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CENTER FOR LAW AND SOCIAL POLICY

Lifting the Lid Off the Family Cap

In the early 1990s, a number of states began implementing “family cap” or “child exclusion” policies in their welfare programs to discourage welfare recipients from giving birth to children while receiving cash assistance. Essentially, these policies reversed the long-standing welfare practice of determining the size of a cash grant based on a family’s size—that is, if a child was born into a family receiving welfare, the family’s grant would be increased modestly. The family cap meant that each family’s grant would be capped at a certain level, and no additional funds would be given if another child were born. Since 1992, 24 states have implemented some type of a family cap policy—15 before welfare reform in 1996 and nine since (see map on p. 6).

A new CLASP policy brief, *Lifting the Lid Off the Family Cap: States Revisit Problematic Policy for Welfare Mothers* by Jodie Levin-Epstein, explains what family cap policies are, reviews some of the research on their effectiveness, explains how many families are affected by them, describes challenges that have been mounted against these policies, and recommends that states with family caps consider repealing these mistaken and potentially harmful policies.

For most proponents of family caps, the goal is to diminish the fertility of welfare recipients. They argue that the policy creates an economic incentive for parents to abstain from intercourse or improve contraceptive practices, at least while they are receiving welfare. In addition, they note that the salaries of non-welfare families do not increase when a new child is born—so why should a wel-

fare grant? Opponents generally cite three arguments against the family cap: that the policy may propel some women to seek abortions; that, while salaries do not respond to family size, tax policy often does; and, most importantly, that reducing grants compromises the well-being of children.

Not surprisingly, the family cap has been controversial, and a handful of states have made efforts to repeal their policies. While family cap policies have certainly reduced grant levels for needy families with newborns (likely to their detriment), the available research offers no compelling evidence that they have achieved the objective of reducing fertility.

In many ways, family cap policies are a relic of a pre-welfare reform era, according to Levin-Epstein. In fact, Kansas had planned to implement a family cap policy



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Commentary

Senate Should Heed Science—And Parents—on Abstinence



Jodie Levin-Epstein

By Jodie Levin-Epstein

Sex should wait until you are with a band—a wedding band, that is. That’s the message trumpeted by the federal government since 1996 when Congress created a restrictive abstinence program to teach the unmarried—whether teens or thirty-somethings—that “sexual activity outside the

context of marriage is likely to have harmful psychological and physical effects.”

Yet science—and the vast majority of parents—disagree.

Even more problematic is that the federal education program is defined by what it does *not* teach—the virtues of

contraception. A sex education program that ignores instruction about protected sex can be a health hazard for those who have sex. The nation has a choice: we can promote abstinence education that includes lessons on contraception (called “abstinence-plus”) or we can promote abstinence without it (“abstinence-minus”). To date, nearly three-quarters of a billion dollars in federal and state monies have gone to abstinence-minus education, while there continues to be no dedicated federal funding for abstinence-plus education.

Senator Max Baucus (D-MT) intends to offer an amendment to the welfare bill this year that would allow states to promote abstinence while also including lessons on how to use contraception for those who are at risk of sexual activity. Research, as well as public opinion, should prompt Senators on both sides of the aisle to rethink how to approach abstinence:

Abstinence-minus education has not yet been demonstrated to be effective. A comprehensive research review by the nonpartisan National Campaign to Prevent Teen Pregnancy concluded that there are “no credible studies” of abstinence-minus programs that “show any significant impact on participants’ initiation of or frequency of sex.”

Abstinence-minus education poses possible health harms. What could be dangerous about abstinence-minus? One danger is AIDS. For instance, a study of young people who took virginity pledges found that, while many postponed having sex, those who broke the pledge were at greater risk of sexually transmitted diseases and pregnancy than those who did not take the pledge at all. Isn’t this an unacceptable risk when half of all new HIV infections occur in young people under 25?

