

F I N A L R E P O R T

WELFARE REFORM STUDY COMMITTEE

January, 1988

CREATION

The Welfare Reform Interim Study Committee was created by the Legislative Council for one year by Senate Concurrent Resolution 33, which was enacted by the 1987 General Assembly. The Study Committee was charged to study and make recommendations to enhance the integration of existing human service and welfare programs into community and private enterprise systems. The Legislative Council appointed twenty-three members to the Study Committee, including fourteen members of the General Assembly and nine nonlegislative members. Senator Jean Lloyd-Jones and Representative Mark Haverland were appointed temporary Co-chairpersons of the Study Committee, and subsequently elected as permanent Co-chairpersons by action of the Study Committee. Members were:

Senator Charles H. Bruner
 Senator Lee Holt
 Senator Thomas Mann, Jr.
 Senator Wilmer Rensink
 Senator Richard Vande Hoef
 Senator Joe J. Welsh
 Representative Jack Beaman
 Representative Phil Brammer
 Representative Florence D. Buhr
 Representative Joan L. Hester
 Representative Lee J. Plasier
 Representative Tom Swartz
 Ms. Evelyn Davis
 Mr. George Estle
 Ms. Mary Kramer
 Ms. Annie Lake
 Mr. Bernie McKinley
 Ms. Mary Ellen Miller
 Mr. Dan Rogers
 Ms. Brenda Smith
 Mr. Calvin Sorenson

MEETING DAYS

The Study Committee was initially authorized for five meeting days, but requested and received authorization for a sixth day by the Legislative Council. The Study Committee met at the State

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House on August 27, September 29, October 14-15, November 12, and December 17. The Co-chairpersons and Senator Bruner were also authorized to attend a meeting of the Ad Hoc Committee on Child Care and Early Childhood Education held in the Lucas State Office Building on November 23, 1987.

CHARGE BY LEGISLATIVE COUNCIL

The Legislative Council specified that the Study Committee should study and make recommendations to enhance the integration of existing human service and welfare programs into community and private enterprise systems, in order to provide long-term employment opportunities for public assistance recipients. The Study Committee was to evaluate the administrative structure of the Department of Human Services and existing human service and welfare programs, including the Work Incentive Program (WIN), the Individual Education and Training Plan Program (IETP), the Community Work Employment Program (CWEP), the Job Training Partnership Act (JPTA), as well as recent efforts related to family development teams, entrepreneurship assistance, and grant diversion efforts. These and other support programs such as child care and health care assistance were to be evaluated for their effectiveness in helping families achieve self-sufficiency.

FIRST MEETING - TESTIMONY

The Committee used its first meeting to receive oral and written testimony from the following experts in the area of welfare or welfare services:

1. Senator Charles Bruner provided a profile of Iowa's current welfare population. His presentation drew upon selected statistics while focusing on the Aid to Dependent Children program, the Medicaid program, issues of child support, and obstacles to self-sufficiency which can affect length of stay in the ADC program.

2. Mr. Pat McClintock, from the Legal Services Corporation of Iowa, presented material and related experience concerning his organization's experience with the ADC program in Iowa. His presentation highlighted a perception that the mode of delivery can foster dependency by providing disincentives for those seeking employment. A particular problem are the rules which make it unlikely that someone who is self-employed will be able to maintain their ADC benefit for an adequate period of time to achieve self-sufficiency.

3. Mr. Roger Herr of the Department of Human Services, Bureau of Economic Assistance presented information regarding the following programs: WIN, IETP, JPTA, and ADC. He emphasized that transition should be an important consideration in planning for welfare reform, noting there are currently 59 welfare programs

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administered by the Department of Human Services which utilize a variety of funding sources and which include both mandatory and optional components. He stressed that a combination of benefits should be considered in welfare reform decision making, particularly if the goal is to encourage users to leave the system to become employed.

4. Mr. Gary Stokes, Director of the Midwest Iowa Community Action Program located in Marshalltown, commented on his agency's experience with welfare clients who have had varying lengths of stay in the system. He identified the degree of self-esteem as a key factor in the duration of services needed by a recipient. He suggested that the Department of Human Services has an uneven record of success in delivering welfare services and indicated that failure to make use of community-based delivery systems is a key factor.

