

# **WORTHWHILE WELFARE REFORMS**

**Prepared by the Applied Research Center**

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## **Hunter College Welfare Rights Initiative New York Work Study and Internship Bill Becomes Law**

Workfare mandates have had a devastating impact on school enrollment and training programs all across the United States. In New York City alone, the policy of assigning all students to the Work Experience Program (WEP) regardless of what other work they are engaged in or its impact on their ability to continue in school forced 21,000 students out of the City University of New York (CUNY). Research has shown that two years after getting into college 75 percent of students on public assistance move off welfare and 87 percent of women on welfare who earn a college degree move to jobs with living wages and permanently off of welfare.

The Welfare Rights Initiative, in collaboration with Legal Aid, National Organization of Women-NYC, the Welfare Reform Network, the Federation of Protestant Welfare Agencies, amongst others, was able to garner bi-partisan support for the Work Study and Internship Bill (#s8079/A08475-a) by unanimous vote in the New York Senate and overwhelming support in the Assembly. Governor Pataki signed the Bill into law in October 2000. It's provisions include:

- Counting participation in federal work study, internships and approved education and training activities towards satisfying welfare work requirements. Under the new law these educational activities would count equally towards participation rate requirements as any other form of work. The Internship and Work Study law gives local districts more flexibility and authority to set criteria for what constitutes approved education and training as preparation for work.
- Preventing other work requirements from interfering with students' ability to complete education or training programs that lead to employment. Prior to this legislation, welfare recipients were discouraged from participating in school while completing other work requirements.

The campaign to pass the Work Study and Internship Bill was particularly empowering to students fighting to enhance their access to educational opportunities. "This victory demonstrated that when we come together for the common good, we can gain a voice in the public policy decision-making that shapes our life chances," said Maureen Lane, Welfare Rights Initiative Coordinator of Community Organizing.

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## **Tennessee Justice Center**

### **Customer Service Review before Welfare Reform Cases Are Closed**

When Tennessee's TANF program, known as Families First, began in September of 1996, 91,500 families were receiving cash assistance. By December of 1997, this number was reduced by 38 percent to 56,611 families. Many advocates believed that people were being sanctioned or cut off public assistance because families did not understand what they were required to do and because case managers were ignoring families' rights to "good cause" exemptions. For example, the University of Memphis found that 34 percent of those families sanctioned for failure to sign a personal responsibility plan reported that they did not understand what they would have to do to comply with the plan. The Tennessee Justice Center prepared to pursue legal action against the Department of Human Services. Instead of pursuing the suit, the Tennessee Justice Center was able to negotiate an independent review process of each proposed closure before case managers could cut families off assistance.

In 1998, the Tennessee Department of Human Services initiated a process called "Customer Service Review," to ensure that families truly understand TANF program requirements and to ensure that terminations would not be decided by the sole discretion of a single case worker. Ultimately, this process will be contracted out to four state universities in Tennessee on a regional basis, with the overall training conducted by the School of Social Work at the University of Tennessee. With some exceptions such as families who have moved out of state or only have children over age 18, the case must stay open until reviewed by the Customer Service Process. The Customer Service Process review is a three-step process to assess closures:

1. Ensuring that the case manager attempted a personal contact with the recipient or caretaker before recommending closure. If this attempt is not documented in the computer record, the case is returned to the case manager.
2. Reviewing the record to determine whether there is sufficient documentation to warrant a closure of the case. Again, if there is not sufficient documentation, the case is returned to the case manager to document both the factual basis and policy basis for closure.
3. Contacting the caretaker to explain the basis for the closure and to assess the caretaker's side of the story to determine any possible barriers to participating in the program. This includes determining whether the caretaker should be exempt from activity requirements and time limits, whether the information in the record is factually correct, and whether the caretaker has a good cause reason for any failure to comply with program requirements. If it is determined that the case should not be closed due to an exemption, good cause, or error in the application of the facts or policy, the case is not closed. If the closure is otherwise appropriate, the reviewer provides the caretaker with the option of 14 days to demonstrate compliance before the case can be closed.

The review process resulted in an immediate decrease in the number of cases recommended for closure by case managers, reducing closures by 30% and giving recipients opportunities to understand and consequently comply with program requirements.

