TESTIMONY
BEFORE
SUBCOMMITTEE
ON HUMAN RESOURCES,
COMMITTEE ON WAYS AND MEANS

December 9, 1991

Submitted by

KEVIN M. ASLANIAN

National Welfare Rights &
Reform Union, Inc. &
Coalition of California Welfare Rights
Organizations, Inc.

1901 Alhambra Blvd. •Sacramento, CA 95816 • (916) 736-0616

TABLE OF CONTENTS

Mr. Chairman and members of the Committee:

We want to thank you for this opportunity to share with the Committee the point of view of welfare recipients-the consumers of the AFDC and JOBS program.

HHS HAS DEPRIVED WELFARE RIGHTS ORGANIZATIONS OF INFORMATION NEEDED TO MONITOR THE JOBS PROGRAM ECONOMICALLY AND UNLAWFULLY

Since the passage of the JOBS program, we have been trying to monitor the implementation of the JOBS program throughout the Nation. Initially HHS was providing us with information that we could use to monitor the implementation of the JOBS program and to se that information for our newsletters. However, this cooperation came to a halt at the beginning of 1989, when HHS decided to charge us for the information we requested under the Freedom of Information Act. Attached is a copy of the "Invoice of Fees for FOIA Services" for $235.60 in response to our request for information relative to the JOBS program. EXHIBIT "A"

Another letter that we mailed on January 31, 1991, a copy of which is attached and marked EXHIBIT "B" was responded to negatively in a letter dated March 12, 1991 from HHS. Copy of this letter is attached and marked EXHIBIT "C". On the same day we received a bill from HHS for $1,115.25.

On April 22, 1991 we appealed this decision to JoAnn Barnhardt, Assistant Secretary for FSA, HHS. A copy of said letter is attached hereto and marked EXHIBIT "D". In response to this letter Ms. Barnhardt wrote a letter dated May 13, 1991 denying our appeal and effectively depriving us economically from monitoring the JOBS program. A copy of said letter is attached hereto and marked EXHIBIT "E".

We cannot at this time intelligently provide you any information due to the fact that HHS has denied us the tools given our lack of monetary resources to exercise our rights as American Citizens.

THE CALIFORNIA GAIN PROGRAM UPDATE

We can share with you some of the information that the California State Department of Social Services has provided relative to the GAIN program.

We should point out that the federal government refuses to collect any information relative to the number of families who have been sanctioned and the duration of such sanctions. An the other hand, in California, the number of sanctions are collected, and they reveal the high incidence of sanctions, depending on the county. The worst county is Riverside County and one of the best counties is Santa Cruz County. The reason for this is that both counties operate under the same regulations, yet one emphasizes sanctions, while the other doesn't.

TABLE #1 shows the number of unduplicated participants who were sanctioned during the period of July 1, 1990 through June 31, 1991.

TABLE # 1

	COUNTIES	% of Sanctions		COUNTIES 90-91	% of Sanctions
1	Riverside	40.32%	31	Siskiyou	6.85%
2	San Luis Obispo	39.61%	32	Sierra	6.67%
3	Humboldt	35.12%	33	San Mateo	6.30%
4	Contra Costa	29.30%	34	Lassen	6.29%
5	San Bernardino	27.77%	35	Mendocino	5.79%
6	Solano	27.36%	36	Santa Barbara	5.74%
7	Ventura	26.77%	37	Yolo	5.69%
8	San Diego	25.35%	38	Santa Clara	4.83%
9	Alameda	23.35%	39	Glenn	4.76%
10	Los Angeles	21.21%	40	Modoc	4.62%
11	Placer	16.81%	41	Fresno	4.61%
12	Alpine	16.67%	42	Mono	3.77%
13	Kern	15.02%	43	Del Norte	2.36%
14	Madera	14.90%	44	Tehema	2.31%
15	Sacramento	13.57%	45	Mariposa	2.06%
16	Tulare	12.38%	46	Imperial	1.96%
17	Orange	12.16%	47	Inyo	1.81%
18	Lake	12.09%	48	Nevada	1.66%
19	Stanislaus	11.41%	49	Plumas	1.48%
20	Butte	10.86%	50	El Dorado	0.89%
21	Monterey	10.59%	51	Napa	0.77%
22	Marin	10.48%	52	San Benito	0.70%
23	Kings	9.82%	53	San Francisco	0.15%
24	Yuba	9.70%	54	San Joaquin	0.09%
25	Sutter	9.65%	55	Calaveras	0.00%
26	Sonoma	9.51%	56	Santa Cruz	0.00%
27	Amador	8.74%	57	Trinity	0.00%
28	Shasta	8.08%	58	Tuolumne	0.00%
29	Merced	7.88%			
30	Colusa	7.76%		TOTAL	15.19%

TABLE # 2 reveals the number of persons who found jobs that resulted in termination of AFDC benefits compared to the number of families sanctioned in the major California counties. For example in Riverside County during 1990-1991 sanctioned 2,644 families, while only 262 families found jobs that resulted in termination of AFDC benefits.