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The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

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Administration Is Misstating Amount of Child Care Funding in TANF Bills

When Congress attempts to complete Temporary Assistance for Needy Families (TANF) reauthorization legislation this year, a key issue will be what level of child care funding to include. According to a recent analysis from the Center on Budget and Policy Priorities (CBPP) and CLASP, this debate has been confused by Administration misstatements concerning the amount of child care funding that pending reauthorization bills would provide and the amount of funding that states “need.” In fact, neither of the reauthorization bills passed by the House of Representatives or the Senate Finance Committee would give states the child care funding they need to meet two of the main purposes of child care funding—providing child care subsidies to families receiving cash welfare while they work or participate in programs designed to help them find jobs and providing child care assistance to low-income working families not receiving welfare benefits but who need help paying for child care.

In a recent series of letters to newspaper editors, Administration officials have asserted that pending reauthorization legislation provides \$3.3 billion in new funding for child care and that the Congressional Budget Office (CBO) has determined that “at most” \$1.5 billion in additional child care funding is “needed.” To the contrary, the bills commit the federal government to only \$1 billion in additional child care funding over the next five years. And, as various estimates have shown, this level of additional funding falls well short of what is needed to ensure that states can meet the costs associated with new work requirements for welfare recipients *and* maintain current child care slots for low-income *working* families not receiving welfare.

The House and Senate Finance bills increase total child care funding by \$1 billion over five years. The \$3.3 billion figure cited by the Administration does not represent the actual amount of child care funding in the bills.

Instead of using the actual funding amount, the Administration claims that the amount of new child care funding in the bills is the \$1 billion increase in actual funds *plus* an increase in what is known as the “discretionary authorization ceiling” for child care. An increase in the discretionary authorization ceiling for child care funding provides absolutely no new funding for child care. Thus, it is inaccurate to say that the bills provide more than \$1 billion in child care, according to the CBPP/CLASP analysis.

Instead of increasing the actual amount of child care funding, an increase in the discretionary authorization ceiling for child care means merely that Congress can elect each year—but is under no obligation—to increase funding for child care up to the newly-increased authorized amount as part of the annual appropriations process. By contrast, the \$1 billion in new child care funding that the bill actually provides is guaranteed to states over a five-year period and is not contingent on Congress taking action each year to provide additional child care funding.

In addition, CBO has *not* estimated that only \$1.5 billion in additional child care funding is “needed.” Child care funds are primarily used to assist two groups of families: families receiving welfare and low-income working families not receiving welfare. The \$1.5 billion CBO figure that Administration officials have cited does *not* include any estimate of states’ overall need for additional child care funds to serve—or even maintain child care services at current levels for—those low-income working families not on welfare. It is simply a preliminary estimate of the cost to states of complying with the new work requirements for low-income families receiving welfare that are contained in the Senate Finance Committee version of the TANF reauthorization legislation. (The CBO estimate of the cost of meeting the work requirements in the House bill is far higher—\$3 billion to \$9 billion.)

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How Adolescents Fare Under the Nation's Welfare Program

A new policy brief, *Teens and TANF: How Adolescents Fare Under the Nation's Welfare Program*, by CLASP's Jodie Levin-Epstein and John Hutchins, offers an update on what is known about the Temporary Assistance for Needy Families (TANF) program's effects on different populations of teens: teen parents receiving TANF benefits, youth living in TANF families, and youth participating in TANF-funded programs. The brief, published by the Kaiser Family Foundation, provides background on the welfare program, summarizes the latest research, and discusses the implications of a number of TANF policies for teens and their families.

Although information that distills TANF's specific effects on youth is limited, the early findings can provide important insights to Congress as it considers reauthorization of the program, according to the new policy brief. Research to date suggests that TANF provisions have had mixed effects on the well-being and health of youth. Policymakers have focused their efforts on encouraging teenage parents to stay in school or training programs and to live with a parent or adult guardian. While some research indicates that more teen mothers are living with parents and some improvements in school attendance rates have been observed in pre-TANF demonstrations, teen parents continue to face considerable challenges. Many are not aware of the full range of welfare benefits available, and many are subject to complicated sanction procedures.