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## **Idaho Community Action Network Confronting Discrimination in CHIP/Medicaid Enrollment**

In 1998, the Idaho Community Action Network (ICAN) helped secure state-matching funds for the new Children's Health Insurance Program (CHIP) as an expansion of Medicaid. However, only a small fraction of eligible uninsured children enrolled in the first year of implementation. After receiving countless complaints from low-income families, particularly families of color, who were being turned away or denied health care coverage, despite the fact that they met program guidelines, ICAN developed a protocol to test the accessibility of the program in three Idaho cities.

The group conducted a testing project of Idaho's Health and Welfare Offices, sending white and Latino families to apply for the Children's Health Insurance Program and documenting how people were treated. The testing program uncovered general mistreatment of applicants and clear evidence of discrimination: lack of translators; intrusive questions by eligibility and caseworkers; requirements of proof of citizenship for Latino applicants even if they were applying for their citizen children; and a processing time that was unduly long for all applicants and even longer for Latino applicants. Mounting a statewide organizing campaign and publicly releasing the study's findings, ICAN forced the Idaho Department of Health and Human Services to make changes in the program, including:

- **Simplifying and standardizing the application process:** Plagued with duplicative and irrelevant questions, the 18 page application was reduced to 4 pages and provided in both English and Spanish.
- **Removing eligibility and enrollment barriers:** Prior to ICAN's campaign, the Department required parents to recertify every three months for health care for uninsured children. Under the new changes, the Department adopted a policy of 12-month continuous eligibility. The Department also changed its burdensome paperwork requirements by accepting self declarations of income, extended office hours to account for families working 9-5, and expanded the number of "outstationing" sites, to include more community centers like WIC and community health clinics.
- **Public outreach and education:** The Department also agreed to comprehensive outreach efforts, mounting statewide newspaper, television, and radio public educational announcements and publishing new educational materials, while providing statewide and regional trainings for case workers.

Prior to implementation of the new rules changes and outreach campaign in July of 1999, 54,397 children received health care coverage under Medicaid and CHIP (Title 19 & 21). By November 2000, an additional 26,904 uninsured children enrolled, a 50 percent increase for a total of 81,301 children receiving health care coverage under Medicaid and CHIP in Idaho. "The testing project surfaced patterns of discrimination in the delivery of public assistance," says an ICAN organizer Kevin Borden. "The biggest barrier was language discrimination, which meant that many among Idaho's Latino population were being single out and turned away when applying for health care for their children. By publicly releasing our findings, we were able to win sweeping changes in the CHIP and Medicaid application process," says Borden. The testing protocol developed by the project has been revised and standardized to test racial discrimination in South Carolina, Oregon, and Wisconsin. In addition, the results of the tests have become the basis for policy and procedural changes used by local organizations during negotiations with the Office of Civil Rights of the Department of Health and Human Services.

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## **Parents as Scholars (PaS) Program Maine Equal Justice Partners**

Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, states were penalized for helping students go to college. As a result, most States discouraged welfare recipients from going to college by forcing many TANF recipients to drop out of school and take low wage jobs, or participate in workfare programs. In 1997, advocates at Maine Equal Justice Partners won support across the state to ensure the passage of the Parents as Scholars (PaS) program, a state-funded student aid program to help low-income parents in two or four year college programs.

The PaS program is limited to 2,000 participants at any one time. The program is available to people who do not have a bachelor's degree, are eligible for TANF, lack the skills necessary to earn at least 85% of Maine's median wage (\$34,723 for a family of three), and are enrolled full-time in a two or four-year post secondary degree program.

In addition, applicants must pursue a degree in a field that would enhance their ability to support their family. For two-parent families, the parent who is not in school has the option of working at least 30 hours per week in either a paid job or in a "volunteer" placement, participating in up to one year of vocational educational training, or applying for the PaS program.

Students in the PaS Program receive a monthly PaS check for the same amount that they would have received in the state TANF program. The maximum PaS check for a family of three, for example, is \$461 per month. In addition, PaS students are eligible for support services including: child care for children under 13 years of age; transportation reimbursement at .24 cents a mile up to a maximum of 400 miles per week; pre-approved car repairs up to \$500 in a 12 month period; auto liability insurance up to \$300 of the student's share; eye and dental care costs not covered by Medicaid; books and supplies up to \$750 and uniforms and clothes up to \$300 per academic year; tuition and mandatory school fees up to \$3,500 per academic year if the student can not access financial aid; and occupational expenses up to \$500 for tools, license fees, etc. In addition, PaS will pay up to \$200 in a 12-month period for other expenses that are necessary for participation in the education program.

