WELFARE REFORM

HEARINGS

BEFORE THE

SUBCOMMITTEE ON PUBLIC ASSISTANCE AND UNEMPLOYMENT COMPENSATION

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

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Chairman FORD. Thank you very much.
Mr. Kevin Aslanian.

STATEMENT OF KEVIN M. ASLANIAN, EXECUTIVE DIRECTOR, COALITION OF CALIFORNIA WELFARE RIGHTS ORGANIZATIONS, INC.

Mr. ASLANIAN. Thank you.

I am with the Coalition of California Welfare Rights Organizations. We are pleased to be here to testify before you about this important event which will affect just about every AFDC welfare recipient welfare mother in the country.

In the past, in 1960's, the welfare commissioner descended upon Washington and promised Congress that give every AFDC recipient a social worker and we will find them jobs. After 10 years of giving open-ended appropriations to social workers, the Congress discovered that the case loads did not go down, they went down. Welfare commissioners are back again in 1987, 1986, asking again for case management, open-ended appropriations, and now employment and training programs, to find everybody a job.

I think after 4 to 5 years, you find that that is not the case because we still have about 7 million people unemployed in America and there is about 1.5 people on AFDC and a limited number of jobs in America.

In California, 1980, 30 percent of the cases was working and had outside income. Today, it is down to 5 percent. It is not that work is not attractive these days; it is that if the woman works, she cannot feed her child, the children starve the last 2 weeks of the month because the food money goes for child care and for transportation, and the reason for that is very simple.

In 1981, deductions are limited to 4 months and then you changed the $30 to 12 months, but, still, the one-third deduction was limited to 4 months. That has to be rescinded. The 30 and a third should be open-ended.

AFDC recipients are only allowed a $75 work-related deduction. The $75 is supposed to account for the difference between the net and the gross income, and also the transportation. That may have made sense in 1920, but in 1985, it is ludicrous.

Women are penalized for late reporting. If the monthly income report is due on the 11th day of the month and they happen to get it in on the 12th day of the month, 2 months down the line, they do not get the child care deductions. So, what happens, she has to quit her job because she cannot pay the child care. The late reporting penalty should be abolished.

You need to mandate AFDC-UP and wipe out that hundred hour rule. That hundred-hour rule is nuts.

If a woman is working and then she is laid off after working for 6 months under the retrospective budgeting, 2 months down the line they continue to count this income. So, pretty soon what happens, the reward for working is that they end up homeless and foodless because they do not have the money to pay the rent and they do not have the money to buy food with. We would recommend, as reflected in our written testimony, a hundred percent supplemental payment where the income is reduced by more than 80 percent.

We also believe that there should be coverage of pregnant women. A woman pregnant for the first 6 months, gets no AFDC. So, your only option basically is an abortion or maybe have a deformed baby, and we believe that all children, even unborn children, are children that should be deemed to be a child for the purposes of AFDC.

We also suggest that you should expand and make emergency assistance mandatory on all States and target it to make sure that people in immediate need of emergency assistance, get some kind of aid.

We suggest that what we have over here is a jobs problem. Welfare recipients want a job, they do not want a welfare check, and please do not send us to the welfare department to get a job. Jobs in America are obtained from the employment service agencies. That is where the jobs are, and I do not know why welfare recipients are being asked to go through welfare department to get a job.

When you have electrical problems, you do not call the plumber, you call an electrician, and we have a job problem and they are sending us to the welfare department, and we object to that.

There is a lot of talk been going around about contract, client choice and mutual decisions and all these other things. A contract basically is a product of a bargain between two equal parties. There is no way that a client could bargain with the all mighty social worker who holds the money in her or his hand and if the client is not obedient, then the client will not get that money to pay for the rent and for the housing and for the utilities and all this other stuff. So, there is no way that they are going to bargain. That is an illusion.

Moreover, you cannot bargain if it is mandatory. If a client has to participate, you cannot bargain. I was looking at the APWA bill, the APWA bill says that there will be a contract between a client and the social worker, but if the client does not comply with the provisions of the contract, they will be sanctioned. What happens to the State if they do not comply with the provisions of the contract. Nothing, except that the client will not be sanctioned for not complying with the contract.

