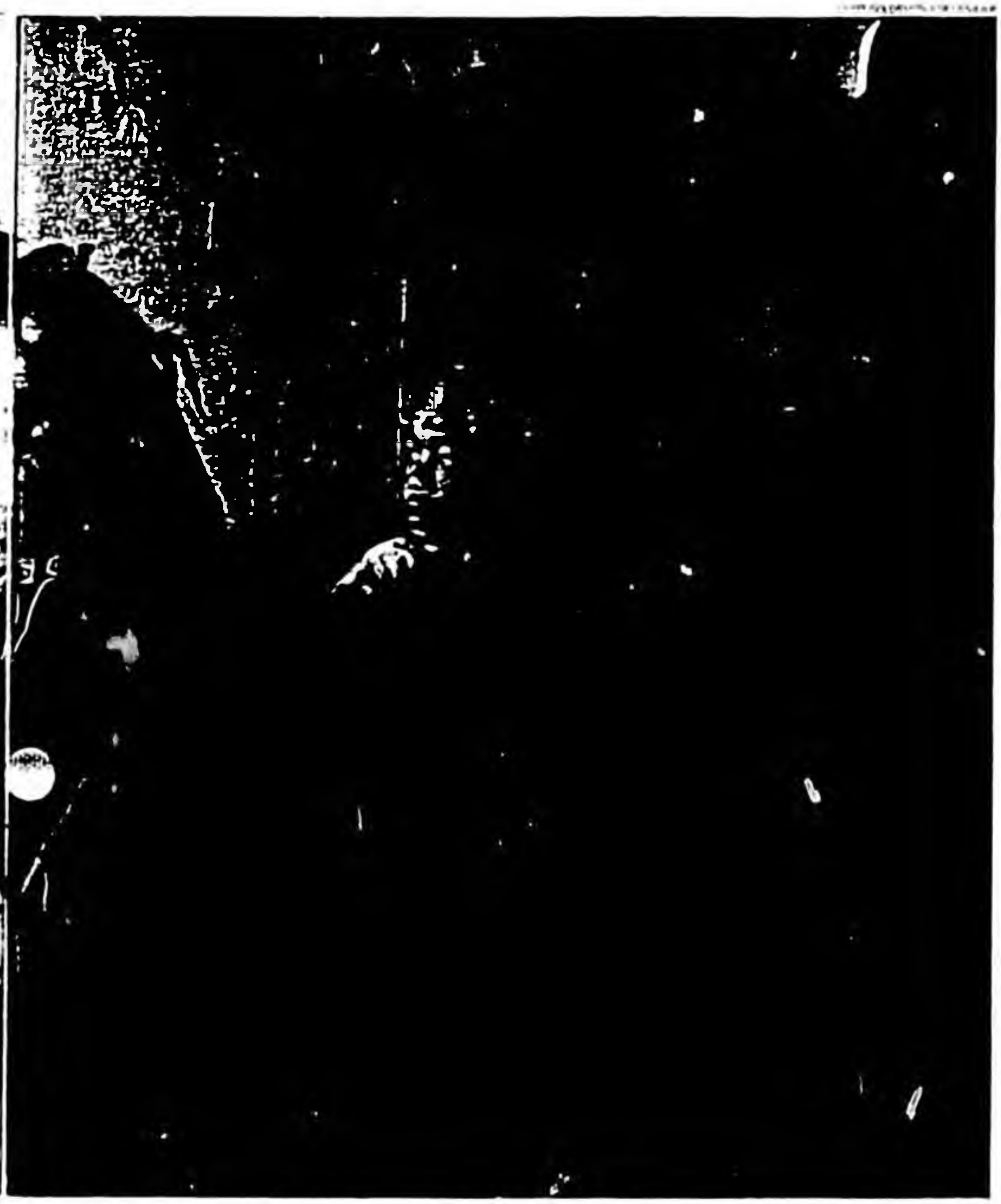
ALASKA LEGISLATURE 1496

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996



LACK OF EDUCATION. **Aletha Townsend of Grand Rapids, Mich., at home with three of her children, has taken adult-education classes for 10 years but still has no diploma.**

sion are rife, and women with bruised faces and broken limbs call in sick because their boyfriends have beaten them. Researchers say 25 to 40 percent of long-term AFDC recipients have handicaps that prevent them from holding a full-time job. Finally, many of those who have never had a job have never learned the work ethic. A woman in Grand Rapids, Mich., skips work to get her cable TV hooked up; another in Riverside, Calif., shuns jobs with early starting times because "I'm not a morning person."

Still, both parties pledge to put many AFDC recipients to work. The House Republicans' "Contract With America" vows that by 2003, half the adults on AFDC – 91 percent of whom are women – would be required to work 35 hours a week, usually in exchange for their benefits. The House Republican Conference projects that by 2001, the contract would require 1.5 million AFDC recipients to work, 29 percent of the total and 60 times the number working today. Clinton's plan seeks to limit aid to two years and expand education and training. It aims to put 200,000 recipients in public service jobs by 2004.

To examine the realities of welfare and work, *U.S. News* sent reporters to four states – California, Illinois, Michigan and Wisconsin. Republican Govs. Pete Wilson of California, John Engler of Michigan and Tommy Thompson of Wisconsin have earned national acclaim for getting AFDC recipients into jobs and are now seeking greater state control over welfare. Yet even in their states, comparatively few women on welfare work a full week, and most women still do not work their way off the dole.

U.S. News talked with women who have been on welfare for at least two years at any one time; their families constitute 72 percent of those on the rolls. Unlike the many mothers who use welfare to weather a divorce or illness, these women cycle on and off AFDC or remain on it for long stretches. A closer look at these long-term dependents and the obstacles they face suggests that neither party has acknowledged how hard it is for many recipients to move from welfare to work.

HURDLE 1: SKILLS AND APTITUDE

Two thirds of AFDC recipients who have been on the rolls for more than two years have not graduated from high school, and the average adult on welfare has eighth-grade reading and math skills. A 1994 paper by the Manpower Demonstration Research Corp. (MDRC), which evaluates welfare-to-work programs, found that 34 to 40 percent of all AFDC recipients tested at the "least proficient" literacy level. That means they could not find an intersection on a street map or figure the total cost of a purchase from an order form.

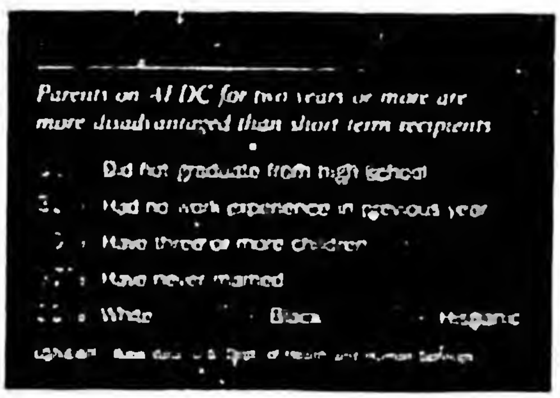
A forthcoming survey of 3,200 employers in Atlanta, Boston, Detroit and Los Angeles by economist Harry Holzer found that only 5 to 10 percent of the low-skilled-job openings in those cities were available to applicants with few skills or work experience. Moreover, says Warrine Pace, a counselor with Project Match, a jobs program in Chicago, some companies that once hired unskilled welfare mothers now insist that all applicants be over [illegible] and have a high school diploma. Employers, she says, say, "I want [a woman] who can type 70 words a minute with Lotus 1-2-3."

The problem, in many cases, is not just a lack of schooling but a lack of aptitude. Most AFDC recipients score too low on intelligence tests to qualify for the armed forces, and nearly half of young AFDC mothers score below the [illegible] percentile for all women. When the mean aptitudes of female workers in different occupations are ranked, the lowest mean score, that of manual operatives – a category that includes gas-station attendants and meat wrappers – is significantly higher than that of welfare mothers.

Aletha Townsend, an unwed mother of five children by four different men, dropped out of high school in the ninth grade and has been on AFDC since 1976. She lives in Grand Rapids, Mich., which has one of the most ambitious and successful job search and placement programs in the nation. Since the Carter administration, Townsend has briefly held one temporary job, inspecting car parts. Enrolled in adult-education courses for 10 years, she still does not have her general equivalency diploma. In 1992, about to have her last child, she quit school because "the math and English got too hard."

Townsend is now in her third Job Club, where she is supposed to be learning the skills she needs to find, apply for and land a job, but her skills are still at about a seventh-grade level. Her second Job Club was in June of last year, but officials cut $100 a month from her grant because the counselors said her "attitude was bad and I wasn't cooperating." Three weeks into another Job Club, she still hasn't called an employer. "I just have to get over my shyness and talk to the people," she says. "I haven't used the phone because I'm embarrassed I'll get turned down while everybody else is happy, saying, 'Look, I got an interview.'"

MAKING EXCUSES. Rebecca Ybarra of Moreno Valley, Calif., with her children Robert and Rayleen, eliminates some potential jobs because she's "not a morning person."



HURDLE 2: EXPERIENCE AND ATTITUDE

It is "Shields Day" at the Job Club in Riverside, Calif., the most touted welfare-to-work program in the nation. A counselor has told 15 clients seated around three tables to draw a shield on a piece of paper. On each drawing, the unemployed men and women write five words that describe something positive in their lives. Rhonda, in a floral-print black dress, says she has "stayed out of trouble." Melanie, sporting a Georgetown Hoyas basketball warm-up jacket, allows that "I use to fool around, but now I've settled down." After each presentation, the Job Club members applaud, waving green pennants for the most impressive tales.

Building self-confidence is just a first step. In the Job Club, Melanie will learn how to write a resume, fill out a job application and talk to a receptionist. Every other day she will spend several hours calling at least five employers that are hiring. Counselors provide gas money and bus passes for job interviews, buy uniforms for clients, arrange and pay for child care – whatever it takes. "I don't give a hot rock how my staff gets people jobs, so long as it's not illegal or inhumane," says Larry Townsend, the county director of social services.

Townsend's aim is to place as many welfare recipients as possible in private-sector jobs quickly. A 1994 evaluation by the MDRC found that the program boosted participants' earnings by an average of $[illegible] over three years, an increase of 49 percent. For every net dollar invested, the program returned $2.84. Yet despite these impressive results, the Riverside program did little to shrink the welfare rolls. Most AFDC recipients did not earn enough to get off welfare. At the end of three years, fewer than half were employed – and just [illegible] percent were both off welfare and working

CARING FOR THE ILL. Bertha Bridges of Detroit, who has been on AFDC for most of the past 15 years, fixes her daughter Angel's hair. Her son suffers from depression.

A government report released last month on seven jobs programs found that two thirds of the participants who had been on AFDC for two years or more earned nothing in the year before they registered for JOBS (Job Opportunities and Basic Skills), the work, training and education program set up under Reagan's Family Support Act.

Many women are hobbled not only by their lack of experience but also by their casual attitudes toward punctuality, dress and co-workers. Caseworkers tell of welfare mothers who believed they could skip work to pick up a free Thanksgiving turkey, did not know it was bad form to wear high-top sneakers and a cowboy hat to a job interview or thought they had to quit work because a child got chickenpox.

Rebecca Ybarra was once employed as a stocker in an electronics-assembly plant, earning as much as $7 an hour. But since she went on AFDC nine years ago, the high school dropout has worked only sporadically. A sign in one Riverside classroom says, "There are no excuses," but Ybarra has plenty of them. She has no phone and says her sister gives her messages too late to return employers' calls. She eliminates some jobs because "I'm not really a morning person" and rules out the 3 p.m.-to-11 p.m. shift because "then I wouldn't get to see my kids." Still, she says she wants to work and hopes her two children will one day look to her as a role model rather than as someone who sits home watching TV "just waiting for a check."

Project Match's Pace says getting off welfare can be frightening. "It's scary," she says. "You're about to leave a system where you know the check is going to come every month." And many women on welfare who do find jobs have trouble keeping them. Project Match officials have found that over a three-year period they can turn up jobs for most welfare mothers. But 70 percent either quit or are fired within a year, and more than half lose their jobs within six months. "The reality," says project director Toby Herr, "is not getting them the job, but keeping them in the labor force."

HURDLE 3: DEPRESSED AND DISABLED

The stereotype of the loud-mouthed "Cadillac queen" doesn't capture the fretful home life of many women on welfare. A substantial minority of AFDC mothers are depressed or anxious and find few diversions besides television. A 1991 analysis by Child Trends Inc., a private research firm, found that the TV is on seven hours or more every day in 35 percent of all AFDC households.

A third of AFDC mothers are disabled, have a disabled child or have a disabled adult living at home. In the recent seven-site JOBS program evaluation done by MDRC, 31 percent of enrollees who had been on AFDC for two years or more said they could not attend a school or training program because they, a child or a family member had a health or emotional problem.

BATTLING DEPRESSION. Caseworkers in Kenosha, Wis., found 22-year-old Kim Towers struggling with depression and referred her to a therapist.

Bertha Bridges, a Detroit resident who has been on AFDC for most of the past 15 years, might be able to work were it not for her depressed 12-year-old son, the middle of three children. At 5, her son was abused by a family friend; the boy has been in trouble ever since. Authorities sometimes send him home from school two or three times a week for profanity, fighting or disobeying his instructors, and he has been

SUFFERING ABUSE. Carmen Mattison of Grand Rapids is training to be a nurse's aide. The father of her first three children is in prison for molesting one of her children.

suspended for fondling several girls. He was institutionalized twice for depression and diagnosed as having suicidal tendencies. Bridges has managed to complete her GED through Michigan's JOBS program, but her son's problems have prevented her from working more than part time. "It's so frustrating," she says tearfully, "not knowing how to help – or how to find it."

Even temporary emotional problems can slow some women's entry into the work force. The best data available indicate that 31 percent of those in public-assistance programs had one or more psychiatric disorders in the past year.

When caseworkers first interviewed Kim Towers, a 22-year-old mother of three in Kenosha, Wis., 10 months ago, they found she was struggling with depression and felt she would never "get anything done with my life." They referred her to a therapist for several sessions, and though she still hasn't found a job, she has nearly completed her GED.

HURDLE 4: DOMESTIC ABUSE. A 1992 study in Washington State found that 55 percent of welfare mothers had been hit, kicked, punched or beaten up by a boyfriend or spouse. In fact, when women find jobs, their good fortune sometimes precipitates a beating from a boyfriend or spouse who feels threatened.

Carmen Mattison of Grand Rapids, who has been on AFDC for eight years, has four children by two different fathers. She says the father of her first three children once threatened to kill her with a kitchen knife when she arrived home five minutes late from a visit to the library because he thought she had been "fooling around" with another man. He is now in prison for molesting Mattison's daughter. Mattison, a high school dropout, has worked only sporadically but is now training to be a nurse's aide and hopes to become a licensed practical nurse.

Many women are worried about abuse not only for themselves but for their children. In the MDRC evaluation of JOBS, 28 percent of long-term welfare recipients said they couldn't go to a school or training program because they feared leaving their children in day care or with a baby sitter.

Princess Rowell, an unmarried mother of three in Milwaukee who has been on AFDC for nine years, ignored three requests from the city's welfare office to look for a job because "I didn't want to trust anyone having my kids. I thought they needed me more than I needed to go out and get a job." For six months she lost half of her $517 monthly grant, though a friend she was living

LEGAL CHALLENGES TO WELFARE REFORM

Courts: The next arena

Even if congressional Republicans agree with Bill Clinton on a plan to reform welfare, a new battle lies ahead in the courts. Aid recipients have won a string of rulings that cutting benefits violates their rights, and while their prospects may be dimmer in today's conservative-dominated Supreme Court, that will not deter lawsuits that could delay or derail some reforms.

Opponents of cuts in welfare argue that the Constitution's clauses guaranteeing citizens "equal protection" under the law and barring the seizure of property without due process mean some aid recipients are entitled to hearings before their benefits can be cut. "There's no right to welfare . . . in the Constitution," replies Virginia's Republican Gov. George Allen, who wants to require able-bodied welfare applicants to work.

Welfare-rights advocates will also challenge "any rule that attempts to impinge on parents' sexual relations and the nature of households," predicts political scientist R. Shep Melnick of Brandeis University, who tracks welfare lawsuits. The courts could scuttle core proposals in the House GOP's "Contract With America" to bar welfare for teens who give birth out of wedlock. Requiring applicants to establish their children's paternity and refusing aid to aliens legally in the United States would most likely be contested, too.

Some reforms being tried by states will get early court hearings. Next week, the Supreme Court will consider a challenge to a California law

JOB OR FAMILY? **Princess Rowell serves breakfast to her children in Milwaukee. She avoided a training program because she thought they needed her more than she needed a job.**

with helped cover her expenses. Finally, Rowell entered a high school equivalency diploma program, but she dropped out for a month after she got pneumonia and had a bout of depression. She is now back in the program and speaks with pride about doing her homework at night with her kids. "Every morning," she says, "they ask me if I'm going to school today."

HURDLE 5: DRINKING AND DRUGS

A Department of Health and Human Services study released last month found that 16 percent of welfare mothers have substance abuse problems that are likely to require treatment in order for the women to succeed in job-training programs. In Wisconsin, the No. 1 suggestion now advanced by state administrators for boosting JOBS's impact is to require treatment for drug and alcohol abusers.

Caseworkers often suspect drug and alcohol use among welfare mothers, but it's often hard to confirm. Betty Bass of Detroit went on AFDC in 1965 at age 15, when she had the first of four children, and she has been on public assistance most of the years since. She started drinking heavily and using drugs in the 1970s, when she married an abusive man who also used drugs.

During much of the 1980s, she was in and out of jail for passing bad checks, breaking and entering and cocaine possession, and in 1984 she was fired from a temporary job as a nurse's aide after she went to prepare afternoon baths and passed out in a drunken stupor. By 1992, she was "drinking 24-7" – 24 hours a day, seven days a week – sleeping in bathrooms in abandoned buildings and guzzling pints of liquor.

It may have taken decades, but Bass could still become self-sufficient. Last year, after getting out of jail, she entered treatment, and in March she started working at a cab company, logging calls on a computer for $4.96 an hour. Her caseworker has arranged to pay for repairs to her 1986 Mustang and got her a $40 pair of glasses so she could see the computer screen better.

HURDLE 6: UNWED TEENAGE MOTHERS

The most controversial provision of the Contract With America would prohibit mothers age 17 and under from receiving AFDC and housing benefits if they had children out of wedlock. Yet as a number of conservatives have pointed out, there is no evidence that the government knows how to persuade expectant fathers to marry or how to deter teenage girls from getting pregnant.

Michigan at least is trying. It is one of only eight states that require a minor parent to live at his or her parent's home to receive AFDC – unless the par-

that prevents new residents from collecting more aid than they received in their former states. The case was filed by attorneys for women such as DeShawn Green, a mother of two who moved from Louisiana, where she got a monthly welfare check of $190, to California, where she would be denied the standard $624 if the law is upheld. Green says she needs the increase to meet California's higher cost of living.

Invisible wall. Lower courts have ruled that the state violated a constitutional "right to travel." States may not erect an invisible wall against interstate migration in the form of discriminatory treatment of newcomers." Green's attorneys argue to the Supreme Court. "Newcomers who are welfare recipients," replies the conservative Washington Legal Foundation, can "adjust to cuts through their choice of communities and lifestyles."

Another court fight is underway in New Jersey, which wants to bar additional aid for women who give birth while on welfare – another GOP contract idea. (The case is known as "the $64 question" because New Jersey provides women on welfare with an extra $64 a month when they bear another child.) Opponents argue that the measure would unlawfully interfere with women's right to bear children, and that both the law and the GOP contract discriminate against the young. The Clinton administration backs the state's argument that the law does not discriminate because aid goes to family units to allot as they wish.

"Someday, food, shelter and health care will be recognized as a constitutional right, but not in the foreseeable future," says constitutional law expert Erwin Chemerinsky of the University of Southern California. That means the battle over welfare reform is sure to create new jobs – at least for lawyers.

BY TED GEST

■ U.S. NEWS

ent's home is unavailable (e.g., the parent is dead) or unsuitable (e.g., the parent is abusive). To date, the measure has not appreciably reduced the number of young, single mothers on AFDC.

Kiki Lee, 18, of Grand Rapids, had the first of her two children when she was 14. But because her mother was using Lee's AFDC grant to buy crack cocaine for herself, the Department of Social Services allowed Lee to move out at 15. A caseworker from Kent County's award-winning teen-parent program then intervened to help Lee, whose 4-year-old son, Duane, has the mental capacity of a 9-month-old. Recently, he took his diaper off and urinated into the oven. Lee's caseworker found specialized day care for Duane, and each weekday Lee bundles him into a special carrier that restrains him so he can be picked up for school. The county also provides a "traveling granny" for Lee, an older volunteer who has helped her locate cheap apartments and taught her to cook.

Despite the help, Lee – who has never worked – isn't going to be self-sufficient anytime soon. A little more than a year ago, she enrolled in a Job Corps center, but a girl who lived near the center found out Lee had been talking to her boyfriend and smashed her head with a metal bat. "The alcohol saved me," says Lee, who confesses to sharing eight cigar-size blunts of marijuana with friends earlier that day and downing a glass of Kiwi lemon "Mad Dog" wine. After getting 30 stitches in her head, she dropped out of the Job Corps. She is now in a GED program but won't finish for several years. "If they cut us off aid," she says, "I don't know what I'd do."

HURDLE 7: MONEY AND MANPOWER

Michigan Gov. John Engler, a champion of giving the states more responsibility for welfare, says that in his state "welfare reform means work." But of the 206,000 families on AFDC in Michigan last September, just 47,000 families – or about 23 percent of the caseload – were active in the state's JOBS program. Most of those participating were in school, though roughly 1 in 5 was being assessed and oriented and developing a plan to find work. Fewer than 1 percent – roughly 1,300 individuals – were in workfare slots, toiling in exchange for their grants. A new evaluation by Abt Associates of Engler's 1992 AFDC re... ound that one year after implem... its initiative had increased ... tion of AFDC adults who ... ey only 1.7 percentage point... the welfare rolls by 1 percent...

The pattern in Michigan ... hunting JOBS clients into classrooms and job searches is repeated across the nation. It persists, in part, because workfare jobs are expensive to create and hard to monitor. The Congressional Budget Office projects that the average annual cost of filling a 35-hour-a-week workfare position in 1999 will be roughly $8,000, about half of which will go for child care. That is more than 10 times the cost per client of Riverside's jobs program.

Caseworkers in Michigan say that when they have tried to expand workfare placements, union representatives – fearing their members will be displaced – have bombarded the social-services department with grievances. It also is hard to see how caseworkers could take on the added responsibility of creating jobs and monitoring the performance of tens of thousands of welfare mothers. In one Detroit field office, six caseworkers each have an average of 246 JOBS participants to track, and one person is responsible for creating workfare slots for the 1,500-person caseload. A program official says the situation "borders on the absurd."

Simply getting welfare recipients to show up for an initial assessment can take several phone calls, threatening letters and paperwork to sanction uncooperative clients. The JOBS program in Kent County, Mich., unlike others, can provide free child care, transportation, drug treatment and other services on demand to all those required to participate in the program. And if a job program can flourish anywhere it is in Kent County, which has a labor shortage and an unem-

BEATING THE BOTTLE. Betty Bass of Detroit logs phone calls for a cab company for $4.96 an hour.

TEENAGE MOTHER. Eighteen-year-old Kiki Lee of Grand Rapids with her 4-year-old son, Duane, who is severely mentally impaired, and 2-year-old Shantavia. She left the Job Corps.

ployment rate of 4 percent. "We feel we have offered people a tremendous opportunity that costs them nothing," says program supervisor James Poelstra.

But Poelstra can't do much about the clients who don't seem to mind having their grants reduced (on average by about $100 a month) for failing to participate. Typically, if program officials schedule 50 people for a Job Club, 25 will show up. Then they reschedule the 25 who didn't show and 10 to 15 will come the second time, and so on. The MDRC study found that after six months, 68 percent of the clients referred to the JOBS program in Grand Rapids eventually attended an orientation meeting. That "show rate" is much higher than average.

While the obstacles that long-term welfare dependents face are daunting, they are not always insurmountable. Many Americans without high school diplomas work every day, and immigrants who speak no English often do, too. Seriously disabled individuals hold full-time jobs, and many employees drink too much or abuse drugs. Some women on welfare candidly allow that they could work more if they wanted to.

While work programs rarely operate the way politicians promise and voters have been led to expect, that does not mean nothing can work. Chronic recipients may take more than two years to become self-sufficient, but most eventually will leave welfare as they move in with boyfriends or spouses, their children enroll in school or they find jobs. And if the goal of reform is to make more welfare mothers work at least part time, then jobs programs can help, too.

Since 2 out of 3 AFDC recipients are children, cutting off benefits to parents might well compound their families' problems. In 1992, GOP congressional leaders sought to try competing reform approaches by authorizing a series of radical experiments at the state level. At relatively little expense, it would be possible to field-test the GOP contract, Clinton's competing proposal and other new ideas. The Department of Health and Human Services has already authorized waivers for 26 states to try various reform schemes, some of which are quite far-reaching. But the results of these experiments won't be available for several years, so a reform-by-trial strategy would require politicians to defer national reform. That might not win many votes, but it could just work. ■

BY DAVID WHITMAN IN MICHIGAN WITH DORIAN FRIEDMAN IN WISCONSIN, [illegible] IN [illegible] AND [illegible] IN CHICAGO

WELFARE

THE MYTHS OF CHARITY

Philanthropic groups are heavily dependent on the government and already overburdened

If Congress and the White House both want to cut spending for social programs, who will house the homeless, feed the hungry, care for the sick and help the poor? With many states and cities facing their own budget crunches, House Speaker Newt Gingrich says private charities should pick up much of the burden. "I believe in a social safety net, but I think that it's better done by churches and by synagogues and by volunteers," Gingrich told an interviewer.