TOPICS OF DISCUSSION

Topics of discussion included the following:

1. Optional programs which may be funded under Medicaid.
2. Increasing efforts to intervene with parents who have never been married.
3. Considering the cost of both child support and health benefits when calculating the amount of support in a court order.
4. Effects of the equity grant program upon families.
5. Discrimination against WIN program participants by some private employers after a training program has been completed.
6. Whether income at the minimum wage is sufficient to match the loss in spending ability after reducing child care assistance to a welfare recipient. A family could be better off financially to remain as a recipient of ADC.
7. The cost of transportation to and from the job is an expense that can offset the value of a minimum wage job versus an ADC grant.
8. Consideration of the educational requirements necessary to qualify as income maintenance workers or social workers.
9. Aspects of welfare delivery that may be amenable to administration or support by the private sector.
10. A concept for instituting a case management system.

SECOND MEETING - TESTIMONY

At its second meeting, the Committee received oral or written testimony from the following experts in the area of welfare administration or welfare services:

1. Ms. Carol Thompson, Administrator of the Johnson County Human Services Office, described the typical situation of a family receiving welfare assistance. Her comments included the opinion that adoption of a case management approach would result in service delivery of improved quality. She indicated that staff numbers may need to be doubled and qualifications of staff be raised.

On the subject of welfare reform, she stressed the importance of providing child care and the availability of jobs as two key factors. She conveyed staff opinions that a uniform system of guidelines and of eligibility would reduce misunderstandings and produce cost savings.

2. Ms. Martha Willits, chairperson of the Polk County Board of Supervisors, presented a county viewpoint concerning welfare reform. She made special reference to increased demand on the general relief fund in order to provide medical care and housing. She offered the opinion that comprehensive development of services and management of their delivery are integral to reform. She said that areas of service for consideration in planning should include: jobs and employment, day care, medical services, low-income housing, education at basic levels, and transportation of all types.

3. Ms. Laura Loyacono, of the National Conference of State Legislatures, reported on likely elements of the federal welfare reform package. She predicted that special emphasis will be placed on the fiscal responsibility of the parent, increasing of self-sufficiency, social responsibility, and feminization of poverty. Other areas which may receive attention are day care support, demonstration projects with different delivery systems, and wage withholding provisions that cover fathers.

4. Dr. Robert Williams, President of Policy Studies, Inc. in Denver, Colorado, and under contract with NCSL to provide technical assistance to the states with child support guideline projects, presented data relevant to child support. In presenting the data, he emphasized that the attention of policymakers is turning from one of enforcement to one of determining the number of individuals needing child support, the level that child support is set relative to the costs of raising a child, and the methods to update the amounts based on new circumstances.

He described provisions employed by other states to provide across-the-board guidelines for determining the child support amounts. He recommended that Iowa focus on issues relating to paternity, child support guidelines and modifications, and services for long-term welfare participants.

TOPICS OF DISCUSSION

Topics of discussion relating to testimony included the following:

1. Need for more funding and effort in prevention.
2. Case management approaches in welfare reform and those under the Bill of Rights should not overlap.
3. Combining federal requirements in an effort to produce uniform eligibility guidelines may be difficult.
4. Whether case management should be contained within the same agency which monitors the welfare assistance programs.
5. Abuse of alcohol and other drugs is a continuing problem.
6. The capability of case management approaches to be cost effective by leveling out demand on services by welfare clients.
7. Types of expense reimbursements that might be contained in a voucher or direct cash subsidy to those on welfare.
8. The potential for reduction in the number of welfare recipients with an intensive case-management approach.
9. Potential problems of various approaches to workfare requirements.
10. Needs for transition provisions with any reform.
11. Requiring social security numbers on birth certificates in order to assist in collection of child support.
12. Questions as to whether there are Iowa statistics available for fiscal outcomes of certain government programs.