Youth living in TANF families are indirectly affected by the work requirements their parents must follow. These teens continue to face significant challenges with poverty, school achievement, and competing responsibilities. Some studies have suggested that increased family income as a result of parental entrance into the workforce can have positive effects on children and youth. On the other hand, an analysis conducted by the MDRC found that adolescent school achievement and progress were negatively affected by parents' participation in welfare and

employment programs. The most dramatic impact was increased rates of school dropout and suspensions among the students in welfare families who also had younger siblings. Some researchers also suggest that when single mothers spend more time away from home, it can result in the "adultification" of teens—that is, older youth taking on additional family responsibilities, including child care for younger siblings and heavier household duties.

More broadly, policymakers have also invested considerable funding and energy in family formation and teen pregnancy prevention programs. The outcomes of these efforts are still to be determined, but the reach and influence of these programs extend far beyond just teens on the TANF caseload.

Within the broad framework that Congress sets for TANF, states retain quite a bit of control in designing their welfare programs, and the pending reauthorization

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NEW RESEARCH COMPILATION ON TEEN PARENTS AND ABSTINENCE EDUCATION

CLASP has recently published a new research compilation, *Teen Parents and Abstinence Education: Research Findings, 2003*. Designed as a reference tool for practitioners, policymakers, and others interested in teen parents (and particularly their relationship to welfare programs) and abstinence education, *Research Findings, 2003* pulls together research that focuses specifically on these topics, as well as selected broader studies that include findings on teen parents or abstinence education. ■

■ To view the compilation, visit http://www.clasp.org/DMS/Documents/1071771436.37/TP_abst_research.pdf.

How Adolescents Fare *continued from page 4*

offers many opportunities for federal and state policymakers to address youth concerns, according to the policy brief. For instance, states are required to have in place some process to review TANF participants' family and social circumstances, but many groups have called on states to improve these reviews and assess teen parents' unmet needs and education skills so that individualized service plans can be developed for youth whose needs may otherwise be overlooked. In addition, states could establish a "transitional compliance" period for teen parents, in which they would have a period of time to transition into the program rules, allowing for receipt of stronger support services such as case management. When

sanctions are imposed, states can study the causes of the sanctions and the impact on youth and their families. Federal policymakers may consider reforms in work and training requirements that would stop the "time clock" while teen parents are in school. Federal bonuses to states could also be altered to encourage states to create new alternative placements and improve school graduation rates among teen parents. These changes may impel states to invest resources in case management and long-term planning for youth. ■

■ To read the new policy brief, visit: http://www.clasp.org/DMS/Documents/1071764625.64/Teens_TANF.pdf

Child Care Funding *continued from page 3*

The Administration's claim implies that the CBO estimate of the cost of meeting increased TANF work requirements represents the overall need for child care subsidies for both low-income working families not on welfare and families receiving welfare. This is not the case. In fact, CBO has estimated that it would cost *\$4.5 billion* in child care funding over five years simply to compensate for the effects of inflation on child care funding and thereby avert a *reduction* in child care services or child care slots, *even if there were no increase in TANF work requirements*. (This CBO estimate takes into account that the cost of child care rises over time as the salaries of child care workers, the cost of benefits for workers, rent for child care centers, and other costs increase.)

In short, the level of child care assistance in the pending TANF reauthorization bills is well *below* the levels needed simply to keep child care services for low-income working families from shrinking in coming years. ■

■ To view the complete analysis, *Administration Is Misstating Amount of Child Care Funding in Pending TANF Reauthorization Bills* by Sharon Parrott, Jennifer Mezey, Mark Greenberg, and Shawn Fremstad, visit: http://www.clasp.org/DMS/Documents/1071588118.09/CC_funds.pdf.