In fact, it is highly doubtful that charities could pick up all or even most of the slack from the $76 billion to $450 billion in spending cuts now being proposed by Democrats and Republicans in Washington. The federal government, after all, began weaving a social safety net because states and cities, not to mention

WORKING OUT. Beatrice Glaberson exercises at the Council for Jewish Elderly's adult day-care center in Evanston, Ill., a suburb of Chicago.

churches, synagogues and volunteers, could not cope with the Great Depression, urbanization, increased mobility, runaway health care costs, a swelling population and a declining sense of community in America.

Since the 1960s, private charities have become one of government's chief service providers. They are favored for their efficiency, and tax money has enabled them to serve more people. Nationally, charities now get about 30 percent of their funding from government, and many programs get more than half their money from government. Some, such as nursing homes and orphanages, can rely on government for at least 75 percent of their funding.

A look at the Singer Transitional Residence, a long-term shelter, and other social programs affiliated with the Jewish Federation of Metropolitan Chicago shows why charities are not prepared to take on a sizable new population of people in need.

RECOVERING ADDICTS. Raymond Holland and Corliss Holeman, both fighting cocaine habits, at Mount Sinai Hospital's Parenting Institute. Between them, they have nine children.

The Chicago federation, the nation's 57th-largest charity, supports cradle-to-grave programs – from therapy for babies of crack-addicted mothers to subsidized housing for the elderly. Last year, it received $23 million in government funds and raised an additional $27 million to pay for social-spending programs by its affiliated charities. The Singer shelter pays 92 percent of its total costs – from food to night staff – with public money. (President Clinton last month proposed eliminating the shelter's key federal grant.) "It doesn't take much rocket science to figure out that if the resources at our disposal are cut, we will serve fewer people," says the federation's Joel Carp.

The belief that charities can take over from government is rooted in two myths:

MYTH 1: CHARITIES PROVIDE A PRIVATE SOCIAL SAFETY NET

Federal and state transportation grants paid for the $26,000, dark-blue van, one of 19 belonging to the Council for Jewish Elderly, that picks up 80-year-old Beatrice Glaberson every morning and takes her to an adult day-care center in Rogers Park. The program provides Glaberson with intellectual stimulation, which has helped her recover from a stroke. "It gives you something to do," she says, "instead of sitting at home, watching television, playing solitaire and eating candy."

Glaberson's own day-care bill is largely paid by Medicaid. Chicago's 469-bed Mount Sinai Hospital, which is affiliated with the Jewish Federation, receives less than 1 percent of its funds from private donors, and 80 percent of its patients are on public health insurance.

MYTH 2: A GOLDEN AGE OF CHARITY CAN BE REKINDLED

Before the New Deal, there was a golden age of "neighborhood helpfulness," argues David Beito, an assistant professor of history at the University of Alabama. "When there was an accident in a plant, workers would all contribute to help the family," he says. "Today, people don't feel a need to do that. They think, 'I pay taxes for that. There's a program to take care of that.'" Reducing the size of government, Gingrich and others believe, will rekindle American generosity.

University of Pennsylvania history Prof. Michael Katz, however, says government has long supported the needy. The 13 original Colonies provided public relief, he says, and his study of welfare in Buffalo in the 1890s found that up to 75 percent of the programs were government funded.

If government has played a larger role in welfare than Gingrich supposes, Katz wonders if private donors are as ready to assume more of the burden as the House leader thinks. Experts dispute whether contributions to charities have gone up or down slightly in the past few years. But between 1963 and 1993, charitable giving soared from $70 billion to $126 billion, adjusted for inflation, according to the American Association of Fund-Raising Counsel. And Robert Bothwell of the National Committee for Responsive Philanthropy says some 30,000 new groups are formed each year "to deal with new issues and problems."

Gingrich has suggested more-generous tax deductions to spur people to give more to charity. But if it took 30 years for charitable giving to increase by $56 billion, it is hard to imagine that private donors can come up with at least $76 billion to take up the slack from Uncle Sam. Says Katz: "To think Americans will spend a tax cut on the poor, instead of at the mall, is a very generous interpretation of American character." ■

By Joseph P. Shapiro in Chicago with Jennifer Seter

(D)

Contrasts. *Conventional wisdom in recent years is that the rich got richer and the poor got poorer in the 1980s. It's only half right.*

The poor aren't poorer

Liberal researchers rebut a popular lament and applause line of the '90s

America, land of opportunity, is fast becoming America, land of inequality – at least according to the conventional wisdom now enshrined in news stories, government reports and campaign speeches. Bill Clinton has said that "I believe with all my heart that I was elected on a commitment to bring an end to ... an economic policy that makes the rich richer [and] the poor poorer." In the past five years, reporters cited the fear that the rich are getting richer while the poor grow poorer in more than 600 stories, and a poll in December confirmed 81 percent of adults share that belief.

As is often the case with the conventional wisdom, it is half right. Over the past two decades, the rich generally have prospered and the annual incomes reported by Americans have become more unequal. But research by a number of prominent scholars – most notably sociologist Christopher Jencks of Northwestern University – suggests that much of the accepted wisdom about the poorest households is wrong. The revisionists, many of whom share Jencks's liberal leanings, contend that the tax changes and domestic-program cuts of Ronald Reagan and George Bush did little to increase inequality; in fact, income inequality and poverty levels are significantly lower today than earlier in the century. In a series of forthcoming studies, Jencks and his colleague from the University of Chicago, Susan Mayer, show that in many respects the material lot of poor families actually improved during the past two decades. "Rich families with children do seem to have grown richer," says Jencks. "But poor families with children did not necessarily grow poorer."

Misleading numbers. At first glance, census statistics on poverty appear to refute him. In 1969, 14 percent of American children lived below the official poverty line; that figure rose to 21.9 percent in 1992. Moreover, families with children at the bottom of the U.S. income distribution experienced a 22 percent decline in inflation-adjusted income from 1973 to 1987. Yet as Jencks points out, such oft cited numbers are at best incomplete – and at worst misleading – since they are based on annual incomes reported by the poor.

Jencks. *The iconoclast*

One reason the numbers lie is that the poor often receive in-kind aid (particularly food stamps) that is not counted as income in official poverty statistics. On average, food stamps provided about 10 percent of the total family income of poor children in 19[illegible]. And as most consumers know, two families with the same reported income one year may live quite differently over time because their extended families –

and their borrowing, saving and taxes—differ.

Above all, annual income is a misleading measure of well-being because of a nettlesome little secret: Many poor families substantially underreport their incomes. Often, the poorest families conceal money they earn at odd jobs or receive from friends and family to ensure that they remain eligible for welfare benefits and to reduce tax liability. In fact, Jencks and Mayer's research documents that for more than a quarter of a century, America's poorest households have spent far more each year than the total income they have reported receiving, and the gap between consumption and reported income has grown in recent decades. In 1988-89, the poorest 10th of all households with children reported a mean income of $5,588, but Jencks and Mayer's analysis of government data shows that the same group of households acknowledged spending an average of $13,558—more than *twice* their reported income.

By looking beyond the official poverty statistics, Jencks and other scholars present a fuller picture of the poor. Their research answers a number of fundamental questions:

■ **Has the material well-being of poor families with children deteriorated in the past two decades?** No—on the whole. Consumption and income among low-income households went in opposite directions during the 1980s. The mean income of the poorest 10th of households with children fell 4 percent in real terms, from $4,935 in 1979 to $4,745 in 1989. But the mean amount consumed by these households during the Reagan-Bush years *rose* 13 percent, from $12,022 in 1980 to $13,558 in 1988-89.

The disparity is especially important, says Jencks, because consumption and living conditions of low-income Americans provide a more realistic assessment of the material well-being of the poor than does income. The Jencks-Mayer research shows that consumption among the poorest 10th of households with children has edged upward a hair since the early 1970s; their living conditions and access to medical care also mostly improved. By 1990, households in the lowest decile were more likely to have at least one room per person, a complete bathroom, air conditioning, central heat, telephone service, a dishwasher and a clothes dryer (table). And members of low-income households actually saw doctors more often than did middle-class individuals throughout the 1980s. In 1989, members of households making less than $10,000 a year averaged 6.8 doctor visits; those making more than $35,000 a year averaged 5.4. However, most such improvements in material well-being took place from 1969 to 1979.

A portrait of progress by the poor on some fronts

Researchers now find that the federal tax and spending changes made by the Reagan and Bush administrations did little to increase income inequality. They argue that many poor families improved their economic conditions in that decade, especially as measured by their consumption spending and their use of major modern household conveniences.

■ **Consumption table**

	Income	Consumption	Consumption as a share of income
1972-73	$7,488	$13,544	181%
1980	$6,465	$12,022	186%
1988-89	$5,588	$13,558	243%

■ **Percentage of households in lowest 10th of income with children with:**

HOMEOWNERSHIP	
1970	37.3%
1980	33.3%
1990	33.9%

COMPLETE BATHROOMS	
1973	90.4%
1981	94.4%
1989	96.6%

AIR CONDITIONING	
1973	29.0%
1981	38.2%
1990	49.4%

CENTRAL HEAT	
1973	56.2%
1981	67.7%
1990	72.0%

USN&WR – Basic data: "Trends in the Economic Well-Being of Children" by Susan Mayer and Christopher Jencks

concluded it was "simply not true" that "the poor were literally getting poorer over the last decade or two [or] that the incomes of the rich were skyrocketing."

But there is also bad news. First, the rate of upward mobility has not improved; second, very low income households tend not to move very far out of poverty. Research by Thomas Hungerford of the General Accounting Office shows that after averaging incomes, 60 percent of those in the bottom 10th in 1979 were still in the lowest decile in 1986.

■ **Is there less upward mobility among the poor today than two decades ago?** No. During the past two decades, the rate of upward mobility has essentially remained constant. The good news is that there is substantial mobility out of the bottom of the income distribution, and the poor, on the whole, have tended to get richer over time. One analyst, Isabel Sawhill, who now works in the Clinton administration, co-authored a study that found individuals who started in the lowest fifth in 1977 increased their average family income 77 percent by 1986; those who started in the top fifth increased average family income by 5 percent. She 9 in 10 had climbed no higher than the 30th percentile. "Rags-to-riches success stories," he concludes, "are fairly rare, as [are] riches-to-rags sob stories."

Other studies, such as those by Greg Duncan at the University of Michigan, have failed to find any net change in persistent poverty among black or white children from 1967-72 to 1981-86. More recent research by Duncan and two analyses in the May *American Economic Review* indicate there may have been a slight uptick in long-term dependence on welfare in the late '80s, notably among black children and young women. But for poor families, the big picture is that the big picture didn't change. In the '80s, dependence, persistent childhood poverty and upward mobility were nearly the same as in the '70s.

■ **Did most of the growth in income inequality in the 1980s stem from tax breaks for the rich and cuts in social programs?** No – although Reagan's tax-and-spending policies made matters somewhat worse. The rise in income inequality started in the mid-1970s and took place in Canada and some European nations, too. "Most of it was due to "increased inequality in pretax earnings, and it is hard to blame that increase on any deliberate government policy," says economist Paul Krugman in his new book, *Peddling Prosperity*. Krugman, a *U.S. News* contributing editor, claims that Reagan and Bush should be blamed "only a little bit" for the rise in inequality.

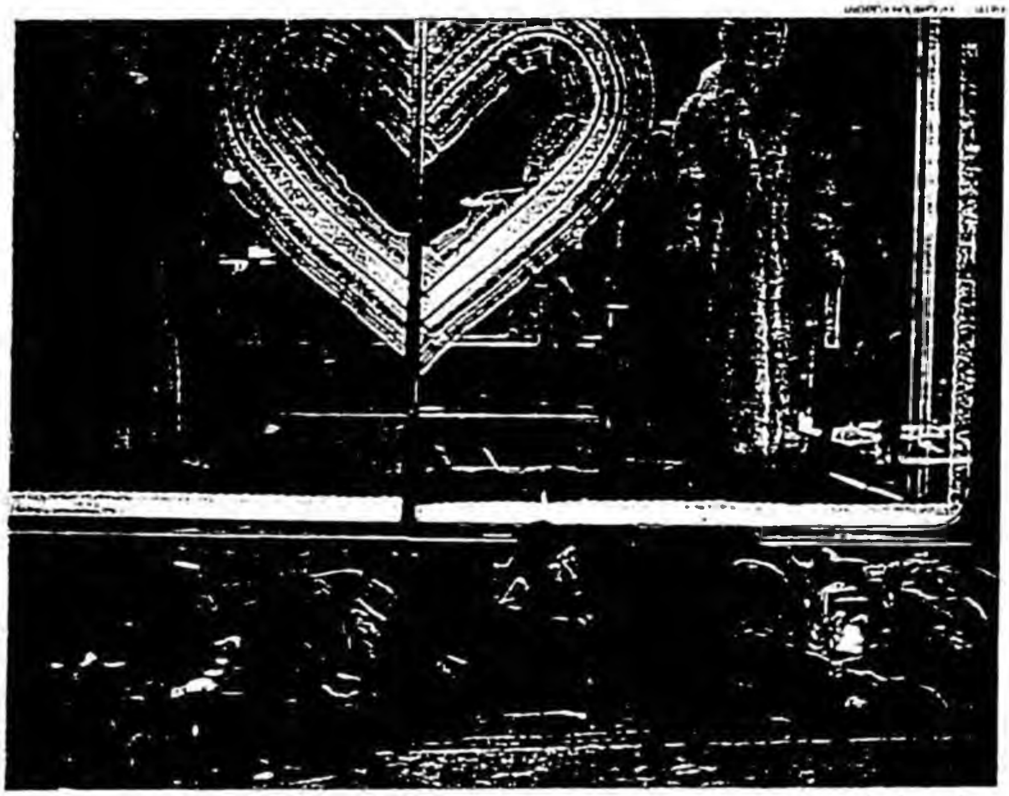
The truth is that no one has a really compelling explanation for why wages have become more unequal since the energy crisis of 1973. Most economists [illegible] trends such as the spread of technology and the globalization of world trade as factors that placed a premium on well-educated workers. Still, if the Republicans' policies had little impact on wage inequality, an important corollary is that Clinton-administration fiscal policies – including last year's tax increase on the wealthy – may do little to narrow the gap.

numbers are so high that the authors contend they seem "unreasonable". Americans today, they assert, have greater expectations than their forefathers about standards of living. Even so, they conclude, the standard of living among the poor plainly rose in the long term.

■ **Does underreporting of income by the poor mean that the extent of poverty in America is grossly exaggerated?** Not necessarily. Jencks and Mayer's results pertain only to households with children, so they say nothing about what has happened to the poorest of the poor – the

reported they had a mean per capita income of [illegible] a day to cover expenses.

It's important to remember, too, that not all income is created equal. In the case of poor children, more and more family income comes in the form of a welfare check and less in the form of mom's or dad's paycheck. A study last year by Leif Jensen and his colleagues at Pennsylvania State University found that in 1969, poor children lived in families that drew 53 percent of their mean income from earnings and only 18 percent from public assistance. By 1989, the pro-



Familiar image. *Poor families' material gains in the last decade were not shared by the homeless.*

■ **Are inequality and poverty at unprecedented levels?** No, far from it. A recent study by Eugene Smolensky and Robert Plotnick for the Institute for Research on Poverty at the University of Wisconsin suggests that income inequality peaked around 1932. They conclude that "inequality was greater in the first three or four decades [of the century] than any period since." Yet the public has a tendency, as Jencks puts it, to mistakenly believe "that the rise in inequality is an inexorable trend line, with everything ultimately leading up to us."

One illustration: In 1992, 14.5 percent of the U.S. population lived below the official poverty line. Yet Smolensky and Plotnick found that at the turn of the century, 70 to 80 percent of all Americans lived in poverty, and half did so by the end of the 1920s. Only after the economic boom of World War II did the poverty rate fall below 30 percent. Those

homeless – or about changes in the lives of one especially troubled group, impoverished single males. As it turns out, even among households with children, homeownership in the bottom decile has plummeted: 37.3 percent of families owned their homes in 1970, but 23.9 percent did in 1990. The Jencks-Mayer data also capture only part of children's living environments: they do not quantify how today's poor child differs from his predecessor in terms of what he learns from his parents, television and music, or in his prospects for encountering street crime and growing up without a father at home.

Jencks himself explains his findings by saying that "poor households may have more income than we thought, but the poverty line ought to be substantially higher, too." In 1989, he says, the bottom 10th of households with children

portion of family income derived from earnings had fallen to 46 percent and the proportion derived from welfare had doubled. As more poor children become dependent on welfare, more may also run the risk of being isolated from middle-class communities and mores.

The truth is that voters have often shown a fatalism about the nation's economic system. While 81 percent of American adults currently believe that the rich are getting richer as the poor get poorer, an almost identical proportion (76 percent) held the same conviction in 1980 – before Ronald Reagan took office and the so-called decade of greed began. For better and worse, the fairness and inequality of the American economy are still gauged partly through the eye of the beholder. ■

BY DAVID WHITMAN

Idaho Statesman (I).
February 6th, 1995

Poorest get best insurance

Medicaid aids those in need, but that means others fall behind

By Colleen LaMay
The Idaho Statesman

The poorest Idahoans have better health-insurance coverage than you do.

Disabled or poor people who qualify for Medicaid get free doctors' visits, free hospital care, free prescription drugs, free vision care and, for children, free dental care.

Meanwhile, many working-class folks have seen their coverage shrink and their premiums rise in recent years.

"It's ironical, and it isn't fair," said Rep. Bruce Newcomb, R-Burley, majority leader in the Idaho House. "Your taxes are going to subsidize people with lower incomes to get better health insurance than you can get."

Nothing is likely to change this year. State lawmakers are waiting for a signal from Congress, which has vowed to give all states more leeway in how they spend federal money, including Medicaid money.

Idaho's Medicaid program is funded through taxes — 70 percent federal taxes and 30 percent state taxes.

In the past nine years, Idaho's Medicaid costs have more than quadrupled, to $329 million, and the number of people who qualify for free care has risen 167 percent, to 32,300.

State lawmakers and health officials blame the increase on Congress' orders to cover more and more people.

Cost-saving ideas

The state Department of Health and Welfare is thinking up ways to control costs in what already is one of the skimpiest Medicaid programs in the nation.

Among the possibilities: Tightening income and other eligibility criteria, and requiring the poor to pay at least a little toward their care.

"My feeling is that everybody ought to make a payment of some kind for every service they get," said Grant Ipsen, R-Boise, chairman of the Senate Health and Welfare Committee.

"I don't care whether it's 50 cents or $5," he said. The issue is one of personal responsibility, he said. "We've done a great job of educating people to rely on somebody else or something else."

Jim Greenwood, a 41-year-old Boisean with epilepsy, wants to be responsible for his own health care, as Ipsen suggests.

The problem is that he can't find a job. No one will hire him.

"It seems the overall attitude is, if you have anything wrong, we don't want you," said Greenwood, who lives on about $600 a month in disability and other benefits.

"I'm not exactly a stupid individual," Greenwood said. "I do have a college education."

Greenwood's degree is in radio and television production, he said.

Now, he volunteers at the non-profit Idaho Citizens Network, answering phones and doing light office work.

To control the epilepsy that has plagued him since he was a child, Greenwood swallows dozens of prescription pills each month. He's not sure how much they cost, because Medicaid picks up the tab.

Many Medicaid patients can't afford to contribute to their own care. To qualify for the free care, people have to meet strict income and other criteria that differ by program.

Ann Kirkwood, Health and Welfare spokeswoman, gave this example: A woman with two children who lives on $621 a month in AFDC welfare payments and food stamps qualifies for Medicaid automatically.

"She's poor," Kirkwood said. "You're looking at an individual who must make choices about, 'Do I pay the heating bill, or do I buy medicine for my children?' Those are basic survival choices."

Covering the elderly

It's not young women and kids who are draining the Medicaid budget, anyway. The biggest chunk of Medicaid — about 30 percent of the budget in 1993 — covered the bills of elderly people in nursing homes.

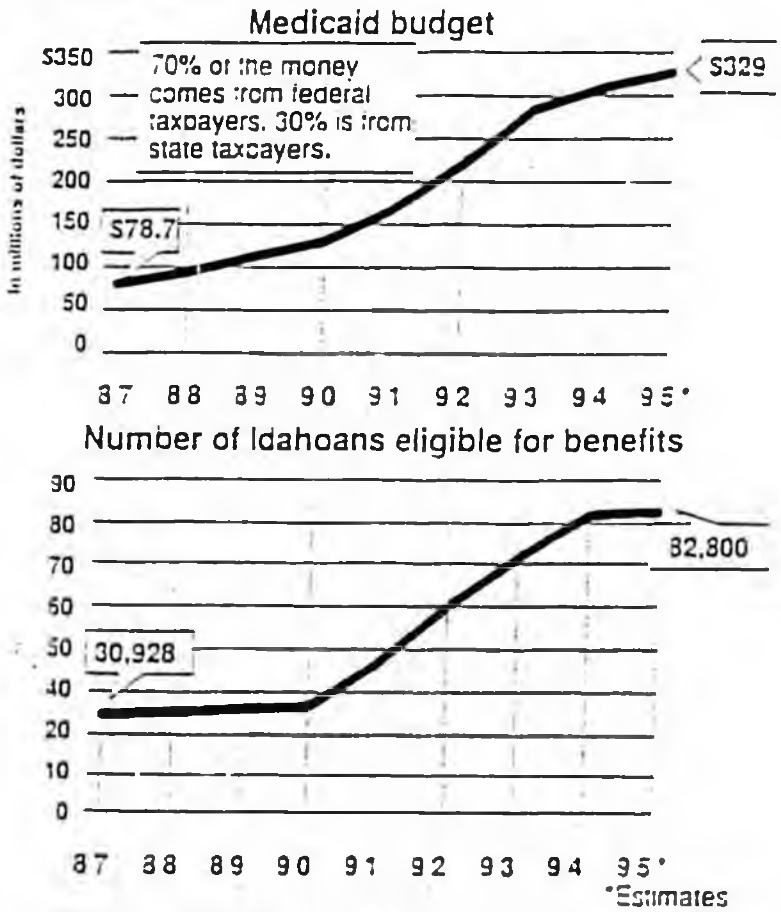
Most private health insurance doesn't cover long-term stays in nursing homes.

If he lost his Medicaid benefits, Greenwood isn't sure what

See Medicaid/2B

Skyrocketing Medicaid costs

In the past nine years, the cost of providing health-insurance coverage to poor Idahoans has more than quadrupled. The number of people who qualify for help also has increased dramatically, from 30,928 in 1987 to 82,800 this year.



Source: Idaho Dept. of Health & Welfare

Medicaid/ From 1B

he'd do. "That's a good question," he said. "There is no such thing as a free clinic in Boise. I don't know what I'd do."

Greenwood's boss at the Citizens Network, Roger Sherman, doesn't believe the answer to Idaho's Medicaid dilemma is cutting the benefits of the poor.

Instead, everyone should get the same comprehensive coverage, he said.

"Now it's a fairness issue, because we've designed a good system and made it available to poor people," Sherman said.

"We have a lousy system we make intermittently available to everyone else."

TRENDS

Putting Welfare On the Clock

Setting a time limit for welfare benefits is an easy idea to sell. But nobody is quite sure how it would work.

BY PENELOPE LEMOV

Talk about consensus: The vote in the Republican-controlled Iowa House was 99 to 1; in the Democrat-led Senate, it was unanimous. This was not on a question of whether motherhood was good for the state of Iowa. Rather, it was on the very touchy question of welfare reform in general and a controversial approach to that reform in particular. The Iowa legislature was voting to limit the length of time a family can stay on the welfare rolls.

Welfare time limits are turning out to be a legislative hit everywhere they come up. Besides Iowa, they have been part of welfare reform proposals enacted in four states this year. Wisconsin, Colorado and Florida are all seeking waivers from the federal government to move ahead with demonstration programs in which adults would have two years to receive benefits before they had to get a job and be off welfare. Vermont has already received a federal waiver for a 30-month welfare time limit. Iowa got a waiver this summer for its plan to impose a flexible limit that will be set by social workers on a case-by-case basis. Meanwhile, several other states have placed the time-limit issue on their agendas for the coming year.

All of this is going on while the Clinton administration labors to draw up its own federal welfare reform bill to be sent to Congress sometime next year. The president has cited time limits repeatedly as a possible means by which the federal government and its state partners could, as the president has pledged, "end welfare as we know it."

The states are not, however, slowing down to stay behind Washington's lead. They have a strong fiscal incentive for proceeding on their own—they pay 50 percent of the freight for Aid to Families with Dependent Children (the basic "welfare" grant) and about that much for Medicaid, the health care coverage that accompanies AFDC. There is also a strong political incentive. Voters are angry. They are convinced that the welfare system is broken, that welfare recipients should accept more responsibility in exchange for their benefits, and that the states are as responsible as anyone—perhaps most responsible—for cleaning up the mess. "Joe and Sally Smith don't know the feds run welfare," says Kathy Keeley, of the Corporation for Enterprise Development, who has been running focus groups on the subject all over the country. "All they know is that they have to deal with the problems that welfare and poverty create."

Welfare reform as a national issue has never really gone away, and it surged to public consciousness in the late 1980s with passage of the federal law that keyed in on providing education, training and child care so welfare recipients could seek decent jobs. But the current wave of interest in time limits and tougher standards was born at the state level in 1991, when three big-state governors all proposed ways to deal with their rising caseloads through strict new rules that moved far beyond the largely painless incentives contained in the 1988 law.

In Maryland, Governor William Donald Schaefer proposed, and the legislature eventually passed, a bill that reduced welfare payments if parents did not pay their rent, keep their children in school and keep up childhood vaccinations. California considered a plan by Governor Pete Wilson to award teenage parents higher benefits if they attended high school—but also to reduce benefits if they dropped out. Then came New Jersey's bombshell: The legislature voted to eliminate the increase in a mother's AFDC grant if she gave birth to an additional child after she went on the welfare rolls. "Once it became clear that these three governors could propose drastic changes in welfare programs without being labeled anti-poor,

Source: U.S. Department of Health and Human Services moist or worse, politicians in other states followed," says Douglas Besharov of the American Enterprise Institute. "The proverbial cat was out of the bag."