THIRD AND FOURTH MEETINGS - TESTIMONY

1. Mr. Roger Herr, the Chief of the Bureau of Economic Assistance of the Department of Human Services presented information concerning the Work Incentive Program (WIN) and of its major components, including the Individual and Educational Training Plan Program (IETP). Mr. Herr predicted that as the WIN

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program has suffered from steady reductions in federal funding during the past several years, a phase out of the entire program will occur in the next few years. His description of IETP highlighted this program's relationship to the ADC and food stamp programs. He also explained that as it is an optional program with local administration, some counties impose different requirements on welfare recipients. IETP pays for tuition, books and fees, child care, and transportation.

2. Mr. Jeff Nail of the Department of Economic Development described that department's delivery of these four programs:

- a. The Joint Training Partnership Act.
- b. The Iowa Individual New Jobs Training Program (also known as House File 623 program).
- c. The Self Employment Loan Program (SELP).
- d. The Targeted Loan Program administered by the Division of Financial Assistance.

3. A presentation was given at a local welfare office by workers concerning the delivery system procedures relating to welfare clients.

4. A panel discussion by participants in work and training programs. The panel consisted of Ms. Toni Fox, participant in Polk County's Project Self-Sufficiency; Mr. Ed Richey, participant in the Family Development Program administered by the Mid-Iowa Community Action Agency of Marshalltown; Ms. Bernice Grice, past participant in training programs in Davenport; Ms. Annie Lake, recipient in the ADC program and member of the Welfare Reform Study Committee; and Ms. Kathy Moffet, participant in the WIN program of Polk County.

5. Co-chairperson Haverland presented information obtained from a workshop on federal health care programs in Rensaelerville, N.Y. He shared a series of charts containing nationwide statistics and made comments as to their applicability to Iowa.

6. Ms. Amy Wilkins of the Children's Defense Fund in Washington, D.C. discussed a paper entitled "Child Care Issues to Consider in the Development of Employment and Training Programs."

7. Ms. Ann Thompson, Administrator of the Division of Children, Youth, and Families of the Department of Human Rights provided information relative to the funding and functioning of child care programs in Iowa. She made specific reference to issues of quality care and importance of providing referral assistance.

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8. Ms. Diane Casto, President of the Iowa Head Start Directors' Association described the operation of Head Start programs in Iowa. She discussed the financial aspects related to expansion, cost-effectiveness of the program in saving future expenses, and use of volunteers within the program.

9. Mr. Greg Jensen of the Iowa chapter of the National Association of Social Workers presented a definition of case management and provided options for its implementation.

10. Mr. Tom Simmons of the National Council on Alcoholism suggested three areas related to chemical dependency for welfare reform. They are to increase access to community-based drug treatment, to increase education, and to require that welfare applicants undergo assessment and treatment should there appear to be a chemical dependency problem.

TOPICS OF DISCUSSION

1. Continuation of the Self-Employment Loan Program.
2. Effectiveness of the House File 623 and WIN programs.
3. Elements of planning necessary to institute a case management approach to delivery of welfare services.
4. Reservations concerning the ability of the Department of Human Services to carry both the responsibility for enforcement and for case management simultaneously.
5. Problems of the uninsured and underinsured in the health care system.
6. Conclusions of the Health Care Study Committee should be shared with this group in order to prevent duplication.
7. Providing child care should be a key element of welfare reform. Subjects to address should include quality of care, provision of a transition period of subsidized child care to welfare recipients as they are trained and begin to enter employment, developing strategies to increase the supply of child care providers, and funding of resource and referral services.
8. Problems caused by the relatively low rate of pay for child care workers.
9. The positive effects derived from early intervention shown by the Head Start program.
10. Voluntary and involuntary approaches to implementing workfare into welfare systems.

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11. The impact of federal tax credits on child care and whether there is a need for state incentives.
12. Providing state vouchers to pay for child care programs.
13. Questions as to the need for child care regulation in rural settings.
14. Expansion of Head Start programs by funding the program for three- and four-year olds.
15. Cost-effectiveness of providing resource and referral via Iowa State University Extension, or in combination with a United Way, or other existing delivery system.
16. Importance of the advocacy role in case management and the resulting implications for choosing an administrative structure to bear responsibility for implementation.
17. Implications of reallocating welfare funding to chemical dependency programs.
18. Review of reform initiatives from other states.
19. Partnership opportunities between government and the private sector to affect the welfare population in the areas of employment and child care.
20. Importance of considering family development in order to make an impact upon the generational aspects of welfare.
21. Consideration of whether the most effective means of instituting welfare reform is by use of a comprehensive plan or by handling each problem separately.

