

## **Welfare Reform**

### **Misconceptions and conflicting goals create a plan designed for failure**

We Americans can be very kind and generous when they feel that hardship has unfairly struck people who deserve help. We are also capable of turning our backs on suffering if the situation is too complicated, goes on for too long or appears unsolvable. But if we want to maintain a society that is civil, diverse, democratic, healthy and sensitive, this might be the right time to ask some honest questions, such as:

- Are people worth only as much as they can earn in the open market?
- Are our American culture and family values so threatened that they can only be preserved by punishing those who don't live by them?
- At what point did children become officially devalued by the circumstances of their birth or the behavior of their parents?
- While immigrants are accepted into our country, will they always be resented for expecting to be treated as equals with "real Americans"?
- Do we Americans really believe that "all men are created equal", even if it means giving up some of what we have?

Will it ever be possible for society to live in peace when millions of people have "used up" their rights to expect any assistance for the rest of their lives? People left with no hope, no goals, and no connections to society, may feel less compelled to respect the laws, personal property, and the cultural values that relegate them and their children to hunger.

Slowly and in installments, the public has viewed various portions of the welfare reform plans through newspapers and television. A tangle of misconceptions, accusations, and conflicting objectives have created a piece of legislation so confusing that no one is sure of the final outcome. It is simpler to fall back on ideology and take a stand either "for" or "against" the concept. If the conservative view is accepted, this is a necessary move to stop the out of control entitlement programs in which an entire class of Americans and immigrants has grown lazy and spoiled at the expense of hardworking taxpayers. From the liberal view, this is a mean spirited and politically motivated act that will result in untold suffering. In fact, there is some truth to both, but as with any problem that involves a number of people, there is no one fixed perception that is valid for all. The poor are not all noble, struggling, hard working victims of society. Nor are they all lazy, immoral, drug addicted cheats (as portrayed in California Governor Pete Wilson's 1997 State of the State Address).

The globalization of the economy has combined with overpopulation and years of disjointed foreign policies to create a situation in which the American people will have their core beliefs tested. Capitalism demands that companies seek the cheapest possible labor, and rewards those who take as much as they can by any "legal" means necessary. Americans do not pass moral judgment on a CEO who takes millions of dollars in bonuses while laying off hundreds of workers in the name of competitiveness. NAFTA, promoted by many of the same people who are promoting welfare reform, not only allowed but encouraged the movement of many entry level low skill jobs to other countries - countries that do not burden employers with minimum wage, OSHA, and environmental protection laws. Many of the current welfare recipients are unemployed due to corporate downsizing, which is permitted and even subsidized by the US government under NAFTA. For some reason, the taxpayers who are left to support the unemployed, blame the unemployed for needing help.

This legislation could have been a long overdue review of an outdated and ineffective national policy on poverty. Instead, with apparent public approval, it has turned into just another

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reallocation of wealth and power. "Personal responsibility" translates into a new era of economic survival of the fittest, in which Americans are legally alleviating themselves of the obligation to share with those less fortunate. On July 1, 1997, the 60 year old AFDC (Aid to Families with Dependent Children) will be replaced by TANF (Temporary Assistance to Needy Families) with the emphasis on the *Temporary*. The poor and sick, particularly those who are not US citizens, have been placed on notice that they are no longer entitled to anything they can't earn.

Ironically, both sides acknowledge that the new welfare law was a hastily written and little understood legislation which was not carefully considered by the lawmakers who would be affecting so many millions of people. It was an overkill of political and social agendas that was thrown together largely to embarrass President Clinton before the election. He had already vetoed 2 less drastic bills because they would immediately push 1.5 million more children into poverty and it was expected that he would veto this as well. In the House and Senate, the bill was voted not by conscience, but by party line and on August 22, 1996 Clinton surprised everyone by signing. Then he began campaigning on the theme that he would have to win, in order to mitigate the damage he had done by signing. (This has been likened to the boy who killed both his parents and then threw himself on the mercy of the court because he was an orphan.)

It was only after the fact that people began to realize how the sweeping changes would reverse 60 years of public policy under which the poor, disabled and helpless were guaranteed access to at least minimal resources. To those who study the legislation it is obvious that the stated goals contradict written regulations and in fact, it will be impossible to achieve the standards as they are laid out. Sanctions are harsh and inflexible and written in an "all or nothing" manner. They will force state and local governments to blindly execute the provisions in a futile attempt to avoid punishment. This is a massive social and economic experiment in which a few will benefit in the short term and a great many stand to lose much more than economic security.

The premise of this legislation, which has gained it tentative public acceptance, is that those who live on public assistance have been consciously taking advantage of those who work. The poor have made it their "career" to avoid work, using taxpayer money to buy drugs and having babies to increase their benefits, while laughing at people who work for a living. The average person has been convinced that their compassion has made them suckers, and nobody likes to be used. Gradually, most people have come to accept that even though this law is "not perfect" and will cause many people to suffer, it must be blindly implemented because there are no alternatives. The poor and immigrant populations brought this on themselves by taking advantage of kindness and now its time to get tough. It will be so unpleasant to be poor that they will be forced to change.

