

Whither **Welfare Reform**

**Congress' sweeping overhaul of welfare has left state
and county governments arguing over who's in control
and what will become of those left out of the new law**

by Sigrid Bathen

In the baffling, statistics-laden jargon of welfare reform, numbers and categories tend to obscure the people behind them — in California, hundreds of thousands of people, many of them children, the aged and disabled. They get lost in the numbers and categories, and most especially in the stereotype of welfare recipients as being largely unwilling to work.

"I play this out in my class on Child Rights and Remedies," says University of California, San Diego law professor Robert Fellmeth, executive director of the prestigious Children's Advocacy Institute. "I ask them to guess the average age of the typical welfare recipient, and they say 19. Actually, it's 29. The picture is of a minority recipient. The reality is that AFDC [Aid to Families with Dependent Children] recipients are predominantly Caucasian...The stereotype is of a black, 18-year-old teen mother having sex with everyone she can, and I'm this white middle-class person who is supposed to finance it. That's the stereotype. Heaven forbid that reality should intrude."

Supporters of radical welfare reform dismiss advocates like Fellmeth as defenders of a broken status quo. Clearly, it was not his version of reality which was on the minds of Congress and President Bill Clinton in this election year when they approved House Resolution 3734 — The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. As a result, state and county officials are gearing up for the most fundamental changes in federal welfare policies in six decades. The New Deal-era system of federal "entitlements" will end under the sweeping



Woman from San Luis Potosi with her daughter born in the U.S. in their home, Northern San Diego County.
Photo © Ken Light

legislation, replaced by a system of "block grants" to states, which then, at least theoretically, will design their own programs within strict federal guidelines. Welfare recipients will be expected to work, and aid will not continue indefinitely. With some exceptions, legal immigrants would lose aid under the federal law.

While many children's advocates predict sharp increases in child hunger, poverty and abuse — as well as general increases in crime, drug abuse and homelessness — under the federal law, state and county officials are scrambling to interpret the 500-page law. And California's counties, already reeling from growing budget deficits and other fiscal calamities, say they have been consulted too little and too late, when the ultimate responsibility for implementing and enforcing the changes rests squarely on their crumbling doorsteps.

"This administration typically spends a lot of time behind closed doors, shades drawn, to assess their options and develop the governor's positions," said Frank Mecca, executive director of the California Welfare Directors Association. "Time is wasted when the administration talks only to itself."

California Social Services Director Eloise Anderson, who held a long-awaited news conference the 9th of October to announce that a preliminary state plan had been submitted to the federal government, says in her typically blunt way that the "third-world" conditions predicted by advocacy groups, already exist — and that they will exist as long as the 60-year-old welfare system is allowed to continue as it has. Anderson insists counties had been consulted in the process and would be consulted further. "They say they weren't heard," she said. "But if we don't do what they tell us to do, does that mean they weren't in the process? They only have a county perspective — we have to look at it across the board, statewide."

Counties will be included in the "public input" process in a series of hearings to be chaired around the state by state Health and Welfare Agency Secretary Sandra Smoley, a former Sacramento County supervisor. The preliminary plan — submitted in part to save the state nearly \$200 million in federal funds — includes a 4.9 percent decrease in AFDC (9.8 percent in re-

gions with lower costs of living), which becomes the "Temporary Assistance for Needy Families" (TANF) program under the new federal block grant system. The grant cuts will be effective January 1st. As a result of the federal savings, Anderson said, the state will increase funding for California's GAIN (Greater Avenues to Independence) welfare-to-work program by \$60 million, plus \$28 million already appropriated by the Legislature.

The state plan affects only AFDC/TANF recipients — the bulk of recipients in California — and specifically does not implement the controversial cuts in aid to legal immigrants. Anderson declined to elaborate on the state response to planned cuts in federal aid for the aged and disabled who are legal citizens — an arena of considerable controversy at the local level — but said the issue is "not a factor" in AFDC/TANF at this point. "The Legislature is going to have to decide whether they pay for non-citizens," she said.

The state plan is clearly not enough for counties, who say they still lack any clear direction from the state nearly three months after the bill was signed by the president. Welfare directors, legal services and community groups remain especially troubled about the impact of the new law on legal immigrants — a provision which the state legislative analyst said will cost California millions of dollars in federal aid — and are pressing to have those aspects of the law ameliorated or repealed.

"We have many people who have been in this country 20, 40, even 50 years," said Kathy Gallagher, chief administrative officer for the Santa Clara County Social Services Agency. "They are 70 or 80 or 90 and they will lose their SSI [supplemental security income], their food stamps and Medicaid as well as in-home support services. It is very confusing to them."

"These are often people whom we have invited into our country," says Ernest Velasquez, director of social services for Fresno County. "They are legal immigrants who fought by our side in wartime, who came to this country and have worked and paid taxes. And now they find themselves ineligible for benefits."