FIFTH MEETING - COMMITTEE DISCUSSION AND RECOMMENDATIONS

The Committee discussed a draft Welfare Reform Report, entitled "On to Independence." Discussion of the report included the following topics:

1. Fiscal impact of a proposed increase of 10 percent in the amount of the ADC grant and indexing of the grant for inflation.
2. Establishment of child care resource and referral centers.
3. Criteria for the provision of state supplemental block grant funds for child care.
4. Questions relative to establishing a state voucher system for child care.

5. Modification of the time frame of the final report to cover five years of legislative activity rather than one.
6. A requirement of employers to provide health insurance to the participants in training programs used by the business.
7. Modification of the guidelines for determining child support.
8. Problems with implementation of the child-support clearinghouse.
9. Adoption of regulations to assist in the determination of paternity.
10. Changing of the term "case management" to either "family development services" or "services coordination."
11. Developing a strategic plan for welfare reform.

AD HOC COMMITTEE ON CHILD CARE AND EARLY CHILDHOOD EDUCATION

The Ad Hoc Committee was formed as the result of a grant of technical assistance for child care and early childhood education, in the context of state welfare reform policy, from the National Conference of State Legislatures. The Committee is made up of the Co-chairs of the Interim Committee on Welfare Reform, and the Chairs and ranking member of both the House and Senate Standing Committees on Education and on Human Resources.

The Ad Hoc Committee established a list of goals concerning the expansion of early childhood education programs for economically at-risk youth. Minutes of their first meeting, held on November 23, 1987, and chaired by Senator Bruner, were distributed to the members of the Welfare Reform Study Committee. A copy of the minutes is on file with the Legislative Service Bureau. The Ad Hoc Committee plans to meet again during the 1988 Legislative Session.

COMMITTEE INFORMATION AND MEMORANDA

Pursuant to requests from Committee members, the following memoranda and information were compiled for the Committee:

1. A three-year synopsis of Head Start statistics submitted by the Iowa Head Start Directors' Association.
2. A list of Head Start centers compiled according to county and the number of children served, submitted by the Iowa Head Start Directors' Association.
3. An organizational chart of the Department of Human Services.

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4. A description of the Aid to Families with Dependent Children program provided by the Department of Human services.

5. Descriptions of the Work Incentive Demonstration Program, the Individual Education and Training Plan Program (IETP), and the Unemployed Parent-Community Work Experience Program (UP-CWEP).

6. An estimate of the number of referrals made by income maintenance workers to service workers made by the Policy Coordination Bureau of the Department of Human Services.

7. Copies of forms used by public assistance applicants to the Department of Human Services.

8. An excerpt of a report entitled: "Characteristics of State Plans for Aid to Families With Dependent Children" concerning agricultural populations.

9. A description of the Family Development Program from Mid-Iowa Community Action.

10. A newsletter concerning child care published by the Iowa Commission of Children, Youth, and Families.

11. A report entitled "Iowa's Welfare Reform Initiatives: A Multi-Faceted Approach to Welfare Reform, Poverty Reduction, Self-Sufficiency, and Economic Development" by Senator Charles Bruner.

13. A report on the school districts which offer child care submitted by the Division of Children, Youth, and Families of the Department of Human Rights.

14. A policy statement on welfare reform submitted by the Iowa Chapter of the National Association of Social Workers.

15. A series of papers concerning welfare policy at the federal level submitted by the Legal Services Corporation of Iowa.

16. A report entitled "Child Care Issues To Consider in the Development of Employment and Training Programs" submitted by the Children's Defense Fund.

17. A Report entitled "Inadequate Child Support: Economic Consequences for Custodial Parents and Children" prepared by Robert Williams of Policy Studies, Inc.

18. A description of the Community Work Experience Program and other programs which are federally funded and administered by the state, submitted by the Department of Human Services.