Even though more people are beginning to realize the incredible human tragedy that will be the product of this transition, for some reason its inevitability has been accepted. The public is being gradually prepared to accept the coming increases of homelessness, hunger, and deprivation as unavoidable and necessary for the long term good of the country. History has shown that when feeling threatened, people can be gradually persuaded to set aside their perceptions, core beliefs and even consciences. But there are so many admitted contradictions and obvious flaws in this plan, that it is difficult to imagine why people are accepting the concept of "giving it a chance to work" before cleaning it up. Those who will lose their homes, their health, and possibly their children, will remain in our society as the long term legacy of the grand experiment.

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#### **1. *The welfare reform legislation has been promoted as a return to family values and a means to slow the fragmentation of American Society.***

The legislation is crippled by the contradictory objectives of forcing parents to take responsibility for their own children, while insuring that these children do not suffer for the actions of their parents. The writers were very detailed and careful in their provisions to assure that undeserving parents do not receive any of the taxpayers' money. Unfortunately, they did not put the same care and thought into outlining a plan to mitigate the effect on the children, aside from saying that they should be protected. Time limits of 2 consecutive years of assistance and 5 years for lifetime cumulative, and lifetime ineligibility for some adults insure that there will be an ever increasing number of people who are left with no safety net. There is mention of "some sort of non-cash voucher" that children in these families will receive so that they are not deprived. It is difficult to imagine how only the children's portion of the rent could be paid directly to the landlord without the entire family being evicted.

There was also not much thought put into the human nature of most parents. Are some members of the family expected to starve, while watching the "eligible children" eat the food purchased with their food stamps? Some families contain both immigrant children and US citizen children. Parents must be expected to give the public assistance resources only to those children who "qualify" in the eyes of the US government. Instead, inadequate allocations will be spread among a larger number of people. These new regulations create an impossible situation and the whole premise should be reviewed. But if the current societal trend is followed, the response will instead be to create severe sanctions for sharing, so that it can be assured that only the right people are being fed.

The undocumented immigrant reporting requirements have already begun to create fear and distrust. The Departments of Social Services and Social Security are required by law to report anyone known to be undocumented to the INS. People living in subsidized housing with known undocumented people may lose their own benefits if they do not turn them in. They may also report suspected illegal immigrants if they want, as everyone is encouraged to do. Health care facilities do not have to report immigration status, but if they want to receive federal reimbursement for emergency services to undocumented, they must turn the information over. It will no longer be a decision of conscience or medical ethics, but of finances and fiscal responsibility. While undocumented immigrants may still receive immunizations and treatment for contagious diseases, it can only be expected that people will hesitate to take the chance.

#### ***What does it really mean to be a US Citizen?***

In a provision completely unrelated to welfare reform, all non citizens who do not meet certain very limited criteria will be ineligible for any federally funded means tested program. Possibly 20% will maintain their benefits because they or their spouses either served in the US military, worked 40 quarters and paid taxes in the US, or are refugees who have been here under 5 years. The only other hope is to apply for citizenship, which may save another 30%. This clause, expected to save \$55 billion in federal money over 5 years, came as a surprise to everyone.

The first and most dramatic effect will be the termination of SSI and linked services for the elderly and disabled immigrants. Clearly these people cannot work. In March, 1997 notices will be sent to all non citizen elderly and disabled stating that they will be terminated from SSI if they cannot demonstrate within 90 days that they fit into one of the exemption categories. If the State of

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California does not decide to continue their MediCare at State expense, they will also lose all health benefits except treatment for emergencies and communicable diseases. If provision is not made in the state plans, those who are homebound will also lose IHSS (In Home Supportive Services) because eligibility is linked to SSI.

The same process will be happening concurrently for non citizen Food Stamp Recipients. After the March notification, as each family's case is reviewed, the benefits will be reduced or discontinued based on how many US citizens are in the household. Although Governor Wilson has proposed that immigrants who were permanent residents before the law was enacted (8/22/96) may still be eligible for TANF, almost all non citizens who do not fit one of the exemption categories are banned from federally funded food stamps. Families may have to choose between food and shelter. Although WIC (Women & Infant Children) nutritional program and school lunches are still available for everyone, child and adult nutrition will drop leading to birth defects, increased illness, school and work absenteeism, lower performance in schools, etc. Millions of children who are forced to grow up with inadequate nutrition will have one more obstacle to reaching their full potential. Who can measure the value of that? If they fail to keep up later, will they be blamed again?

Massive volunteer efforts are under way in many areas to help qualified immigrants to prepare and apply for citizenship. Thousands of new INS staff have been added to deal with the crush of applications and still the lag time is 9 - 12 months. There is no provision to continue benefits for applicants awaiting their interview, so at best people will have to do without income for several months - long enough to be evicted or die without medication.

There are currently over 187,000 US citizen children of undocumented parents on the welfare roles. They remain eligible, but their parents face possible deportation if they apply for assistance for their children. In the abstract, there appears to be little public sympathy for this dilemma. Since there are not 2 classes of citizen (yet), these children must be allowed eligibility for the same assistance as other US children. But during the massive media blitz of Proposition 187, the public was frequently told that undocumented immigrants sneak across the border solely to give birth and tap into the gullible American welfare system. At some subconscious level, many people feel that these children are the result of cheating and fraud and do not deserve to be citizens.