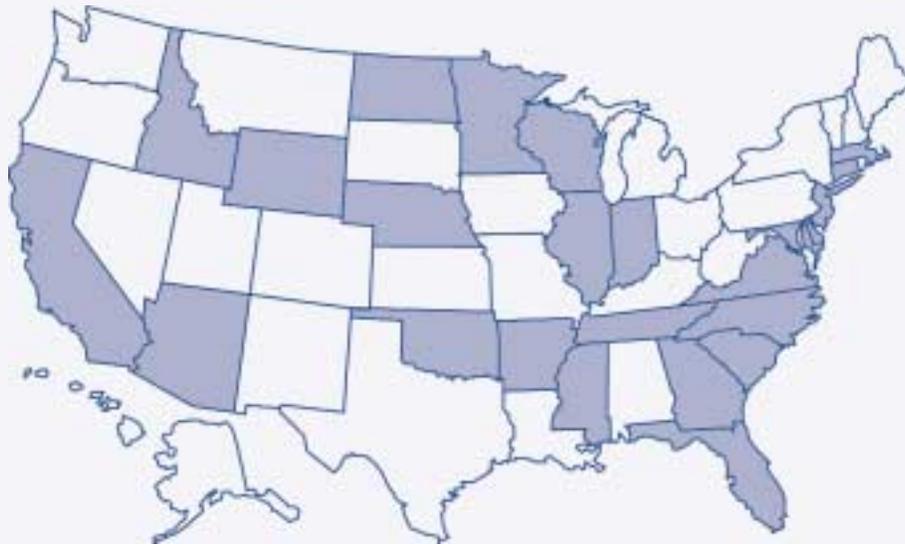
UPDATES ON HEA AND WIA

In December, CLASP's Nisha Patel and Julie Strawn updated attendees of The Workforce Alliance National Conference in Washington, DC, on the reauthorizations of the Workforce Investment Act and the Higher Education Act. Their PowerPoint presentations are available on the CLASP website:

- **Update on WIA Reauthorization**, by Nisha Patel, compares selected provisions of the House and Senate Workforce Investment Act reauthorization bills.
- **Update on HEA Reauthorization**, by Julie Strawn, discusses the importance of adequate funding for the Higher Education Act and what steps Congress has taken in its reauthorization. The presentation also briefly discusses the Perkins Act reauthorization. ■

■ To view these presentations, visit www.clasp.org.

STATES WITH A FAMILY CAP



Arizona
Arkansas
California
Connecticut
Delaware
Florida
Georgia
Idaho*
Illinois**
Indiana
Maryland**
Massachusetts
Minnesota
Mississippi
Nebraska
New Jersey
N. Carolina
N. Dakota
Oklahoma
S. Carolina
Tennessee
Virginia
Wisconsin*
Wyoming

Shaded areas indicate states with some type of family cap.

Sources: Minnesota Statutes, 2003, Chapter 256J.24, sub 6; U.S. Department of Health and Human Services. (2003, February). *Temporary Assistance for Needy Families Program Fifth Annual Report to Congress*. Washington, DC: Author, Table 12:13. Available at: <http://www.acf.dhhs.gov/programs/ofa/annualreport5>.

NOTE:

* Idaho and Wisconsin do not have family cap policies that try to influence the timing of conception; rather, TANF grants in Idaho are the same for families of all sizes, and Wisconsin grants for families are dependent on work status.

** Illinois is phasing out its family cap; Maryland is not continuing its family cap since every county has opted out of implementing the family cap since October 2002.

prior to enactment of TANF in 1996, but determined that the new 60-month lifetime limit for welfare sent a sufficient signal to families about the temporary nature of cash grants and the inadvisability of having additional children.

Family cap policies have been challenged since the passage of TANF on both the state and national levels, and several states have revised or rescinded their family caps:

- In 2003, Illinois enacted a measure to phase out its child exclusion provision. Starting in 2004, the family cap does not apply to newborns, and the policy will terminate entirely by July 1, 2007. In the interim, the state agency, subject to appropriations, may stop applying the family cap to children born before 2004.
- In October 2002, Maryland began allowing counties to opt out of the family cap, and all counties have done

so. The current state family cap policy expires in September 2004.

- In 2003, Arizona established that when child support is paid on behalf of a custodial parent receiving welfare, these monies should go to the capped child rather than to the state agency to recoup welfare costs.

In addition, a number of legal challenges have been mounted against family cap policies. In California and Indiana, for instance, plaintiffs successfully argued that capped children have rights to child support assignments. And, in December 2003, Nebraska's highest court stopped implementation of a family cap policy on certain classes of parents with disabilities. ■

■ To view the policy brief, visit: http://www.clasp.org/DMS/Documents/1071852641.91/family_cap_brf.pdf.