19. A description of the state of Minnesota's ADC program.

20. A summary and analysis of the Family Security Act of 1987 prepared by the National Conference of State Legislatures.

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21. A fifty-state survey report entitled "Child Welfare in the States" prepared by the National Conference of State Legislatures.

22. A series of papers on the subject of work, welfare, and development of a national policy on youth prepared by the Child Welfare League of America.

23. A report on the number of disadvantaged applicants placed by Job Service and other statistics provided by the Department of Employment Services.

24. A packet of charts which display statistics concerning health matters provided by Co-chairperson Haverland.

COMMITTEE ACTIONS AND RECOMMENDATIONS

The sixth meeting of the Welfare Reform Study Committee took action on the following items:

1. Approved a Welfare Reform Report entitled "On To Independence," which is attached to this report.

2. Approved a document entitled "First Year Action Items From Strategic Plan" which is attached to this report.

3. A recommendation that the present committee members be asked to continue to serve during the next interim and that the attached strategic plan be used as a working paper, was approved by a consensus of the members present, but due to the lack of a quorum could not be a formal recommendation of the Committee. A copy of the strategic plan working paper is on file with the Legislative Service Bureau.

CHILD CARE AND EARLY CHILDHOOD EDUCATION GOALS
ADOPTED BY THE AD HOC COMMITTEE
ON CHILD CARE AND EARLY CHILDHOOD EDUCATION

November 23, 1987

1. Expansion of early childhood education programs for economically at-risk youth, generally with developmentally appropriate skills.
2. The provision of such programs in ways which connect to or complement full-day care programs for those needing full-day care.
3. Assurance of adequate employee training with concentration on early childhood development.
4. Provision for and encouragement of parental involvement.
5. Provision for making use of existing programs and resources.
6. Provision for an approach which coordinates activities among the Department of Education, the Department of Human Services, Head Start, child care providers, etc.
7. Provision of a status given to early childhood education as an investment in state economic activity (economic development).
8. The provision of salaries for child care and child development workers commensurate with an individual's training and responsibilities.
9. The coordination of early childhood education with the early elementary education curriculum.
10. The evaluation of legislation enacted and a provision for accountability .

WELFARE REFORM REPORT

"On To Independence"

Adopted by the Welfare Reform Study Committee
December 17, 1987

Introduction:

The number of Iowa families and especially children living in poverty poses a serious challenge for state policymakers. These families will continue to make demands on state resources. They consist of people who increasingly find it difficult to compete for jobs which demand ever higher skill and educational levels. They pose an especially serious dilemma for the future competitiveness of the Iowa labor force. The 22.5 percent of children in public schools who received free or reduced-priced lunches last year are being raised in financially stressed families. These children will make up a large percentage of the future work force for Iowa employers. It is important that we invest in these families now so that they can help Iowa maintain the high educational standards and labor quality which have traditionally been major economic strengths for our state.

The Welfare Reform Committee makes the following recommendations in order to increase the number of families moving off public assistance, to prevent others from falling into dependence on public support, and to enable those who live on welfare to have a decent chance of raising their children in safe and healthy homes. To do otherwise is to undermine Iowa's future economic vitality and to disadvantage further the estimated 14-18% of Iowa's children who are being raised in poverty. These recommendations represent what we believe would be the maximum effective state effort at welfare reform. We acknowledge that political priorities and budget constraints may prevent this agenda from being implemented in its complete form. We offer these proposals as a five-year goal for future legislative action.

1. Aid to Dependent Children:

The ADC program is the center of Iowa's welfare system. It provides a basic level of support for families in poverty. It also determines eligibility for the medical coverage needed by these families. The ADC grant adjusted for inflation has declined by 1/3 since 1979 and dropped from 64% of poverty income to 44%. The vast majority of these families are headed by single women raising their children alone. No woman should be penalized because she stays home to raise her children, especially a woman whose financial problem is caused by a husband who has abandoned her. We need to provide a more reasonable level of support, to extend support for families whose income increases, and to enlarge the number of families eligible for Medicaid.

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Recommendation:

-Increase the basic ADC grant by 10% and index for inflation.