In Fresno County, Velasquez cites the case of a 60-year-old widow who emigrated from Mexico with her husband decades ago and who lost a son in

We have many people
who have been in this
country 20, 40,
even 50 years.
They are 70 or 80
or 90 and they
will lose their SSI,
their food stamps and
Medicaid as well as
in-home support
services. It is very
confusing to them.
— Kathy Gallagher,
chief administrative
officer for the
Santa Clara County
Social Services Agency.



Vietnam. "She hasn't worked the required 10 years [to qualify for aid under the new law] because her husband was working, and she was raising the children," says Velasquez. "So now she finds herself being denied SSI. The fact that she lost a son in Vietnam in 1969 means nothing."

The number of legal immigrants receiving aid in California varies. DSS officials place the number of legal immigrants receiving food stamps at more than 400,000. More than 300,000 aged, blind and disabled legal immigrants



Field Laborers. Coachella Valley, California, 1935. Photo by Dorothea Lange. Courtesy of the Oakland Museum.

receive SSI/SSP (federal Supplemental Security Income and state Supplementary Payment), and state officials estimate that many will be granted exemptions under provisions of the new law — or will have obtained citizenship by the time it takes effect. They estimate, however, that more than 170,000 will no longer qualify for SSI/SSP. Nearly 40,000 legal immigrants receive In-Home Support Services (IHSS), and nearly 400,000 receive AFDC, now TANF. The vast majority of all recipients in California — nearly 2.7 million in fiscal 1995-

96 — receive AFDC, and more than 1.7 million of those AFDC recipients are children.

Although Anderson has said she would prefer to leave much of the implementation strategy to the counties, county officials are skeptical. Some sources close to the controversy say Anderson was chastised for some of her public comments by the Wilson administration. "It is my understanding that she had her wrist slapped," said one well-placed source. "The [Health and Welfare] agency has taken over primary

responsibility for welfare." The governor's office, the agency and Anderson herself flatly deny those allegations.

"Nobody has told me not to give more control to the counties," she said, adding that reports of disagreements between her and the Wilson administration over strategy and public statements are exaggerated or untrue. "The governor and I are as close as two different people can get who have had different life experiences," she said. "He's had the good fortune to have me and him and his staff in a room grap-

pling with the issues. They're used to a director being very cautious. I'm cautious, and I'm part of the team."

Presenting further reform strategies to the Legislature will be problematic at best, although Anderson said legislators "do by and large pay attention to what we've laid on the table" — although many, especially Democrats, "wish I would drop dead." She said reforms must be based not on the original premise of AFDC that moms belong at home but on current social and economic realities.

"The larger question is about work," she said. "The old AFDC program wanted moms to stay home" — a social premise with considerable support

among conservative legislators and one she said will be difficult to change. "You're talking about going into the devil's workshop," she said. "This is really harder than people admit."

The initial state planning process which so angered county governments was lengthy — and essentially closed — in order to pursue a careful, deliberative review of the complex federal law, officials contend. Although about half the states submitted plans before California, state officials say the state's diversity and size made the task more difficult. "We have many more populations with special needs, many more immigrants," said Health and Welfare Agency spokeswoman Janice Ploeger-Glaab.

Advocacy and legal services groups acknowledge the difficulty of coming up with a workable plan, but have been highly critical of the closed-door way the state they say went about it. "Determining who is exempt [from the new law] is a complex test," says Casey McKeever, directing attorney of the Western Center on Law and Poverty. "I don't see the counties getting any help from the state or federal government. A lot of people are doing work, trying to figure out what to do. The immensity of the task is overwhelming."

State officials, admittedly overwhelmed by the process, say they are being targeted unfairly. "People have to decide what they want to criticize us

New Responsibilities, New Rules

The 500-page federal welfare bill is a complex document with many provisions. Here are a few of the major provisions, and the state's responsibility for implementing them:

Title I: Block Grants for Temporary Assistance for Needy Families (TANF)

- Eliminates Aid to Families with Dependent Children (AFDC) and consolidates federal funding for AFDC and related programs (such as job training) into a TANF block grant.

- The state must implement the block grant by July 1, 1997, but can do so sooner upon submission of a revised state plan. The date is important because it triggers the beginning of the five-year time limit for assistance.

- Prohibits use of block grant funds for teen parents under age 18 unless they are (1) attending school and (2) living in an adult-supervised setting.

- Establishes five-year lifetime limit on family use of block grant funds. States may exempt up to 20 percent for hardship.

- Requires at least one adult in a family that has been receiving aid for more than two years to participate in "work activities," including employment, on-the-job and vocational training and up to six weeks of job search.

- Requires 75 percent of two-parent families to participate in work activities in fiscal year 1997-98, increasing to 90 percent in 1999. Single parents must work 20 hours per week in 97-98, increasing to 30 hours in the year 2,000, or 20 hours for families with a child under age six.