TABLE # 3 is a 1991-1992 three month report based on information received from the State Department of Social Services. As you can see GAIN continues high rate of sanctions compared to the number of persons who find employment that results in termination of AFDC benefits.

TABLE # 2

	COUNTIES	SANCTIONS	JOBS	
1	**Riverside**	2644	262	1009.16%
2	**Merced**	151	26	580.77%
3	**Alameda**	314	55	570.91%
4	**Humboldt**	164	48	341.67%
5	**Solano**	258	93	277.42%
6	**Los Angeles**	2837	1038	273.31%
7	**Fresno**	432	163	265.03%
8	**Contra Costa**	475	203	233.99%
9	**San Diego**	1154	494	233.60%
10	**Kern**	585	251	233.07%
11	**Mendocino**	27	15	180.00%
12	**Orange**	158	102	154.90%
13	**Ventura**	409	295	138.64%
14	**Yuba**	174	133	130.83%
15	**San Bernardino**	1234	1024	120.51%
16	**Sacramento**	943	806	117.00%
17	**Monterey**	90	81	111.11%
18	**Tulare**	295	294	100.34%
TOTALTAL STATEWIDE (includes all 58 counties		14154	9197	153.90%

SOURCE- State Department of Social Services.

TABLE # 3

Statewide GAIN Quarterly Report

- **About 20% of GAIN Participants Receive Child Care Assistance**
- **While 1,888 GAIN clients found jobs that got them off of AFDC, 3, 878 GAIN clients were sanctioned. In other words, for every one client who gets a job that results in termination of AFDC benefits, two GAIN clients are sanctioned.**
- **The average cost per job that resulted in termination of AFDC is $42,000**

SOURCE- State Department of Social Services.		Jul-91	Aug-91	Sep-91	TOTAL TO DATE
I	Unduplicated Participants	39478	38911	39855	
II	Orientation	6203	5719	5855	17777
III	Assessment	1509	1676	1618	4803
IV	Job CLub	2002	2102	1885	5989
V	Job Search	843	586	564	1993
VI	Other Job Search	1114	1241	881	3236
VII	Completed non-college Education	1310	1101	1514	3925
VIII	90-Day Workfare	305	283	305	893
IX	1-Year Workfare	96	107	100	303
X	Self-Initiated Program (SIP)	900	910	931	2741
XI	Received Child Care This Month	8559	8100	7942	
XII	% of Participants Receiving Child Care this Month	**21.68%**	**20.82%**	**19.93%**	
XIII	Sanctions	**1369**	**1198**	**1311**	**3878**
XIV	Obtained Employment That Resulted in Termination of Welfare Assistance	**694**	**642**	**654**	**1990**
XV	XIII minus XIV	**675**	**556**	**657**	**1888**
XVI	Cost Per Job Resulting in Termination of AFDC Benefits	**$40,000**	**$48,561**	**$41,095**	**$42,902**

TRANSITIONAL CHILD CARE IN CALIFORNIA

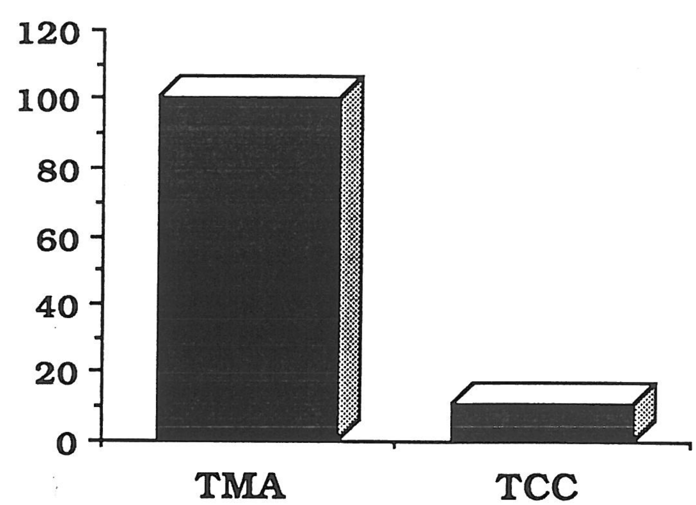
In 1988, Congress passed and the President signed, the Family Support Act, which made millions of dollars available to states and counties to operate mandatory workfare programs throughout America.

