more than two bonuses.</p> <p>For those with limited earned income, the credit might be partially refundable. Single parents would continue to receive existing benefits like the Earned Income Tax Credit (EITC) and the child credit.</p> <p>It's a "good idea" to condition the bonus award on the "willingness" of the parents to seek premarital counseling in cases where the marriage was "clearly triggered" by the birth of the child.</p> <p>The idea "could be tried out in one state initially and carefully evaluated".</p>	<p>All girls under 18 are eligible to be offered the financial reward if they meet the following "high risk" criteria:</p> <ol style="list-style-type: none"> Participates in abstinence and pro-marriage mentoring programs; Graduates from high school; Does not have a child before age 21; Is married to the father of her first child at the time of that child's birth, and the two parents remain together as a married couple for at least one year after the child's birth, during which time the father works to support the child; and, Does not have a child out of wedlock or an abortion prior to the birth of her first child. <p>Criteria should be structured so that the high risk group equals about 25% of the population.</p> <p>Once the girl has a child, and continues to meet the criteria, \$2,000 may be awarded each subsequent year until the child is five years old.</p> <p>Experimenting using "model programs" should be one step taken to increase marriage and reduce out-of-wedlock births.</p>

Source: Isabel Sawhill, *American Experiment Quarterly*; Summer 2001, Vol. 4, No. 2.

Source: Robert Rector, Handout, Feb 18, 2000, 'House Ways & Means Speaker Series on Welfare Reform', sponsored by the Ways & Means Human Resources Subcommittee, Brookings Institution, and American Enterprise Institute.

- For a recent hearing statement from Rep. Wally Herger on welfare and marriage issues, see the following website: http://www.house.gov/ways_means/humres/107cong/5-22-01/5-22herg.htm
- To learn more about Wade Horn's statements regarding marriage and low-income populations, see the article, "THE NATION; Welfare Chief Affirms Marriage; Benefits: New federal director wants to give poor people government incentives to tie the knot," in the September 24th, 2001 issue of *The Los Angeles Times*.

- For more information about Sawhill's and Rector's views related to marriage, see their articles in the Summer 2001 American Experiment Quarterly magazine, which can be viewed at <http://www.amexp.org/>.

NEW RESOURCES

Red Flags: Research Raises Concerns About the Impact of “Welfare Reform” on Child Maltreatment. A new report by CLASP's Rutledge Q. Hutson discusses the impact of “welfare reform” on our nation's children. As TANF reauthorization debates get underway, there are likely to be many discussions about the impact of TANF. A critical component of those discussions should include consideration of the law's impact on children and their families. One of the ways that TANF could impact child and family well-being is through its effects on the incidence of child abuse and neglect. While research on such impacts has been limited, the existing research raises red flags. It is not conclusive, but there are suggestions that some of the policies adopted under TANF may be increasing maltreatment, particularly rates of neglect. There are also indications that the effects may be most concentrated in more disadvantaged families. We need more research to provide definitive answers. In the meantime, however, we should not assume existing policies are trouble free and we should look for ways to ensure that children are not put at increased risk as parents move from welfare to work. The paper concludes with a set of reauthorization recommendations to move us toward that goal.

- To read the report, please visit <http://www.clasp.org>
- For more information, please contact Rutledge Hutson at rhutson@clasp.org or (202) 328-5166.

Workforce Investment Act: Better Guidance Needed to Address Concerns Over New Requirements is a new report that was issued by the General Accounting Office on October 4th. The report's key findings are:

1. *Continued lack of agency integration at One-Stops:* Mandatory one-stop partner agencies are, in many cases, still not fully integrating their funds, programmatic efforts and information systems to ensure that clients can access all federally funded workforce services through One-Stops. The report details how some of this lack of integration comes from the particular mandates, client populations, and existing financial obligations faced by individual agencies, which prevent them from being able to devote more of their resources to the envisioned "universal" system.
2. *Decreasing training options for job-seekers:* WIA is providing training services to fewer clients. The GAO cites a variety of reasons, including a detailed account of how training providers are deciding against becoming "eligible providers," or are decreasing the number of programs for which they will accept WIA funding, because of WIA's confusing and burdensome application and data collection requirements—all for participation in a system that is referring comparatively few people to training. The GAO notes a variety of reasons for why so few clients are being referred to training. Some local areas have adopted a "work first" approach to

WIA that has diverted job-seekers to non-training activities, or to seek employment without training. Many local areas have complained that the amount of resources required for other activities, like the creation of One-Stop centers, has allowed fewer funds for training. And State and local agencies told the GAO that the performance measures expected for adult and dislocated worker training programs - along with the data collection requirements necessary to prove such performance, and the possible sanctions if they could not document such outcomes - had moved them to discourage their One-Stops from offering many training options to their clients, and particularly to those who might be "hard to serve".

3. *Decreased business participation on Workforce Investment Boards (WIBs):* Private-sector members on state and local WIBs have been frustrated with the operation of the boards (e.g., they are too large and inefficient), and with the amount of input they have had in shaping the boards' priorities. For example, the boards' preoccupation with statutory compliance issues related to the creation of WIA-mandated systems has allowed less opportunity for private-sector representatives to air their concerns related to their business experiences.