2. Child Care:

Child care is a growing concern for many families in Iowa. Low income and welfare dependent families have added difficulty finding and affording quality child care. This difficulty keeps many ADC parents from being able to get training, search for jobs, and accept entry level employment.

The lack of child care and health care coverage is also a growing problem for many employers. Child care problems are the most important predictor of absenteeism and poor productivity. Child care availability and cost also contributes to the difficulty many employers face in attracting and retaining workers for low-paying positions. The fact that many low-paying jobs go begging, the current shortage of clerical and secretarial help, the shortage of nurses and workers for the home health care and nursing home industries are illustrations of this problem.

Quality child care and pre-school educational programs that stress parental involvement can provide economically at-risk youth with important skills for subsequent success in school. Programs like Head Start, the Perry Pre-School Project, and 0-4 Programs have shown that investments in early childhood education pay for themselves many times over in improved school performance and reduced need for special education and other social services. After school programs for older youth have similar records of success at improving the high school completion rates of their participants. Currently, however, the federal Head Start Program serves only 20% of eligible youth in Iowa and there is no state supported funding source for early childhood education services for at-risk youth.

Recommendation:

-Identify, encourage development, and maintain resource and referral centers for all counties, using existing community services where appropriate, to: a) provide training for providers and purchasers of child care; b) administer the child care voucher system; and c) assist providers in complying with licensing standards.

-Establish an office of Child Care Advocate in the Commission for Children, Youth and Families to: a) administer state programs for child care assistance; b) set standards for licensure of child care providers; c) assist providers of child care; and d) be a resource for employers wishing to establish child care options for their employees.

-Increase the State Supplemental Block Grant for child care to provide coverage for all families up to 150% of the poverty guideline throughout the state. Such subsidized care shall be available for a) those searching for employment; b) those in training or education programs and with employment; and c) for contracts and start-up costs in high-need areas.

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-Continue the study of a statewide child care voucher system. The study shall include a review of the following options, among others:

-Free child care for all families below 100% of poverty and on a sliding scale to families up to 100% of state median income.

-Vouchers will be valid only at licensed group and family child care centers.

-Additional value will be added to the voucher for nontraditional hours, sick child care, and infant care.

-Centers which redeem vouchers must have and implement a plan to provide parent education and involvement.

-Centers which redeem vouchers may not charge in excess of the value of the voucher.

-Value of voucher will be set by the local resource and referral office in accordance with local market conditions.

-Vouchers will cover children to the age of 14.

-That federal Head Start programs be matched by state money to double the expenditure in Iowa, and that pre-school education efforts targeted to at-risk youth be developed with cooperation and coordination of existing child care centers, Head Start programs, and public school systems.

-Such efforts will seek to expand coverage both to include more eligible children and to establish all day, year round care coverage for children enrolled in Head Start.

3. Health Care:

The lack of health care insurance coverage is a major impediment to achieving financial independence for lowincome families. Families striving for independence from public assistance often find that entry level jobs pay too little to allow purchase of private coverage and seldom include group coverage as an employee benefit. Many ADC dependent families are prohibited from taking employment because of the resultant loss of Medicaid coverage.

Recommendations:

-Extend Medicaid coverage to those who lose eligibility because of increased income to the maximum 15 months, while making maximum use of employer-provided health coverages.

-Implement the other SOBRA amendments so that we take maximum advantage of federal matching funds for Medicaid expansion.

-Establish a state-only Medicaid plan to those who exhaust the fifteen months and still have an income below the state median income for their family size, while making maximum use of employer-provided health coverages. This plan will have the following characteristics:

-be free to those whose family income is below 100% of the federal poverty level.

-between 100% of the poverty level and the median income, there will be a sliding scale of increasing co-payment until the co-payment equals the state cost for ADC Medicaid coverage. Employers may pay part or all of this co-payment as a pre-tax benefit.

-participation is voluntary for both employees and employers.

-participants must comply with any existing Medicaid policy.

-Establish, where appropriate, incentives or conditions upon employers using job training programs to provide health insurance coverage for persons so trained.