So, you see, there is enforcement for the client but no enforcement for the State. There is no equality.

Child care and transportation. Every bill that we have seen all talk about child care. They are going to give everybody child care, they are going to give them transportation, but it never says how you get there. In California, we have workfare recipents out there looking for a job. They go out there, look for a job while the kids are in school. Somebody offers the person a job. The person goes back to his or her social worker and says, look, I got a job, I need child care. Social worker says: "Sorry, we have no child care available." "Well, what do I do, turn down the job?" Then, that employer calls up the Congress person and says there are lots of welfare recipients that do not take jobs, and next day the welfare recipient is out there looking for a job again. It is ludicrous that that is how these programs are designed and the only remedy for that basically is to say State or local agency, you cannot send anybody out there or enroll anybody in this program unless you have a guaranteed child care slot with that person's name on it.

They should pay actual pay for child care and the client should be given a form that they could use to request the child care, and the contract situation is the same thing. Like they say, their clients are going to have options. What options? I mean, you go and sit down with your welfare worker, there is no way you are going to be able to select an option. The only way that we have thought that this is remotely possible is if you require that the State or local welfare agency mail a letter in black and white to the client, to his or her house, in which he or she could sit down in private and fill out this form. The State could assess a person and on that form say what they believe the best thing for that person, like workfare, but there are other options over here, like employment, training, education, this and that, and then the client in his or her privacy says yeah, this is the one I want, and ships that form back to the welfare department The statute should say that whatever the client selects shall be deemed to be appropriate, unless the State or local agency has clear and convincing evidence that what the client has selected is totally inappropriate for him or her.

Then, a client—you have empowered clients to make a choice. Otherwise, this mutual decision will never work.

On education, it is kind of vague as to what kind of education we are talking about. I mean, I believe that generally what happens, we get a GED and GED is nothing. I think education should be open-ended and it should be the client's decision as to what kind of education he or she wants and not the all mighty State or local agencies' decision as to what kind of education he or she wants.

Net loss of income should be—there should be some specificity as to what net loss of income means. I do not think anybody should go to work and not get enough money to pay for the rent, utilities and food and work-related expenses. That is the least you should be able to do; feed your children when you go to work and right now, the provisions we have seen, if you get more than AFDC, then that is okay, but that does not account for child care and transportation and other work related expenses.

So, net loss of income has to be more precisely defined. Sanctions. The most barbaric thing of the WIN program are the sanctions. In fact, in California, we just had Mr. Bigfoot who committed suicide. He committed suicide because he was quite disabled, but he was not able to get a doctor to say he was disabled for the welfare department purposes. So, therefore, he was in a two-parent family and in the two-parent family, if the parent does not cooperate, for the first offense, the entire family is sanctioned, is cut off of whole AFDC for 3 months; for the second subsequent offense, it is 6 months. Okay.

So, Mr. Bigfoot decided that his children would be better off if he is dead than alive, and he committed suicide. We have some language for you on sanctions that says that you can sanction the person who is committing the offense for not cooperating as long as that person fails to cooperate. Once they cooperate, then they should be back on the program, and you should never, never punish the children for what their parents do. That is outrageous.

There should be a strong conciliation period where if a person fails to cooperate, they should be given a second chance. In America, everybody gets the benefit of the doubt, everybody gets a second chance, except for welfare recipients. We get one chance and that is down.

Welfare recipients have no service centers. We propose that if you are going to have an employment program, there is going to be a lot of problems emanating from that—you have service centers for senior citizens, you have service centers for veterans, but no service centers for welfare recipients, and we would suggest that there be service centers for welfare recipients operated by recipients themselves and not the other types of groups who basically are only in it for the money.

Giving priority to volunteers. Sounds good, but it won't work in the real world because what happens in a typical welfare office, ten people come in, five are volunteers, five are mandatory. They have five workers there. So, they run all 10 of them through the system. One way that we thought of that may work and that came to my head yesterday is that funding is what really runs the States, money, and if you provide 100-percent funding for volunteers, unconditional funding, and conditional funding for mandatory registrants. When I say conditional, that means that only if the client gets a job do they get money for training that person, that they get full funding for training volunteers. Then pretty soon the States will get the message. The other thing is that there is this big argument that voluntary versus mandatory, and you have the two extremes.