Why does the public accept without question the huge cost of forcing hundreds of thousands of desperate people to apply for citizenship in order to survive? Is this the type of citizen that America wants? Even the most jaded were a little concerned about unilaterally changing the rules for the elderly and disabled who do not have many choices left. The public is told that this is unfortunate, but necessary because old people from all over the world were coming here to retire and live off American generosity. A message has to be sent to stop this massive abuse. It is true that in the last 10 years, the number of non citizens receiving SSI in the US has more than tripled from 211,000 to 785,000. Possibly offering SSI to all legal residents years ago was not a well thought through plan in the first place. The logical question would be, couldn't this message be sent for future immigrants, while keeping the original agreement made when the current immigrants came to the US? If Americans expect other people to be held accountable for decisions made in the past under different circumstances, shouldn't there be some sense of personal responsibility here?

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And what is the rationale behind denying food stamps and other benefits to immigrant families who have presumably been legally working and paying taxes? Only that it was costing a lot and they can't vote.

No one with family values would balance the family budget by putting Grandma out in the yard, taking away her medicine and starving her to death. Yet the public is told not to feel guilty, because these people brought this on themselves. They were all sponsored into the country by relatives who promised to care for them. It is those relatives who broke their agreement first, not the US government. For some, this is true and possibly those cases should be reviewed. But many refugees came to this country under different programs, sponsored by organizations and churches whose obligation has long since expired. Some had sponsors who are now dead or incapacitated. Many of these people have been living, legally working or raising children for years in the US, but are now old and disabled. The law makes no exception for those who have no resources, no families, and no one to turn to.

President Clinton has proposed putting \$13.5 billion towards reinstating benefits for those over 75 years old or extremely disabled. Republicans while arguing that the new legislation should not be "tampered with", seem willing to allocate a special block grant for states that will be most affected. Basically, this will postpone what would have been the first public viewing of the effects, in which the most helpless and frightened of society are cut off and left to fend for themselves. Although many individuals have spoken out, the federal government appears unwilling to go back and examine the morality of consciously planning to deprive a group of helpless people. The American citizens have shown concern, but not the outrage necessary to turn back the steamroller.

#### ***2. The welfare reform act was promoted as an essential factor in balancing the national budget.***

The total of all Aid to Families with Dependent Children (AFDC) paid every year is less than 1% of the total federal budget, so these cutbacks are not going to eliminate the deficit, particularly if offset by the promised tax cuts. In fact, the entire endeavor only looks cost effective if budgets of various departments in the federal, state and local governments are viewed separately. The costs that have been shoved into other categories are considered "savings". Savings in one area that will result in added costs in another are seldom projected next to each other so that a value judgment can be made. How can people continually fall for the political shell game in which responsibility (and accompanying costs) are shoved from federal to state to local governments (or from public to private sector) in order to give the appearance of a balanced budget. Transferring debt from one credit card to another does not eliminate the obligation. How many times will the public watch the government cut short term costs knowing that the long term price will be much greater? Society seems to be unable to agree on a goal, or to gain enough control to plan or mitigate, instead squandering valuable resources overreacting to crises that were largely avoidable.

In the next few years, much more will be spent as whole new industries are created to track previous benefits received in other states, criminal records, paternity, immigration status, etc. All new computer hardware and software will be needed to track people wherever they go, including redesign of forms, MIS systems, record storage and sharing procedures, and inter state agreements. DNA testing and fingerprinting capabilities will have to be created in all areas of the country. Imagine the memory storage space required to keep these records on people, not for 3 or 5 years, but for their entire life. There is a 7 year statute of limitations on almost all crimes, but not

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on poverty. Nobody has even published a cost estimate for these new measures, and it is not likely that they will be identified and compared to the "savings" of downsizing the welfare rolls. But by accepting the need for these control measures, Americans have locked themselves in and the money will have to be allocated, no matter what the cost. It's the law.

No one is attempting to measure the economic and social cost of this massive reallocation of wealth. The assumption is that if you just stop giving people things, they will be forced to find a new way to support themselves and survive. This experiment won't work if welfare is cut off and there is yet another (if meager) safety net available through GA (General Assistance). At this time, California county governments are required by law to provide minimal assistance (\$150 - \$300 per month) to the totally indigent. Thousands of simultaneous applications for GA are expected as the immigrant elderly and disabled, adults without dependents, and immigrant families are cut off from other benefits in the next few months. The solution offered by Governor Wilson is to eliminate the requirement for county governments to provide GA. County leaders who take comfort in this "solution" should be reminded that *these people will still exist*. They will not be able to pay for rent, food, or medical care, but they will still need to sleep somewhere, eat, and deal with other bodily functions. Will the public response be irritation, disgust, a stronger crackdown on homelessness? If people are forced to ask strangers to help feed their children, will they be arrested for panhandling and the children taken away? Where to?

Many will find employment, although if forced to live on only the income they can earn, it will relegate their families to a lifetime of poverty. Others will turn to illegal methods to survive, such as stealing and drug dealing. There is no cap being placed on how much can be spent on law enforcement and the prison system. Already this country spends more annually on building new prisons than on higher education. It is cheaper to send someone to Harvard than to incarcerate him/her, and the end result would be an educated and employable person instead of a hardened criminal who still has no job skills.