Since then, the focus all over the country has been on what is now being called the "new paternalism"—plans that revolve around personal responsibility and use fiscal bonuses and penalties to reward and punish behavior.

TIME LIMITS, IN THEIR WAY, represent a marriage of the new paternalism and the 1988 federal law. They can be seen as a way of adding some powerful sticks to go alongside the carrots that law produced.

But at the moment, for all their political popularity, they are a concept without a blueprint. No one knows what a tough time-limit law would actually do. And there are troubling questions. Will there be enough jobs in the private sector to accommodate all the people forced off welfare who will be looking for employment? If not, as seems more likely, will the states create subsidized work in return for welfare benefits, or will they just kick a family off the rolls? If the only job available doesn't pay the rent, food and clothing bills, will the state step in and subsidize incomes? In the end, might it actually be more expensive than "welfare as we know it"?

"People need to be off welfare rolls and they need to work—everyone agrees with that," says Larry Jackson, Virginia's commissioner of social services. "But it won't cost less. It's cheaper in the short run to hand out a welfare check." Jackson notes that a single mother with two preschool children who works 40 hours a week at a minimum-wage job would earn $8,500 a year. In Virginia, that's $3,500 below the poverty level. It is unlikely that this single mother will be able to afford child care, health care, and transportation to work, all out of the skimpy paycheck. "Do we really believe that this can be done on a minimum-wage job with no subsidy at all from the government?" Jackson asks. "The numbers don't add up."

It seems inevitable that, under a time-limited welfare system, governments at various levels will have to be into the jobs business more intensively than they are now. And they will have to get better at job creation and training. "That's a critical part to running a time-limited system," says Judith Gueron, president of Manpower Development Research Corporation, which evaluates the effectiveness of many state programs.

Some lessons are already being learned from the jobs programs that states began crafting with the enactment of the 1988 federal law. One especially worth looking at is in California's Riverside County, where the results have been impressive. In part, this is because the county has had a strong labor market. But it is also because of the program's message: Riverside encourages quick entry into the labor force. Rather than tilt heavily toward education and training, as most job-placement efforts do, Riverside has concentrated on job-search assistance. Its philosophy has been, in effect, that people on welfare should get a job, any job, because even low-wage employment can lead to better opportunities somewhere else.

When the clock runs out, there has to be a job available that will pay the rent, food and clothing bills.

Even in a program widely acknowledged to be successful, however, many participants remain unemployed. A study by Manpower Development Research found that as many as 46 percent of the welfare recipients assigned to Riverside's program would have exceeded a two-year time limit had one been in effect. So switching to a strict two-year limit would require hard decisions and probably additional spending in Riverside; it would likely require an even more painful adjustment in a community that had not been working as hard at job creation before the limit was adopted.

IOWA DID NOT CHOOSE THE strict two-years-and-off rule other states have voted for. Instead, the state will develop a contract or plan with each family that spells out what steps the head of the household will take to become self-sufficient and what the state will do to help. Under the existing jobs program, the state has allowed those with "good cause"—a transportation problem or a lack of child care, for instance—to use that as a reason for not getting a job. The new approach will eliminate good cause and focus on solving the problem rather than exempting the person from work. Among the tools that will be used to accomplish those goals are one-stop "work force development centers" and expanded versions of the school-to-work programs that have junior high and high school kids whose families are on welfare working with local businesses.

Iowa has 37,000 families on public assistance, out of a state population of 2.7 million people. The state will make an initial investment of $3.5 million in its new program. If all goes well, the state anticipates that enough people will be moved off welfare and into jobs that the system will start saving the state $10 million annually by the third year and close to $60 million annually by its 10th year.

But those savings will depend heavily on four factors. One is the wellbeing of the Iowa economy, which has everything to do with the state's ability to place people in private-sector jobs. The others are health care reform, which could provide affordable health insurance; the availability of state funds for child care; and the effectiveness of a child-support payment recovery program that could add significantly to the income of single mothers.

There are no easy solutions when it comes to welfare. Time limits may not be a solution at all. They may, as Iowans are beginning to realize, create new problems at least as complex and expensive as the ones they were meant to solve. All those problems could be complicated by the federal reform effort, which has the potential to put any state's effort out of sync with new law.

But so far, at least, such fears are not enough to stop the new paternalism from evolving and winning converts in a wide variety of places. As Kathy Keeley, fresh from her focus groups, notes, "Politicians are reframing what they have to sell their constituents. It doesn't matter politically what the feds do. Locals are accountable. People want welfare changed." ◻

Welfare Waiver Ideas: Approved, Pending and on the Drawing Board

Reform Features	States
Individuals required to work or participate in education or training.	Colorado, Wisconsin
Family planning services and parental skills instruction offered by state to all AFDC recipients.	Georgia
Learnfare: Incentives or sanctions aimed at keeping children in school; incentives to get high school diploma or GED; incentives for pregnant or parent teens to remain in school; requirement for teen participation in JOBS education program.	Arkansas[1], California[2], Florida, Illinois, Maryland, Oklahoma, Mississippi[4], Missouri, Oregon, Virginia, Wyoming, Wisconsin
Able-bodied individuals required to work in private or public sector.	Florida, Georgia, Mississippi[4], South Carolina[1], Vermont, Wyoming
Time limits (wide variation in state approaches).	Colorado, Florida, Iowa, Vermont, Wisconsin, Virginia[1]
JOBS participation required.	Illinois, Oregon, Utah
Noncustodial parents eligible for JOBS.	Illinois, Michigan
Education, training or employment-related activities required.	New Jersey
Medicaid and/or food stamps available to those terminated from AFDC.	Georgia, Wisconsin
Certain benefits (i.e. food stamps, child care) provided as cash payment.	Colorado, Mississippi[4], New York[5], Wisconsin
Earnings disregard increased.	Colorado, Florida, Illinois, Iowa, Minnesota, Mississippi[4], New York[5], Vermont, Wisconsin
Asset limit raised.	Florida, Illinois, Iowa, Mississippi[4], Missouri, Utah, Virginia, Wyoming, Colorado
Vehicle, fully or partially, exempted from allowable assets or asset limit raised.	Colorado, Florida, Iowa, Utah, Vermont, Wisconsin
Child support: Payments disregard; disbursed directly to family.	Missouri, Vermont
Child support "assurance" payments to current recipients; custodial parent required to get court order for child support to be eligible for program; child support "insurance" payments to former recipients.	New York[5], Virginia
Family cap: No increase in total AFDC payment for new child born while mother on AFDC.	Arkansas[1], California[2], Georgia, New Jersey, Wisconsin
Payments to new residents the same as in the state where they previously lived (if lower).	California[3], Illinois[1], Wisconsin
AFDC marriage penalty eliminated; stepparent income formula changed.	New Jersey, Virginia
Immunization of children required.	Colorado, Florida, Georgia, Mississippi[4], Maryland
Prenatal, preventive care for children required.	Maryland
Transitional child and/or Medicaid.	Florida, Iowa, Vermont, Virginia, Wisconsin, New Jersey
Support services (child care, transportation, etc.) available to working recipients.	Illinois, Vermont
Participants required to contribute to JOBS child care	Massachusetts[1]
Social contract with state required; self-sufficiency plan required.	Iowa, Michigan, Wisconsin, Utah
Employer incentives: Subsidies to provide wages in lieu of benefits; training wage allowed equal to previous month's benefits.	Illinois[1], Missouri, Virginia, Mississippi[4], Oregon[1]
Deposits in special (individual development) accounts exempt from eligibility guidelines.	Iowa, Wisconsin
100-hour work rule eliminated.	Iowa, Michigan, Missouri, Texas, Wisconsin
Income earned by dependent children who are students disregarded.	Michigan
Business-sponsored apprenticeships in public schools.	Minnesota
Fingerprinting requirement.	California

Notes: Data is current through February 1994.
Not all approved waivers are currently implemented.
States are approved unless noted.

Footnotes:
1 Waiver applied for
2 Waiver approved, voter referendum to initiate failed
3 Waiver approved, program ruled unconstitutional
4 Waiver request not yet submitted
5 Program congressionally approved through OBRA

Source: Laurie Itkin, NCSL

Welfare

ROUTING REQUEST

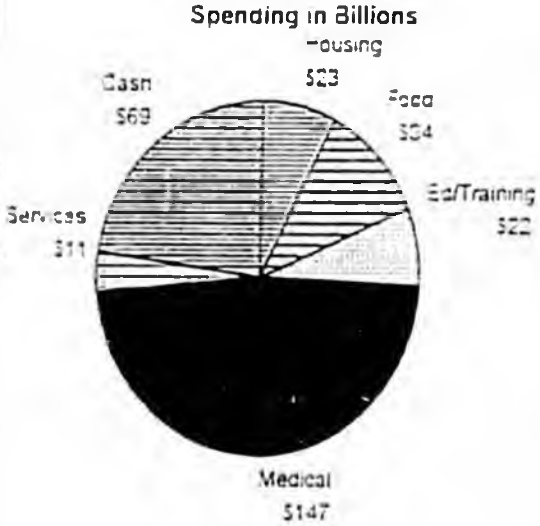
The Rise and Failures of the Welfare State

Welfare Spending Hits Record High

Welfare spending by federal, state, and local governments hit an all-time high of $306 billion in 1992. In constant dollars, welfare spending is now seven times greater than when the War on Poverty began in 1965.

The welfare spending total includes cash, food, housing, and medical aid, education and training, and social services targeted to poor and low-income Americans. Entitlements for the general population, such as Social Security and Medicare for the middle class, are excluded.

The 1992 Welfare State Spending in Billions



Welfare spending in 1992 exceeded 5 percent of Gross National Product, topping the previous record levels set during the Great Depression of the 1930s. Total welfare spending in 1992 equaled $3,270 for every poor person in the U.S.

Source: Robert Rector, "The Poverty Paradox: How America Spent $5 Trillion on the War on Poverty Without Reducing the Poverty Rate," *Heritage Foundation Executive Memorandum* #364, September 22, 1993.

Many Welfare Mothers Have Limited Earning Potential

A study by Child Trends Inc. shows that mothers in the Aid to Families with Dependent Children program have extremely low cognitive skill levels. Welfare mothers have significantly lower math and verbal abilities than other women of the same ethnic group who were not enrolled in welfare programs. When all U.S. women were ranked according to basic math and verbal skills, over half of welfare mothers were found to have cognitive skill levels placing them in the bottom 20 percent of the overall population.

Other research has shown that training programs do little to improve the cognitive skills and earnings capacity of welfare recipients. These findings underscore the difficulty of making single mothers on welfare economically independent through labor market earnings. Strategies to reduce illegitimate births and promote and sustain marriage are thus essential in any serious effort to reduce welfare dependence and raise living standards.

Source: Nicholas Zill, Kristin Moore, Christine Ward, and Thomas Stief, *Welfare Mothers as Potential Employees: A Statistical Profile Based on National Survey Data*, February 25, 1991. Child Trends Inc., 2100 M Street NW #610, Washington, DC 20037.

Job Training Has Little Effect on Earnings

The Job Training Partnership Act (JTPA) is the federal government's largest training program. A recent study commissioned by the U.S. Department of Labor found that the program had very little effect in raising the earnings of trainees. Adult males had no significant increase in earnings as a result of participating in JTPA. Teenage male dropouts actually showed a marked decline in earnings ability. JTPA did raise the earnings of adult women participants by between $50 and $75 per month by the end of the 18-month study period. The overall average increase in earnings for adult women was 7.2 percent. However, most of this increase was caused by an increase in the number of hours worked; the average hourly pay rate among adult women participants was increased by only 3.4 percent.

Source: Howard Bloom, et al., *The National JTPA Study: Title II-A Impacts on Earnings and Employment at 18 Months*, Research and Evaluations Report Series 93-C, U.S. Department of Labor, Employment and Training Administration, Washington, DC, 1993.

Information on this page was provided by Robert Rector, policy analyst for social, welfare, and family issues at The Heritage Foundation. For more information, contact The Heritage Foundation, 214 Massachusetts Avenue NE, Washington, DC 20002, phone 202/546-4400, fax 202/544-2260.

The Heritage Foundation

Kids' welfare more important than intact families

DEBRA SAUNDERS

Government has failed Shane and Katie Joe, not by a lack of services, but by a lack of standards.

12/15

SAN FRANCISCO — On a recent Wednesday morning, an abandoned 10-month-old, Shane Dineen, bundled in a new outfit and strapped securely in a stroller, was found several yards off Skyline Boulevard in Pacifica, a suburb of San Francisco. It was not until that Thursday, however, that mother Charlene Dineen, who is homeless, called police to report that her baby was missing.

Later that day, Shane's older sister, 3-year-old Katie Joe, was placed in foster care like her brother. Charlene Dineen maintained that Shane had been abducted on Tuesday night by a stranger in a van and she had spent the time since looking for him on the streets. Her story was especially suspicious in light of the fact that she was cited Wednesday at 3 a.m. on a misdemeanor charge of defrauding a taxi — at which time she did not alert police to Shane's alleged kidnapping. Dineen was charged with child abandonment after two witnesses placed her near the scene Wednesday at 1:30 a.m.

This is not your typical abandoned baby story, and the Dineens are not your typical homeless family. By all accounts, Charlene Dineen, age 31, does not appear to have a drug problem. She seems to have taken good care of her children — at least until last week. Shane's lips were purple when he was found, but he had not succumbed to hypothermia. Other than that, Shane was in healthy condition and was wearing clean, new clothes. A University of California at San Francisco nurse told reporters that Dineen took good care of her children and never missed appointments.

Which begs the question: If Charlene Dineen was not a drug abuser and managed to take good care of her children, why was she homeless? Perhaps, as one state social services worker put it, sometimes homelessness is "a lifestyle choice."

Some may wish to fault the government for not providing enough services, but consider this: Dineen was eligible for and, according to police, receiving Aid to Families with Dependent Children. Homeless AFDC families automatically are eligible for homeless assistance — including rent and utility deposit money — unless they have used the program already in the last two years. Dineen also is reported to have stayed in a shelter recently and to have been enrolled in a parent mentoring program while she was pregnant with Shane. (County officials will not verify whether Dineen was on aid.)

If it turns out that Dineen is mentally ill, it could be argued that government has failed both her and her children, by not having adequate permanent care for the mentally ill — which is another big issue.

No matter what the cause for Dineen's inability to keep a roof over her children's head, however, government has failed Shane and Katie Joe, not by a lack of services, but by a lack of standards. In a better world, authorities would have removed the children from Dineen until she found permanent housing.

It's against California law to remove children simply because they are sleeping on the streets. That law should be repealed.

Pending her trial, Charlene Dineen must be presumed innocent. Meanwhile, she may buck the stereotype of homeless mom by caring for her children and keeping all her doctor appointments, but her failure to provide a safe home for Shane and Katie Joe should of itself constitute child endangerment. Instead, California focuses on keeping families together, not keeping children safe.

In the name of compassion, the state actually may pay Charlene to keep her children in the great outdoors. Oddly, the left is outraged not at that frequent injustice but at the GOP's suggestion that orphanages might provide an answer. What a curious compassion that puts the feelings of parents before the welfare of children.

Debra Saunders is a San Francisco Chronicle columnist.

Welfare reform ADN 12/19

NATION

Welfare program fails to make cut, GAO says

By ELIZABETH SHOGREN and RONALD BROWNSTEIN
Los Angeles Times

WASHINGTON — A 1988 law designed to transform the nation's welfare system from a permanent support system into a temporary safety net has fallen far short of its goal of helping recipients find jobs, the General Accounting Office of Congress reported Sunday.

In a separate study, a conservative polling organization said the public overwhelmingly supports the concept of welfare reform, but strongly resists many of the key elements of the welfare initiative contained in the House GOP's Contract With America.

The GAO report, commissioned by the New York senator who drafted the 1988 law, was released just as Congress is preparing to overhaul the welfare system once again. It could influence the direction of the debate by identifying flaws in the previous reform effort.

Authored by Sen. Daniel Patrick Moynihan, D-N.Y., the Family Support Act restructured the government's principal form of welfare assistance, Aid to Families with Dependent Children. It created a new program, called JOBS, to help recipients get the training, counseling and job-placement services needed to leave the welfare rolls. The program was targeted at those recipients

considered most at risk of long-term dependency on government benefits.

Although annual spending on the JOBS program had grown to $1.1 billion by 1993, its efforts "are generally not well-focused on recipients' employment as the ultimate goal," said the GAO, which conducts audits and investigations at the request of Congress.

The program's lack of success reflects two key weaknesses, the report said. First, administrators are only held accountable for the level of participation by welfare recipients, and not for their ability to successfully place recipients in jobs. In addition, most JOBS officials have done little to forge strong links with private-sector employers who potentially could hire welfare recipients.

While some localities developed programs that helped recipients prepare for and find employment, after three years no JOBS program was able to move a majority of its participants off welfare and into jobs, the GAO reported.

Participation has been disappointing, with roughly 11 percent of the 4 million parents receiving AFDC taking part in JOBS between 1991 and 1993, the agency said. Only 24 percent of teen-age mothers receiving AFDC participated in JOBS, even though they are especially prone to long-term dependency

Public Welfare in America

Dick Armey, MC
United States House of Representatives

When President Lyndon Johnson launched his Unconditional War on Poverty, he boldly declared, "the days of the dole in the United States country are numbered." However, within two years of the enactment of his Economic Opportunity Act of 1964, a remarkable escalation in public assistance payments began. While President Johnson may have been correct that the days of welfare are numbered, that number is proving to be very large indeed.

Any attempt to reform welfare must begin with the recognition that the current system has not resolved – rather seems to be perpetuating – poverty. It has created behavioral disincentives that trap many recipients in poverty from generation to generation and has also created yet another unwieldy and unresponsive bureaucracy. The key dilemma of the welfare state is that public spending intended to alleviate material poverty has caused the collapse of the low-income family and led to a dramatic increase in behavioral poverty – dependency, lack of educational aspiration and achievement, increased single parenthood and illegitimacy.

Studies have consistently shown that higher welfare benefits decrease work effort and increase welfare dependence. Increased dependence, in turn, has strong negative effects on children's intellectual abilities and life prospects. If we hold constant a wide range of factors such as family income, parental education, and residence, long-term welfare dependence by a family is seen to reduce a child's intellectual ability by more than one-third compared to children in similarly low-income families that were not on welfare.[1] Children raised by families on welfare are more likely to fail in school, more likely to get caught up in crime, and more likely to end up on welfare themselves as adults.[2]

Welfare Spending

Although the poverty rate has remained relatively steady since 1965, welfare spending has risen from 1.5 percent of GDP when Lyndon Johnson launched the program in 1965 to 5 percent today.

The federal government spends more than $240 billion on welfare annually,[3] which is more than twice the money needed to raise every person on welfare out of poverty.[4]

Government Programs Destroying Families

It is no longer a question of whether this money has produced positive results, but rather what can be done to erase the debilitating effects welfare has had on society.

The current system has made marriage economically irrational for most low-income parents. Welfare has converted the low-income working husband from a necessary breadwinner into a financial handicap. It has transformed marriage from a legal institution that protects and nurtures children into an institution that financially penalizes nearly all low-income parents who choose it. Welfare benefits will be higher if a man and woman do not marry and are treated by the government as separate "households."

Too many mothers decide not to marry the fathers of their children; they marry welfare instead. As George Gilder, author of Wealth and Poverty observed, the modern welfare state has convinced poor fathers that they are dispensable. Through government programs, we send the message that men are most useful as procreators, not as family partners and providers. Government will pick up the tab for their children provided that they do nothing to help the mother or to assume responsibility.

Currently, the welfare benefit package (AFDC, Medicaid, housing, and food stamps) offers each single mother an average of between $8,500 and $12,000 in benefits, depending on the state.[5] The mother continues to receive that level of benefits as long as she does not work or marry an employed male.[6]

Research by Dr. Robert Hutchens of Cornell University estimates that a 10 percent increase in AFDC benefits in a state translates into an eight percent decrease in the marriage rate of all single mothers.[7]

The poverty rate among those living in traditional married couple families is less than half the overall poverty rate; the poverty rate for female headed families (with no husband present) is nearly six times the poverty rate for traditional two parent families. Individuals living alone outside a family similarly have very high poverty rates.[8]

Who Is On Welfare?

According to U.S. Census Bureau data, 64 percent of welfare recipients are white, 31 percent are black, 14 percent are Hispanic and five percent are classified as "other." 42 percent of recipients are under 18, 48 percent are between the ages of 18 and 64, 10 percent are over 65. 48 percent of recipients have less than four years of high school education, 33 percent are high school graduates, and 18 percent have had at least one year of college. 57 percent of recipients are female, 43 percent are male.[9]

More than 20 percent of the children born in the late 1960s have spent at least one year on welfare; more than 70 percent of black children born in the same period have done so.[10] More than 30 percent of all children born in 1980 will live on welfare, as will 80 percent of black children.[11] A majority (over 51 percent) of persons receiving means-tested income transfers in 1990 were not in poverty, as it is officially defined.[12]

Welfare's Culture of Dependency

Children raised in families that receive welfare assistance are themselves three times more likely than other children to be on welfare when they become adults.[13] This inter-generational dependency is a clear indication that the welfare system is failing in its effort to lift people from poverty to self-sufficiency. A recent study found that higher welfare benefits increased the number of women who left the labor force and enrolled in welfare. A 50 percent increase in monthly AFDC and Food Stamp benefit levels led to a 75 percent increase in both the number of women enrolling in AFDC and in the number of years spent on AFDC. The percentage of children receiving AFDC is higher in states with the highest AFDC payments and lower in states with the lowest AFDC payments.

The Office of Economic Opportunity conducted controlled experiments between 1971 and 1978 in Seattle and Denver, known as the Seattle/Denver Income Maintenance Experiment (SIME/DIME). The experiments found that increasing welfare benefits had a dramatic negative effect on labor force participation and earnings. For every $100 of extra welfare given to low-income persons, the earned income of the recipients fell by $80. Welfare reduces the probability that a poor person or family will leave poverty in any given year by about 60 percent. The chances of rising above the poverty level are two and one half times greater if an individual or family does not receive welfare.[15] At any one time, more than half of welfare recipients have been on welfare for ten years.

Welfare's Debilitating Impact – The Rise of Single Parent Families

When the Great Society was launched in 1965, the illegitimacy rate among blacks was 25 percent; today, it is 66 percent. If current trends continue, the black illegitimate birth rate will reach 75 percent in ten years.[16] Thirty years ago, one in every 40 white children was born to an unmarried mother; today, it is one in five.[17]

The current system's financial penalties on marriage can be correlated with an unprecedented and growing number of unwed mother welfare recipients. The percentage of welfare recipients living in female-headed households increased from 29 percent in 1964 to 61 percent in 1976.[18]

White women raised in single parent homes are 164 percent more likely to bear children out of wedlock themselves and 111 percent more likely to have children as teenagers. Of those who do marry, marriages are 92 percent more likely to end in divorce than are the marriages of women raised in two parent families. Similar trends are also found among black women.[19]

Children raised in single parent families, when compared to those in intact families, are one-third more likely to exhibit behavioral problems such as hyperactivity, antisocial behavior, and anxiety.[20] Children in single parent families are two to three times more likely to need psychiatric care than those in two parent families;[21] they are also more likely to commit suicide as teenagers.[22] Children in single parent families score lower on IQ, aptitude and achievement tests.[23] With family income, neighborhood, parental education, and other variables held constant, young black men from single parent homes are twice as likely to commit crimes and end up in jail than are similar young men in low-income families where the father is present.[24]

Failed 1988 Attempt at Reform

Welfare rolls have increased sharply since the 1988 welfare reform legislation became law. Less than one percent of the welfare population is working today. And the program has cost us $10 billion more than expected – $13 billion instead of $3 billion. At the time of enactment, it was predicted that the number of families on AFDC

would not reach five million until late 1998. In fact, that milestone was reached in early 1993.

While Americans were told that the 1988 reforms required most welfare recipients to work for benefits, by 1992 only one percent of all AFDC parents was actually required to enroll in workfare in exchange for welfare benefits.[25]

Conclusion

Welfare reform must begin with the realization that most programs designed to alleviate "material poverty" generally lead to an increase in "behavioral" poverty. While the poor were supposed to be the beneficiaries of the War on Poverty, they instead have become its victims. For more than 40 years, the welfare system has been promoting non-work and encouraging single parenthood and has obtained dramatic increases in both. Policy makers must realize that welfare is no substitute for stable families and welfare programs must be designed to avoid undermining the families even when trying to solve the problems of poverty.

Notes

[1] M. Anne Hill and June O'Neill, "The Transmission of Cognitive Achievement Across Three Generations," March, 1992.

[2] Robert Rector, "President Clinton's Commitment to Welfare Reform: The Disturbing Record So Far," Heritage Foundation Backgrounder, December 17, 1993.

[3] Ari Fine, "Riot Aftermath," *Los Angeles Times*, May 22, 1992.

[4] Donald Lambro, "Questions Rise From the Rubble: Great Society Not So Great, Critics Say," *Washington Times*, May 10, 1992; the expenditures are specifically for the years between 1965 and 1990.

[5] This sum equals the value of welfare benefits from different programs for the average mother on AFDC.

[6] Technically, the mother may be married to a husband who works part time at very low wages and still be eligible for some aid under AFDC-UP program. However, if the husband works a significant number of hours per month even at a low, hourly rate, his earnings will be sufficient to eliminate the family's eligibility for AFDC-UP and most other welfare.

[7] Robert Hutchens, "Welfare, Remarriage, and Marital Search," *American Economic Review*, June, 1989.