Abstinence-minus education could have the unintended consequence of encouraging teens to marry before completing their educations. One way for teenagers to adhere to a message of “wait until you’re married” is to move up their wedding dates. While the abstinence-minus program does not promote teen marriage, it does not warn against it either—even though statistics show that young marriages are less stable and more likely to end in divorce.

Teaching young people about contraception does NOT increase sexual activity. Parents and politicians alike have worried that providing contraceptive information to young people would *cause* sexual activity. A clear body of research summarized in a recent Surgeon General’s report demonstrates that this worry is completely unfounded.

Most parents support teaching young people about abstinence and contraception. A national poll by the

Kaiser Family Foundation found that parents of 7th-12th graders overwhelmingly support education about abstinence (97 percent) AND about how to use condoms (85 percent).

It’s not often that the public and science come down on the same side of a contentious political issue, but parents and researchers both agree that young people need strong messages about abstinence and contraception. Given the weight of the research, the best thing might be to create a federal program that supports abstinence-plus education. However, the Baucus amendment offers an honorable compromise, giving states the choice to reflect the best thinking of scientists and the values of parents. That’s sensible sexual politics. ■

Jodie Levin-Epstein is CLASP Deputy Director. She will return from a six-month Ian Axford Fellowship in Public Policy in New Zealand in July 2004.

FREE MEMBERSHIPS AVAILABLE FOR THE NATIONAL H.I.R.E. NETWORK

Established by the Legal Action Center, the National H.I.R.E. Network (Helping Individuals with criminal records Re-enter through Employment) is both a national clearinghouse for information and an advocate for policy change. The goal of the Network is to increase the number and quality of job opportunities available to people with criminal records by changing public policies, employment practices, and public opinion. The Network also provides training and technical assistance to agencies working to improve the employment prospects for people with criminal records. Members of the Network receive regular updates, including relevant reports, policy developments, and practical information related to workforce development and criminal justice policy.

To become a member, send your name and contact information (including e-mail address) to Michelle Harrison at mharrison@lac.org or fill out the membership form on the Network website: www.hirenetwork.org.

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**An Interview with Assistant Secretary Wade Horn
Friday, February 6, 2004, 12:30-1:30 pm (ET)**

As Assistant Secretary for Children and Families at the U.S. Department of Health and Human Services, Wade Horn oversees many programs for low-income families and children, including Temporary Assistance for Needy Families, foster care, adoption assistance, family preservation and support, Head Start, child care, child support enforcement, runaway and homeless youth, and mental retardation and developmental disabilities. Horn will discuss the Bush Administration's past efforts and future priorities for these programs.

Scheduled
for Fridays,
12:30-1:30 pm
(Eastern Time)



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C E N T E R F O R L A W A N D S O C I A L P O L I C Y

Who Are “Fragile Families”?

Family structure and relationships have changed dramatically over the past four decades. Nearly one-third of all births now occur outside of marriage. The proportions are even higher among poor and minority populations: 40 percent of Hispanic and 70 percent of African American births are out-of-wedlock. In some instances, the parents of these children are living together. Others have a close relationship, but the father lives in a separate household. In still other cases, the father has virtually no contact with either the mother or child. Unmarried parents and their children have been called “fragile families.” The term “fragile families” emphasizes both that these unmarried couples and their children are, in fact, families—and that they are at greater risk of poverty and of family dissolution than married families.

A new CLASP policy brief by Mary Parke, the fourth in a series on Couples and Marriage Policy, summarizes selected findings from two studies: (1) the Fragile Families and Child Wellbeing Study (FFCWB), the first national study of unmarried parents, their relationships to each other, and the well-being of their children, and (2) the Time, Love, Cash, Caring and Children Study (TLC3), a related ethnographic study of a sub-sample of romantically involved couples from the FFCWB.

The FFCWB is a longitudinal study that follows a birth cohort of about 5,000 children and their parents, randomly selected from 75 hospitals in 20 cities in the U.S. with populations over 200,000. Within the sample, 3,700 of the births were non-marital, and there is a comparison group of 1,200 births to married parents.