### ***3. Welfare reform was promoted as a badly needed revamping of a bloated public assistance bureaucracy which was more focused on compliance with regulations than assisting the clients to become independent.***

The current system of public assistance administration had long since gone the way of most aging bureaucracies. It had gradually turned into a world of its own in which most energy was dedicated to verifying and documenting eligibility, and compliance with the many layers of regulations and requirements. Caseworkers had little time (and there was small incentive) to move people off of assistance. But far from simplifying the documentation and verification requirements, the new legislation further complicates determination of eligibility. It also demands that new systems be established and implemented quickly, virtually insuring massive waste and confusion for years. Currently, those who meet certain eligibility criteria are entitled to assistance regardless of where they are or their past history of need. Under the new law, the historical data on each recipient and household must be kept by each county and state and made available on a national basis so that no one can escape the prohibitions, sanctions or time caps by moving.

In addition to the time limits for receiving benefits (consecutive months and cumulative months), time limits for separate activities must be documented and tracked for each person participating in training, job search, remedial education. Many of the regulations seem to have been inserted based on their appeal, rather than with any kind of cost benefit analysis. As with many products of congressional dealmaking, unworkable ideas were not thrown out, but had

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additional layers added to them until the original point will be lost in compliance (much like the old system that so badly needed replacement). Ultimately, it will be necessary to create a foolproof universal ID card and maintain a nationwide system to gather and store information on millions of US citizens and residents for their lifetime. A civil liberties issue that has been debated for years is slipped in as a side issue, necessary to prevent fraud. A universal ID makes it much easier to assure that nobody gets away with anything.

Now that the entitlement philosophy is dead, level of human need is irrelevant. Arbitrarily chosen percentage ratios, time limits and immigration status will be the deciding factors in who gets help. Waiting lists will have to be established and ratios constantly checked to measure caseload levels and adjust maximums for time limit exemptions, work requirement exemptions, recipients in training, childcare subsidies, etc. Even those who are upset by the need to turn away hungry or sick children will be forced to take consolation in the knowledge that if they don't meet case reduction quotas, the state's next block grant will be reduced, allowing them to help still fewer people in the future.

Only the Maintenance of Effort (MOE) clause prohibits states from deciding to discontinue welfare completely and keep all the money. It demands that at least 80% of the block grant be put into the overall public assistance program. States may choose to give no cash grants and spend it all on work incentives, childcare, transportation, rent subsidies, etc., but it must total at least 80%. The amount of each state's block grant is programmed to decrease annually and it will never increase again, no matter what the level of need. The federal government did, however, set aside an emergency contingency fund, to be drawn on by states during severe economic downturns in the future. But in order to be eligible for this "insurance", the state must have a welfare plan that spends 100% of the block grant on welfare, and does not remove any of the money to other budget priorities (such as corporate tax breaks). Governor Wilson's plan allocates only 86% of the money to welfare and distributes the rest, leaving California with no future access to federal money in the event of a recession or major economic disruption (such as after an earthquake).

***4. Everyone is in agreement on one thing, at least. No one did a mathematical reality check on the timeline for forcing people into employment. There just are not enough jobs and no provision has been made to create viable alternatives. .***

The new law assumes that unemployment has been due solely to an individual decision not to work. If left no alternatives, people will find a way to overcome the multiple obstacles that have blocked them in the past. But even in good times California would create about 325,000 new jobs in 2 years, and not all of these will be entry level. 2,700,000 people currently receive public assistance in the state, 70% of whom are children. Over 700,000 people are expected to find employment in those 2 years (under Wilson's plan, some must find work by the end of the first year). Under the very best circumstances, and through no fault of their own, over half a million parents will be unable to find employment before the deadline. This is a fact and everyone knows it, and yet there is no provision for assistance for these 500,000 parents and their 1,170,000 children.

Even the most expansive of economies could not absorb hundreds of thousands of undereducated and ill prepared people flooding the entry level job market. They will be forced to compete with those currently employed, displacing others and lowering overall wage levels. And it is a basic law of nature that nothing expands forever without exploding. There is no adjustment or provision for assisting people who become unemployed through the next long term recession.

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Actually, many jobs will be created, but they will not be likely to go to the welfare recipients who are pushed into employment. There will be computer programmers, prison guards, scientists, engineers, administrators, trainers, investigators, public defenders, advocates. This will not be a cheap endeavor, but apparently no price is too high to prevent further abuse of the system.

The method of measuring unemployment levels has always been invalid, because it counted only those who were documented as actively looking for work and excluded those who had given up. It will now become even less valid, as hundreds of thousands of people are simultaneously forced into the job market. In the past when the unemployment level dropped to 5%, fears of inflation would cause the Federal Reserve Board to adjust the interest rate to slow the growth of business. This dubious method of "control" becomes even more questionable when it undermines the stated purpose of expanding the economy to absorb all those who are discontinued from public assistance. And will this forced rapid expansion of business (if it happens) cause rampant inflation or "overheating" of the economy? Will the "savings" promised by welfare reform be offset by inflation? When the long accepted 5% level becomes invalid, what should be the new measure? Will the acceptable ratio of unemployment be adjusted every year as new quotas go into effect for reducing welfare caseloads? Is it right to punish people for not working while insisting that a certain number remain unemployed to protect the rest of the population from inflation?