[8] Richard Vedder and Lowell Gallaway, "The War on the Poor," The Institute for Policy Innovation, No. 117, June, 1992.

[9] Carole Feagardin, "Debunking the Welfare Queen Myth: White Women with Children are Most Typical," *Atlanta Journal and Constitution*, December 11, 1993.

[10] Robin Toner, "New Politics of Welfare Focuses on Its Flaws," *New York Times*, July 5, 1992.

[11] Thomas Sowell, "How To Get America Off The Dole," *Time*, May 25, 1992.

Children's Rights Council

CRC's Multi-Organizational Welfare Reform Position

Prepared by the Staff and Volunteers of CRC for the 104th Congress

The Children's Rights Council

Strengthening Families Through Education and Assisting Children of Separation and Divorce

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About CRC

The Children's Rights Council (CRC) is a nation-wide, non-profit IRS 501 (c) (3) children's rights organization based in Washington, D.C.

CRC works to strengthen families through education. We favor family formation and promote family preservation, but if families break-up or are never formed, we work to assure a child's right to benefit from having continued and meaningful contact with both parents, extended family and especially grandparents. Our motto is "The Best Parent is Both Parents!"

Formed in 1985 by concerned parents and professionals, CRC has grown tremendously, establishing 38 chapters in 30 states and attracting national organizations such as Grandparents In New Strength (G.R.I.N.S.); Mothers Without Custody (MW/OC); Stepfamily Association of America (S.A.A.) and Parents Without Partners (PWP), all with the goal of providing children with the foundation necessary to lead happy, healthy and productive lives. CRC's staff of professionals and volunteers are experts in their fields.

Parenting education programs, crisis referral services, support groups, research and other education and advocacy programs are at the core of CRC's work. Each year hundreds of parents and prominent professionals in the fields of religion, law, social work, psychology, psychiatry, child care, education, and business gather at CRC's National Conference to discuss issues concerning children.

Drawing from over 100,000 individual members and affiliates, CRC promotes the "best interests" of our nation's children!

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MULTI-ORGANIZATIONAL WELFARE REFORM POSITION

There is widespread agreement that the current welfare system is destructive to the families it was intended to help. Despite its good intentions, the government has made a devil's bargain with the poor -- "We will give you money as long as you continue to neither work nor marry." Current programs, and many reform proposals, are patronizing. They assume that large classes of citizens are simply too stupid and incompetent to make any current or near term contribution to their own support. Real welfare reform requires recognition that there is no respect for the individual unless there is respect for the individual's labor.

"MAKING WORK PAY" - RHETORIC AND REALITY

Work always pays. Our problem is that we have established a parallel system under which non-work often pays better. Most law abiding citizens work 40 - 45 years to qualify for a social security benefit that is smaller than a teenager's welfare package. Many welfare recipients are not unemployed as much as they are prematurely retired. We have long recognized that Social Security rules discourage paid employment among welfare recipients. The cornerstone of welfare reform must be a fundamental respect for the importance and dignity of work. Except for the small number of people who are genuinely unable to make any contribution to their own needs, welfare must be a supplement, not a substitute, for work.

Welfare reform requires attention to four areas: responsibility, paternity, accountability, and eligibility.

1. Responsibility

Responsibility should be immediate, mandatory and universal. Beginning immediately with entry into any welfare program, every recipient should be required to devote 40 hours per week to some combination of job search, training and work, with a strong emphasis on work. Actual work experience is generally the best qualification for entry or reentry into the workforce. An immediate, universal responsibility requirement also eliminates the "no job" option and encourages serious search efforts for the best available job.

The responsibility requirement can be satisfied by private employment or by unpaid public service in exchange for receipt of the welfare benefit. Work programs should not discriminate against the non-welfare working poor. Vouchers and other special incentives to hire welfare recipients create the risk of displacing other workers. We should not support programs that have the unintended consequence of encouraging people to enter welfare as the path to job preferences. Community service jobs (e.g. assignment to charitable organizations) provide benefits to the community and training to the transitioning recipient at little or no government cost. Many of the current, unmet needs of communities can be satisfied by this readily available pool of labor as a supplement to, rather than a substitute for, current employees.

All programs must support the goal of ending the current discrimination against two-parent families. In two parent families, at least one parent must satisfy the 40 hour requirement.

Welfare reform should also begin the process of examining barriers to entry-level job creation. Many worthy tasks in society are not performed because the total cost of obtaining labor, including regulatory and record keeping burdens, exceeds the value of the service. We must examine the extent to which willing workers have been priced out of the market by government mandates.

Child care may be less of a problem than some suggest. Most working parents utilize a no-cost, or low-cost combination of kinship (family) care, friends and school to satisfy day care needs. As discrimination against two parent households is eliminated, a greater number of children will have access to child care from both parents.

Finally, a portion of the community service assignments can be made to child care organizations in order to increase the available supply with little or no incremental cost increase. The Head Start Program already utilizes large numbers of low income parents who begin as unpaid interns and progress to paid staff and supervisory positions.

2. Paternity

Current policy fails to distinguish between "runaway" and "thrown-away" or "driven-away" parents. The federal government spends approximately two billion dollars per year on child support enforcement but purposefully and consciously excludes fathers from all parent-child programs. Under current Aid to Families with Dependent Children (AFDC) rules, the low income father who wishes to be a physical and emotional asset to his children also becomes a financial liability by disqualifying them from most assistance. Research conducted by Health and Human Services (HHS) itself confirms that both mothers and fathers distrust the bureaucracy and work jointly to conceal paternity. We cannot be surprised by low income parents who separate or conceal paternity when our policies make such behavior the economically rational course. A work requirement for single parents and an end to discrimination against two-parent households will change the dynamics of paternity establishment.

Eligibility for all federal programs should require establishment of paternity, beginning with eligibility for the Women, Infants, and Children (WIC) program. That program itself must be revised to develop and encourage the roles of fathers in children's lives.

In-hospital paternity establishment forms should encourage the parties to voluntarily establish custody and visitation as well as financial support. Avoidance of poverty and welfare dependence are directly linked to the involvement of both parents. Voluntary child support compliance exceeds 90 percent in joint custody families. Child poverty and welfare dependency rates are much lower in father-custody and father-involved families than in mother custody. Women's work force participation, economic security, and freedom are increased in joint-custody and father-custody families. Two parent families allow relief from the constant stress and pressure on the single parent trapped in welfare.

3. Accountability

AFDC and other programs are intended for the benefit of the dependent children. Adults receive the benefits and are expected to participate in the programs in support of the children's needs. Failure or refusal to participate in required programs or to spend the cash payments for the benefit of the children should be seen as evidence of child neglect or abuse. Such evidence should weigh heavily in determining whether it is in the best interest of the child to transfer custody to a more responsible relative or to consider alternative care placement. Prior efforts at reform have been reluctant to impose sanctions upon uncooperative and irresponsible adults because of a fear of "punishing the child." The reality is that current policies allow children to be held hostage to guarantee continued subsidy of adult irresponsibility. Irresponsible, if not criminal behavior, always has deleterious effects on children.

All recipients should be required to reimburse the value of benefits received. Currently, child support paid by non-custodial parents is used for reimbursement after a $50 per month waiver. The custodial parent should have the obligation to reimburse one-half of the welfare payments made on behalf of the child and each adult should have the obligation to reimburse benefits paid on behalf of that adult. Many welfare recipients require only short-term assistance and that assistance can fairly be treated as a loan or a line of credit rather than as a grant. A uniform reimbursement requirement also encourages all recipients to minimize the period of dependency, take no more benefits than are required, and resume paid employment at the earliest possible date. Community service should be counted toward the reimbursement obligation but should be valued at a level that does not compete with the attractive ss of paid employment.

4. Eligibility

Under the law of each state, parents have an obligation of financial responsibility for their minor children. If the minor children themselves become parents, the minor parents should continue to be the obligation of their own adult parents. Accordingly, the birth of a child to minor parents may create a requirement for welfare assistance to the new infant but does not create a requirement for assistance to the minor parent unless their own parents are unable to supply the required support. Minor parents must live with or at the expense of their own adult parents. Payments on behalf of the new infant, if needed, should be made directly to the adult parents of the minor parents as their guardians, not directly to the minor parents.

Welfare payments should be limited to citizens and to immigrants with refugee status.

Income-based eligibility standards should consider both the income of the parents and any resources that are voluntarily available from the kinship network.

5. Fraud

Fraud must be addressed as a serious matter. Welfare benefits are based on the applicant's self-reporting of available income. If welfare fraud has concealed additional income, welfare eligibility must be recalculated, at a minimum, to include the demonstrated capacity for self-support. Other fraud reduction mechanisms including electronic transfer tracking and improved identification verification must be adopted.

6. EITC

The Earned Income Tax Credit (EITC) must be modified to reduce the incentive and opportunity for strategies such as over-reporting of income to maximize benefits and to reduce discrimination against two-parent families. Currently, many working-class couples are ineligible for EITC but, by simply splitting into two dysfunctional fragments, both become eligible.

WELFARE REFORM THROUGH KINSHIP CARE

There is much discussion about alternatives to allowing children to be raised in a perpetual and cyclical welfare environment. Kinship care (the practice of looking to a capable and willing family member as a care provider for children living on the welfare dole) is a positive step toward breaking the cycle of dependency and reducing the economic burden of providing benefits where family care is available. Kinship care reduces the necessity of placing children in either welfare or charity situations while strengthening the child's chances for economic and emotional success through immediate and extended family bonding. Kinship care is the most practical and ethical means of reducing economic and emotional poverty for children without government intrusion into family life. This idea is based upon the assumption that the Federal bureaucracy can not, and should not, replace a child's family.

There is broad consensus that welfare dependency is not in the best interests of children. Recent legislative initiatives have begun to examine structural flaws in existing welfare programs. One of the best opportunities for reducing welfare dependency is to be found in the development of more thoughtful eligibility criteria to better identify which children are actually in need of welfare assistance.

Most welfare programs only look at the cash income of the custodial single parent without regard to the availability of voluntary kinship or extended family assistance. The attached proposal provides that welfare eligibility should be determined by examining all resources that are available voluntarily through the child's kinship network.

The use of kinship care does not relieve the child's parents of their obligations nor does it impose new obligations on other relatives. Only voluntary kinship assistance is considered.

Examples:

- Brother is willing to care for child of drug abuser with or without a change of custody/guardianship. Welfare dependence is not in the best interests of the child and eligibility should be denied based upon available and willing kinship care.

- Father of child is willing to provide child care with or without a change of custody while mother works. Welfare dependency is not in the best interests of the child and eligibility should be denied based upon available and willing kinship care.

- Adolescent mother lives with her parents. The adult parents have a legal obligation to support their adolescent daughter and are willing to care for grandchild while daughter completes school or works. Welfare dependency is not in the best interests of the child and eligibility should be denied based upon available and willing kinship care.

The following is a basic translation of CRC's practical and positive welfare reform proposal

CHILDREN'S WELFARE REFORM THROUGH KINSHIP CARE ACT OF 1995

Bill No. ________

Section One

Findings and Purposes

The Congress of the United States of America hereby resolves that:

Welfare programs are intended to provide temporary economic sustenance for individuals while they seek to enter the work force and eventually extricate themselves, and their dependents, from poverty.

Welfare programs have fallen short of this goal, as individuals receiving assistance are usually unable to find and retain jobs.

The inability to find and retain jobs often is caused by the duties of caring for dependent children.

The failure to escape poverty persists through the generations, as children of welfare families go onto welfare rolls as adults, resulting in a needless waste of human potential as well as economic and other costs to society.

A primary cause of intergenerational welfare dependency is the adverse impact of the welfare environment upon children.

To break intergenerational welfare dependency requires, where possible, the separation of children from the welfare environment and their placement into family situations that will be conducive to rejection of the welfare career.

Current welfare provisions lack measures that would assist in the elimination of intergenerational welfare dependency and, indeed, actually encourage such dependency by ignoring the availability of non-welfare alternatives for dependent children.

It is therefore in the public interest to amend the welfare laws to eliminate the encouragement of intergenerational welfare dependency and to promote the placement of children in non-welfare environments more conducive to an economically and socially productive adulthood.

continued

Section Two

Amendment to Public Law No. ______ Section _____ of Public Law No. _____ is hereby amended to add a new subsection ___ as follows:

No person shall be eligible to receive benefits under this program by reason of the need of that person to support one or more dependents under the age of 18 unless the administrator [or agency or other appropriate official] has certified, after undertaking diligent efforts, that there are no relatives of such child who are fit and willing to provide for the needs of the child [or assume custody} without resorting to welfare dependency. Such certification shall be required prior to initial entry into the program and, thereafter, upon periodic annual reviews of eligibility.
An applicant's preference for welfare payments rather than family assistance shall not be a basis for granting welfare eligibility unless the administrator [or agency or other appropriate official] has certified, after making diligent investigation, that family assistance will be detrimental to the safety of the child.

TEENAGE PARENTS - WELFARE ELIGIBILITY

Under the law of every state, parents have an obligation of financial responsibility for their own minor children. If the minor children themselves become parents, these minor parents should continue to be the obligation of their own adult parents.

Current welfare eligibility rules subvert this basic rule of parental responsibility and create perverse incentives for teenage child-bearing. Simply by having a child, federal programs give the teenager an independent income source and relieve the teenager's parents of the obligations imposed by state law.

Under state law, a minor must live with or at the expense of his or her own parents. The birth of a child to that minor should not be a basis for the federal government to override state law. The federal government should not subsidize the establishment of independent households by minors and abrogate familial rights and responsibilities.

If the parents of the minor are already on public assistance, their payments should be governed by the rules applicable to other families experiencing the birth of an additional dependent. If the parents of the minor are a danger to the minor or grandchild, the case should be processed under the normal rules of guardianship used by the state. Again, there is no justification for a federal program which automatically establishes all minors as independent households upon the birth of a baby.

DIVORCED FAMILIES - DEPENDENT TAX EXEMPTION

Prior law provided that the dependent exemption for a child of divorced parents was available to the parent providing greater than 50% of the child's support. At that time, it was difficult to determine which parent provided greater than 50% of the support and the law was changed in 1984 to create a presumption that the exemption would be given to the custodial parent. The current law has created some new problems and has not kept pace with federally imposed changes in the establishment of child support orders.

Most divorce litigants do not have lawyers and, even with lawyers, most divorce decrees fail to address the allocation of the dependent tax exemption. Some courts have taken the position that they do not have the authority to allocate the exemption to the non-custodial parent, even in cases where the custodial parent is unemployed and it is clear that the non-custodian is providing 100% of the child's financial support. Allocating the dependent exemption to a household with no income does not help the child and, in fact, reduces the after-tax income available to support the child.

Recent federal legislation governing the establishment of child support orders has eliminated the uncertainty which motivated the 1984 law regarding allocation of the dependent exemption. In the past, child support orders were subjective, ad hoc determinations that did not identify each parent's share of the child's financial costs. Federal law now requires that each state have a presumptive, mathematical guideline for the establishment of child support. Under the "income shares" model used by most states, the state determines a child's costs and then allocates these costs in proportion to each parent's income. The child support computation formula thus establishes unambiguously which parent provides more than 50% of the child's financial support.

The law should be revised to provide that the dependent exemption shall be allocated to the parent who bears more than 50% of the child's financial support as established by the applicable child support order. To avoid ambiguity and dispute, the taxpayer claiming the exemption could be required to submit a copy of the court order as an attachment to the tax return. Most child support orders are now generated by computers using the state's child support formula and are set forth in a one page computer printout.

RESPONDING TO WELFARE FRAUD

In the District of Columbia and in most states, welfare fraud is a no-risk adventure.

If caught, the standard guilty plea merely requires restitution (sometimes only partial) which is paid out of future welfare benefits! Welfare is a disastrously anti-family program in which the government offers itself as a substitute for responsible two-parent family behavior. Welfare fraud multiplies the problem by making welfare more lucrative.

Welfare benefits are predicated on the assumption that the welfare recipient cannot earn outside income and that a government subsidy is required for basic needs. Initially, we accept the applicant's unilateral assertion of this inability to earn an income. In the case of the welfare cheat, however, behavior proves that an income can be earned and the receipt of welfare benefits is simply a theft of benefits that are not needed. Having proved that an income can be earned, the welfare cheat should be disqualified from receiving benefits in the future at least to the extent of the earnings potential that has been demonstrated.

Past enforcement efforts have been backward. The welfare cheat is permitted to quit the unreported job and go back to the dole. The reverse should be true. Having demonstrated earning capacity, the welfare cheat should be disqualified from again asserting an inability to earn income.

In the current economic crisis of budget deficits and soaring welfare rolls, it may finally be possible to impose serious sanctions upon welfare cheaters. The following legislative suggestions are offered:

1. The presence of unreported income means that the welfare cheater either does not need or has less need for welfare. Accordingly, the law should provide that welfare benefits will be reduced or eliminated on a forward-going basis to reflect the income that was being earned during the fraud and thus can be earned in the future.

Responding to Welfare Fraud (continued)

2. State laws providing for mandatory jail terms of not less than 30 days for all persons convicted of welfare fraud should be required as a condition for a state's receipt of federal funds.

3. State laws providing that conviction for welfare fraud is a sufficient basis to support a judicial finding that it is in the best interests of the child for custody to be placed with another relative should be required as a condition for a state's receipt of federal funds.

4. State laws providing that conviction for welfare fraud is a sufficient basis to support a judicial finding of neglect or abuse so that the child may be placed in foster care should be required as a condition for a state's receipt of federal funds.

FOR MORE INFORMATION CONTACT

Children's Rights Council
Michael Pitts - Executive Director
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Phone: 202/547-6227

LYING FOR DOLLARS

Given a choice between a minimum-wage job and a minimal welfare check, some people pick both. D.C. welfare-fraud prosecutor Montague Buck thinks that's a crime. Not always, retorts defense lawyer and frequent Buck adversary Richard Lebovitz.

BY Bill Gifford • *Photographs by Guion Wyler*

Cloastellie Tilghman shouldn't have been surprised that morning last December when a process server came looking for her at the Connecticut Avenue NW retirement home where she works as a nurse's aide. Inside the home's small chapel, the server handed Tilghman a summons to answer charges of welfare fraud.

After all, she and her 25-year-old daughter, Cherrie, had lied when they told the D.C. Department of Human Services (DHS) that Cherrie had no other sources of income besides her monthly Aid to Families With Dependent Children (AFDC) checks. Cherrie was in fact receiving Supplemental Security Income (SSI) payments, which are for disable people who are unable to work, as well as Medicaid.

By co-signing her daughter's monthly eligibility reports to DHS, in which Cherrie failed to report her SSI payments, Tilghman made a false statement to obtain public benefits, the textbook definition of welfare fraud. The Tilghman hadn't fooled anybody for very long. A computer operator for the Department of Humans Services spotted the overlap by matching the District's welfare rolls against a Social Security Administration (SAA) database. Then a DHS investigator pulled Cherrie Tilghman's casefile, an lo, the monthly forms didn't square with the computer match. Four false statements equaled four counts of welfare fraud.

So at 9 a.m. on Dec. 20, 1990, the Tilghmans took their seats in courtroom 114, on the first floor of the D.C. Superior Court building, where a motley assortment of drunk drivers, public urinators and welfare frauders are arraigned every day, along with those hapless souls who fail to obey a police officer. The welfare fraud defendants were mostly women; the traffic violators mostly men. And as usual, the women were better dressed and coifed than both the male defendants and the journeyman lawyers waiting patiently in the jury box to represent them.

Reprinted from

Washington City Paper • p.21 • Nov. 29, 1991

The Tilghmans had no lawyer, so the court appointed publ[ic] defender William Temple to represent Cherrie Tilghman and Sa[...] Foches to represent her mother. (Welfare defendant almo[st] always rely on court-appointed lawyers, who are paid $35.00 a hour.) After a routine initial plea of not guilty, mother an[d] daughter were taken upstairs to be booked, fingerprinted, an[d] photographed in the courthouse's police processing center, second-floor menagerie of accused burglars, flashers, and felons.

In January, the Tilghmans dutifully showed up at the courthou[se] for a status hearing, a legal ritual in which one side or the oth[er] explains why the case should be postponed. The case was pushe[d] back to late February, then to March, April, and June. In all, th[e] Tilghman's case required five separate status hearings betwee[n] December and June. Each court date required Cloastell[ie] Tilghman to take time off from tending the old folks at Chev[y] Chase House, the job she's held for 13 years.

"It didn't make any sense to me, to take a day off the job and g[o] down to the court for maybe 15-20 minutes," the elder Tilghma[n] says, sitting in the living room of her tidy Capitol Hill townhous[e]. "That's a whole day's pay- all for me signing a *piece of paper*."

The reason for all the procrastination was that attorney Templ[e] was trying to cut a deal with Assistant Corporation Couns[el] Montague A. Buck, the city's top welfare-fraud prosecutor. an[d] Buck, in the words of one defense attorney, is " a very difficu[lt] person."

The D.C. code lists "fraud in obtaining public assistance" as misdemeanor, with up to a year in jail plus a $500 fine per coun[t]. In nine cases out of 10, the prima facie evidence-such as the fou[r] monthly eligibility forms signed Tilghmans-spells G-U-I-L-T-Y. "Most of the time, Buck's got you," another defense lawye[r] shrugs.

But the city isn't interested in putting welfare mothers i[n] jail. "Very difficult person" Montague Buck just wants to get th[e] city's money back, by cutting deals with welfare defendants' lawyers. The statutory penalties give Buck some leverage, but h[e] doesn't usually press for jail time. Most defendants simpl[y] agree to pay monthly restitution for 60 months, the maximum probationary period allowed under D.C. law. If a defendan[t] is still on welfare, the government scoops 10 percent off eac[h] month's welfare check in a process known as "recoupment."

The incentives to cheat are greater than not to cheat. I[f] you're caught, the likeliest penalty is 100 percent restitution but no jail time. Welfare cheats are lawbreakers, but they're not lazy. Contrary to the Ronald Reagan-David Duke axiom nine out of 10 welfare-fraud defendants in D.C. work. It's jus[t] that neither a $5-an-hour job nor a $500 monthly welfare check i[s] enough to make ends meet. And the economic pressures o[n] welfare mothers outweigh the significance of a few scratch mark[s] on the D.C. government forms. If Lorraine Jones had reported he[r] $800-a-month wages when she started work at the Quality Hotel she would have lost benefits immediately. By working, she didn't come out very far ahead of the $499 per month AFDC paymen[t] plus the $214 in food stamps the government allotted her fo[r] her family of four. (Jones remains employed today.)

Meanwhile, the welfare caseload inexorably rises, up more tha[n] 15 percent from last year to 22,140 families on Oct. 1, 1991. An[d] more and bigger fraud cases come rolling in. "Lately, they've been running big," Buck comments. ■

BRIEFING DOCUMENT

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

BRIEFING ON PUBLIC ASSISTANCE PROGRAMS

FOR

SENATE HESS COMMITTEE

March 8, 1995

Karen Perdue
Commissioner

Jim Nordlund, Director
Division of Public Assistance

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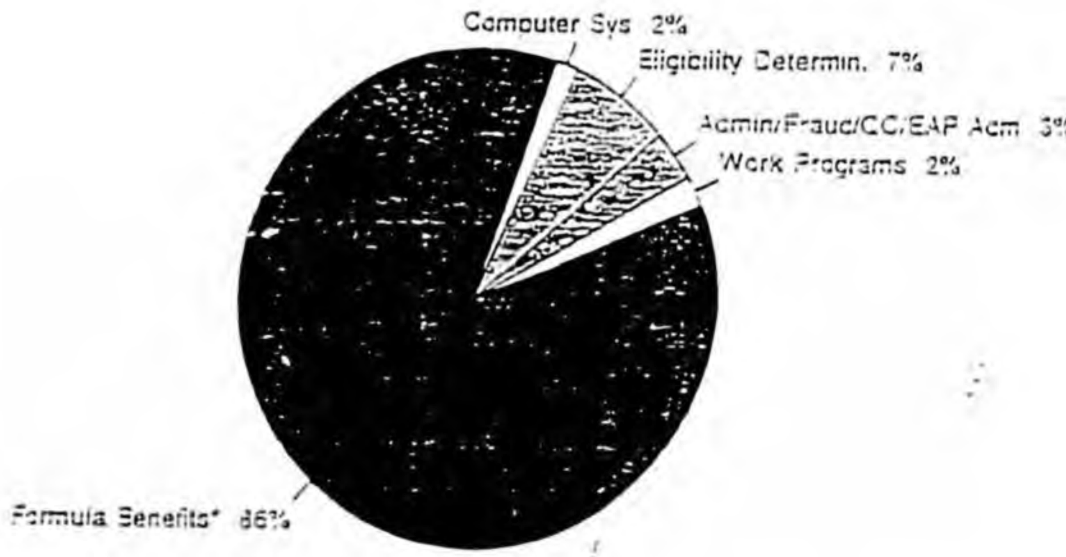
FRAUD INVESTIGATION
QUALITY CONTROL

ELIGIBILITY DETERMINATION
ELIGIBILITY INFORMATION SYSTEMS (EIS)

FY 96 DPA Budget

Program Benefits and Administration

Total: $291,504.7

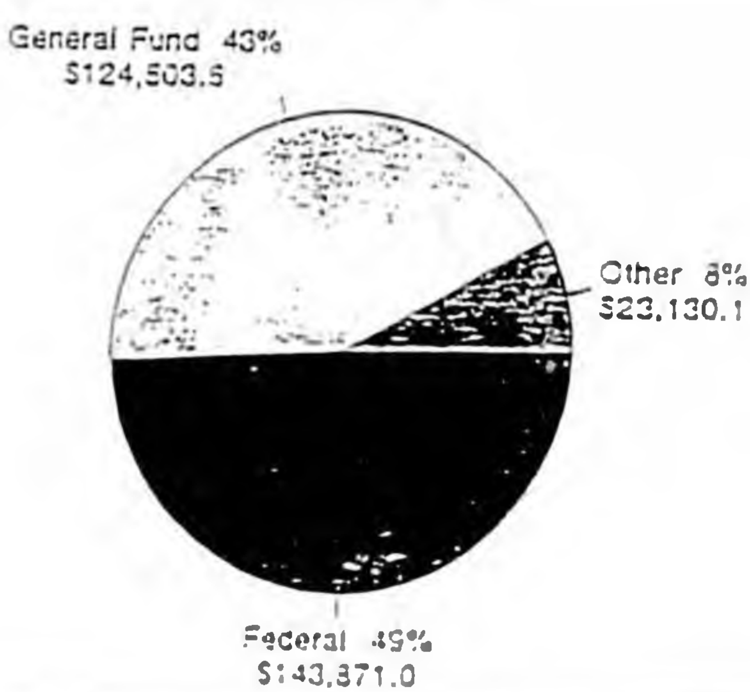


* *Includes Cash Assistance, Food Stamps, Energy Assistance and Child Care Assistance*

FY 96 DPA Funding Source

Federal, General Fund, & Other

Total: $291,504.7



Public Assistance Unduplicated Person Count
October 1994

Unduplicated Count: 71,980

* *All children receiving AFDC, Food Stamps, and or Medical Assistance*

The cash, food, and medical programs the Division administers predominantly help children, the aged or disabled, and individuals with specific medical needs.