Parke highlights some of the principal findings from the FFCWB:

- Unwed parents are strongly connected to each other and to their children at the time of their child’s birth. Eighty-two percent of unmarried parents are romantically involved, either living together (51 percent) or dating (31 percent).
- Most unmarried parents in the survey are poorly equipped to support themselves and their children. The majority of new, unmarried parents live either below or near the federal poverty line, and many have less than a high school diploma.
- Unmarried parents are younger and much more likely to already have children with more than one partner than married parents.
- At the time of their child’s birth, unmarried parents value marriage and have high hopes for the future of their relationships, but their hopes are typically not fulfilled. For instance, of the 31 percent of couples in a dating relationship when their baby was born, only 11 percent had married one year later, while nearly one-third had broken up.

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New Data Show Importance of Head Start Comprehensive Services

As the Head Start reauthorization debate continues into 2004, CLASP has released a new policy brief on Head Start comprehensive services. The fourth brief in the Head Start Series, *Head Start Comprehensive Services: A Key Support for Early Learning for Poor Children*, by Kate Irish, Rachel Schumacher, and Joan Lombardi, presents data from Head Start Program Information Reports from the most recent program year, 2001–2002, and compares them, when possible, to national data on the services other low-income children and families receive.

The Head Start and Early Head Start programs provide, directly or through referrals, a range of services to support families and early learning. Some of the main findings of the policy brief include:

- **Head Start children appear more likely to receive screenings for medical conditions than low-income children enrolled in Medicaid managed care.** In 2002, 86 percent of Head Start children were screened for health and development, whereas a 1997 study found only 28 percent of children enrolled in Medicaid

managed care were up-to-date in required screenings, and an estimated 60 percent received no screenings.

- **Head Start children tend to be more up-to-date in their immunizations than other children.** Ninety-three percent of Head Start children received all immunizations possible, while 72 percent of children aged 19-35 months living below the poverty line and 79 percent of higher-income children received the recommended combined series of vaccines.
- **Head Start children are more likely to receive a dental exam and preventive dental treatment than other low-income children.** In 2002, 78 percent of children in Head Start received a dental exam, while a 2000 General Accounting Office report indicates just over 20 percent of two- to five-year-olds below the poverty level visited the dentist in the preceding year.
- **Almost one-quarter of the 7,669 pregnant women enrolled in Early Head Start had pregnancies that were identified as medically “high risk.”** Ninety-four percent of the enrolled pregnant women received prenatal and postpartum health care, and 92 percent received prenatal education and information on breastfeeding directly from the program or through referrals.
- **Thirteen percent of Head Start children were diagnosed with a disability in 2002, and 93 percent of those children received special services.**
- **Head Start helps families access a variety of support services through direct provision or referrals.** In 2002, the family services most often received by Head Start families were parent education (32 percent); health education (27 percent); and adult education, job training, and English as a Second Language (23 percent).

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The Head Start program was designed to provide or link children and families to necessary support services as an essential component of promoting early learning. The Head Start Performance Standards require programs to

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A Frank Look at Teenage Sex

A day after the State of the Union Address in which President Bush announced his plans to double funding for abstinence-only education, a new report was released that offers a stark look at teenage sexuality among African-American urban youth. *This Is My Reality—The Price of Sex: An Inside Look at Black Urban Youth Sexuality*, by Motivational Educational Entertainment (MEE) Productions, Inc., and the National Campaign to Prevent Teen Pregnancy, provides insights into the sexual attitudes and beliefs of black urban youth aged 16–20 who live in households with less than \$25,000 in annual income.

The report includes results from more than 40 focus groups in 10 cities; an extensive literature review; interviews with 10 experts on sexuality, the media, and public health; and a media consumption and lifestyles survey of 2,000 black teens.