Even though welfare rolls have decreased dramatically in Maine and across the country since welfare reform, the percentage of TANF families participating in PaS doubled between 1997 and 2000 from 6.5% (1,243 students) to 12.7% (1,673). Maine Equal Justice Partners advocate Mary Henderson reports that PaS has helped many families out of poverty. "There are lots of wonderful stories of how PaS helped women finish their degree and get off TANF permanently. Many were able to continue their education and pursue a Masters Degree."

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## **Los Angeles ACORN Workfare Project Grievance Process**

Under welfare reform, many municipalities established workfare programs that required recipients to work for cash benefits and Food Stamps. In Los Angeles County, the Department of Public Social Services (DPSS) established a workfare program, placing 15,000 General Relief recipients into unpaid work assignments where they often worked side by side with paid employees. From the onset, L.A. workfare was plagued by worker rights violations. There were a number of documented instances of sexual harassment, racial discrimination, and workfare workers were often required to work with toxic materials and in unsafe environments without any of the safety equipment provided to their paid counterparts. In one case, workers were required to pick up condoms and used needles in public parks without safety gloves.

In 1998, L.A. ACORN organized the Workfare Workers Organizing Committee and throughout the summer organized a series of actions and mobilizations, such as a community forum where 140 workfare workers presented testimony and packed a Board of Commissioners of DPSS meeting. As a result of these actions, DPSS agreed to write new regulations establishing a grievance process for workfare workers at their job sites.

On October 1, 1998, DPSS officially amended the General Relief Workfare Project Supervisor/Foreman Handbook to include Section 6.0 – “Workfare Project Grievance Process.” This grievance process was created “to provide a uniform, safe and fair environment for Los Angeles County Workfare Project participants and an orderly process for the resolution of participant grievances.” The grievance process involves a three tiered, formal process similar to that offered to public service employees. Workers may have their own representation present at all levels of the grievance process and may receive a full-day’s credit for leaving the worksite if the grievance is for sexual harassment, racial discrimination, or health and safety violations.

The L.A. DPSS Workfare Grievance Process is the first of its kind and is an important step for establishing a process for reviewing worker rights violations. L.A. ACORN organizers and workers report that treatment is more on par now (though workfare workers are still not paid the same as “employees”). Workers noted the importance of being able to address a grievance without fear of reprisal. The DPSS adopted has the same grievance process for its new community service workfare program.

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## **Income Support for Families Working Minnesota Family Investment Pilot Program**

The Minnesota Family Investment Program (MFIP) was a unique welfare-to-work pilot project to increase self-sufficiency and reward work by providing families with cash assistance while they work their way out of poverty. MFIP was implemented on April 1, 1994 in the three urban counties of Hennepin (which includes Minneapolis), Anoka, and Dakota, as well as in the four rural counties of Mille, Lacs, Morrison, Sheburne, and Todd. Components to the MFIP program include:

- Allowing families to continue receiving cash assistance up to 140% of the poverty level.
- Direct child care payments to the provider, rather than requiring participants to pay child care costs up-front and subsequently reimbursing them (as the former AFDC system did).
- Simplification of public assistance rules and procedures by combining AFDC, Minnesota's Family General Assistance, and Food Stamps into a single cash benefit program.
- Increase education and training opportunities to include up to 4 years of higher education.

Supporting families with benefits while working proves to be an effective strategy for lifting families out of poverty. Both the *Washington Post* and *New York Times* published articles touting the pilot project as a model for helping people out of poverty. Despite MFIP's success, Minnesota adopted a statewide work-first version in 1998 that limited and cut many of the key components that made the pilot program a success. The new watered down version lowers eligibility to 120% of the poverty line; limits higher education and training opportunities while stressing work-first low wage employment; provides less individual employment assistance by significantly increasing caseworker caseloads; increases sanctions (up to 30% of the grant may be sanctioned for noncompliance vs. 10% under the pilot); and imposes a 60 month lifetime limit (no time limit under the pilot project). While the MFIP pilot project still remains a model for providing income support to families working out of poverty, it is also an important example of how welfare reform ideologues elected to embrace a less effective, "morally correct" program over a program that actually helps lift people out of poverty.