	PA Recipients October 1994	Percent Recipients	Cumulative Percent	Percent Population
Children	37,595	52.3%	52.3%	6.2%
Aged	4,069	5.6%	57.9%	.7%
Disabled or Blind	6,080	8.4%	66.3%	1.0%
Medicaid Only Adults	2,027	2.8%	69.1%	.3%
Food Stamp Only Adults	9,004	12.5%	81.7%	1.5%
General Relief	228	.3%	82.0%	*
AFDC Single Parents	9,461	13.1%	95.1%	1.6%
AFDC Unemployed Parents	3,516	4.9%	100%	.6%
TOTAL PERSONS	71,980	100%		11.9%

July 1, 1994 State population estimated at 603,000.

AID TO FAMILIES WITH DEPENDENT CHILDREN

The AFDC-Basic program helps needy children who have low family income and resources and are deprived of one or both parents due to absence, death, or disability. AFDC-Unemployment Parent (UP) provides cash assistance to families with both parents in the home. AFDC-UP was federally mandated for all states on October 1, 1990.

Participation makes members of households automatically eligible for Medicaid and energy assistance. Each month in 1994, about 13,000 families received cash assistance under the AFDC program. Family members included 14,500 adults and 25,000 children, a total of about 39,500 individuals.

In FY94 roughly 50% of all AFDC families served had only one child. Twenty-eight percent of the AFDC families have two children. Only 8% of the AFDC families had more than three children.

Most of those who receive AFDC do so for relative short periods of time. Of the 42,949 total number of AFDC families served between FY84 and FY94, 62% had received benefits for less than two years. However, some AFDC recipients will be on AFDC for a long period and receive a large share of the AFDC benefits. Of the total AFDC families served between FY84 and FY94, 26% were on for more than three years and received roughly 63% of the total AFDC benefits issued over the ten year period.

AFDC single parent participation level is roughly equivalent to State population changes. In FY81, 4.1 percent of the Alaska population was on AFDC single parent compared to 4.3 percent of the population in FY94. All AFDC, both single and two parent families now comprise roughly 6% of the Alaskan population. National ranking of AFDC participation compared to total population, Alaska is 14th. However, Alaska has a comparatively high ratio of children in its population. The percent of children (age under 18 years) in Alaska is 31.5% which ranks 2nd nationally.

Over the last four years, the number of AFDC families receiving assistance each month in Alaska reached record levels. AFDC grew by 72 percent, from 7,549 AFDC families in FY90 to 12, 941 in FY94. Approximately 50% of this increase is attributed to the federal mandate to serve two parent families effective October 1, 1990.

In the past year the rate of growth in AFDC has slowed significantly. The total FY94 thru FY96 AFDC cumulative caseload increase and incremental cost may be less than the single year increases in FY91, FY92, or FY93. The FY96 AFDC formula request has been reduced by 3% or $4.1 million for the projected formula savings that can be achieved if the budget changes that increase eligibility caseload control, payment accuracy, self-sufficiency initiatives, the JOBS program, and fraud control are approved.

State of Alaska
Department of Health & Social Services
Division of Public Assistance

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

Basic Eligibility Criteria

Application and Review

Anyone may apply for AFDC. The Division of Public Assistance uses the family's application to determine initial eligibility for AFDC and uses recipients' monthly reports to determine continued AFDC eligibility and payment.

Non-Financial Criteria

Citizenship: U. S. Citizen or legal resident alien.

Residency: Living in Alaska with intent to remain.

Age: The caretaker relative receiving payment may be of any age.

Dependent children must be under age 18, or age 18 and in high school and expected to graduate by age 19.

Social Security Number: Must have or apply for a Social Security Number.

Work Requirements: Unless exempt, if selected must participate in the Job Opportunities and Basic Skills (JOBS) work and training program.

Child Support Cooperation: The caretaker relative must sign over child support to the state and cooperate with the Child Support Enforcement Division (CSED) in identifying and locating absent parents, establishing paternity for a child born out of wedlock, and collecting support, unless they have good cause for not cooperating.

Categorical Requirements

One or both parents of a dependent child must be absent from the child's home, or one parent must be incapacitated or unemployed.

The child(ren) must be living in the home of a parent or any specified relative with resources and income below the resource and income standards.

Pregnant women with no other AFDC child can receive payment for the last 90 days of pregnancy.

Resources (liquid and non-liquid assets)

Resources include cash, stocks, bonds, vehicles, boats, real estate, or any other property that can be converted to cash.

Exempt Resources: Home the family lives in, personal belongings, religious articles, $1,500 of the equity value of one motor vehicle do not count. Identifiable Alaska Native corporation dividend savings up to $2,000 per individual per calendar year are also excluded.

Resource Limit: $1,000 for each AFDC family unit, regardless of family size.

Income Disregards: Earned income disregards are $90 of gross, twelve months of an additional $30, plus an additional 1/3 of the remainder for the first four months, and actual child care costs up to $200 per month per child. Portions of student grants, bona fide loans, the first $2,000 per person per calendar year of Alaska Native corporation dividend payments, and up to $50 per month "pass-through" child support is disregarded.

Eligibility and payments: To determine if a family is eligible for AFDC the family's total monthly income is compared to the need standard for the family size. AFDC payments are calculated by subtracting net income from the need standard then paying 84.70 percent of need.
(See attached AFDC Need and Maximum Payment Standards (Rev 2/1/94).

State of Alaska
Department of Health and Social Services
Division of Public Assistance

AFDC NEED AND MAXIMUM PAYMENT STANDARDS

SSI COLA	4.2% 1/1/88	4.0% 1/1/89	4.7% 1/1/90	5.4% 1/1/91	3.7% 1/1/92	3.0% 1/1/93	Change in Law * 10/1/93		2.6% 1/1/94		2.8% 1/1/95	
FAMILY SIZE	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Max Pymt	Need Std	Max Pymt	Need Std	Max Pymt	Need Std.	Max Pymt
ADULT INCLUDED (AI)												
2	692	719	752	792	821	845	846	821	867	821	891	821
3	779	809	846	891	923	950	950	923	975	923	1002	923
4	866	899	940	990	1026	1056	1056	1026	1083	1025	1113	1025
5	953	989	1034	1089	1127	1160	1160	1127	1191	1127	1224	1127
6	1040	1079	1128	1188	1229	1265	1265	1229	1299	1229	1335	1229
7	1127	1169	1222	1287	1331	1370	1370	1331	1407	1331	1446	1331
Ea. Additional	87	90	94	99	102	105	105	102	108	102	111	102
AFDC INCAP/AFDC UP (AFDC UP effective 10/1/90)												
2	599	621	648	682	706	726	846	821	867	821	891	821
3	854	887	927	976	1011	1040	950	923	975	923	1002	923
4	941	977	1021	1076	1113	1145	1056	1026	1083	1026	1113	1025
5	1028	1067	1116	1174	1216	1250	1160	1127	1191	1127	1224	1127
6	1115	1157	1209	1273	1317	1355	1265	1229	1299	1229	1335	1229
7	1202	1247	1303	1372	1419	1460	1370	1331	1407	1331	1446	1331
Ea. Additional	87	90	94	99	102	105	105	102	108	102	111	102
ADULT NOT INCLUDED (ANI)												
1	276	286	299	316	326	336	466	452	478	452	491	452
2	550	572	598	630	653	672	571	554	586	554	602	554
3	637	662	692	729	756	777	676	656	694	656	713	656
4	724	752	786	828	857	882	781	758	802	758	824	758
5	811	842	880	927	959	987	886	860	910	860	935	860
6	898	932	974	1026	1061	1092	991	962	1018	962	1046	962
7	985	1022	1068	1125	1163	1197	1096	1064	1126	1064	1157	1064
Ea. Additional	87	90	94	99	102	105	105	102	108	102	111	102
SINGLE ADULT/PREGNANT WOMAN												
1	437	453	473	498	516	530	630	614	644	614	659	614

* *Change in Law (Ch 29 SLA 1993)*

Revised 11/94

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

January 1995 Applications and Discontinuances

Total Number of AFDC Applications Received	1,518
Total Number of Applications Approved	313
Total Number of AFDC Case Closures	525

January 1995 Caseload

Monthly Number of	
AFDC-Basic Cases	10,480
AFDC-UP Cases	2,002
AFDC Total Cases	12,482
Recipients	37,154
Children	23,671
Adults	13,483

January Assistance Payments

Total Assistance Payments (January 1995)	$10,211,400
Average Monthly Assistance Payment	
Per Case	$318.00
Per Recipient	$275.00

Need Standard and Maximum Payment Amounts

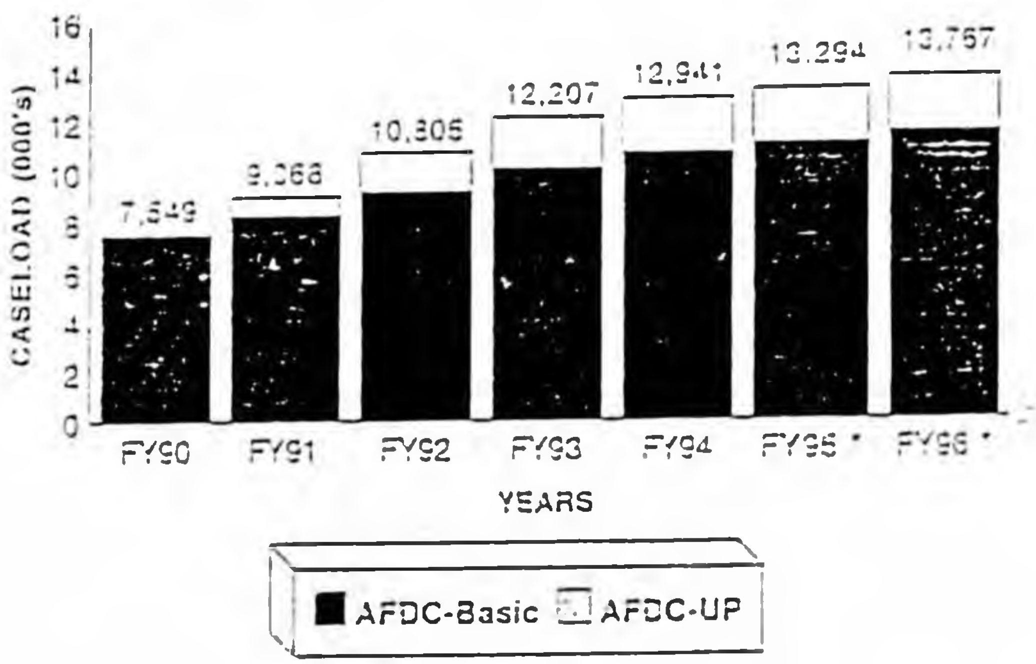
The 1993 legislature passed changes to our public assistance programs that reduced the basic grants for Aid to Families with Dependent Children and Adult Public Assistance and eliminated statutory language which provided for an automatic annual cost-of-living adjustment for these programs. The three-year (FY94-96) budget savings associated with these changes is roughly $43 million.

	Jan-Sept 1993	HB 67 Change	October 1993	October 1994	October 1995
Maximum Payment Amount					
AFDC-Basic 3 person	950	(27)	923	923	923
AFDC-UP 3 person	1040	(117)	923	923	923
Need Standard					
AFDC-Basic 3 person	950		950	975	1002
AFDC-UP 3 person	1040	(90)	950	975	1002
Percent of Poverty Guideline					
AFDC-Basic 3 person	77%	(5%)	72%	72%	70%
AFDC-UP 3 person	84%	(12%)	72%	72%	70%

AFDC Program Average Caseload

by Fiscal Year

Fiscal Years 1990 to 1996

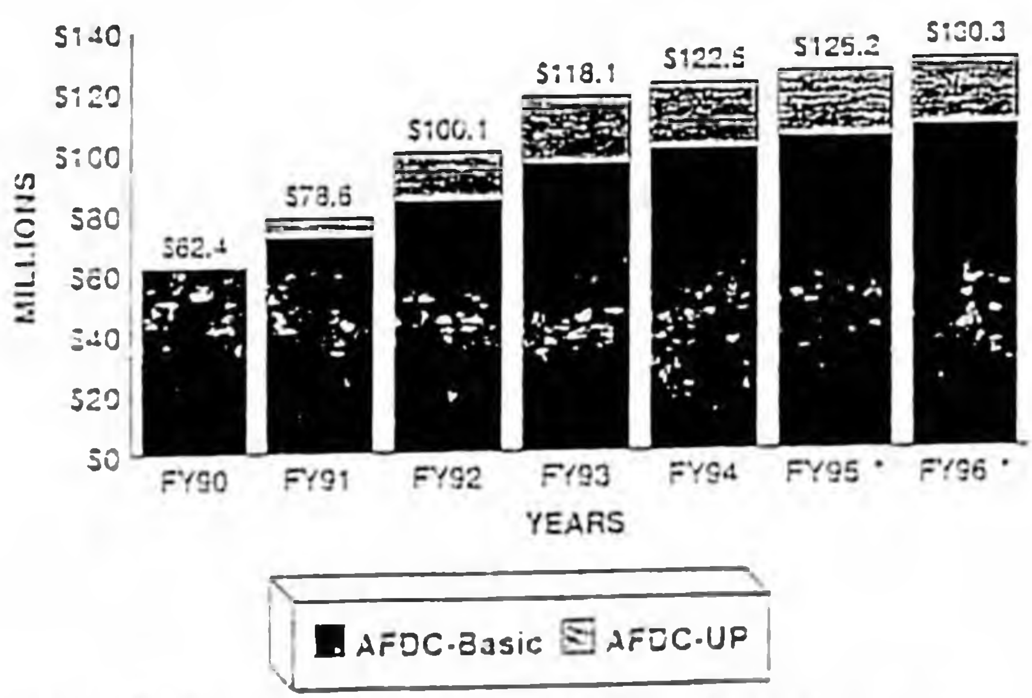


*FY 95 and FY 96 are projected.

Total AFDC Program Expenditures

by Fiscal Year

Fiscal Years 1990 to 1996



AFDC Basic helps needy children with low family income deprived of one or both parents

AFDC-Unemployed Parent helps families with low incomes that have both parents in the home

*FY 95 and FY 96 are projected.

DIVISION OF PUBLIC ASSISTANCE
AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

A.

AFDC PROGRAM	FY91 ACTUAL	FY92 ACTUAL	FY93 ACTUAL	FY94 ACTUAL	FY95 FORMULA	FY96 FORMULA
AFDC – Basic caseload	8,299	9,231	10,144	10,743	11,117	11,554
AFDC – UP caseload	769	1,574	2,063	2,198	2,177	2,213
TOTAL AFDC caseload	9,068	10,805	12,207	12,941	13,294	13,757
Caseload rate change vs. respective prior year	20.1%	19.2%	13.0%	6.0 %	2.7 %	3.5 %
Expenditure increase vs. respective prior year	$16,229.3	$21,535.5	$17,865.6	$4,529.8	$2,995.2	$4,759.3
TOTAL EXPENDITURE	$78,574.3	$100,109.8	$117,975.4	$122,505.2	$125,500.4	$130,259.7

B.

FY94 AFDC ACTUAL	
FY94 AFDC FULL FORMULA before HB67 changes	$128,598.7
Legislative changes in HB 67 :	
1. Suspend AFDC COLA effective January 1, 1994	(1,630.6)
2. Implement ratable reduction of AFDC payment to 1992 level.	(2,741.7)
3. Use the AFDC Basic Need Standard for AFDC – Unemployed Parent	(1,721.2)
TOTAL FY94 SAVINGS FROM HB67	($6,093.5)
FY94 AFDC Actual Expenditure	$122,505.2

C.

FY95 AFDC FORMULA	
FY95 AFDC FULL FORMULA before HB67 changes	$136,633.6
Legislative changes in HB 67 :	
1. Suspend AFDC COLA	
1994 COLA savings with 12 month impact in FY95	(3,350.1)
1995 COLA savings effective January 1, 1995	(1,754.3)
2. FY94 ratable reduction of AFDC payment to the 1992 maximum levels.	(3,755.8)
3. Use the AFDC Basic Need Standard for AFDC – Unemployed Parent	(2,273.0)
TOTAL FY95 SAVINGS FROM HB67 (Implemented on October 1, 1993)	($11,133.2)
FY95 AFDC FORMULA Projection	$125,500.4

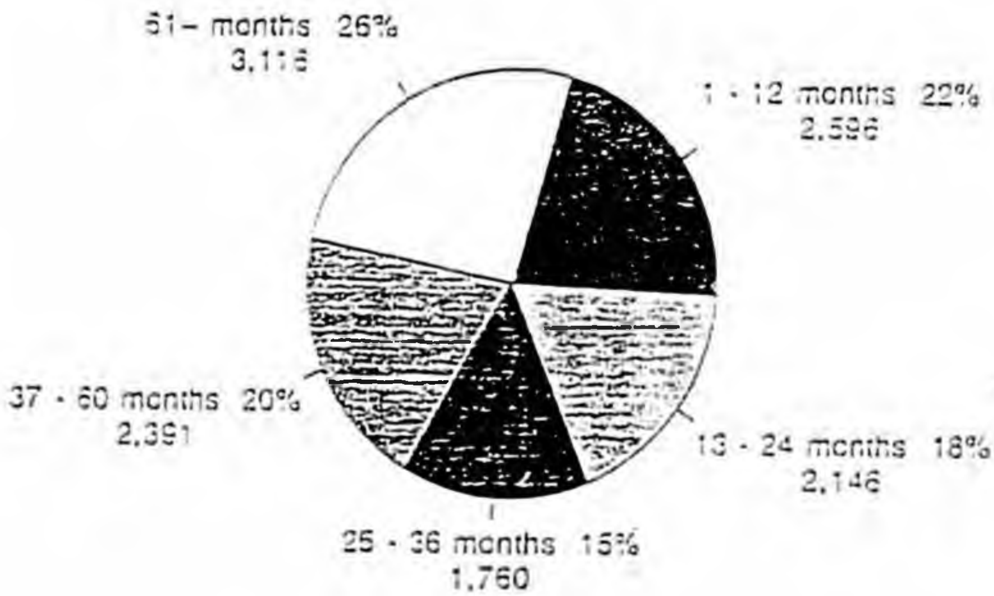
D.

FY96 AFDC FORMULA	
FY96 AFDC FULL FORMULA before HB67 changes and caseload control actions	$149,750.7
Legislative changes in HB 67 :	
1. Suspend AFDC COLA	
1994 COLA savings with 12 month impact in FY96	(3,463.0)
1995 COLA savings with 12 month impact in FY96	(3,524.5)
1996 COLA savings effective January 1, 1996	(2,065.1)
2. FY94 ratable reduction of AFDC payment to the 1992 maximum levels.	(3,385.3)
3. Use the AFDC Basic Need Standard for AFDC – Unemployed Parent	(2,310.5)
TOTAL FY96 SAVINGS FROM HB67 (Implemented on October 1, 1993)	($15,368.4)
FY96 SAVINGS for eligibility caseload control, improved payment accuracy, enhanced self-sufficiency actions and increases in the fraud control effort.	($4,122.6)
FY96 AFDC FORMULA REQUEST	$130,259.7

Months of AFDC Participation

Current Open Cases

as of January 1, 1995

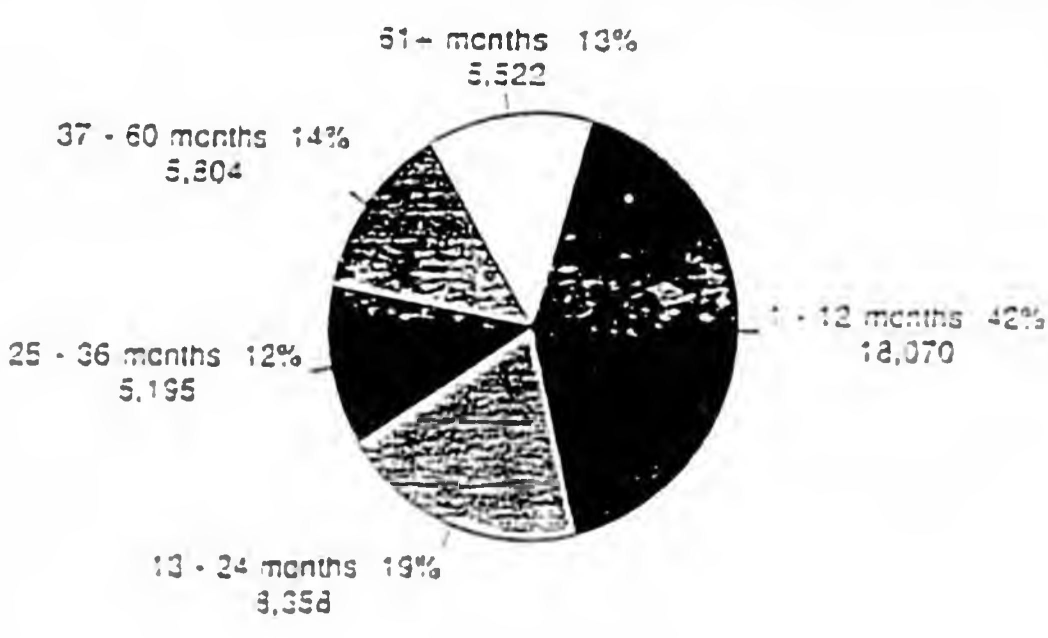


Note: In Alaska, 46% of the current and open AFDC cases have been on welfare for more than 3 years.

Months of AFDC Participation

Open or Closed Cases

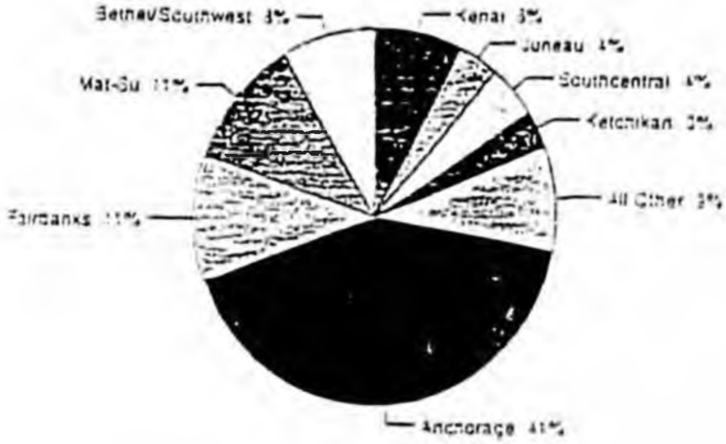
as of January 1, 1995



AFDC Cases by District Area

January 1995

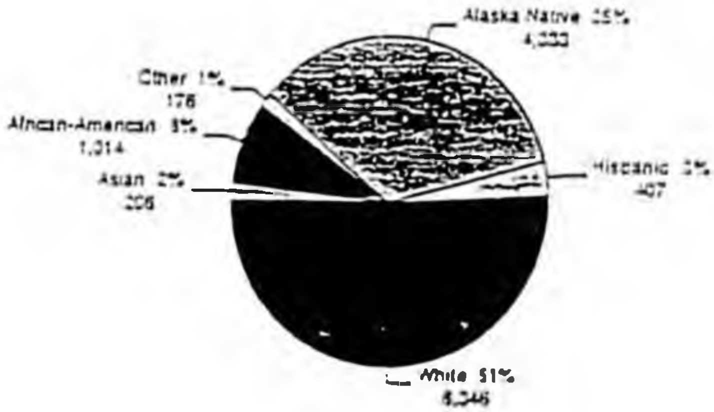
12,482 Cases Statewide



AFDC Cases by Race

January 1995

12,482 Cases Statewide



AFDC Cases by Category

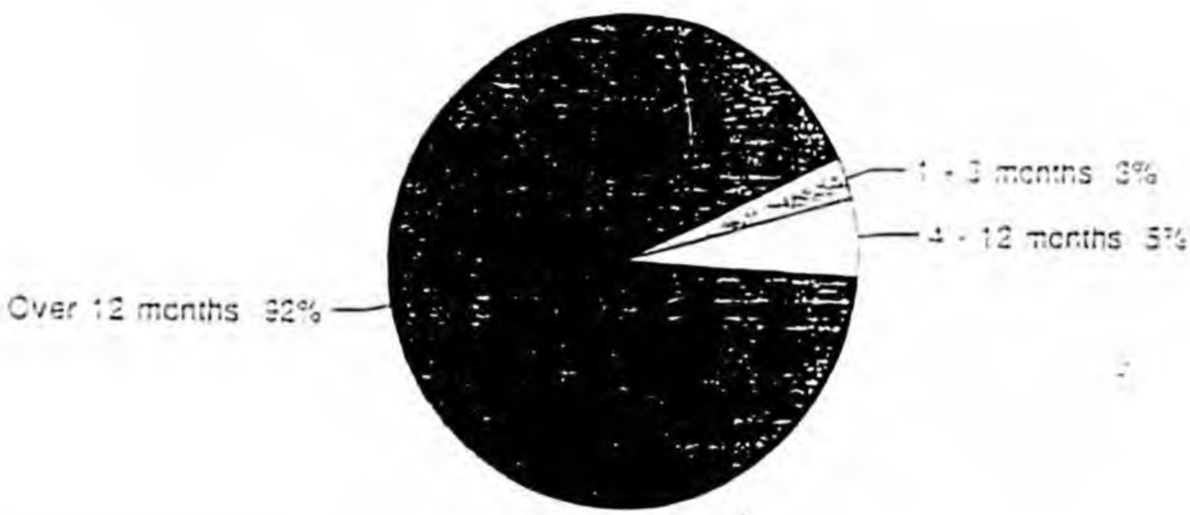
January 1995

12,482 Cases Statewide

How Long in Alaska?