***5. There is no additional allocation of funds for skill training or job preparation. Those who have been out of the job market for years are not prepared or qualified for the jobs that are there.***

The plan to offer employer "incentives" to hire unskilled people instead of investing the money to increase the skill level of the people, will only create the short term appearance of success. Training received on the entry level job is often minimal and non transferable. Employers don't normally consider entry level employees as worthy of major investment. If they do use the incentive money to give "extra" training to welfare recipients, the other entry level employees (if there are any) will not receive the same advantages and will be left behind. Unskilled people are viewed as disposable or interchangeable and as soon as the incentives are gone, the people placed this way are at greater risk. They will be back where they started, running out of time on public assistance, and only slightly more employable than before. The biggest beneficiary of the transaction will be the corporation, who has not created more jobs, but only received subsidies to fill existing entry level positions.

With so much emphasis placed on the sanctions for states who do not meet the employment quotas, the criteria for decisions will be numbers, and not long term benefits for individuals or society. People who are not receiving or do not qualify for public assistance (almost all non citizens) will find increasing difficulty, as all resources and incentives go to reducing the welfare caseload.

There is a great deal of emphasis on punitive measures for undocumented immigrants and people who employ them. This will make it more difficult for legal immigrants to obtain employment at a time when they have no safety net if they cannot work. It is easier for employers to hire someone who is born here than to check complicated papers that might be forged. Who needs trouble?



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- 6. Possibly the most pervasive change that has taken place in the Welfare Reform Legislation is one of the least noticed. This is the elimination of the word "entitlement" from public assistance. In the past, as long as a person met eligibility standards for a benefit, they were guaranteed that benefit. Benefits could be cut across the board, and eligibility standards could be revised, but presumably all those with the same needs received the same benefits.***

With the new block grants, there is a fixed amount of federal money coming into the states and it will be lower each year. There will be no adjustments for long term recessions, population increases, economic downturns. A state with a suffering economy will not be able to make up the difference, so choices will have to be made. In order to accommodate new applications, selected programs may be dropped or all benefits adjusted downward until enough people use up their maximum time and get dumped. Public assistance may be given on a "first come, first served basis" and when the money is gone applications will simply be denied. States also have the option to isolate certain groups of people and deny them eligibility. Any of these "solutions" will undoubtedly increase the "Zero Sum Mentality" that has become so pervasive, with individuals, ethnic groups, or communities feeling that that whatever anyone else receives is at their expense. It will also create a new type of needy household, which is clearly eligible for assistance but denied until someone else moves out of the way. Public assistance may now become like subsidized housing. No matter what the need, there is a 10 year waiting list and no new names have been taken for the past 4 years. That is a very long time to wait for food.

### **Additional Provisions of Welfare Reform**

***States will be subject to fiscal sanctions if they do not meet the quotas for caseload reduction stipulated in the federal legislation: 25% the first year and 5% per year every year until 2002, when the caseload should be 50% of its current level.***

Presumably, one objective of the welfare reform was to give states more autonomy so that they could have the freedom to serve their populations, unencumbered by the burden of excessive federal regulations. However, the legislation then proceeded to install numerous fixed caps, time limits, and boundaries that the states must be creative within. Strict time limitations and inflexible prohibitions, with no provision for individual need or changing economy assure that the basic "get tough" message of the welfare reform legislation will not be undermined.

***Applicants with dependents face time limits of 2 consecutive years for receipt of benefits after which they must work for at least 12 months before reapplying. Able bodied adults with no dependents have limits of 3 consecutive months of food stamps in 36 months. There is a 5 year lifetime maximum of benefits for everyone (except those who are exempted).***

This time limit applies whether the recipient is home receiving full benefits or working at a low wage job and receiving supplemental benefits. Those who are pushed into inadequate jobs without any potential for upgrade will be left at the end of 2 years to subsist on the wages. Those with multiple young children will be left with a choice of leaving their children home alone, going to a job they can't afford to keep, seeking maintenance assistance from churches and CBO's. Even in those programs such as Riverside County's, which was heralded for moving people into employment (motto: "get a job, any job") show 75% of the people working at below poverty level and receiving partial subsidies. These people may be working, but they are neither self sufficient nor independent. In fact 40% of current welfare recipients statewide already work, but cannot

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earn enough to support their families. Immediate reports of success will fade when the system begins to break down after 3 or 4 years. Even selective manipulation of statistics will not be able to make this look like a well planned endeavor. People live for many years. Why can't leaders plan further than the next election?

***The maximum number of people who can be exempted from the time limits is based on percentage ratio (20%) of the previous year's caseload which is always decreasing, according to the plan.***

If 20% of the initial caseload is truly unemployable, they will remain unemployable as the caseload drops by 25% in the first year. At that point, technically 25% of the unemployable people would be forced back into the countdown. This will begin to take visible effect after 2 years (1 year under Governor Wilson's plan) when those not exempted have used up their maximum consecutive months. But the true effects will show after 5 years when those pushed out of the exempt pool after 5 years of benefits would have already used their lifetime maximum and may be immediately terminated. The DSS will have the choice of tightening the eligibility for an exemption each year until it includes only those who are severely handicapped, or denying every new applicant after the exemption "quota" is full. Planners say they are still working out the details of implementation, but there is not alot of space to work in.