- Imposes penalties on states for noncompliance.

Title II: Supplemental Security Income

- Eliminates benefits to children who are "relatively less disabled." Currently, children may be eligible if an impairment exists that precludes them from "age-appropriate" activities.

- Eliminates SSI payments to prison inmates incarcerated for more than 30 days.

Title IV: Restricting Benefits for Non-citizens

- Legal immigrants already in the U.S. ineligible for SSI and food stamps. States have the option to deny benefits under TANF and Medicaid. Legal immigrants arriving after enactment ineligible for all federal benefits for five years.

- Exceptions include certain child nutrition and education programs, veterans and their dependents, refugees and asylum-seekers within the first five years of residency and persons who have worked for 40 quarters, or 10 years.

- Programs exempted include emergency medical services, noncash disaster relief, treatment for communicable diseases, immunizations and soup kitchens.

Titles III, VI, VII and VIII affect child support enforcement, child care, child nutrition programs, food stamps and commodity distribution.

Source: California Legislative Analyst

for," said Burt Cohen, who as the agency's assistant secretary for program and fiscal affairs is the principal point person on the California plan. "On the one hand, I'm hearing it's a closed process. Then I hear we're not doing anything. We're trying to proceed in an orderly and systematic way. We particularly want to avoid the kind of situation [that occurred] with food stamps."

When Governor Wilson attempted in September to implement a major aspect of the new law — cutting off food stamps for legal immigrants — he not only met with a firestorm of criticism, but a terse notification from the federal government that his action was precipitous and unnecessary, and he angrily rescinded it with a blast at federal officials for sending mixed signals. The incident pointed up the horrendous bureaucratic snafus which can be expected under the new law, which carries with it a series of mandates — and timelines — to remove legal immigrants from aid programs and to transition citizen recipients to jobs.

Legal services groups are watching the bureaucratic drama closely and say they will take legal action if and when aid is actually cut, particularly to legal immigrants. They say the federal law is rife with contradictions, drafting flaws, and seriously in need of clarification on many fronts — not the least of which is the glaring administrative and social services nightmare confronting California, with its huge immigrant population. On October 15th, the American Civil Liberties Union and Mexican-American Legal Defense and Education Fund sought a temporary restraining order to prevent the state from denying prenatal care to undocumented aliens; on October 16th, several legal service groups filed suit to block denial of food stamp benefits to legal immigrants.

"There is no question there will be litigation," says Lucy Quacinella, staff attorney for the Western Center on Law and Poverty. "Ideally, we would like to stop implementation of the federal welfare bill. But you don't get restraining orders unless there is danger of imminent harm. At the moment benefits are cut off, we'll be there."

Nobody on any side of the welfare controversy is saying that welfare reform isn't needed, but many experts question the approach taken and contend election-year posturing permeates the legislation. They say President

Clinton, harshly criticized by children's advocacy groups that formerly supported him — and by members of his own party — was pressured into signing a poorly designed and draconian measure in order to placate conservative voters.

"Clinton has moved as far as he can to the right in order to capture everything he can to his left," says Fellmeth. "They'll vote for him, and he'll moderate all the excessive provisions. But he

can't rectify this. He has committed a very terrible error. He cannot bring back what he has given away, which are the entitlements, some kind of minimum floor. Mark my words, this really is going to be his Vietnam."

"We needed some changes, and I think we've been going in the right direction" says Fresno's Velasquez. "We needed some precise surgery, but Congress went out and grabbed a chain saw." ■

"My state legislative monitoring service is okay, but **what other choice do I have?**"

The smart one.

LEGI-SLATE® is pleased to introduce State Capital Strategies (SCS) — your only option for identifying and tracking fast-moving legislation and intelligence from all 50 states via the Internet.

Look to SCS for SCS Bill Alert™ — a single interface for the full text of all bills which allows searching across any or all states simultaneously. SCS Issue Alert™ — weekly issue analyses and updates from each state on selected issue categories. SCS Custom Alert™ — custom monitoring of legislative and political issues specifically related to your organization.

What's more, we provide experienced political field reporters and issue managers. The backing and resources of *The Washington Post Company*. And the attentive service your valuable business deserves.

To subscribe, or to determine which SCS product best meets your needs, and budget, call **800-733-1131** or **202-898-2300**.

Check out our **Free Internet Demo** — available mid-October — by visiting our Web site at **<http://www.legislate.com>**.

SCS
State Capital Strategies

LEGI-SLATE®
A subsidiary of The Washington Post Company

LEGI-SLATE, a subsidiary of The Washington Post Company, is the original and leading online service covering Congress and regulatory agencies.
777 North Capitol Street, Washington, DC 20002-0522
Fax 202-898-3030