Below are some key findings from the report:

- **Trust and communication are rare, and young black girls in particular do not feel valued.** In the focus groups, males said that they don't trust females and females said that they don't trust each other; many noted frequent relationships between young girls and adult men; and males and females both reported a high level of derogatory sexual terms used to describe women. Young men frequently said that one reason they did not have a single, steady partner is that they don't trust girls to be faithful. Both sexes said that cheating was rampant and that many guys had both a regular girlfriend (“wifey”) and casual sex partners (“shortys”)—and that condom use was more prevalent with casual sex partners than in steady relationships.
- **Becoming a teen parent seems more realistic than abstaining from sex, getting married, or having a successful future.** Young people in the study report that they are growing up in environments where sex is commonplace, marriage is rare, and teen parenthood is the norm. Teen parenthood carries little stigma; in fact,

for many, having a child at an early age is seen as a positive step. Many young people believe that “everyone is doing it,” a message that they said was constantly reinforced by the media.

- **Parents can help, but they often don't.** Many in the study say that adults are contributing to the problem of early, casual sex by (1) trying to act “young” and engaging in risky sexual behavior themselves, (2) offering overt or tacit approval for early sex, pregnancy, and parenthood, or (3) refusing to discuss sex and related issues with their children. Teens in the study agree with teens nationwide: their parents are their most preferred source of information about sex.
- **Health care services and sex education classes are failing these teens.** Teens in this study are reluctant to take advantage of the health services available to them. Many of the surveyed youth say that the health care facilities were not “youth-friendly,” and that they had been personally “disrespected” and “shamed” during visits to clinics, hospitals, and other health care sites. These incidents discouraged them from seeking additional services. In addition, although most schools offer health or sex education classes, teens in this study say that the classes do not provide relevant information and that many teens are already sexually active by the time they are required to take these classes. Teens also say they want their sex education classes to do a better job of explaining the complexities, emotional impact, and full range of the consequences of sex. They feel they are not getting adequate information at school or at home, and are relying on their peers (who have as little good information as they do). ■

■ The National Campaign is providing a brief summary of the report that pulls out themes and findings that are most relevant to preventing teen pregnancy. To view the National Campaign's summary of the report, visit: www.teenpregnancy.org. To purchase the full report and video, visit the MEE Productions website at www.MEEProductions.com.

Engaging the Low-Income Voter

According to the Campaign for Community Change, there are currently 23 million low-income voters in the United States. By and large, these voters are less engaged in the political realm than their higher income counterparts. In its new publication, *The New Power Broker: Why Low-Income Voters Matter*, the Campaign asserts that the 2004 election cycle provides a significant opportunity to get low-income issues on the political agenda and to get more low-income Americans into the voting booths.

The results of this analysis show that there is a roadmap for low-income voters to change the face of the election in 2004. If low-income voters are mobilized and turnout rates among this population are increased in strategic locations, it is possible for this demographic to alter the outcome of marginal elections in favor of officials and policies that will substantially improve their lives in this country, says the Campaign.

The conclusions in this report are based on an analysis of voting patterns and demographics from 2000 and 2002, as well as publicly available data on low-income voters, the Census, and public opinion research. Key findings include:

- In four battleground states in 2000 (Florida, New Mexico, Wisconsin, and Iowa), even small shifts in turnout among low-income voters could have changed the outcome of the race. These four states have become among the highest profile battleground states.
- Low-income voters were decisive in key races in 2002, such as the South Dakota senate race and Arizona gubernatorial race.
- Recent experience indicates that well-run voter turnout campaigns can energize and increase turnout among this demographic, especially when the campaigns work within existing community structures and take advantage of local custom and expertise. Historically, campaigns with well-run get-out-the-vote operations increase turnout from 5 to 10 percent and, when work-

ing through indigenous organizations, often even more than that.

- Growing numbers of working families are falling within the low-income demographic due to recent economic shifts.

According to the report, thousands of civic networks and organizations in low-income communities have the capacity to mobilize scores of volunteers. The Campaign believes that the most effective voter strategies build on local assets rather than parachuting into communities from the outside. When indigenous organizations are adequately funded and supported, their aggregate impact on low-income turnout can change the outcome of a close election, the report concludes. ■

■ To obtain a copy of this report, call the Campaign for Community Change at (202) 342-0567.