***Those who cannot find adequate and affordable childcare may be exempted from the work requirements but not the time limits. If this is interpreted liberally, it effectively invalidates much of the legislation on work requirements. Just as there are not enough jobs, there are not enough childcare providers to care for all the children.***

The cost of childcare exceeds the wage earning ability of most welfare recipients. The old AFDC rules allowed a single parent to stay home and receive benefits as long as there was a dependent child under 6 years old in the household. The new federal guidelines reduce this to 12 months, and Governor Wilson's proposal would have a mother in the workpool 12 weeks after the birth of her baby. A report by the *California Childcare Resource & Referral Network* stated that only 4% of the half million state licensed childcare spaces are reserved for children under 2 years old.

California's average price for a week of infant (under 2 years) care is \$135, and \$94 for children 2 - 5 years. In the Bay Area it is even higher, with San Francisco at the top with prices of \$180/week for younger and \$125 for older children. Even if the price was not prohibitive, it is estimated that only 10% of all day care spots are reserved for infants.

There is only money in the block grant for a fraction of the childcare subsidies that will be needed and there is a cap of 30% that can be spent on childcare. It is left up to local governments to decide whether (and how) to subsidize the creation of more childcare spaces.

***A maximum of 20% of the caseload can be in job training or continuing education programs.***

Many welfare recipients have skills, work history and/or education, and are only unemployed due to downsizing, or temporary circumstances. They will be relatively easy to place (if there are jobs) in the first year. For those without work history or skills, the goal should logically be to use the 2 year window to train and educate as many people as possible so that they may be employable by the time they have used up their benefits. The shrinking percentage cap

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insures that there will be fewer training slots available just as the caseload is being reduced to those who are the most difficult to place.

***Teenage parents who have not completed HS must enroll in a GED class in order to receive benefits. These will be counted in the 20% maximum of the caseload who can receive training.***

There is no reason to think that as the welfare caseload is forced down, that the number of teenage dropouts who get pregnant will also fall. In fact, as more parents are forced out of the home and into the workplace, there will be more teenagers alone after school than before, possibly resulting in an increase in the number of teen births. No provision was made for after school programs for older children, additional education in birth control, counseling programs, etc. that would have made it possible to reduce the number of teen births. The assumption is that parents should just make sure their girls do not get pregnant. Whether or not there is an increase in teen pregnancy, with the caseload dropping, the teen parents will be taking an increasingly higher portion of the educational slots.

Teen parents who are not given skill training concurrent with the GED requirements will still be limited in their ability to obtain a job that will support them. There is no mention of functional context education. Combining skill training with remedial education and ESL, has consistently been shown to be the most effective method of quickly raising employability. Merely insisting that they finish high school as a condition of benefits will not insure their ability to earn a living.

***Teenage parents must live at home with a parent or direct relative, or in a foster child setting in order to receive benefits.***

It is true that childbirth should not be viewed by teenagers as a way to get out of the house and get their own apartments. However, some teens have been driven from their homes due to abusive situations including molestation by another family member, drug use, domestic violence, etc. This law appears to offer inadequate alternatives to returning to these situations. There are currently not enough foster spots for the very young children who should be removed from their homes. Not many private homes will prefer to take in a strange teenager with an infant. The cost of creating foster homes or non parental supervision situations will be prohibitive and the incentive will be to insist that without previous documented abuse, all teenagers return home.

Some parents do not want their teenagers to return home with their grandchild. Some are offended on cultural or religious grounds by the actions of the teenager. Some do not have adequate housing or resources to care for an infant. Will these parents be held responsible for their teenagers' actions? Even for those teens who are 18 or 19 years old?

***Teen parents and parents who lose eligibility for benefits and cannot earn enough to support their families, are encouraged to give up their children for adoption under Wilson's proposal.***

Much of the emotion of the welfare reform issue comes from the fact that while insisting on the rights and responsibility of parents to raise their children, people just don't like the way some of them are doing it.

30% - 40% of the welfare caseload consists of minorities and there is already an acute shortage of minority homes available for foster care or seeking to adopt. The most likely

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placement for such children is with relatives who would care for them, but are unable to accept the additional financial obligation without assistance. New regulations prohibiting non citizens from collecting the monthly benefit for foster children or the adoption credits reduce even further the number of options for these children.

If all the provisions of the new legislation are enforced as written, eventually we will be faced with the choices of:

**A.** openly leaving children in conditions of abject poverty because their parents have not complied with the requirements, or

**B.** building the group home orphanages (as briefly suggested by Newt Gingrich) to warehouse the children who will be the victims of this massive attempt to socially retrain their parents. This will be much more expensive in both the short and long term, than merely continuing the public assistance to the parents.

#### ***There will be a 6 month time limit for training or education programs.***

The standard is especially at risk for those with no skills and limited education, who must compete with people who are willing to work for 15 cents an hour in other countries. Mere willingness to work cannot compete with willingness to work for less money. This is why every effort should be made at this time to provide people the opportunity to obtain the skills and education that will enable them to become self sufficient.

Numerous studies have shown that the more that is invested up front in training and support systems, the greater and more permanent the results in employability and increased earning capabilities. Those with multiple barriers to employment will not be allowed the time to prepare themselves to support their families independently. The sentiment is that welfare recipients have had enough time to go to school if they wanted to. But many did want to and have been on waiting lists for funded training for years. There are currently 19,000 people waiting to get into the GAIN program (Greater Avenues to Independence) in California, even though the state has not been spending its full allocation of job training money for some time.