On one hand, people are complaining about volunteers, voluntary programs, because it would just touch the cream, just the cream of the people, and, of course, the reverse of it is an assembly line approach like we have in California. Everybody goes through the process, and that is most of the bills that we have seen do. Everybody goes through the process, and I think there is a middle ground over there. When this discussion gets going, what they really come down to is the long-term welfare recipients who should be mandatory participants, and what you are really talking about is a woman who has been on aid for maybe more than 6 years and who has a child over the age of 12 years old. They have real problems.

Those are the people that I am most concerned about because within 4 to 5 years, they are going to be out of AFDC. Those are the only people that we would suggest possibly making a mandatory recipient. For the rest of them, most people find work. They find jobs without these glorified programs, and we have seen that all over the place.

I would like to give you an update on the State of California workfare program. As of December 1, they spent $40 million. They have enrolled 7,684 persons. They actually found jobs for 200 people and that comes to about $200,000 a job, and I would like to submit this to the record.

Chairman Ford. Without objection, it will be made a part of the record.

Mr. Aslanian. Thank you. We have reviewed APWA proposal and basically it is sort of like a block grant proposal, and what it does, it gives the state maximum flexibility to devise the program and do anything they want to do with it, and it also has lifetime workfare in it.

So, we basically will oppose that program.

Thank you very much.

[The prepared statement follows:]

Mr. ASLANIAN. There are some good States and there are a lot of bad States. What we are basically advocating is a Massachusetts-type national program where people will have a choice. And that is all we are saying, and what your bill basically does is allows any State to do anything, which basically means that they could do a Massachusetts-type program and God only knows what they are going to do in Mississippi.

They could have strictly workfare. Come in and work all 12 hours a day. For example, in Fresno, they have people who are workfare recipients who are harvesting the crops. Farmers, rather than hiring farm workers, they have workfare recipients harvesting the crops, and that is where this workfare is going to go.

Right now, you have workfare recipients working for the county and for the State, tomorrow the industry is going to look over there and say my God, what a great cheap work force. Send them all to the factory. We'll put them to work over here. We'll give them a job. They will not give them a job—all they want is free labor, and it is very dangerous to allow States to do anything that they want to do because there are good ones and there are bad ones, and all we are interested in——

Mrs. KENNELLY. But they are the only ones we have, those States. There are good ones and bad ones, but they are the only ones we have.

Let me go back to what Mr. Brown was talking about, and I would like to get on the record that I think we have—we are moving in a direction today that fascinates me, but I am talking about mainly AFDC recipients. That is mainly who I am looking at and yet in the testimony this morning, we know out there and we are not concerned with these people this morning, out there are people who have good jobs, like you and I, and earning our living and they are not in the picture.

But then I come along and I hear what I hear this morning, and I think two groups are getting mixed in our conversation this morning. One is the working poor, and one is the AFDC recipients or the welfare person, and why I say that is because, yes, we do have a minimum wage. You know, we did not always have that particular rate of minimum wage we have now.

You know, I am hearing that the minimum wage is not even sufficient right now to deal with when we are dealing with welfare reform. Now, I had a meeting yesterday. I was home in my district.

Mrs. KENNELLY. Mr. Aslanian mentioned that he thought the American Public Welfare Association's proposal, my bill, looked very much like a block grant. I am going to send you a copy.

Mr. ASLANIAN. I have a copy.

Mrs. KENNELLY. You have a copy. All right. I would have to disagree with you on that because I think what it does is call for a comprehensive welfare to work programs, which can be tailored by the States in what works best for them because we have learned and I have talked to numerous Governors, I have met with Governor Dukakis. I mean, I know you just discovered it, but my own State, I was in the administration of a State officer, and I am convinced that without the WIN moneys, we could never do the demonstration programs, and the demonstration programs could not have been successful at all without those WIN moneys.