The GAO's primary recommendation is that the federal agencies responsible for WIA - the Departments of Labor, Education, Health and Human Services, and Housing and Urban Development - work together to provide improved guidance on how to address concerns identified by state and local implementers. The report also recommends that Congress give training providers more time to adjust to data collection and reporting requirements.

In preparing the report, GAO interviewed officials from the Departments of Labor, Education, Health and Human Services, and Housing and Urban Development and officials from national associations representing a variety of state and local implementers (local governments, state labor agencies, educational institutions, and private-sector representatives). The GAO visited three states (California, Pennsylvania, and Vermont), five local areas, and nine one-stop centers in those states.

Many of these same concerns were documented in a Workforce Alliance study conducted earlier this year with training providers, business leaders, and local public officials from throughout the country. Publication of that study, **A Report from the Field: Workforce Stakeholders on the Local Impact of Federal Policies**, is scheduled for this fall. Please contact the Workforce Alliance if you would like a copy of the final report.

Reprinted with permission from The Workforce Alliance *Washington Update, October 5, 2001*

- To read the full report, visit <http://www.gao.gov>, click on "GAO Reports", then "Today's Reports" and then click on "October 4, 2001". It is the second report listed.

Frequently Asked Questions about Welfare Leavers and Their Jobs, the Center for Law and Social Policy's new report, takes a close look at the employment conditions of welfare "leavers." Though cases where former recipients make the transition from welfare to work are often cited as proof of the success of welfare reform, "Frequently Asked Questions" reveals that this transition does not always result in economic self-sufficiency. Presenting administrative and

survey data from 26 states, as well as national data from the NSAF, the report finds that employed leavers across the nation are struggling to make ends meet in jobs with low wages, irregular schedules, and few benefits.

- Welfare leavers are over-represented in the economy's lowest-paying industries and occupations such as service, sales, and administrative support positions within the service and retail sectors.
- Welfare leavers also tend to work intermittently, as only about one-third of all leavers work in all four quarters their first year after leaving assistance.
- Most leavers receive low wages. Leavers tend to earn \$8 or less per hour, and roughly half of the leavers tracked earned less than \$2500 during their first quarter of employment.
- Although there is evidence of average and median earnings growth, this growth is unsteady and slow.
- Despite employment, it appears that a significant proportion of leavers are without health insurance, with only one-quarter to one-third of leavers participating in employer health insurance plans.
- Moreover, the difficulties faced by welfare leavers are further aggravated by their restricted access to job benefits. Only one-third to one-half of employed leavers report being granted vacation and/or sick leave.
- Welfare leavers are often expected to cope with irregular work schedules or non-traditional working hours, including evening, night, and early morning hours as well as weekends.
- The uncertain situation of many employed leavers is also reflected in the percentage of leavers who report serious hardships, such as food and housing insecurity and medical troubles.
 - CLASP has not yet released this report, but it will be available on our website (www.clasp.org) within two weeks.

Leaving Welfare, Left Behind: Employment Status, Income, and Well-being of Former TANF Recipients, is a new report recently released by the National Campaign for Jobs and Income Supports which investigates what has happened to those individuals and families that have left welfare since 1996. The report analyzes 18 state “leaver” studies released in 2000 and 2001 and looks at the former welfare recipients’ employment status, earnings, access to work supports such as food stamps and Medicaid, rate of return to TANF, and other hardships including homelessness and hunger.

“This study provides the most comprehensive look at how former welfare recipients have fared under welfare reform. It is not a pretty picture and it could get even worse,” said Deepak Bhargava, Director of the National Campaign for Jobs and Income Support. “Contrary to HHS reports, analysis of state data shows welfare ‘leavers’ have difficulty finding employment, have low earnings and often return to welfare. A recession will only make these problems worse”.

The major findings of the report include:

- One-third to one-half of welfare leavers do not report employment *of any kind* at the time of welfare exit and a large number experience substantial bouts of unemployment even if they report a job at the time of exit.
- One-quarter to one-third of welfare “leavers” return to welfare within a year of exit.
- Welfare leavers who find employment earn very low wages, ranging on average from minimum wage to \$8 per hour.
- Significant numbers of welfare leavers report hardships including hunger, housing or health problems, partly due to the reported low levels of participation in Medicaid and Food Stamps programs. In New Mexico, for example, 25 percent of leavers reported they had no way to buy food at some point after leaving the system.

The report includes a list of policy recommendations to counteract the negative effect the system has had on welfare leavers’ lives. Included among the many policy recommendations they list are:

- Increasing the minimum wage
- Simplifying access to food stamps and increasing the benefit levels
- Providing states with increased funds to allow health insurance for low-income parents who before could not obtain Medicaid, as well as for immigrants
- “Opening up TANF” by providing income supplements, education and training and other supports to low-income families
- Allowing parents to “count” education and training to move into living wage jobs as “work without restriction”
- Suspending time limits for families who are in compliance with work and other requirements
- Reducing or eliminating work requirements for families with significant care-giving responsibilities in the home
- Creating public jobs that offer real education and training opportunities to parents

➤ To download a copy of the full report, go to:

<http://www.nationalcampaign.org/Download/LEAVINGWELFARE.doc>

➤ For more information or to speak with Deepak Bhargava, contact Tyler Prell at 202-518-8047 or tyler@publicinterestpr.com