The bill also addressed the child care and medical problems of AFDC recipients who obtained employment. The bill provided for 12 months of medical assistance and child care assistance to any person who stops receiving AFDC benefits because they obtained employment.

The 12-month medical benefits would be given to AFDC recipients without the necessity of making an application, while the 12-month child care assistance would only be given to those clients who filed and had their application approved by the state and local welfare agencies.

Since the enactment of the federal legislation, CCWRO has been closely monitoring this program in California given the refusal of HHS to provide welfare rights with information that we need to effectively monitor this program nationally.

GRAPH # 1 - This Chart shows what percentage of former AFDC recipients receiving Transitional Medical Assistance are also receiving Transitional Child Care Benefits during the period of 7/89 through 5/90.



SOURCE for all graphs and charts- State Department of Social Services & State Department of Health Services.

The California State Department of Social Services gathers statistics from counties about the Transitional Child Care Program (TCC). These statistics reveal the number of individuals who applied for TCC and how many actually received TCC benefits. We also obtained information from the State Department of Health Services, which is responsible for administration of the Transitional Medical Assistance (TMA) Program. We then compared the number of people who received TMA compared to those who received TCC. The main difference between the TMA and TCC programs was the fact that Congress mandated that TMA be issued without the necessity of an application, whereas the TCC required that a working person make an application and go through the application process in order to receive TCC.

CCWRO believes that the practice of allowing counties to operate their own application process, which varies from county to county, office to office and intake unit to intake unit creates a huge barrier to participation. Here you have an individual who obtained employment and is eligible for Medical and Child Care Assistance if the employment got them off of welfare. Our review of the data from July 1, 1989 to May 31, 1990 reveals that for every ten families who receive TMA- only one is able to overcome the California State Department of Social Services and California County Welfare Departments TCC application and ongoing eligibility requirements.

Transitional Child Care was a good idea, but it did not contain the protections that are in the law for TMA-automatic eligibility without the need of an application.

In conclusion, if Congress is interested in correcting this situation, they must do everything possible to bring TCC in line with TMA so that all persons receiving TMA will also get TCC.

FEDERAL AUTHORITY FOR AFDC WAIVERS AND DEMONSTRATION PROJECTS NEED TO BE REVISED TO PROTECT POOR FAMILIES AND CHILDREN OF AMERICA

States under the AFDC program, unlike in the Food Stamp program, have a carte blanch to use AFDC recipients to test any idea that States may have. Most of the ideas that States have, especially in these times of recession, would result in the reduction of benefits to poor families, including outright denial of benefits to certain persons.

TABLE # 1- This Chart shows what percentage of former AFDC recipients receiving Transitional Medical Assistance who are also receiving Transitional Child Care Benefits during the period of 7/89 through 5/90.

FACT: Only 11.32% of former AFDC recipients receiving Transitional Medical Assistance are receiving Transitional Child Care Assistance.

	Counties	% of TMC Receiving TCC		Counties	% of TMC Receiving TCC
1	Modoc	0.00%	30	Butte	10.84%
2	Imperial	1.53%	31	Ventura	11.14%
3	Tulare	1.84%	32	Yolo	11.18%
4	Kings	1.90%	33	Plumas	11.34%
5	Tehema	2.57%	34	Shasta	11.82%
6	Merced	2.85%	35	San Bernardino	11.94%
7	Siskiyou	2.91%	36	Nevada	12.58%
8	Madera	3.81%	37	Riverside	14.24%
9	Fresno	3.81%	38	Santa Clara	15.18%
10	Tuolumne	3.90%	39	San Francisco	17.09%
11	Del Norte	4.06%	40	Sacramento	17.11%
12	San Mateo	5.00%	41	Glenn	17.65%
13	Trinity	5.21%	42	Monterey	18.14%
14	Yuba	5.22%	43	Santa Cruz	18.36%
15	San Joaquin	5.23%	44	Placer	19.00%
16	Los Angeles	6.00%	45	Orange	19.19%
17	Calaveras	6.03%	46	Sonoma	20.19%
18	El Dorado	6.48%	47	Alameda	20.52%
19	Sutter	6.60%	48	Amador	21.11%
20	San Luis Obispo	6.63%	49	Contra Costa	23.37%
21	Mariposa	6.98%	50	Marin	24.96%
22	Lake	6.98%	51	San Diego	28.81%
23	Alpine	7.41%	52	Napa	30.14%
24	Humboldt	7.83%	53	Solano	33.87%
25	Stanislaus	8.52%	54	Colusa	37.60%
26	Santa Barbara	8.59%	55	Inyo	38.36%
27	San Benito	8.85%	56	Mono	45.00%
28	Kern	10.38%	57	Lassen	84.43%
29	Mendocino	10.49%			

SOURCE- State Department of Social Services & State Department of Health Services.