We might be able to allocate some moneys on the Federal front, but we cannot have hands on like they can in the State, and I will tell you, my Governor will tell me, day after day after day, they will say Barbara, the State is—right now, my State is blossoming, and yet we have pockets of poverty in Hartford and Bridgeport, in New Haven, that we cannot deal with because we do not have that wherewithal without Federal help.

So, I just—you still think it is like a block grant, okay, but I do not.

I met with school principals, grammar school principals, a number of them from our area, and we discussed avenues for day care, before school and after school, and who we were addressing there was the working poor, and that is the person who is often a two-working couple, mother and father are working, and often one of them is working two jobs because, no, the minimum wage does not give you adequate income.

We know that, and, so, therefore, the working poor are working one and two and three jobs. One of the principals was furious about this. They put them in day care at 7 in the morning, they do not get them out until 6 at night, but these are the working poor, and these people are not on welfare, they are not what we are talking about in welfare reform.

I just want to point that out because I would hope some day these women that I am concerned about who are locked in poverty in public housing with their children going out in the subculture and being faced with drugs and other things might belong to the working poor some day.

Now, that is what I am trying to do. Give a person education and skills so if they want two jobs to support their family, they can have them. So, I do not want to act as if all of a sudden, we are going to take this bill, whatever this bill may be, I do not know whether we are going to do a bill at this point, but whatever this bill might be, all of a sudden we are going to solve all the poverty in the United States of America.

Well, I am sorry. I cannot do that. I have got a piece of legislation in right now that takes the American Public Welfare Association concept and I have got it, and you say to me, sir, you say to me, you talk about contracts. We got to talk about something when you write a bill, but it is very hard to get this language, let me tell you, and that is why we want you people with us.

MaryLee, you tell me you have got cautious optimism. Thank God for the Children's Defense Fund because when I was out front trying to talk about doing something about this, I was talking about women and nobody cared. Now, we are talking about children and we are getting—Harold and I have talked about this. We are getting some concern.

So, I just hope we are not saying, look, I receive, Father, your testimony and your remarks with great respect and listened, and as you said, I was reading your testimony here, I was president of one of your agencies a number of years and, you know, I know what some of these problems are, but I just feel that we cannot have it all, but please listen to me that I understand what you are cautioning me about.

I mean, I know some people are scared to death of those that never wanted to look at welfare reform are saying get them to work now. Sir, when you say that contract and that agency and all the rest, you had better say something and my bill says if there is no day care there, then there is no work.

Mr. ASLANIAN. Well, not exactly. Your bill basically says that the State agencies will provide child care, but it does not guarantee no recipient a child care slot before they start participating.

Mrs. KENNELLY. When you were talking to me, I was thinking of vouchers. As a matter of fact, be careful what you get in the paper.

Mr. ASLANIAN. I would bring an amendment to you that says that before anybody is enrolled in the program, they get a voucher and on that voucher it says it is John J's Day Care Center and that is where you have a slot, and then you put that voucher in your pocket and you go out and do a job search, and when somebody offers you a job, you know that at that day care center tomorrow, you could drop your kid off.

Now, that is a real program, but to have a bill that says well, we will give everybody child care if they need it and then—I mean, there is no child care out there. In California, we have county after county going into effect and there is no child care.

Mrs. KENNELLY. I will not do anything that does not have a service provided in exchange. Let us call it a voucher if we get anywhere. Let us call it a voucher.

Mr. ASLANIAN. I will bring it to you in black and white. We have a bill.

Chairman FORD. Mrs. Kennelly?

Mrs. KENNELLY. Thank you, Mr. Chairman.

I want to carry on Mr. Brown's train of thought for a few minutes, and before, I have just got a few things in front of me that I would like to address as the various witnesses gave their testimony.

I know Father mentioned commissioners—well, he did not mention commissioners. I think he mentioned social workers, and he said they do not come home or they are not home enough or some reference to that.

I would just like to put on the record that one of the reasons that I am supporting the American Public Welfare Association's bill is because it has been brought about and worked on and crafted by commissioners who are on site at home in each of the 50 States and will work with the Governors, and, so, it is not that welfare workers that do not go home.