In addition to skill training and remedial education, classes in workplace expectations, family planning, budgeting, parenting, ESL, etc. will be needed to change the way of life of some parents. *Center for Employment Training* (CET), has a 30 year national reputation for successful training and placement of people with multiple barriers to employment. The average training time is 7 months and many trainees require over 12 months.

***There is a great deal of emphasis placed on increasing the amount of child support that is collected, but no resources are being allocated to make it possible for those fathers who are unemployed to get a job and earn a living.***

Some fathers do not pay for their child's support due to lack of sense of responsibility. Many do not pay because they are unemployed or underemployed and just can't earn enough to support 2 households. Many resources are being allocated to make sure these fathers are identified and forced to pay. No provision is made for skill training and education of the absentee fathers. Provisions are being made for DNA testing to prove paternity. This will be very expensive and create a whole new industry in itself. It will not however, make the fathers any more capable of paying child support once paternity is established.

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***Mothers who cannot or will not name the father of their child, will be denied assistance.***

The mother's share of assistance will be withheld unless paternity is established for each child. Some women are reluctant to name the father of their child because they fear retribution or because they are trying to escape an abusive situation. In the past, if a woman cited this reason, it was up to the eligibility worker to determine if the fear was valid. Now that decision is given to the District Attorney's office.

This is not a new method, assessing the household need and then awarding only a portion of it for those members deemed eligible. It has never made sense because households have certain fixed costs and welfare at its best never covered them. Costs such as rent and utilities are not charged by person, but for the family and eligible and ineligible alike will pay for non compliance.

The goal seems to be threatening hunger for all children in order to assure that the price of non compliance is higher than the fear of compliance. But unfortunately the circumstances or lifestyle of some women is such that they may not know the father of their child. This situation in which "no one can be held responsible", is at the very core of these laws. It appears that the only way control the behavior of the mothers is to deny aid to their children. Anything less would be rewarding bad behavior. But even those women who get the point and change their ways, still have the previous children and still don't know who the fathers are. Will people be strong enough to look the other way when the results start appearing on the streets?

### **The logical progression of effects in communities**

***Even though it is intimidating to already busy planners and administrators, it is necessary for them to have a basic comprehensive understanding of the overall legislation in order to assess the possible effects on various sectors of the community.***

Many people (and organizations) feel that because they are not directly involved in means tested programs, childcare, immigrant services, etc. that they will continue "business as usual". This could not be further from the truth. As major segments of some parts of the community have their sources of income, health insurance and food simultaneously discontinued, the ripple effect will be felt throughout the community. In addition to service organizations, the massive termination of incomes and benefits will affect landlords, retail stores, community clinics, homeless shelters who are ill prepared to accept large numbers of disabled, rest homes, pharmacies, etc. It will also impact the families of the elderly and disabled who may have to care for their relatives in the home and assume the expense of their health care.

***The changes will ultimately affect people of every age, race and culture, but the immediate effects will be most pronounced on the immigrant population. There has been a great deal of divisive rhetoric over tax dollars spent on foreigners and there is a growing resentment that immigrants ever expected these benefits.***

Even though everyone is eligible for emergency care, immunizations, and treatment for communicable diseases, if the health care provider wants to be reimbursed, it must establish the immigration status of the patient. This provision (which has not yet been enacted) will likely cause immigrants to hesitate before going for treatment, leading to an increase in contagious diseases in the general public. In actuality, only the Social Services Agency, Social Security, and law enforcement are required to report known undocumented immigrants to the INS. But the new law

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stipulates that no agency can be prohibited (by local laws) from reporting the undocumented. Reporting requirements for schools (actual or perceived) may cause undocumented parents of citizen children to keep them home for fear of disclosure of their status. This will lead to more truancy, youth crime, illiteracy, and reduced ability to obtain employment, perpetuating the poverty cycle.

There may be an increase in crime by desperate families who see all legitimate avenues of survival closed to them. If law enforcement does not identify this type of crime of need as different than that of professional criminals and work together with service agencies to address the causes, a new group of hardened criminals will be created. This will reduce the level of public safety, and exacerbate the growing cost of law enforcement and prisons. In turn funds will increasingly be diverted from all parts of the public budget to pay for control of this population. It may also broaden the division and distrust between income classes and ethnic groups.

There will be visible hardship and suffering and already communities are dividing on how to respond. No state or local entity in an area with a high density of immigrants can afford to replace the lost benefits. Even among those who are uneasy with the drastic nature of the change, people are divided over how much (or whether) to intervene. If communities cannot agree on a general mutually desired outcome, separate attempts to respond will be rendered ineffectual by those with differing views. This may be reduced to just another control issue.

Community leaders will be subject to pressures from special interest groups and as time passes it will become increasingly difficult to create a collaboration. There is a danger of all energy going into the conflicts over how to deal with the problems instead of actually working towards solutions. Different sectors of the community may become more divided, as they feel they must protect themselves (and their resources) from the others. Nothing short of a coordinated community effort will be able to make a difference. This is everyone's problem and at the very least, groups should waste time, energy, and money, pursuing strategies that negate each other.