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## **Wider Opportunities for Women The Self-Sufficiency Standard**

For many years, community advocates and policy makers have been grappling with how to address the shortcomings of the official federal poverty measure. Established in the 1960s, the federal poverty line is an outdated standard. It sets too low a threshold because it is based solely on the cost of food, does not account for geographic differences in the cost of living (e.g. housing), or for differences in family composition (such as the cost of an infant vs. a teenager), or for new needs and costs which have risen since it was defined such as child care and state and federal taxes. As a result, many assistance programs use a multiple of the poverty standard to measure need: for example, Medicaid is extended to families with incomes that are 150 percent, 185 percent, or 200 percent of the official poverty thresholds, while many housing programs use the median income to assess need.

In 1996, Professor Diana Pearce at the University of Washington in collaboration with Wider Opportunities for Women developed the “Self-Sufficiency Standard” to calculate how much money working adults need to meet their basic needs without subsidies of any kind. Unlike the federal poverty standard, the Self-Sufficiency Standard accounts for the costs of living and working as they vary by family size and composition and by geographic location. The Standard defines the amount of income necessary to meet basic needs (including paying taxes) in the regular “marketplace” without public subsidies—such as public housing, Food Stamps, Medicaid or child care—or private/informal subsidies—such as free babysitting by a relative or friend, food provided by churches or local food banks, or shared housing. The Standard, therefore, estimates the level of income necessary for families to support themselves. The Standard does not, however, allow for longer-term needs, such as retirement, purchase of major items such as a car, or emergency expenses.

“All too often people think people are in poverty because of poor budgeting and poor choices,” says Pearce. “Instead of blaming the poor for poverty, the Self-Sufficiency Standard shows how shortfalls in the labor market and in public subsidies/programs put people in positions where they are forced into a bad situation—whether to meet one’s needs for child care but not for nutrition, or housing but not health care.” The standard has been used in several states to demonstrate need and to better understand the impact of public policy. Pearce noted that in Pennsylvania, for example, the Workforce Development Council adopted the Self-Sufficiency Standard for setting eligibility guidelines. The Self-Sufficiency Standard has been calculated in thirteen states and one metropolitan area: California, Connecticut, Illinois, Indiana, Iowa, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, South Dakota, Texas, Wisconsin, and the Washington, D.C. metropolitan area.

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## **Social Agenda Caregivers Tax-Credit Campaign**

Shortly after the enactment of welfare “reform,” Congress passed one of the most important income support measures since Social Security — the Child Tax Credit. This is a partially-refundable tax credit that primarily lets parents take \$500 per child off the top of their tax bill. While this credit was supposedly for “all of America’s children,” last minute, complex regulations were included in the law that had the impact of excluding poor families. For instance, poor mothers must have three or more children to be eligible for the Child Tax Credit, while middle class families can self-certify for the credit at the first child, irrespective of all other deductions and credits they may take. In addition, son and daughter caregivers for aging parents are also ineligible for current tax credits, as are others with primary responsibility for an adult with catastrophic illnesses and disabilities such as cancer, AIDS, and other physical and mental limitations.

Social Agenda’s Caregivers Tax-Credit Campaign is working to create equity in state and federal tax credit programs by expanding coverage to currently excluded “care givers,” including low income parents. More specifically, the policy aims to transfer the Child Tax Credit to refundable, bona fide federal and state caregiver tax credits:

- **Cover all children** living in families with incomes below current maximums (\$110,000 for a two-parent family, \$75,000 for single heads of households), and eliminate convoluted bureaucracy that discriminates against low-income families.
- **Retain the provision that parent caregivers who give direct care at home to their children may be covered as well as those employed outside the home.** Give families a choice. Raising kids is valuable work that costs money under all circumstances. The benefits of high-quality childcare accrue not only to individual families, but to all of society.
- **Make the credits fully refundable** so that families who do not owe taxes can still receive the benefit directly from the IRS.
- **Extend the credits to cover caring for adults.** The credit should cover all family types, including those whose members are not related “by blood” and should be available to all who give care to everyone who needs care.
- **Increase the dollar value of the credits,** so they more closely resemble the actual costs of giving care.

The Caregivers Tax-Credit Campaign is an important policy initiative to support caregivers in the United States. The effort raises the economic and social value of care-giving and *recognizes that caring for children and ailing adults is work and should be compensated like all other forms of work.*

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