OVERALL AVERAGE 11.32

TABLE #3- This chart shows that only 60.65% of persons eligible for Transitional Child Care actually received any benefits during the period of July 1, 1989 through May 31, 1990.

Ran kings	County	% of TCC eligible Persons Actually Receiving TCC	Ran kings	County	% of TCC eligible Persons Actually Receiving TCC
1	Alpine	0.00%	30	Inyo	66.00%
2	Modoc	0.00%	31	Contra Costa	66.46%
3	M ono	0.00%	32	Kings	66.67%
4	Sierra	0.00%	33	Alameda	70.05%
5	San Mateo	10.57%	34	San Benito	70.21%
6	San Joaquin	29.25%	35	Placer	71.48%
7	Napa	30.93%	36	Riverside	72.16%
8	Plumas	33.33%	37	Humboldt	72.73%
9	San Luis Obispo	36.91%	38	Merced	72.73%
10	Los Angeles	37.04%	39	Butte	74.16%
11	Mariposa	40.00%	40	Tulare	74.24%
12	Yuba	43.94%	41	Santa Barbara	75.32%
13	Tuolumne	47.50%	42	Sutter	75.44%
14	Yolo	47.84%	43	Nevada	76.60%
15	Fresno	49.58%	44	Sacramento	77.64%
16	Colusa	57.14%	45	Amador	77.78%
17	Trinity	58.33%	46	Orange	80.86%
18	Siskiyou	58.82%	47	Shasta	81.25%
19	Ventura	59.39%	48	Solano	81.40%
20	El Dorado	60.29%	49	Marin	82.61%
21	Del Norte	60.71%	50	Mendocino	88.89%
22	Sonoma	60.88%	51	San Francisco	92.53%
23	Stanislaus	61.68%	52	Madera	92.98%
24	San Diego	61.78%	53	Lake	93.44%
25	Santa Clara	62.27%	54	Calaveras	100.00%
26	Kern	63.61%	55	Glenn	100.00%
27	Imperial	63.64%	56	Lassen	100.00%
28	Santa Cruz	64.46%	57	Monterey	100.00%
29	San Bernardino	65.34%	58	Tehema	100.00%
				OVERALL AVERAGE	60.65

SOURCE- State Department of Social Services.

TABLE #2

This chart shows that only 31% of the Transitional Child Care applications were approved during the period of July 1, 1989 through May 31, 1990.

	COUNTIES	% of TCC Approved		COUNTIES	% of TCC Approved
1	Alpine	0.00%	30	Santa Barbara	39.47%
2	Modoc	0.00%	31	Shasta	40.54%
3	Mono	0.00%	32	Riverside	41.77%
4	San Francisco	10.12%	33	Madera	46.15%
5	Kings	15.79%	34	Humboldt	47.22%
6	Siskiyou	15.79%	35	San Diego	47.58%
7	Merced	18.18%	36	Mariposa	50.00%
8	Orange	18.64%	37	Sierra	50.00%
9	Lassen	20.00%	38	Tuolumne	50.00%
10	San Joaquin	20.07%	39	Tulare	57.14%
11	Santa Clara	21.54%	40	Placer	58.33%
12	Alameda	21.58%	41	Kern	58.39%
13	Fresno	21.78%	42	Nevada	60.00%
14	Sacramento	22.99%	43	Mendocino	60.87%
15	El Dorado	27.08%	44	Sutter	61.11%
16	Los Angeles	27.72%	45	San Benito	62.50%
17	Del Norte	29.17%	46	Sonoma	63.64%
18	Amador	30.00%	47	Colusa	66.67%
19	San Bernardino	30.41%	48	Inyo	66.67%
20	Ventura	32.39%	49	Yuba	69.23%
21	Contra Costa	32.43%	50	Marin	69.57%
22	Solano	32.43%	51	Santa Cruz	77.05%
23	Stanislaus	32.88%	52	Plumas	83.33%
24	Calaveras	33.33%	53	Lake	87.50%
25	Imperial	33.33%	54	Monterey	88.57%
26	Trinity	33.33%	55	Yolo	96.88%
27	Butte	36.13%	55	Glenn	100.00%
28	San Mateo	36.63%	57	Napa	100.00%
29	San Luis Obispo	38.61%	58	Tehema	100.00%
				OVERALL AVERAGE	30.83%

SOURCE- State Department of Social Services.