Summary of Open AFDC Cases

November 1994



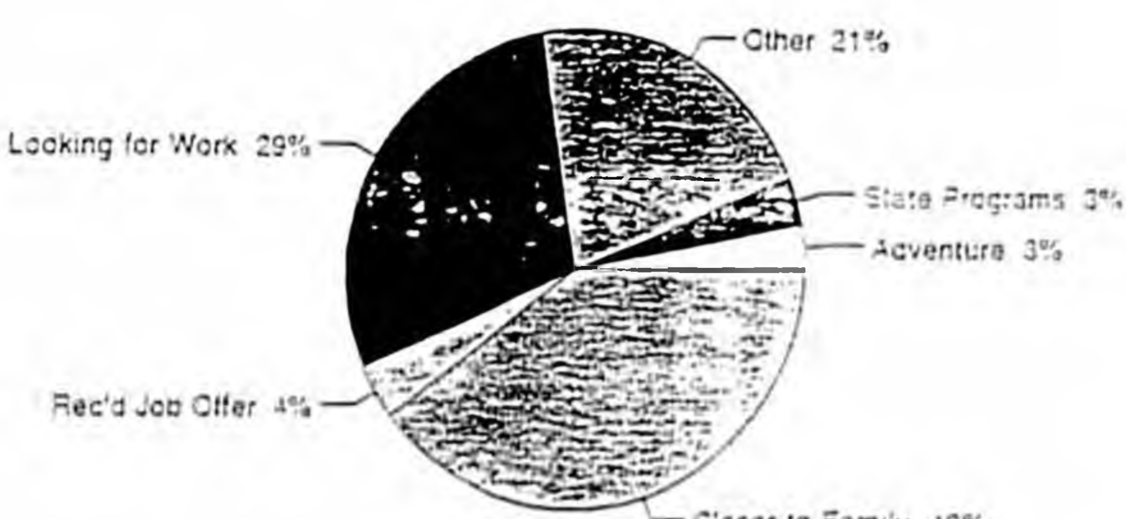
Note: Of the 12,000 families receiving AFDC in Nov 1994, 8% moved to Alaska within the past year.

Primary Reason for Moving to Alaska

AFDC Applicant Survey

November 1992-November 1993

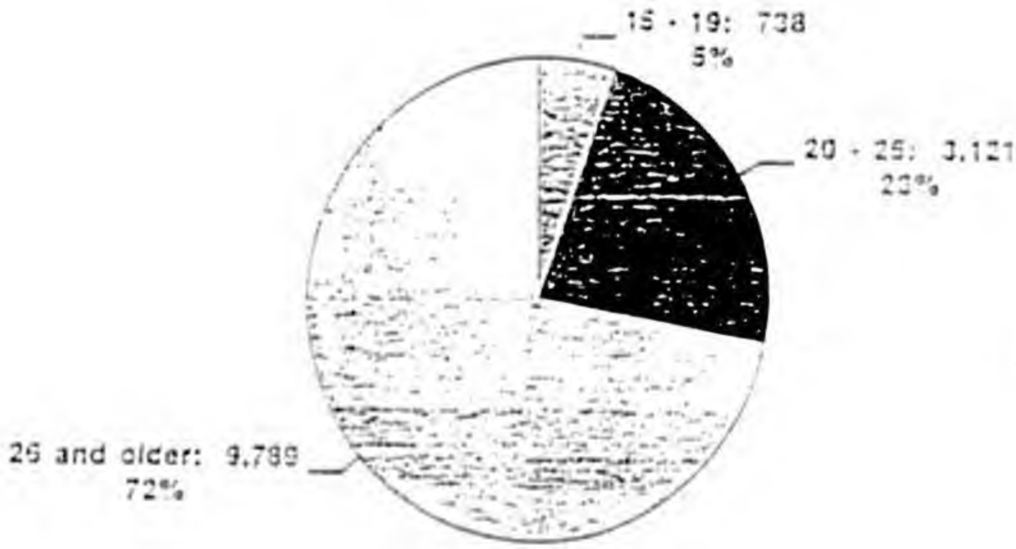
Anchorage Region



AFDC Parents by Age Group

October 1994

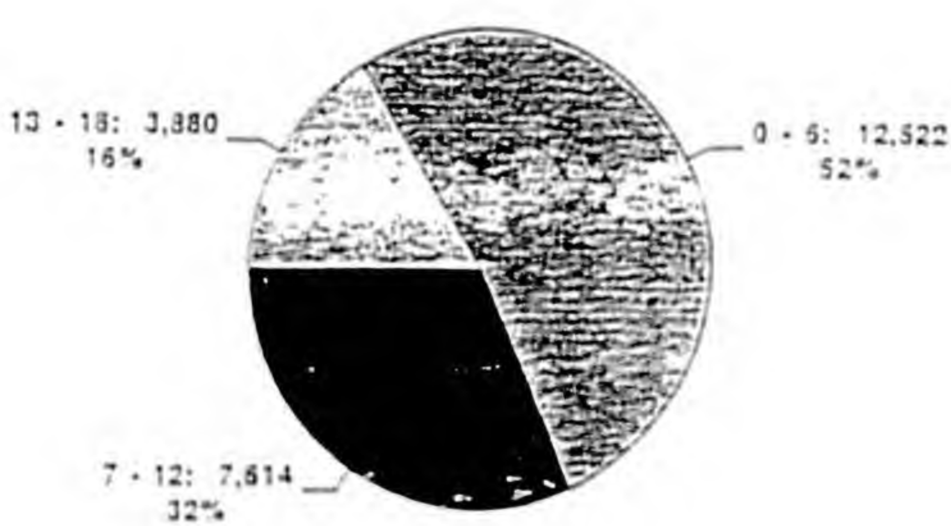
13,648 Parents Statewide



AFDC Children by Age Group

October 1994

24,116 Children Statewide



FY96 ADULT PUBLIC ASSISTANCE (APA)

OLD AGE ASSISTANCE, AID TO THE BLIND, AND AID TO THE DISABLED

Provides cash assistance to citizens over age 65, blind, or permanently disabled.

The State cash supplements are closely linked to Federal Supplemental Security Income (SSI) program, which currently pays a maximum of $458 monthly.

Participation makes client automatically eligible for Medicaid and Energy Assistance.

A single APA client living independently currently receives $820 per month, or 107% of the federal poverty level in Alaska. ($458 SSI and $362 State Supplemental payment)

Alaska provides interim assistance, in the amount of $280 only to clients who are awaiting a determination of disability.

In FY96 we expect to serve 11,176 APA clients each month.

	Caseload Monthly	Percent of TOTAL	FY96 Budget
Aid to the Disabled	6593	57.6%	$26,029.1
Old Age Assistance	4484	41.5%	16,694.5
Aid to the Blind	99	.9%	392.0
APA Caseload	11,176	100%	$43,115.6

Caseload Growth

Old Age Assistance (OAA) growth rate since 1985 has been fairly moderate. The ten year average annual increase is below 5.3%. The rate of OAA increase has remained less than the population growth for seniors. In FY80, 19.3% of the State's 65 and older population received OAA compared to 14.2% in FY94.

Aid to the Disabled caseload growth has been comparatively high by increasing at an average annual rate of 10% in the last ten years. Disabled clients receiving SSI and APA have difficulty removing themselves from the welfare rolls because of their mental or physical disability.

State of Alaska
Department of Health & Social Services
Division of Public Assistance

ADULT PUBLIC ASSISTANCE (APA)

Basic Eligibility Criteria

Application and Review

Anyone may apply for APA which includes Aid to the Blind, Aid to the Disabled, and Old Age Assistance. The Division of Public Assistance uses the person's application to determine initial eligibility for APA. APA recipients' eligibility is reviewed annually.

APA benefits supplement the benefits provided by the federal Supplemental Security Income (SSI), Social Security Retirement and Disability, and other programs, up to a maximum payment amount. See the attached APA Need and Maximum Payment Standards (Rev 12/1/93). State SSI supplement programs are defined under Title XVI of the Social Security Act.

Non-Financial Criteria

Citizenship: U. S. Citizen or legal resident alien.

Residency: Living in Alaska with intent to remain.

Age: Aid to the Blind and Aid to the Disabled: Age 18 or older.
Old Age Assistance: Age 65 or older.

Social Security Number: Not required for Adult Public Assistance. However, the benefit packet includes Medicaid assistance, which requires a Social Security Number.

Categorical Requirements

Aid to the Blind: A person who is legally blind.

Aid to the Disabled: A person who is unable to earn $500 per month because of a medically determined physical or mental impairment which lasted or is expected to last for at least 12 months, or is expected to end in death.

These requirements are the same as the federal Supplemental Security Income (SSI) program.

Old Age Assistance: A person who is at least 65 years old. (Disability is not a factor.)

Financial Requirements

Applicants must apply to any other benefit program available to them, such as Supplemental Security Income, Social Security, Veterans Administration, private pensions, annuities and disability benefits.

Resources (liquid and non-liquid assets)

Resources include cash, stocks, bonds, money in financial accounts, vehicles, boats, real estate, or any other property that can be converted to cash.

Exempt Resources: The value of a home, one vehicle, household goods and personal effects, $2,000 per person per calendar year of Alaska Native corporation dividend savings, specified assets set aside for burial, and up to $1,500 cash surrender value of life insurance per individual do not count.

Resource Limit: Resource limit is $2,000 for an individual, $3,000 for a couple.

Income

SSI, Social Security and other income counts in the eligibility determination and payment calculation.

Exclusions: Alaska Longevity Bonus payments and the first $2,000 per person per calendar year of Alaska Native corporation dividend payments do not count as income. The value of any in-kind support and maintenance is also disregarded.

Eligibility and payment: Deductions from earned income of the blind or disabled include certain work related expenses, and a standard monthly disregard of $65 plus 1/2 of the remainder. The first $20 per month of all income except SSI or VA pension is also disregarded. APA eligibility is determined by comparing an individual's or couple's total monthly countable income with the appropriate APA need standards. APA payment = payment standard - income.
(See attached APA Need and Maximum Payment Standards Rev 2/1/94).

APA NEED AND MAXIMUM PAYMENT STANDARDS

SSI COLA / HOUSEHOLD TYPE	1.3% 1/1/87 Max Pymt	4.2% 1/1/88 Max Pymt	4.0% 1/1/89 Max Pymt	4.7% 1/1/90 Max Pymt	5.4% 1/1/91 Max Pymt	3.7% 1/1/92 Max Pymt	3.0% 1/1/93 Max Pymt	Change in Law * 10/1/93 Need Std	Change in Law * 10/1/93 Max Pymt	2.6% 1/1/94 Need Std	2.6% 1/1/94 Max Pymt	2.8% 1/1/95 Need Std	2.8% 1/1/95 Max Pymt
A Individual	632	659	686	717	756	784	808	807	798	828	808	851	826
B Individual	623	646	667	694	626	649	668	667	657	684	666	703	673
A Couple, 1 Elig	769	791	823	862	909	943	971	970	966	996	967	1023	979
B Couple, 1 Elig	600	626	660	681	718	746	767	768	763	786	761	808	769
A Couple, Both Elig	937	976	1016	1063	1120	1161	1198	1196	1180	1228	1197	1260	1215
B Couple, Both Elig	778	811	843	883	931	966	994	993	978	1019	989	1048	1001
NH Personal Needs	70	70	76	76	76	76	76	74	76	74	75	74	76
NH 300%	1020	1062	1104	1158	1221	1266	1302	1302	–	1338	–	1374	

* *Change in Law (Ch 29 SLA 1993)*

SSI ELIGIBILITY/PAYMENT STANDARDS

HOUSEHOLD TYPE	1.3% 1/1/87	4.2% 1/1/88	4.0% 1/1/89	4.7% 1/1/90	5.4% 1/1/91	3.7% 1/1/92	3.0% 1/1/93	No Change 10/1/93	2.6% 1/1/94	2.8% 1/1/95
A Individual	340	354	368	386	407	422	434	434	446	458
B Individual	226.67	236	245.34	257.34	271.34	281.34	289.34	289.34	297.34	305.34
A Couple, Both Elig	510	532	553	579	610	633	652	652	669	687
B Couple, Both Elig	340	354.67	368.67	386	406.67	422	434.67	434.67	446	458
NH Personal Needs	25	25	30	30	30	30	30	30	30	30

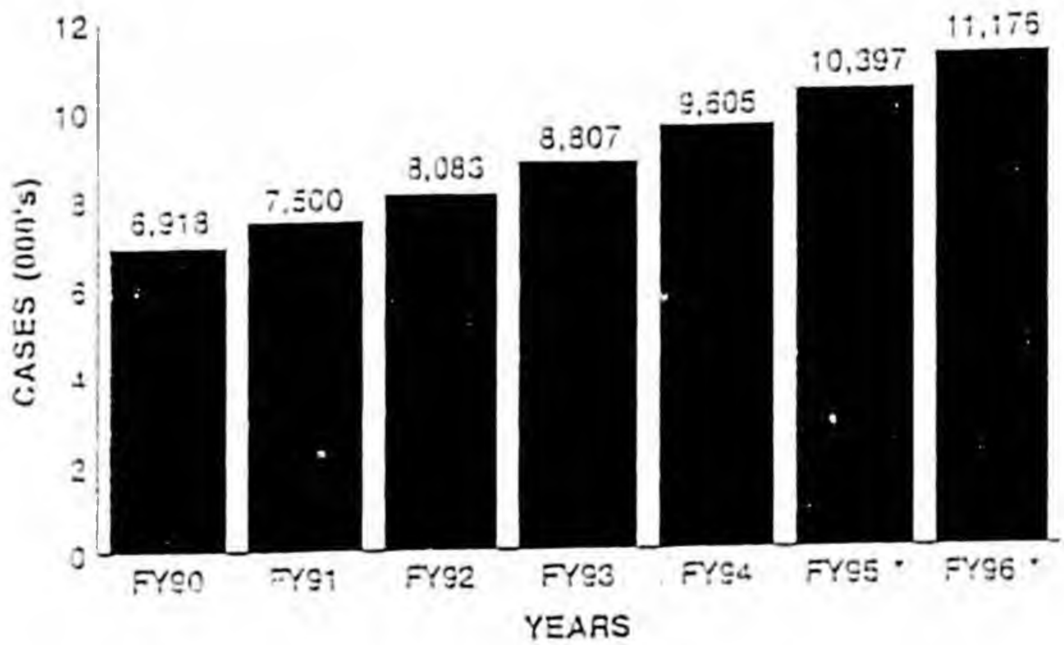
FEDERAL POVERTY LEVELS

	FAMILY SIZE	100% QMB SIX/[illegible]	133% PREGNANT WOMAN HEALTHY CHILDREN	185% TRANSITIONAL MEDICAID	200% QDWI
ALASKA MONTHLY STANDARDS	1	767	1020	1419	1534
	2	1026	1364	1897	2050
Effective 4/1/94	3	1284	1707	2376	
	4	1542	2051	2853	
	5	1800	2394	3330	
	6	2059	2738	3808	
	7	2317	3082	4286	
	8	2576	3426	4764	
	Ea. Additional	259	344	478	

APA Program Average Caseload

by Fiscal Year

Fiscal Years 1990 to 1996

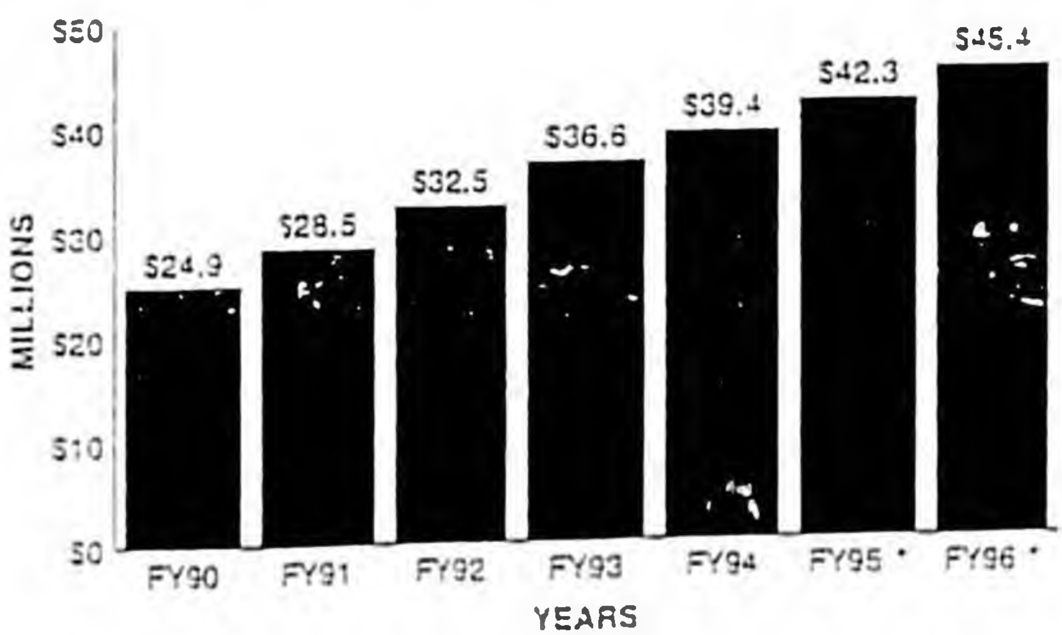


* FY 95 and FY 96 are projected

APA Program Expenditures

by Fiscal Year

Fiscal Years 1990 to 1996



Note: Expenditures include CAA-ALBHH

DIVISION OF PUBLIC ASSISTANCE

ADULT PUBLIC ASSISTANCE (APA)

A.

APA PROGRAM	FY91 ACTUAL	FY92 ACTUAL	FY93 ACTUAL	FY94 ACTUAL	FY95 FORMULA	FY96 FORMULA
Average Caseload	7500	8083	8807	9605	10397	11176
Caseload growth rate vs. respective prior year	3.4%	7.8%	9.0%	9.1%	8.2%	7.5%
APA Expenditure	23,430.2	26,688.1	34,559.3	37,290.1	40,007.3	43,115.6
CAA-ALS HH Expenditure	5,066.9	5,803.1	2,064.[illegible]	2,160.6	2,[illegible]60.5	2,298.1
TOTAL APA & CAA-ALSHH	$28,497.1	$32,491.2	$36,623.4	$39,450.7	$42,[illegible]67.3	$45,413.7
Expenditure increase vs. respective prior year	3,595.5	3,994.1	4,172.2	2,827.3	2,[illegible]	3,145.9

B. FY94 APA ACTUAL

FY94 APA FULL FORMULA before HB67 changes	$39,008.0
Legislative changes in HB 67:	
1. Suspend APA COLA effective January 1, 1994	(432.2)
2. Implement ratable reduction of APA payment to 1992 level	(810.5)
3. Prorate APA initial months benefits	(475.2)
TOTAL FY94 SAVINGS FROM HB 67	($1,717.9)
FY94 ADULT PUBLIC ASSISTANCE (APA) AUTHORIZATION	$37,290.1

C. FY95 APA REQUEST SUMMARY

FY95 APA FULL FORMULA before HB67 changes	$43,202.5
Legislative changes in HB 67:	
1. Suspend APA COLA	
1994 COLA savings with 12 month impact in FY95	(940.5)
1995 COLA savings effective January 1, 1995	(529.0)
2. FY94 ratable reduction of APA payment to 1992 maximum levels.	(1,175.6)
3. Prorate APA initial months benefits	(550.0)
TOTAL FY95 SAVINGS FROM HB 67 (Implemented on October 1, 1993)	($3,195.2)
FY95 ADULT PUBLIC ASSISTANCE (APA) FORMULA REQUEST	$40,007.3

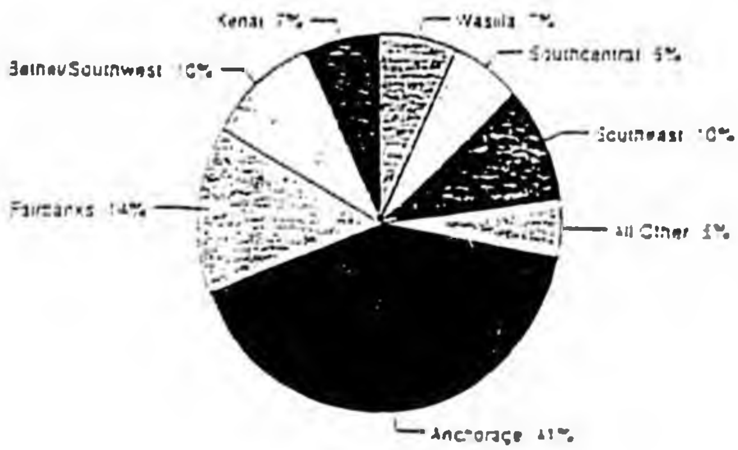
D. FY95 APA REQUEST SUMMARY

FY95 APA FULL FORMULA before HB67 change:	$47,726.8
Legislative changes in HB 67:	
1. Suspend APA COLA	
1994 COLA savings with 12 month impact in FY96	(1,015.0)
1995 COLA savings with 12 month impact in FY96	(1,142.2)
1996 COLA savings effective January 1, 1996	(634.9)
2. FY94 ratable reduction of APA payment to 1992 maximum levels.	(1,269.1)
3. Prorate APA initial months benefits	(550.0)
TOTAL FY96 SAVINGS FROM HB 67 (Implemented on October 1, 1993)	($4,611.2)
FY96 ADULT PUBLIC ASSISTANCE (APA) FORMULA REQUEST	$43,115.6

APA Cases by District Area

January 1995

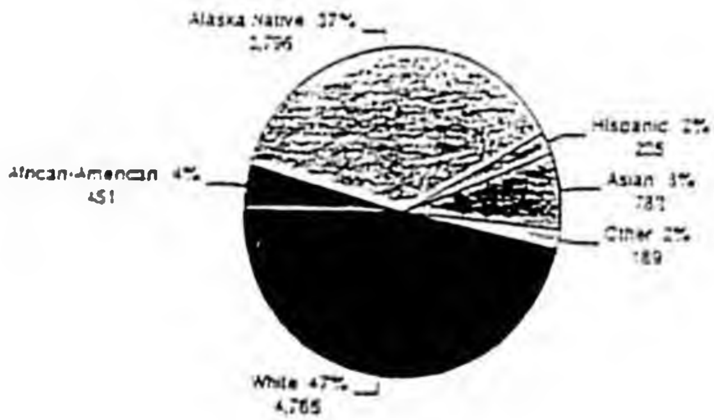
10,213 Cases Statewide



APA Cases by Race

January 1995

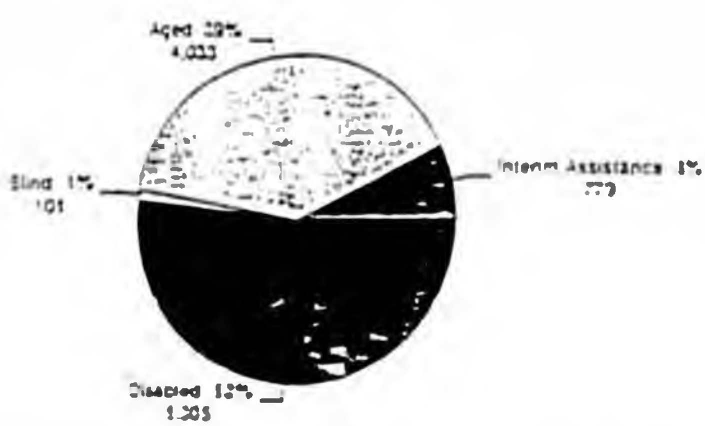
10,218 Cases Statewide



APA Cases by Category

January 1995

10,218 Cases Statewide



Food Stamps

- Food Stamp benefits are paid 100% by the federal government.
- Administrative costs are shared 50/50 with the federal government.
- In FFY94 total Food Stamp program expenditures were about $66 million, the state's share was about $7 million.
- Food Stamp benefits and eligibility standards are established by the federal government,.
- Each month about 48,500 people receive food stamps in Alaska. That is around 8% of the population, which is below the national participation rate of 10%.
- Special Alaska rules let rural clients get more food stamps than urban clients due to higher food costs in the bush. Rural cases represent 24% of the caseload and get 43% of food stamp benefits.
- Benefits vary greatly with household size and income and place of residence. In Anchorage, Fairbanks, and Juneau the average monthly food stamp benefit is about $200. In Southwest and Northwest Alaska, the average monthly food stamp benefit is $525.

FOOD STAMP PROGRAM

Program Purpose

Food stamps provide assistance to low-income households in purchasing food. The objective is to improve nutrition of recipients.