4. Child Support:

Inadequate and nonexistent child support payments are a source of poverty for many families. The statistics are ominous: The average income for female headed households in 1985 was \$10,309, a decrease from the \$10,858 for such households in 1980. 50% of all poor families have single female heads of household. 34.6% of families headed by single females are poor. Increasing the support that fathers provide for their children will be of substantial benefit to many poor and near poor families.

Recommendation:

-Establish a schedule of child support awards taking into account relative and total incomes of mother and father as well as other circumstances such as custody, insurance coverage, and in-kind purchases and gifts. Make such guidelines presumptive for all new child support orders.

-Establish an expedited system for the periodic updating of awards based on changes in the factors determining the level of payment, with a presumption that modifications occur according to the same guidelines upon which the order was established.

-Increase the likelihood that legal paternity will be established at birth of the child.

5. Coordination of Services and Family Development:

The bulk of welfare expenditures are paid to long term recipients. Long-term welfare recipients (those averaging more than 8 years per stay) account for only 25% of the total clients but take 57% of the costs. The identifying characteristics of this population are such things as never married and adolescent parents, low educational achievement, previous or longstanding welfare dependency, and a poor work history. Those who have such qualifying characteristics should be identified and provided with intensive case management services.

There is a need for two types of services within the Aid to Dependent Children Program.

First, there is a need to provide greater coordination in the delivery of services to clients, with consolidation of such responsibilities at the point of intake and assignment of a case coordinator for clients.

Second, there is a need to provide more intensive counseling and support services to clients identified as being at risk of long-term welfare dependency or with special needs, with family development counselors serving as client advocates.

Recommendation:

-Provide financing for the purchase of services which would provide long-term intensive family development services to welfare recipients who meet the definition of potential long-term welfare dependency.

-Such financing shall allow for flexibility in the development and operation of programs and shall seek to maximize federal financial participation, either through the special needs program, a demonstration program, or through federal options for financing family development services. A portion of such financing shall be for family development teams coordinated with the community action agencies.

-Included in this financing shall be emphasis on identifying and serving clients at the point of entry into the system as well as those already experiencing long-term dependency.

-Coordinate the delivery of job training, individual education and training programs, job search programs, self-employment programs, and other services for the client, through departmental intake procedures.

6. Child Care Tax Credit:

The child care tax credit is of no value to those who need it most and of little value to those who take advantage of it. These tax expenditures could be better directed to increase the availability of child care.

Recommendation:

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-Revise the child care tax credit at higher income levels and use the resultant revenue to fund other child care services.

7. Uncompensated Medical Care:

The distribution of uncompensated medical care is uneven. Some hospitals bear a disproportional share of the burden. In addition, reliance on uncompensated care does not provide low-income families with adequate preventative and routine health care. Any attempt to provide better health care for low-income people faces three challenges: 1) to forestall the erosion of cross-subsidies that has traditionally financed a significant portion of hospital-based charity care; 2) to prevent those who avoid charity care from thereby gaining an advantage in price-competitive markets; and 3) to permit a targeting of resources on the medically indigent, especially for primary and preventive care.

Recommendation:

-Continue study of a variety of methods to fund indigent health care such as the establishment of an indigent health care pool by means of an assessment on net hospital revenues in order to replace the current inadequate uncompensated care system of providing care to the medically indigent with Medicaid expansion and the state Medicaid plan.

8. Workfare:

Continue study of a variety of workfare proposals, including the establishment of a comprehensive work program within one state agency to provide the following services: job search, job placement, job and career counseling, testing and assessment, basic and remedial education, CED preparation, and on-the-job training. Such a program would make participation mandatory for able-bodied adults without children under three; or target groups for voluntary or mandatory participation, e.g., teenage parents, those on welfare at least two years, those without high school diplomas, and those whose youngest child is at least 16. Also continue the study of the provision of work relief programs for those for whom jobs are not otherwise available.

9. Continuing Study:

In order to implement this plan, the Welfare Reform Interim Study Committee of 1987 should be recommissioned to continue study of welfare reform initiatives. The continuing study should include future deliberations of housing for the homeless, particularly in regard to the financing of the Housing Trust Fund.

WELFARE REFORM
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