

# At last, state leaders seem agreed on reforming welfare

The San Diego Union

Sunday, August 4, 1985

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SACRAMENTO — For years the controversy has raged — the confrontation between those liberals in government who saw only the “human” elements in the welfare system — the hungry children, the struggling single, or unwed mothers — and the conservatives who saw only the massive burden on the taxpayers. Always, legislation intended to reform the welfare system foundered on the shoals of partisanship.

Yet, as time progressed, it became clear to both sides that the existing system of “handout” welfare has created a dependency cycle among recipients; a dead-end street leading nowhere but to a continuing marginal existence on the public dole.

And this has led to a growing public resentment over the high cost of welfare, as well as a feeling of shame on the part of those caught in the welfare cycle that they were living off money for which they had performed no service.

Now, for the first time, these diverse elements in the Legislature and in the Deukmejian administration apparently have managed to bridge the philosophical gap. On July 17, Democratic and Republican leaders in both the Assembly and Senate, and a leading spokesman for the governor, disclosed a new welfare reform program that showed every sign of making it through the legislative process. It is a plan that combines the philosophies of liberals and conservatives, would provide a way out of the welfare dependency cycle for some 170,000 Californians by helping them to prepare for and find satisfying jobs, and at the same time eventually would provide substantial savings for the taxpayers over the next six years.

Modeled after the successful San Diego Workfare Pilot Program, with crucial revisions, the new program — entitled “GAIN (for Greater Avenues for Independence) — would require all California recipients of Aid to Families With Dependent Children (AFDC) who do not have children under the age of 6 or have a demonstrated medical deferment, to participate in a phalanx of job training programs. It is a proposal that Assembly Minority Leader Pat Nolan, R-Los Angeles, called one that “will insure that the taxpayers receive a fair and full accounting for the more than \$12 billion spent annually on welfare in California, and that all of those who presently receive AFDC can

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obtain the skills and self-confidence necessary to find productive and meaningful work.”

Nolan said that “all of our state’s ‘safety-net’ programs were designed as a means to an end — not an end in themselves. The GAIN proposal insures that our government assistance programs do not perpetuate dependency and despair, but rather provide the means by which all Californians can enjoy the fruits of their own productivity.”

The landmark measure, which Assemblyman Art Agnos, D-San Francisco, who spearheaded the effort to gain bipartisan support for the measure, called “a first in the nation and a model for the rest of the states to follow,” will be introduced in the Legislature for hearings and debate to begin when the

lawmakers return to the Capitol from their summer recess Aug. 19. The bill, as drafted by the legislative counsel's office, already is in print so that it may be examined by interested public agencies and the public during the 30-day recess period.

This is the fifth time in the past decade that the Legislature has come up with a plan for workfare, said Assemblyman Ernest L. Konnyu, D-Saratoga, who will be floor manager for the legislation in the Assembly.

"As it stands today," he said, "for a welfare recipient to find work is the same as to lose his benefits, or to labor for little or no more money than what the government provides for doing nothing. Workfare will change this equation by providing the skills, training and incentives necessary for a welfare recipient to find a job paying in excess of the government benefit level. In this fashion, workfare fosters opportunity, upward mobility and hope for thousands of Californians and their families."

In an agreement pounded out over five months, after bi-partisan investigative visits to Eastern states, including West Virginia, Pennsylvania and Massachusetts, with varying forms of workfare programs in place, the California compromise would have these major elements:

— All able-bodied applicants and recipients of "Unemployed Parent" (principal wage earner) and "Family Group" welfare aid — with children over the age of 6 — would have to register for the new program. Those exempted from registration could volunteer to participate.

— Persons already in educational or training programs (those who have completed their first two years of college could go on to finish their junior and senior years; those attending community colleges in a program leading to a vocational trade could continue to go to school).

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— Day care and transportation for participants would be provided by the county involved.

— Registrants would have to sign a contract which includes not only their own rights and expectations, but also their responsibilities to the county and state and the consequences for failure to participate.

— Registrants in need of remedial education, such as high school equivalence studies, would be required to accept such training before proceeding in the program.

Once registered, persons who had held jobs within the past two years would be given a choice between three weeks attending a "job club" — a means of training people in how to find jobs and approach potential employers — or three weeks in a supervised job-search program.

— Registrants who had not held jobs in the past two years would be required to participate in the job club.

— Registrants who have been on and off Aid for Families with Dependent Children more than twice in the past three years would be referred directly to an assessment program for closer examination of their capabilities because they already have demonstrated inability to keep jobs. This assessment phase of the proposed workfare law would include an assessment of aptitude,

achievement, testing for interests, counseling, an evaluation of education, work history and employment choices of real interest to the applicant.