Requirements for Eligibility

Recipients of food stamps must meet the following criteria:

1. they must reside in Alaska;

2. they must be a U.S. citizen or reside in the U.S. under legal alien status;

3. they must be within certain resource and income limits;

4. they cannot reside in commercial boarding houses or institutions;

5. they must meet the work registration and Employment and Training program requirements (when applicable);

6. they must submit an application for the program and satisfy the interview requirement; and

7. they must provide or apply for a Social Security Number.

Resource and Income Standards

Eligibility for food stamps and the benefits which participants receive are determined by each household's size and financial situation. Outlined below are the criteria used to make these determinations.

Assets: Households may have no more than $2,000 in resources, such as cash on hand and savings, and other readily available assets. Households with at least one member age 60 or older, may have up to $3,000 in resources.

Income: For most households, gross income and net income will be used to determine their eligibility for food stamps. Only net income is used to determine financial eligibility for households containing applicants who are age 60 or older or disabled. Net income is derived by subtracting the following deductions from gross income.

Deductions

All households receive:

- A standard deduction of $191.
- A deduction of 20 percent of gross earned income to cover work-related costs.
- A deduction for dependent care up to $160 per dependent
- A deduction for excess shelter (rent and utilities) up to $333 maximum. Excess shelter is the shelter cost in excess of 50 percent of the household's income after all other deductions.

Recipients age 60 or older, or the disabled, may also deduct:

- Medical costs over $35.
- Excess shelter costs beyond 50 percent of income after all other deductions.

Benefits

The monthly food stamp allotment each family receives is based on the Thrifty Food Plan (TFP); the model diet plan the USDA used to project the cost of food for one month for different household sizes. Three different TFPs are used in Alaska due to the varying cost of food in rural areas. A household with no income receives the entire allotment. A household with some net income receives the entire allotment minus 30 percent of their net income. The allotments are adjusted annually to reflect changes in the cost of food.

ALASKA FOOD STAMP MANUAL

ADDENDUM 4

FOOD STAMP PROGRAM

STANDARDS AND MAXIMUM ALLOTMENTS

EFFECTIVE OCTOBER 1, 1994 through SEPTEMBER 30, 1995

RESOURCE LIMITS: $2,000 per household; or

$3,000 per household with at least one member age 60 years or over.

INCOME LIMITS:

NET INCOME = GROSS INCOME LESS ALLOWABLE DEDUCTIONS

HOUSEHOLD SIZE	GROSS LIMIT	NET LIMIT
1	$ 997	$ 767
2	1,333	1,025
3	1,669	1,284
4	2,005	1,542
5	2,340	1,800
6	2,676	2,058
7	3,012	2,317
8	3,348	2,575
Each additional member	+ 336	+ 259

ALLOWABLE **DEDUCTIONS:**

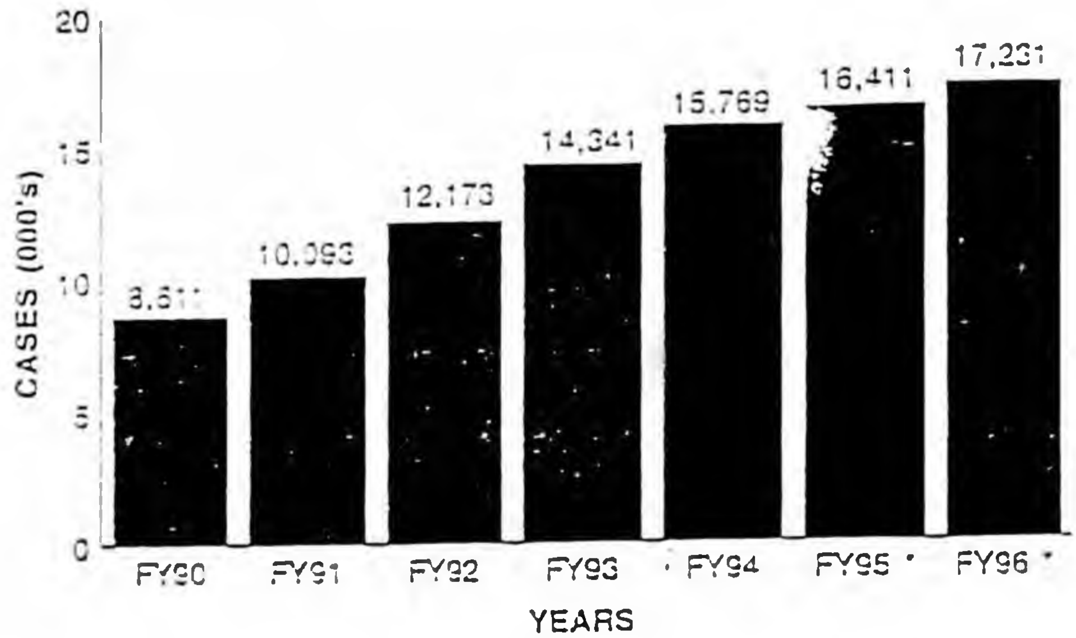
EARNED INCOME:	20% OF GROSS
STANDARD DEDUCTION:	$229
DEPENDENT CARE: PER DEPENDENT PER MONTH (Effective 9/1/94)	$175/$200
EXCESS SHELTER: (Effective 7/1/94)	$402
HOMELESS SHELTER:	$139
MEDICAL: SEE FS MANUAL	

MAXIMUM FOOD STAMP ALLOTMENTS

HOUSEHOLD SIZE	URBAN	RURAL I	RURAL II
1	$ 147	$ 188	$ 229
2	271	345	420
3	388	495	602
4	493	628	765
5	585	746	908
6	702	895	1,090
7	776	990	1,204
8	887	1,131	1,377
Each additional member	+ 111	+ 141	+ 172

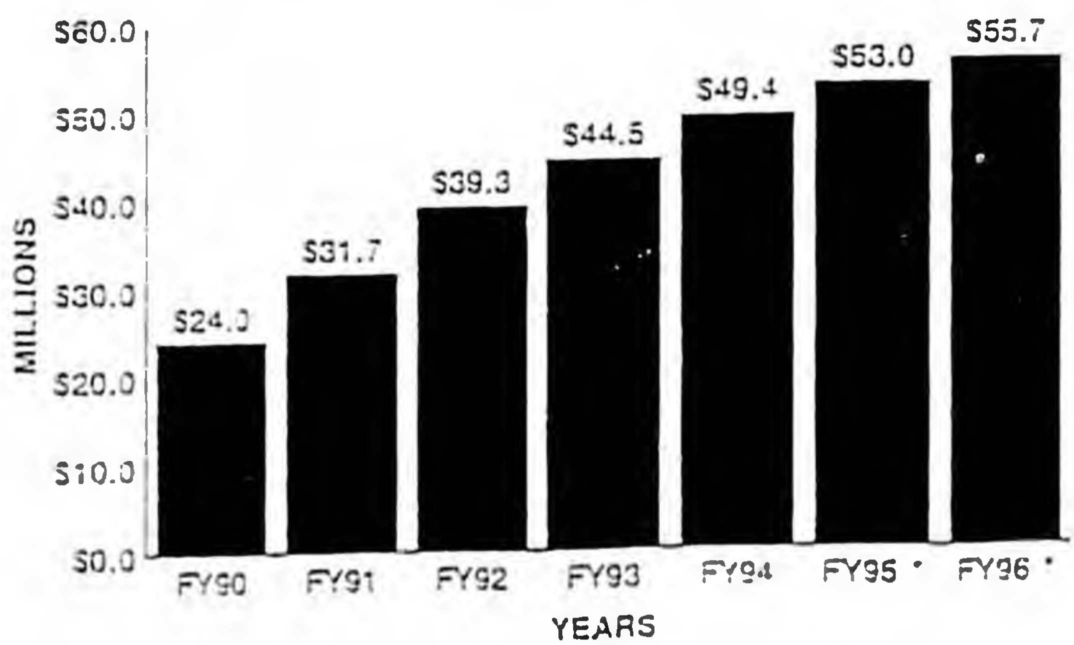
– In general, monthly benefit = maximum allotment less 30% of net household income

Food Stamp Average Caseload
by Fiscal Year
Fiscal Years 1990 to 1996



* FY 95 and FY 96 are projected

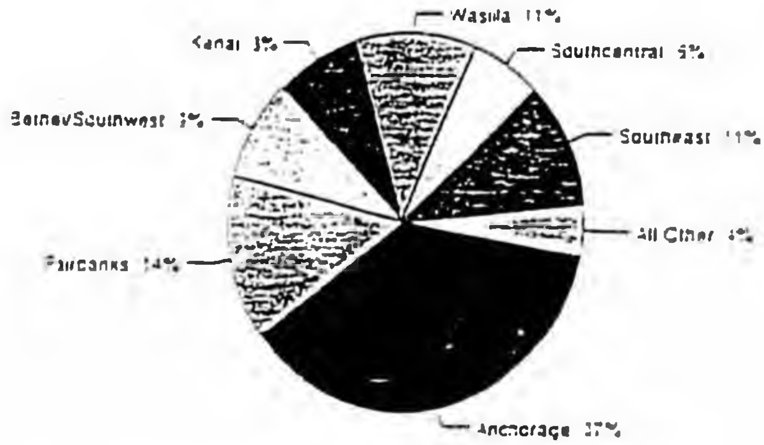
Food Stamp Program Benefits
by Fiscal Year
Fiscal Years 1990 to 1996



Food Stamp Cases by District Area

January 1995

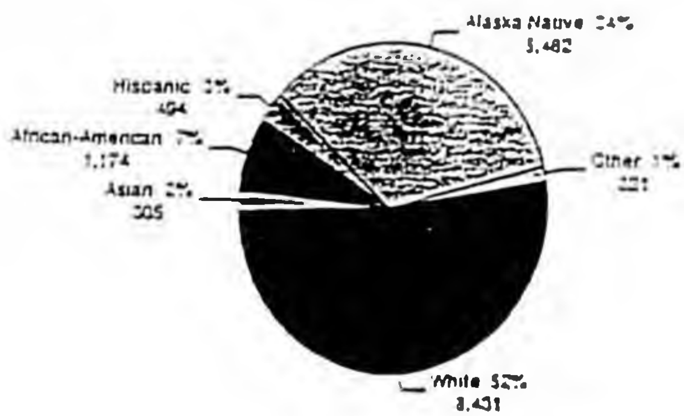
16,107 Cases Statewide



Food Stamp Cases by Race

January 1995

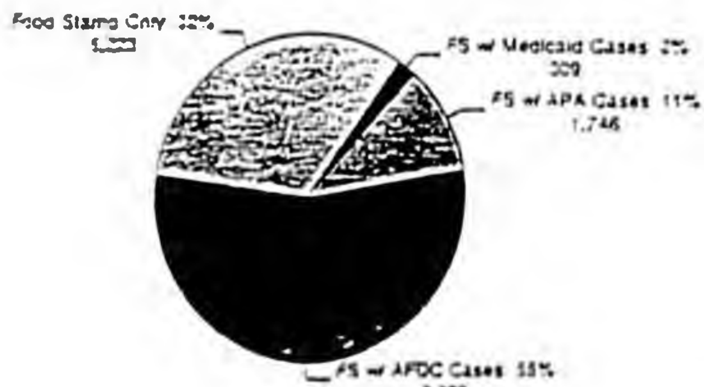
16,107 Cases Statewide



Food Stamp Cases by Category

January 1995

16,107 Cases Statewide



Job Opportunities and Basic Skills (JOBS)

Mandated by the federal government in the Family Support Act of 1988, the JOBS program promotes Welfare-to-Work. Federal mandates include who and how parents will participate, and how many for Alaska to qualify for federal funding of the JOBS and AFDC programs. The number served increases annually. The goal is to reduce welfare costs through employment. The JOBS program continues to be an essential component of the Division of Public Assistance's strategy for welfare reduction and reform.

The agency focuses on results: Employment of AFDC recipients. The JOBS program moves AFDC recipients to employment through education, training, and job search services. For some recipients this will mean independence from welfare, for others it reduces dependency by reducing the amount of AFDC paid. Participants failing to meet JOBS requirements are removed promptly from the AFDC grant.

All employment opportunities are encouraged, knowing that unpaid and paid employment provide much needed work experience that will lead to financial independence. When ready for employment, staff work closely with recipients to teach them how to job search, prepare resumes, and interview for paid employment.

Low literacy is a major obstacle for many AFDC recipients. Approximately 40% of the JOBS participants entered the program without a high school diploma or GED. Some have diplomas but have low math and English skills. Some recipients need to learn to speak and read English as a second language. JOBS' staff assess the recipients skills, then refer them to agencies that can fill the need.

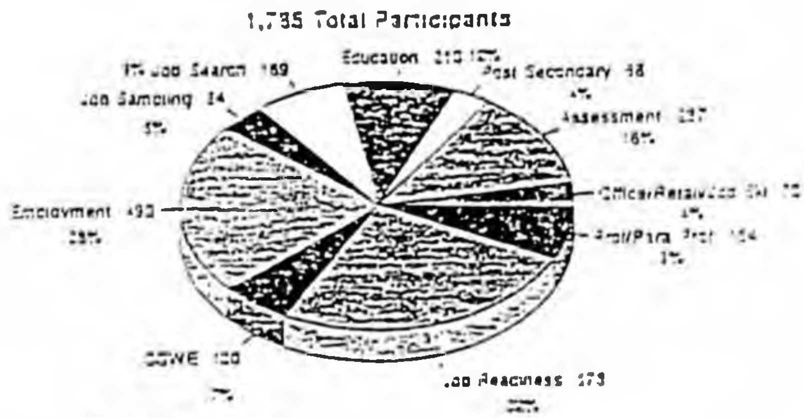
The Division of Public Assistance (DPA) maintains strong partnerships with other agencies. On a daily basis, staff with the Department of Labor's (DOL) Alaska Employment Services work side by side with DPA staff. DPA contracts with DOL for vocational counseling, job readiness workshops, and job search. This partnership is key to the success of the JOBS program. Staff from the both agencies work side-by-side in the same office under a single office manager.

Other departments work closely with DPA to meet the needs of JOBS participants: Education contracts and monitors adult educators and teen parent programs designed for JOBS parents; Community & Regional Affairs administers an AFDC child care program and one for low income parents at-risk of becoming AFDC eligible, and targets AFDC clients for JTPA training opportunities. The Departments of Administration, Revenue, and Commerce, and the University of Alaska, have joined the team to help AFDC recipients overcome barriers to employment.

Alaska JOBS Participants

By Components/Activities

January, 1995

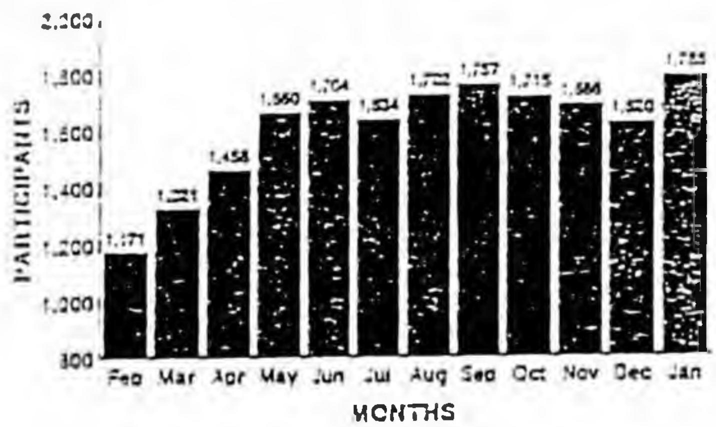


Note: Percents do not total 100% as a client may be in more than one component.

Alaska JOBS Caseload Report

Last Twelve Months

February 94 to January 95

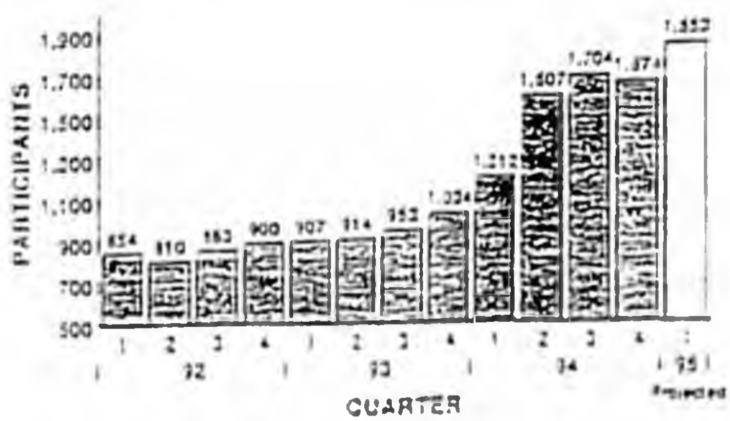


Source: Alaska JAS Caseload Report

Alaska JOBS Caseload

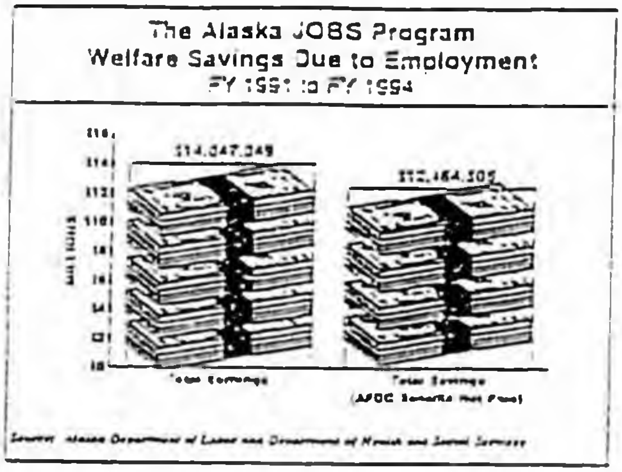
By Calendar Quarter

First Quarter 1992 to First Quarter 1995*



* First Quarter numbers are projected.

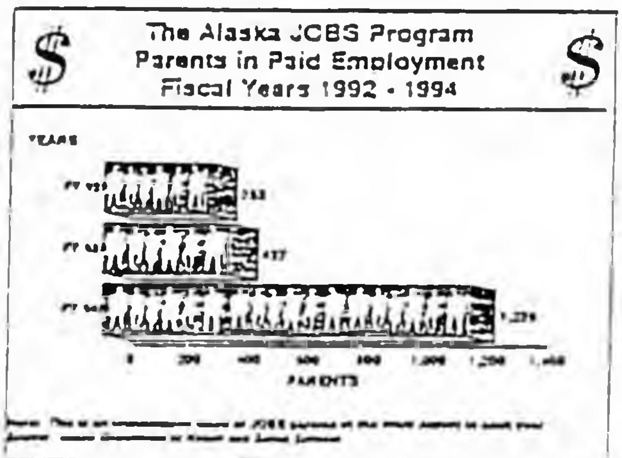
JOBS Generates AFDC Savings



Since the inception of the Alaska JOBS program, 1,378 parents have completed the program and gone off AFDC. They have earned a total of $14 million in wages since leaving the program. The parents who left both programs worked an average of 11 months since their departure.

Over $12.4 million in welfare has been saved since 1991, as a result of JOBS parents' employment. While JOBS' focus is AFDC savings, both the Medicaid and Food Stamps programs will also realize savings as parents move toward self-sufficiency.

More *JOBS* Parents Find Work



In Fiscal Year 1994, 1,226 Alaska JOBS parents had paid work, thereby reducing their AFDC grants. Forty-five percent of the parents worked more than thirty hours per week.

ENERGY ASSISTANCE PROGRAM (EAP)

Program Purpose

This is a 100 percent federally funded program designed to provide financial assistance to low-income households to help pay the high costs of home heating.

Requirements of Eligibility

To be eligible for energy assistance, a household must submit an application and meet the following income guidelines. Figures are adjusted periodically. The following figures are for winter 1994-95. Both home owners and renters may apply.

Household Size	Maximum Allowable Gross Income Prior Month*
1	$ 997
2	$ 1,333
3	$ 1,668
4	$ 2,004
5	$ 2,340
6	$ 2,676

For each additional household member add $336.

* Gross income for purposes of this program is defined as all cash income before taxes from all sources including all public assistance payments but excluding all non-cash income such as: assets, resources, or in-kind payments (food stamps, medical coupons, etc.). Payments from the Alaska Longevity Bonus Program, Alaska Native Claims Settlement Act, and Permanent Fund Dividends are also excluded from income.

Benefits

Benefits for the program vary depending on the household's income, fuel costs, and geographic location. The benefit plan allows for payments ranging from approximately $150 to $910. A grant is made once per year per household. This is not a monthly maintenance program.

Payments are usually made to the eligible household's home heating supplier. Payment will cover fuel oil, natural gas, electricity, propane, wood, and other petroleum products related to home heating needs.

Renters who pay for their home heating through an undesignated portion of their rent may receive cash payments.

Energy Assistance applications are available at all Division of Public Assistance offices, and from home energy vendors and fee agents in most smaller towns and villages. Office addresses are listed on page 3 of this booklet.

GENERAL RELIEF ASSISTANCE

Program Purpose

The General Relief Assistance program offers two types of assistance: General Relief cash assistance (GRA), and General Relief Burials. Both are emergency assistance programs designed to meet the immediate and basic needs of Alaskans experiencing extreme financial problems. Those basic needs include shelter, utilities, food, and clothing. In addition, limited funds for cremation or a burial of a needy person may be provided.

The GRA program is 100 percent state funded, and because funds are limited, the program is to be used as a last resort in providing basic needs to an individual or household. GRA can only be authorized when the household cannot qualify for other assistance programs.

Eligibility

Recipients of GRA must have proof of a specific unmet emergent need for a subsistence item such as an eviction notice for overdue rent, or a utility shut-off notice.

Applicants must reapply during each month of urgent need to be considered to receive assistance.

Asset Limit: $500.00

Income Limit:

Number in Household	Need Standard
1	$ 300
2	$ 400
3	$ 500
4	$ 600
5	$ 700

$100 is added for each additional household member.

Coverage

Maximum payment is $120 per month per eligible person. Payments are made to vendors on behalf of needy clients.

The General Relief Burial program provides burial assistance for indigent persons. Assistance is granted only if the family has no other resource to pay the burial costs. The maximum payment for burial expenses under GA cannot exceed $1,250, plus the cost of a burial plot, opening and closing of the grave, or cremation.

In FY94, 2,792 households (about 3,582 individuals) received help with emergency needs from the General Relief Assistance program. The average monthly case load was 262 households. General Relief Assistance also paid for the burial of 352 indigent Alaskans in FY94.

How is Welfare Fraud Deterrence Handled in Alaska?

Two agencies handle welfare fraud:

- The Fraud Control Unit of the Division of Public Assistance (Department of Health and Social Services);

- The Welfare Fraud Section of the Department of Law (by Reimbursable Services Agreement – RSA) with the Division of Public Assistance.

Fraud Control Unit Investigates

The Fraud Control Unit has statewide responsibility for the welfare fraud control effort. This responsibility includes coordination of referrals to the Department of Law. The Fraud Control Unit carries on two types of investigations:

1. Pre-certification (Early Fraud) investigations

2. Post-certification investigations

The Fraud Control Unit consists of eleven staff and is located in Anchorage. A Claims Collection staff person is located in Juneau.

The Fraud Control Unit Has Three Main Functions

1. **Investigations**

   - **Early Fraud Detection**

   Referrals are made to the Fraud Control Unit by eligibility (certification) technicians. These referrals are assigned to a two investigator sub-unit. The sub-unit's purpose is the investigation of suspicious FS and AFDC applicants before they are first deemed eligible for benefits. Early Fraud Control is carried on in the Anchorage area only.

   During the nine month period from July 1992 through March 1993, there were 477 Early Fraud referrals. (April figures were not available due to the time lag in processing claims.) Approximately 40%, or 191 cases were found to be fraudulent.

   Many of these cases were combination Food Stamp (FS) and Aid to Families with Dependent Children (AFDC) cases. Individually, there were 340 AFDC cases (110 fraudulent) and 469 FS cases (181 fraudulent).

- Post-Certification Fraud Control

This is handled by a four investigator sub-unit located in Anchorage. Fraud referrals are made by both eligibility (certification) technicians and by the general public. Post-certification fraud control focuses primarily on intentional Food Stamp, AFDC and related Medicaid fraud by recipients of these benefits.

Clients suspected of welfare fraud are offered the option of signing a waiver of their right to a hearing. If they do not sign a waiver, they are scheduled for an Administrative Disqualification Hearing. Extreme cases of fraud are referred to the Department of Law.

Administrative Disqualification Hearings are held by an attorney hired on a part time basis by the Department of Law under the RSA.

During the ten month period July 1992 through April 1993, there were 355 referrals. Of the 367 cases completed during this time period (some carry over), approximately 34% or 123 cases were found to be fraudulent.

Many of these cases were combination FS/AFDC cases. Individually, there were 212 AFDC cases (51 fraudulent) and 213 FS cases (51 fraudulent).

2. Administrative Disqualification Hearings

Administrative Disqualification Hearings are a key focus of the Fraud Control Unit effort. These hearings are held by a Department of Law attorney assigned on a part time basis. When an investigation finds that intentional fraud has occurred, clients are given the option of signing a waiver to their right to a hearing. About 80% of clients presented with the facts of the investigation sign a waiver. The remainder of clients are scheduled for a disqualification hearing.

First offense disqualifications are for six months. Second offense disqualifications are for twelve months. Third offense disqualifications are permanent.

Individuals who sign a waiver or who are found guilty in an Administrative Hearing must repay welfare overpayments which they received. Claims against these individuals are established and they sign promissory notes for the amount owed.

3. Claims Processing and Collection

The Claims Unit establishes all intentional program violation claims. This unit sets up claims for fraud losses and tries to recover funds. One staff person handles these fraud claim functions. This staff person processes the following: claims on fraud cases determined by the court, signed consent agreements, signed disqualification hearing waivers and cases found guilty in Administrative Disqualification Hearings. This unit is located in Juneau.

The claims specialist also works with the Department of Law to revoke probation on cases which default on court-ordered payment agreements, to file small claims actions, and to garnish and assign rights to permanent fund dividends.