We urge the Committee to amend Section 1115 of the Social Security Act and add subsection (d) to read as follows:

"(d) In no event shall any demonstration project or any waiver approved

> *under this section or any other section of any other law, result in the reduction or termination of any right, procedure or benefits to which an individual is eligible for under the provisions of this Act. Any waiver or demonstration program approved under this section, or any other section of any other law, shall only result in the increase of benefits or opportunities to the individuals receiving benefits under this Act.*

This would assure that no State would use AFDC families and children to operate a demonstration program or obtain a waiver that would cause harm to the family.

RESPONSE TO THE TESTIMONY OF LARRY JANKOWSKI, JOBS PROGRAM MANAGER OF KENOSHA COUNTY

In listening to the testimony of Larry Jankowski, who stated that student elect to work part time in addition to going to school, we had the same doubts that you had Mr. Downey about that statement. We agree that going to school and raising a family is a tremendous undertaking.

To verify the statement of Larry Jankowski we called Kenosha County and talked to Kevin Lee, a supervisor for the JOBS case managers.

Mr. Lee informed us that if a student is going to school, he or she would either have to participate in the Job Search component to assure that they are participating 32 hours a week, or find a job which when added to the number of hours that the student is in school, would be 32 hours a week. Mr. Jankowski never told the Committee that if the student does not work part-time, then they would be required to attend job search activities week after week until they find employment. We also asked Mr. Lee how long would a person have to be in a job search activity. His response was that it would be indefinite or until the student finds employment."

As you could see Mr. Downey, Kenosha County JOBS manager not only was dishonest with Congress, but he failed to inform Congress that the way they are meeting the 20-hour participation rate is by illegally forcing AFDC recipients to participate in the job search activity component, even though the law limits the duration of job search activity.

We also talked to Mr. Jankowski. He told us that in Wisconsin a person going to a 4 year institution is not required to participate in the JOBS program, including being required to do job search. We then called Mr. Lee to see what the practice was in Kenosha County. Mr. Lee informed us that any student going to a 2 year or 4 year college has to either do the 32 hours through a combination of school attendance and employment or school attendance and job search.

Mr. Jankowski also informed us that although Wisconsin has the requirement of indefinite job search, the job search in excess of the federal law is not used to compute the 20 hour participation rate, but participants who do not do the job search are sanctioned.

We would strongly urge Congress to have a GAO audit of the Kenosha program and to withhold federal funds that they have obtained through the submission of false claims- in that they are operating their JOBS program in violation of federal law to obtain additional federal funds. GAO should also review the illegal sanctions that Kenosha County has imposed against AFDC families and return all of the money that Kenosha County had fraudulently extorted from poor families with children in Kenosha County.

SHOULD CONGRESS REVISE THE FUNDING FORMULA FOR JOBS

We strongly oppose giving states a higher sharing ratio for JOBS when states are cutting AFDC benefits throughout the Nation. We would encourage changing the federal participation ratios based on the level benefits paid and based on the State giving AFDC families a cost-of-living adjustment. We OPPOSE giving more money to states just for the JOBS program. We SUPPORT giving more money to states for the JOBS program if such increase is directly linked to increased cash payment benefits to AFDC families.

MAJOR BARRIERS THAT AFDC RECIPIENTS FACE IN PARTICIPATING IN SELF-EMPLOYMENT ACTIVITIES

For those AFDC recipients who want to overcome poverty through self-employment there are a number of major barriers.

The **First** major barrier is to submission of the monthly income report, the various verification requirements every month, and the constant threat that the entire family would loose their benefits if the family fails to submit any one of the host of verifications requested by the state or local welfare agency.

The **Second** major problem is the fact that business expenses are limited under the AFDC rules. For example, if you buy a truck to operate a delivery business and you have a $400 a month payment, the welfare agency would only allow the family to disregard the portion of the payment for the interest and not the principal. Thus even though the family has a legitimate expense to run his or her business, the welfare agency would not allow those legitimate deductions.

The **Third** major problem with self-employment is the fact that individuals have good months and bad months. With retrospective budgeting and monthly reporting self-employment can result in families becoming homeless and foodless because their December benefits are based upon their October income and very often the families cannot get their work incentive deductions because the monthly income report is late or incomplete given the complexity of the reporting requirements for self-employed persons.

The **Fourth** major problem is the low asset exemptions in the AFDC program.

We support the Grandy amendment and believe that it should be expanded to address additional problems as outlined above.