— Based on this assessment, training and educational choices would be outlined and included in a contract between the government and the participant. Any disagreements concerning the proposed individual plan would be referred to an outside arbitrator.

The training and education component of the plan would include a short-term (three-month) pre-employment preparation period (PREP) with a public or private non-profit organization, intended to provide basic world-of-work experience or enhancement of skills, or jobs provided with subsidized employment, grants to employers, vocational training or other training.

— Training could last up to two academic years, and would be aimed to the maximum extent possible at placement in a specific kind of job.

While most of the successful trainees would be expected to find regular, private-sector, unsubsidized jobs, what of those who do not? If, after their 90-day job search, successful trainees have not yet found jobs, they would be re-assessed and assigned to long-term pre-employment preparation jobs for up to one year. The bill

authors say these people would be placed in jobs related to their training specialties in public agencies or non-profit organizations.

— Unsuccessful trainees, on the other hand, also would be placed in long-term PREP jobs that teach them how to succeed in the business world — such things as getting to work on time and putting in a meaningful day's work.

— All long-term PREP participants would have their cases reassessed every six months.

Individuals placed in PREP jobs would be paid the equivalent of \$5.07 per hour, with their welfare grants being divided up into hours of labor on that \$5.07 per hour basis. The average, on that basis, would be required to put in 100 hours of labor per month. This wage-rate would be well above the minimum wage of \$3.35 per hour.

As for those who refuse to cooperate in the plan, what kind of sanctions can be used that would discipline individuals without depriving their children and other family members of aid?

The first stage of sanctions would be three months in which the welfare recipient would not receive state welfare aid directly, but would have all bills paid by the state, as is done with persons found to be legally incompetent. Thus, the welfare recipient would be deprived for three months of one of the most cherished adult prerogatives — independence.

— If, during those three months, the recipient changes his or her mind and decides to cooperate, the money management plan would be discontinued.

— If, however, reinstated participants again fail to cooperate, their welfare grants would be reduced for three months for a second offense, and for six months for third or subsequent offenses.

— In the words of State Health and Welfare Secretary David Swoap, this would be "an opportunity to put into

place a fair, humane and practical employment and training program that will tap the strong desire of welfare recipients to become independent, encourage them to make responsible choices and to accept responsibility for their own lives and reduce dependency and welfare costs."

At the same time, backers of the proposal expect that such a landmark system for dispensing welfare aid would begin saving California some \$272 million a year when fully implemented, which would come, according to estimates, in the sixth year.

Agnos said savings, when all factors are taken into account, would begin immediately. Although new costs of the program would amount to some \$25.2 million in the first year — much of it because of increased child-care costs, increasing to \$136.3 million in the sixth year — grant reductions, avoidance of new welfare cases and recidivism, and reductions in administrative costs would bring savings of \$19 million the first year; \$53.9 million the second; \$117 million the third; \$222.6 million the fourth; \$259.6 million the fifth; and \$272.3 million the sixth year. This, he said, would be in addition to the value of the public work performed.

However, that view is not universally shared in the Legislature. Assemblyman Tom Bates, D-Berkeley, chairman of the Assembly Human Services Committee, charged that the plan would be too costly and that he doubts whether it "can deliver on its promises. When a liberal and conservative team up on welfare," he said, "they inevitably create a Cadillac plan, but the problem is that it

gets only five miles per gallon. By that I mean that this is a costly program which gives no guarantees for reducing welfare rolls or providing jobs."

Bates added: "I support the goals and objectives outlined by the proposal's authors, but I question whether it can deliver on what it promises. My estimates are that the net new cost of the plan is closer to \$136 million for the first year of full implementation."

As the plan rolls through the Legislature, Bates said, "questions need to be raised. Can we afford it? Will we get our money's worth? Who will create the 40,000 workfare slots; where are the 150,000 jobs needed to meet the touted 80 percent success rate of the program? A statewide lobbying group called the Coalition of **California Welfare Rights Organizations, Inc.**, also immediately attacked the bi-partisan plan, charging that it would "result in 300,000 additional latchkey children in California; take away jobs

from thousands of Californians and force women with children to do the same jobs without pay. The proposal is primarily limited to mandatory job-search-workfare, geared toward dead-end low paying jobs," charged the group's lobbyist, **Kevin Aslanian**. Advocates of the revised workfare proposal, however, insist that major savings to the taxpayers are predictable, that the plan will help break the growing cycle of welfare dependency by making the finding of a job by a welfare recipient an advantage rather than a danger of exchanging current welfare benefits for a low-paying job bringing in scarcely more family income than was provided anyway on the public dole.

During these debates, though, advocates of the plan will carefully steer clear of what has become a politically unpalatable term in connection with the concept of working for welfare. "Workfare," they said, will be steered over to a new and more politically palatable phraseology — "Fair Work."