Already in some areas, governments and social services are sending more and more referrals to their local churches and service organizations on the assumption that they will handle it by appealing for more donations. The implied assumption (or fantasy) is that churches and community based organizations will rise to the occasion without any help. Agencies are already cutting staff, limiting services, restricting eligibility, and spending increasing amounts of time searching for funds. Operations are increasingly based on reactions to crisis instead of long term planning. Churches and service organizations could meet together and clarify in advance for local government and the public, what is possible and what is needed. Charities cannot be expected to maintain millions of people, just as Counties could not provide GA.

There is no logic to "writing off" a large segment of society. They will still be there, but increasingly unable to support themselves and contribute to the community. Initiate a comprehensive, coordinated community education program to focus on positive solutions that will benefit everyone. Politicians may tend to react to pressure with short term fixes that give the appearance of "decisiveness" but only increase the problem. There will probably be a public outcry for a crackdown on homeless in the streets and panhandling which will likely force a police effort to either incarcerate the homeless or intimidate them into moving to another community.

There will be increasing competition among organizations that serve different segments of the population, as they see needs increase and funding shrink. Organizations that serve various

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groups may feel the need to force value judgments and survive at each other's expense. Non profits have long been divided by the competitive nature of program funding. Territories and turfs have been carved out and defended over time. Guidelines and an efficient referral system to locate and allocate resources are needed. Openness will be needed to consider the reallocation of work loads, services, and resources so that the shrinking funds can be utilized as efficiently as possible. If groups focus on protecting themselves through the transition, they will only diminish their capacity to meet the new needs.

Communities would do best to focus on dealing humanely with the current situation and not what people should have done years ago (finished school, used birth control, become a citizen, etc.). Regardless of whose "fault" this is, a large segment of the community will soon be disenfranchised and it will affect everyone. It is understood that millions of people will be hungry, homeless, sick, as a result of the changes. Many more will be relegated to subsistence level existence with little hope of escape. Those who can't pay for education, security, health care, and privacy will be expected to adjust because they have no choice.

The likelihood is that the class structure will further solidify, with the middle classes desperately trying to protect what they have. People must decide what kind of community they want to live in and make a plan that will go in that direction. The message is clear that the federal and state governments have alleviated themselves of responsibility to intervene in the face of local hardship. Each community will have to assess this totally new situation and all its implications. If the community chooses to establish a cooperative direction now, it will continue to serve as a foundation during future social changes that are sure to come.

### **Summary**

Its not that no one knows how to raise a family out of poverty and bring them to self sufficiency, even after generations of welfare. *Wider Opportunities for Women (WOW)*, a Washington DC based organization, describes how to successfully implement some proven models in their publication, *Six Strategies to Self Sufficiency*. Essential to independence is a realistic measure of poverty and the US method, dating from the 1950's, remains ludicrously inadequate, with no provisions for childcare, ages of children, transportation, insurance, or differing rental markets. WOW has gathered detailed information and produced individual measures of the minimum necessary for self sufficiency for various sizes and configurations of families, *adjusting for cost differences in each county*. Some states have already incorporated this standard into their provisions for when to terminate subsidies. In the past families have never left poverty because they have never been able to stabilize, but were forced to live on the edge month to month.

Other models promoted by WOW involve:

- steering women into non traditional occupations, which offer the higher wages that are necessary to be self sufficient
- targeting high wage jobs and training people in a direction that has the potential to take them out of poverty
- functional context education in which remedial education is integrated into job training, instead of taught in the abstract as a pre requirement to skill training.
- individual development accounts that allow the poor to develop assets, instead of terminating all assistance as soon as they begin to stabilize
- microenterprise development in which people learn to create their own job or augment inadequate wages through their own efforts

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WOW is providing technical support to organizations and leaders in 8 states. *Equal Rights Advocates (ERA)* is heading up the statewide project, *Californians for Family Economic Self Security*. Facilitating the formation of coalitions of service providers, and establishing networks of communications, and educating non profits on the legislative process. Most service providers have watched helplessly as the current legislation took shape, but did not have the opportunity or knowledge to make themselves heard. But all strategies with the potential for permanent change of lifestyles require time and investment. Groups are still trying to find a way to work within the framework of a law that was not designed to improve the lives of the poor, only to save money.

The total lack of societal sympathy for those who can't "earn their keep" should make every American a little nervous. Many will someday be unemployed or old, powerless and in the hands of those who view them only as a drain on resources that could be used for something else. It seems that democracy no longer attempts to find the best solution for the majority of people, and perhaps it never did. It is more the attempt to gather just enough power (through whatever means is necessary) to be able to impose the will of one group on the other. The winner takes all and the only way for the loser to be heard is to do whatever is necessary to win the next time. The only people who need to be pleased are those that can affect the next contest.

Despite much evidence to the contrary, the people of one of the richest countries in the world have readily accepted the premise that there is a shortage of resources and in order to protect their own families, they must deny others. In fact, there is only a shortage of resources allocated to this purpose, after the major portions have been given to the military, corporate welfare, and special interest groups. Why must Americans choose between housing, education, childcare, medicine, or food for the poor, sick, and aged? Why aren't they offered a choice between all of the above and one nuclear submarine? Why do they continue to accept the illusion of choice, while blaming each other as the quality of life erodes for everyone? This is not the fault of immigrants or welfare mothers, but of the inability of the American people to reconcile self image with goals and actions. Everyone must accept personal responsibility for the future that is being created today.