Also, Father asked why has not the minimum wage been raised, why have not the legislators addressed that more. Well, part of the problem, Father, I have got to tell you is we have been addressing the last 5 years, we have been fighting the subminimum wage, and, so, really, it is just the last year. I think MaryLee will agree with me on this. Only in the last year have we been addressing the minimum wage because the economy has responded in many States. Unfortunately, many of the States have gone the other way to the recession of 1982.

I would like to just get these things on the record because things are said and then we go back and other people will read the record, and Mr.—is it Aslanian?

Mr. ASLANIAN. Yes, ma'am.

Mrs. KENNELLY. By the way, sir——

Mr. ASLANIAN. Kevin.

Mrs. KENNELLY.We take what we get around here, and I am so delighted you are here.

Mr. ASLANIAN. Thank you.

Mrs. KENNELLY. Because I serve in other subcommittees, in other committees, and often we meet up in the Longworth in a great big room and the representatives of the issues that we are dealing with are there—hundreds and hundreds of them to give me every side and every point of view—and one of the reasons we are kind of desperate now about this whole thing is that we are dealing with the subject that the client is not here.

You are representing the client and that is why I think we are at each other one minute, we are with each other the next minute, but it is because we are really representing the voiceless in the United States right now, and I—you know, I really was shook this morning that I hear the cautiousness even more than I thought with one of my great allies, the Defense Fund, and, you know, Harold and I are here and we want to do something, and, yet, please continue to give us the caution on the one hand, but find ways for us to do it on the other hand, because it is awfully easy, with the situation like this, to say well, gee, we got the deficit and we got the trade, just in this committee, the deficit, the trade bill, and we have got catastrophic care now, we want to do something on Ways and Means. Well, you know, this welfare thing is just—we cannot wrestle with this because we cannot solve all the problems.

Mr. ASLANIAN. One thing I would suggest about to bring up the minimum level of benefits, I think the bill that you have says within 10 years the States will do it, and I think that we are very cautious about that or we do not believe that that will ever happen, and maybe a better approach is to do like the QC, the quality control system, where the States will require from 10 percent to come down to 4 percent on an increment or mandatory basis and maybe the bill could be restructured to require the States to bring AFDC grant levels up to certain point by mandating every year to come up this much and that much and that much and that within 10 years, it will come all the way up here because the way the bill is crafted now, you could wait for 10 years and, by the way, when this 10 year comes, you had better be up here.

But there is no mandate from 10 years to year 1, you follow what I am saying?

Mrs. KENNELLY. Oh, I follow.

Mr. ASLANIAN. In the year 9, they can just come over here and say, well, why not repeal that law because it would cost a fortune, and I can see them doing that. So, if you have a gradual——

Mrs. KENNELLY. Well, because it is going to cost a fortune, we have not even talked about the family living standard, you know. Your minimum standard goes a little higher. Because it is going to cost a fortune, that is why I phased it in there, why I phased it in over 10 years, because otherwise when you think about the dollars that we are going to have to deal with in the first year or so, we would blow the thing right out of the water.

Mr. ASLANIAN. That is a good investment. I think the children who are the leaders of our future. It is a good investment. It is better than putting money into weapons and all this other garbage or just the money that they give to big corporations. It not even the weapons. Forget about the weapons. The welfare check, aid for dependent corporations, when you compare that AFDC program to the aid for dependent children, it is 10 to 1, and I think what they should do is cut the AFDC program and the corporation program and transmit it to the children's program.

Mrs. KENNELLY. Thank you. Thank you.

Mr. ASLANIAN. Thank you.

Chairman FORD. Thank you very much, Ms. Allen and Mr. Aslanian and Father Harvey. Let me once again thank you for your testimony and your input in the welfare reform hearings that have been conducted today and even in past hearings when you have testified before this subcommittee.

This will conclude the business of the subcommittee today, and we will stand adjourned until tomorrow morning at 9:30.

[Whereupon, at 12:30 p.m., the subcommittee was adjourned, to reconvene at 9:30 a.m., Wednesday, March 11, 1987.]