There are currently a total of 590 active fraud claims being managed by the Claims Unit.

Quality Control Shows Effectiveness

The Quality Control (QC) Section of the Division of Public Assistance reviews randomly selected welfare cases for accuracy. Quality Control investigators determine if benefits paid are correct, overpayments or underpayments.

The QC data shows that for the period from October, 1992 through March, 1993, 97.4% of payments for AFDC cases were correct and 97.3% of payments for FS cases were correct. These high accuracy rates demonstrate the effectiveness of the thorough initial screening of welfare applicants. This screening is performed by Eligibility Technicians (ET's) and eliminates many potentially fraudulent applications. The QC rates also indicate the small percentage of cases which receive benefits without qualifying for them.

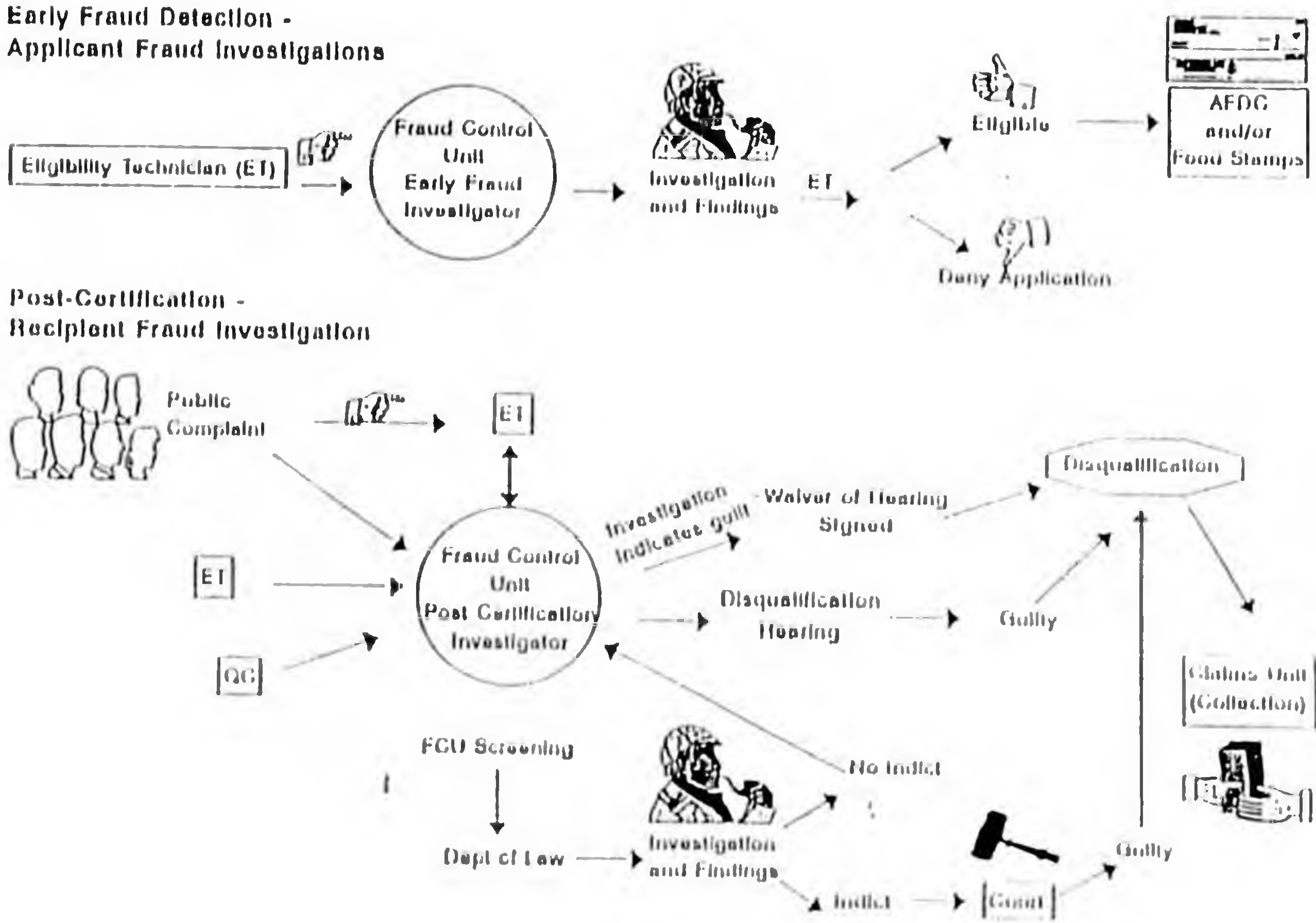
The Department of Law has Welfare Fraud Section

This section is established by a cooperative interdepartmental reimbursable services agreement (RSA). The section has a staff of five - an attorney, a paralegal, a legal secretary and two investigators. One of these investigators is a State Trooper. This section is located in Anchorage.

This section was established to demonstrate the serious nature of welfare fraud. The purpose of the section is the investigation and criminal prosecution of welfare fraud.

Figure 3.

Fraud Control Process



FORUM / LETTERS

Alaskans could help U.S. by pledging fund checks

By MARY CAREY

COMPASS
POINTS OF VIEW FROM OUR COMMUNITY

TALKEETNA — I am weary of such outcries as: "Welfare Reform is Ugly" and "Lawmakers Hammer the Poor." Now they come in an unending flow of letters and/or demonstrations.

I am not speaking of the truly disabled nor of needy children. I would not like to see anyone as hungry as I was during the Great Depression of the 1930s.

You will probably think that I am old. You are right. I will be 83 in April; but you can bet I am still working, and I have never applied for dole in my life.

In 1970, I worked with a cast on my back. It wasn't easy, climbing up the sloping side of a hill and sliding down the steep side. I pushed my crutches into the soft earth in front of me, using them as brakes, and my duffel bag as a drag behind me.

I needed money and I was earning it. I was picking fiddlehead (ostrich) fern for the Palmer Agricultural Experiment Station, which paid 30 cents a pound to pickers.

My doctor had claimed me from 90 to 100 percent disabled because of a broken back and a pinched nerve that all but paralyzed my fingers. I lost my teaching job in Talkeetna because I could not sign my name nor grade papers.

I cried a lot because of pain and desperation; but never once was I tempted to sue because the accident happened on school premises. My thoughts were of working out my own salvation.

Picking fiddleheads between my forefinger and thumb wasn't easy. Birds sang and parkey squirrels scolded me for invading their heaven; but soon, they were eating bread crumbs from my hand. There was no time for dark thoughts like: Why didn't I sue because I was injured on school premises, or why was I too proud to accept disability? No one pushed me when I slipped on those icy steps. Why bite the hand that feeds you?

By winter of that same year my fingers were working better. I could not afford rent, so I moved back to my little homesteading cabin where I resumed typing on my first book about Alaska. Typing was difficult on a manual typewriter in front of a wood fire; but all alone in a fly-in area, I found it easier to concentrate on my writing.

Perhaps all of us should spend more time thinking of ways to help keep our nation from going bankrupt rather than trying to prove what our government owes us. If the good old U.S.A. does go bankrupt, our children and great-grandchildren must face living in a Third-World status: hungry, sick, and with little or no hope of achievement.

It hurts me to say this, but I can't help but wonder how many people spend more time conjuring up ways to draw money from our government than to support it.

You, the able-bodied, who refuse to work, are killing small businesses, you and our government, which must shoulder part of the blame, and must reform welfare accordingly.

It takes backbone to work when one can draw as much, or perhaps more money and benefits for not working. Would you hit a man when he's down? That's what you are doing to Uncle Sam and Uncle Sam is inadvertently doing to small business.

Although I pay 2½ times what I was paid for picking ferns in 1970, pickers are few. A like situation exists at my lodge and small businesses throughout our nation. What can we, as individuals, do to help solve this problem?

Why can't those of us who wish to pledge part or all of this fund to a "Save Our Nation From Bankruptcy" campaign?

Think back to President John F. Kennedy's inaugural address when he admonished: "Ask not what your country can do for you; but what you can do for your country."

What can we do? Your ideas may be better than mine. Send them in! Why can't we all work with our government?

Your writer has seen what a few people working together can do. According to the 1960 census, only 70 people lived in Talkeetna. From 1963 to 1965, we were honored as the "Smallest Town With the Biggest Heart in the Nation."

None of us were rich; but we worked together and had fun earning money for the March of Dimes. We had contests, dinners, dances, bingo, etc. No charge was made for any of this, only donations. For our effort, the national foundation of March of Dimes presented us with an engraved silver loving cup for giving more per capita than any other town in the United States.

Every man, woman and child who resides in Alaska and qualifies receives a check from our permanent fund, which is derived from oil.

Recently it has ranged from $900 to $1,000. Many residents pledge their permanent fund checks for plane fares or luxury items.

Why can't those of us who wish to pledge part or all of this fund to a "Save Our Nation From Bankruptcy" campaign? I should like to start by pledging mine. Who will join by pledging from pennies to dollars?

Let Alaska lead!

Mary Carey is a writer who lives in Talkeetna.

Stephens wrong about Eames

The Alaska Reforestation Council's Earl Stephens is in error in what he says about Cliff Eames of the Alaska Center

"Send me to Juneau"

A Daily News contest sponsored by the editorial page staff

will be having a birthday party inviting lobbyists with checkbooks. I wonder how many $100 bonds each tyke received.

This is a perfect example of unethical behavior of elected officials using their

March 9, 1995

Dear Lyda,

I fully support the welfare bill you have introduced. I believe it is critical that the welfare mess be cleaned up and only real need be covered and only until it is no longer needed.

We have known personally cases where the child welfare agents interfered in the raising of custody children to the point that they ended back on the streets as delinquents because the house parents were not allowed to discipline the children and the children knew that they didn't have to behave or stay there. In additon, times when the children were moved from home to home. I believe that stable homes are vital and if they are placed in one, the parents should have the option to keep them and raise them completely if they desire.

In addition, adoption should be encouraged and the least redtape as possible so that children can be placed quickly with parents. Abortion, in my opinion, should not be an option because their are thousands of parents waiting for children who would love them and would not care about the circumstances of their birth.

I understand that a bill has been introduced that would bring back the State Income Tax. We are totally opposed to the state income tax. We feel that the state needs to curb it's spending and that the money spent by State government is entirely too high per capita.

Sincerely,

Sylvia Wolf

Sylvia Wolf
Box 409
Palmer, Alaska 99645

MAR 13 1995

Matanuska Susitna Borough School District
Mat-Su Alternative School
600 E. Railroad Avenue, Suite 1
Wasilla Ak 99654
(907) 373-7775
(907) 373-1430 FAX

March 6, 1995

Senator Lyda Green
State Capitol Building
Juneau AK 99801-1182

Dear Senator Green:

I am the state's strongest advocate for state welfare reform. I have a sincere desire to contribute my knowledge and experience if called upon. Please let me know how others and I can contribute to the process.

Your bill related to teen parents presented much food for thought. I have had the pleasure and heartache of working with this population. Our experience at the Mat-Su Alternative School spans six years. In 1993 we competed with 40 states for a Federal Teen Parent Demonstration Grant. Ms. Jan Hansen, Ms. Sandra Armstrong, Ms. Pat Nault of the Alaska Human Services Juneau office and I co-authored the grant. Alaska was one of 10 states funded. Being selected was quite an honor, as the entire Alaskan project was to be housed at the Mat-Su Alternative School.

The thrust of the grant was to implement the major provisions of the Welfare Reform Act of 1988. The goal of this Act was to require single parents (16-24 years of age) to return to school to acquire the academic and vocational skills necessary to compete for jobs and succeed as productive members of society. The benefits under the JOBS Program are daycare, transportation, work clothing, and continued welfare benefits, as long as the client is enrolled in school or a GED Program. Failure to comply would lead to severe sanctions established on an individual basis. The reductions range from partial in Alaska to total in states like Oregon. Ohio established a LEA.'

Program that offers positive and negative rewards for compliance and non-compliance respectively.

It is with great pride I share with you that we are one of the top programs in the country. Ms. Nancy Campbell, head of Welfare Reform in Washington, D. C. shared her evaluation with Ms. Pat Nault, State Director. The major aspects of our program include:

1) A school environment that is safe for teen parents and their babies.
2) Flexible work and academic schedules for students.
3) A trained staff capable of helping this given population with unique needs and challenges.
4) A community willing to help with job placement and supervision.
5) A Parenting/Life Skills curriculum to enhance life skills.
6) On-site food bank and clothing bank to meet emergency needs.
7) Collaboration with 56 agencies to meet the physical, psychological, vocational and academic needs of teen parents as well as demanding that the students meet their obligations as well as an on-site case manager.
8) On-site daycare to insure the physical and mental health of our babies.
9) Vocational testing to introduce students to career options coupled with JTPA Pre-employment skills (required) of all teen parents.

The reward for the above program comes in many ways. The greatest is when young parents graduate with the academic and vocational skills required for them to pursue their dreams. I do not have one teen parent who has verbalized a desire to stay on welfare. We have had several students who, over the years, have selected to move from the Valley to avoid sanctions. Our Valley "team" includes DFYS, AFDC, JOBS, and the Mat-Su Alternative School as the major players.

True experts in this area that can be tapped as resources dealing with this population include:

Teen Parents, Mat-Su Alternative School;
Mr. Peter Burchell, Principal, Mat-Su Alternative School;
Ms. Gwen Black, Mat-Su Alternative School Life Skills/Parenting/Daycare Teacher;

Ms. Diane Demoski, R.N., Mat-Su Alternative School;
Ms. Barbara Humphreys, Mat-Su Alternative School Daycare Supervisor;
Ms. Patsy Turner, JOBS, Wasilla;
Mr. Greg Van Kirk- DFYS Director, Palmer;
Ms. Barbara Howard - AFDC Director, Wasilla;
Ms. Sue Anne Weaver, Case Manager, Mat-Su Alternative School;

The "core" team has been working together for years with very positive results. There is a need for reform. The particulars of the reform will have far reaching impacts. We have the experience that would create legislation that holds young people accountable.

An example of this is parents who are under 18 years of age. There is opposing research. One is the safety of the baby and teen parent. Over half of teen parents have been molested or raped as children. Often times, the perpetrator is a parent. The second part is that many teen parents would like to stay at home, but if they do they are not eligible for Medicaid for themselves and their babies. The situations that look simple on paper often are complicated when implemented.

Sincerely,

Peter H. Burchell
Principal

/cc

MAR 13 1995

March 24, 1995

Senator Lyda Green
Interdepartmental Mail Stop: 3101
State Capitol
Juneau, AK 99811-1182

Dear Senator Green:

We have been following the media reports covering Senate Bill No. 98 and have picked up a copy of the bill to examine for ourselves. We support your effort on these "Personal Responsibility" issues! We go even further to say we think the original bill should have "stood" and you should have not had to "give" on the permanent fund dividend portion of the original bill. Anyone already receiving public assistance should not be "rewarded" with the permanent fund dividend. We look upon the permanent fund dividend the same as taxing agencies do, it is income. Anyone on public assistance should have to make adjustments for this income. Their assistance funding should be reduced by the amount of the income they receive.

We would like to share with you several areas of public assistance "abuse" we have personally witnessed. They may be of use to you throughout the debate on SB98... ...as follows:

- Eight years ago our son-in-laws sister returned to Alaska (her birth state, and her Grandmother is a long-time Talkeetna homesteader) to flee a domestic violence situation in which she was involved in Kentucky. She arrived in Anchorage with a suitcase of clothes to her name, no money, and an eighteen-month-old son in arms. She had been trained in food service/ nutrition in Kentucky. She applied at all the hospitals, schools, etc. It was mid-year and nothing was available. She went on public assistance and food stamps. Within a short time she was offered a job in the kitchen at an Anchorage nursing home. She went to the welfare office, informed them, and asked to be placed on day-care-assistance but to drop (sign-off) all other assistance. She was advised, by welfare employees, that it wasn't wise for her to take the job because she and her son would make more on welfare! She stood her ground, dropped everything except day-care-assistance and they have been self-sufficient ever since.

- We know a family (within the Mat-Valley area) where a divorce occured nearly 20 years ago. Two young daughters were taken to California by the mother and the father remained in Alaska. WIthin the past three years one daughter returned "to be near her father" with four little children and has been on public assistance almost since she arrived. Recently the second daughter returned with three small children and she is pregnant with the fourth. We are certain she is now on public assistance also. Statements have been made which indicate the reason they are here is they can get MORE assistance in Alaska than they could in California. To our knowledge neither of these single parents have attempted to find work and they have moved out of the fathers home, so they must be on rental assistance as well!

- We have lived in your district, in Willow, for over five years now. We consistently hear about the "under the table jobs" in the area. We know there are a lot of people in the area on public assistance, it is common knowledge. It is also commonly discussed about various people who take waitress jobs, carpentry jobs, etc. that are being "paid under the table"

MAR 2 9 1995

so that their assistance isn't impacted. These are more than the usual casual domestic or one-time job (snow removal, yard work, lawn mowing, etc.) these are regular one-going either full-time or continuous part-time jobs. We recognize the proof of this and control is difficult. However, those of us that have invested numerous dollars into the valley economy to establish homes in the area, and who continue "to pay the bill" in this area are more than just a little tired of hearing about these cases continuing, and little effort being done to correct the infractions.

Keep up the effort you are doing in this area! We are behind you all the way in your efforts to begin to control the public assistance concerns. We are in the process of sending every Senator and Representative a letter asking that they support you (copy attached).

If we can be of any assistance, please let us know.

Yours truly,

E. June Burkhart
Roy J. Burkhart

Elizabeth "June" Burkhart
Roy J. Burkhart
P.O. Box 204
Willow, AK 99688-0204

(907) 495-6337

March 24, 1995

Dear ____:

We strongly urge you support Senator Lyda Green's sponsored Senate Bill No. 98.......Short Title: "The Personal Responsibility Act of 1995".

We support this bill in entirity. We go further to say we think the original bill should have "stood" as regards the permanent fund dividend issue. Anyone already receiving public assistance should not be "rewarded" with the permanent fund dividend. The dividend is considered "income" (we all pay taxes on it) and the public assistance recipients should have to forego this "income" or at least have their assistance "reduced" by the amount of the "income" they receive.

Reform in the area of public assistance is long overdue. We constantly read, hear about, or personally witness acts of abuse in this area. Any effort to begin to get "badly needed control" in this area should be commended! We urge you to get behind this bill to begin to get control of public assistance abuses and excesses.

Thank you,

Elizabeth J. Burkhart
Roy Burkhart

Roy J. and Elizabeth J. Burkhart
P.O. Box 204
Willow, AK 99688-0204
(907) 495-6337

MAR 29 1995

/

LYNN J. MULHALL
PO BOX 2921
PALMER, AK 99645
746-5290 or 746-9257

March 6, 1995

Honorable Lyda Green
Senator
Room 423 State Capitol
Juneau, AK 99801-1182

Dear Senator Green:

I read in the Sunday Daily News you were conducting a teleconference on your proposed Bill. I would have liked to participate, but my work schedule conflicts with the date and time. Because I feel so strongly about the current welfare system, I wanted to write so you would know that you have my full support. I work for the Superintendent of Schools and the School Board. In that capacity I see an inordinate number of problem children. Almost invariably those children are accompanied by one or both parents who are totally dysfunctional. In speaking with these parents and trying to learn of the cause of the problems, I have discovered they have no shame in admitting they are on public assistance. In fact, they actually seem to be bragging about their situation, as if they have gained something better than the rest of us. We must get to the point where we are teaching people to care for themselves, be responsible and then teach their children to do the same. Giving them money is not the answer. People who constantly get something for nothing always expect more; for nothing. There must be other ways we can help these people regain their pride and give back something to society. We definitely need to encourage the abusers to go out and find gainful employment. It is important to move away from the enabling that we have going on now.

Many of the parents I talk to and visit with seem very angry about life. I can't help but think that society and public assistance is to blame for these feelings. A greater gift to them would be to teach, and in some cases force, them to stand on their own two feet and accept the responsibilities of caring for and raising their own children. I do not think it is our responsibility to continually care for people who have no intention of caring for themselves. This attitude breeds second and third generation welfare recipients. The problem is not just a fiscal problem. I see many of these families on public assistance take an attitude of blaming everything which goes wrong in their life, on someone else. There is no such thing as an "accident" anymore. There always needs to be someone to blame. I have tried to teach my own teenagers these values, telling them I will only do as much for them as they do for themselves. This situation is beginning to devastate our community and our country.

Keep up the good work, and if there is anything I can do, please call me.

Sincerely,

Lynn J Mulhall

Lynn J. Mulhall

Ken & Eleanor Nesting
7330 Silver Birch Dr.
Anchorage, Alaska 99502

March 20, 1995

Sen. Lyda Green,
Alaska State Legislature
Juneau, Alaska 99801

Dear Sen. Lyda Green

My wife and I attended your meeting on March 13 in Anchorage addressing SB98. Because of the turn-out, we didn't get to testify.

We support SB98, as originally written, including the ineligibility of welfare recipients to receive Permanent fund dividends. I had a draft outlining all my arguments for favoring SB98. During the March 13 meeting, I picked up your hand-out brochure on the objectives of your bill, to find my arguments were, with one exception, outlined in your brochure, so, suffice to say, we think alike.

The one exception is one you need to stress. There are vast numbers of working poor out here; people in lower-paying jobs, raising families, living from paycheck to paycheck and depriving themselves of most of the things that make li pleasureable, in order to maintain the pride and dignity that self-sufficiency affords. These are the people who "lead lives of quiet desperation", people who realize most welfare recipients live far better than they. As prices and taxes increase and wages don't keep pace these people come ever closer to the limit, and more and more of them give up, swallow their pride, and go on welfare. This trend could easily become an avalanche, destroying our economy.

There are three things you legislators must do:
1. Keep inflation in check to hold down prices.
2. Lower taxes.
3. Make menial jobs more attractive than welfare.

As each individual drops out of the work-force in favor of welfare, the economy takes a double hit. Taxes these people pay, however miniscule, stop, and government welfare payments increase. As you in government have little control of private sector wages and benefits, you must make the welfare alternative less attractive. SB 98 is a big step in that direction.

Keep up the good work.

Sincerely,

Ken Nesting

MAR 23 1995

Mrs. Tasha B. Lawrence 000-0000

167 North Birch Ln #27

Distribution	Affiliation	Reg Voter
02		U

Soldotna AK 99669

Date POM Sent	Constituency	Bill Number	Response	Subject
03/16/95	N	SB 98	Supports	

I DON'T WANT THE WELFARE RECIPIENTS TO GET A PERMANENT FUND DIVIDEND.

Mr. Harvey Baskin 376-7104

PO Box 877306

Distribution	Affiliation	Reg Voter
05		U

Wasilla AK 99687

Date POM Sent	Constituency	Bill Number	Response	Subject
03/09/95	N	SB 98	Supports	

KEEP PUSHING FOR WELFARE REFORM. I SUPPORT YOU. I AM UNABLE TO HIRE YOUNG PRODUCTIVE EMPLOYEES BECAUSE THEY ARE BEING SUPPORTED BY THE OUT OF CONTROL WELFARE SYSTEM. MAT-SU HAS BECOME A HAVEN FOR FRAUDULENT WELFARE

CLAIMS.

Ms. Dorothy Scheffler 376-2545

3700 Bull Moose Dr

Distribution	Affiliation	Reg Voter
05		Y

Wasilla AK 99654

Date POM Sent	Constituency	Bill Number	Response	Subject
03/09/95	C	SB 98	Supports	

I AM FOR EVERYTHING THAT SENATOR GREEN IS FOR. IT'S A PAST DUTY TO FEED THE CHILDREN NOT THE STATES.

Ms. Joyce H. Powers 264-8459

3295 Montpelier Ct

Distribution	Affiliation	Reg Voter
60		Y

Anchorage AK 99503

Date POM Sent	Constituency	Bill Number	Response	Subject
03/09/95	N	SB 98	Supports	

PLEASE SUPPORT SB 98, SPONSORED BY SEN. LYDA GREEN.

Mr. Gary Feaster 745-1951

HC02 Box 7349C

Palmer AK 99645

Distribution	Affiliation	Reg Voter
05		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/14/95	C	SB 98	Supports	

I STRONGLY SUPPORT SB 98 AS WRITTEN. IT IS TIME TO HAVE FAMILIES RAISED BY MARRIED PARENTS INSTEAD OF FEDERAL GOVERNMENT. GOVERNMENT AID IS UNFAIR AND DISCRIMINATORY AGAINST FAMILIES WHO ARE AMBITIOUS AND ENERGETIC.

THOSE OF US THAT WORK HARD TO ACHIEVE PRIDE IN OUR STANDARD OF LIVING SIT AT HOME AND WATCH WHILE THE FEDERALLY FUNDED EAT, DRINK, AND BE MERRY.

Mr Bill Spencer 892-6745

POB 520553

Big Lake AK 99652

Distribution	Affiliation	Reg Voter
02		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/14/95	C	SB 98	Supports	

I THINK THE PERSONAL RESPONSIBILITY ACT OF 1995 IS A GOOD THING. PEOPLE ON WELFARE NEED TO GO OUT AND GET A JOB.

Ms Gloria Garrett 745-5[illegible]17

533 Quicksilver Circle

Palmer AK 99645

Distribution	Affiliation	Reg Voter
16		U

Date POM Sent	Constituency	Bill Number	Response	Subject
03/14/95	C	SB 98	Supports	

I AM IN FAVOR OF THE PERSONAL RESPONSIBILITY ACT OF 1995.

Mr. Ernest Erickson 745-2626

PO Box 563

Palmer AK 99645

Distribution	Affiliation	Reg Voter
20		Y

Date POM Sent	Constituency	Bill Number	Response	Subject
03/02/95	C	SB 98	Supports	

I WANT SB 98 PASSED AS IS.