LEGISLATION CRIB SHEETS

For the latest details on House and Senate Head Start, TANF, and Workforce Investment Act (WIA) reauthorization legislation, check out the following documents on the CLASP website (www.clasp.org):

- **Head Start Reauthorization: A Section-by-Section Analysis of the Senate Bill (S. 1940).** This paper details each section of the Head Start reauthorization bill that came out of the Senate Health, Education, Labor, and Pensions Committee and compares parts of it to the House bill.
- **Side-by-Side Comparison of Child Care and Early Education Provisions in Key Senate, House, and Administration Bills and Proposals.** This updated side-by-side includes the Senate Finance bill, in addition to the House bill; Senate Health, Education, Labor, and Pensions Committee bill; and current law.
- **Side-by-Side Comparison of Title I Provisions in House and Senate WIA Reauthorization Bills.** This updated side-by-side includes the Senate- and House-passed reauthorization bills and current law. ■

Fragile Families continued from page 1

- Employment, education, and relationship quality affect union formation and stability for fragile families.

The findings of the FFCWB study have attracted considerable public attention because they contradict stereotypes of the children of unmarried parents as the products of casual sexual liaisons, notes Parke. On the contrary, both the survey and the ethnographic data strongly indicate that, at the time of the birth, many unmarried parents think highly of marriage, mothers want the assistance of fathers in raising their children, and fathers want to be a part of their children's lives.

Parke concludes that, while the FFCWB study has already revealed important information about fragile families, a number of questions remain, including:

- How do findings differ among parents of different races and ethnicities?
- How are the children of fragile families faring over time? How are the relationships of their parents faring over time?
- How do low-income married parents differ from those with similar demographic characteristics who do not marry?
- What kinds of programs and settings can be designed to address the needs of unmarried parents? ■

■ To view the policy brief, *Who Are "Fragile Families" and What Do We Know About Them?*, visit: www.clasp.org/Pubs/Pubs_Couples.

Comprehensive Services continued from page 2

pay attention to a specific set of comprehensive services based on family needs and to assign staff to coordinate and/or provide these supports. Research indicates the importance of early childhood brain development and the necessity of eliminating the risk factors associated with poverty that may impair brain development. Consequently, it is important that programs promoting early learning for low-income children are grounded in a comprehensive approach that addresses health, family, and education issues. The authors conclude that comprehensive services should remain an essential part of Head Start—and that any reauthorization proposal should be judged, in part, on its effects on the provision of comprehensive services.

"A critical part of helping disadvantaged children be 'school ready' is making sure they continue to receive the comprehensive services Head Start provides," said Rachel Schumacher, CLASP Senior Policy Analyst and co-author of the policy brief. "These services can make a real difference in a child's ability to learn." ■

■ To view this policy brief, visit: www.clasp.org/Pubs/Pubs_ChildCare, or call (202) 906-8000 to order a copy.

ONLINE RESOURCES

The following online resources provide valuable data on low-income populations and the programs that serve them.

Key Low-Income Benefit Programs

The Center on Budget and Policy Priorities has put together a list of links to online state information provided about the five main state-administered low-income benefit programs—food stamps, Medicaid, SCHIP, TANF, and child care. Available at www.cbpp.org/1-14-04tanf.htm.

Updated State Demographics

The National Center for Children in Poverty has updated demographic information for all 50 states and the District of Columbia. In addition, it has added data on the age of children in low-income families and differences in race/ethnicity among these children. For quick facts, go to "State Profiles" at www.nccp.org. Alternatively, use the site's "demographics wizard" to build a custom table.

Asset Ownership and Inequality

The New America Foundation has launched AssetBuilding.org—an online clearinghouse of ideas, policies, and programs to broaden asset ownership in the United States and around the world. The "Data Sources" section of the site provides primary data on asset ownership and inequality. ■

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- John Corlett, Senior Fellow and Director of Public Policy and Advocacy, Federation for Community Planning, Cleveland, Ohio
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CLASPupdate

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C E N T E R F O R L A W A N D S O C I A L P O L I C Y

President's Budget Cuts Child Care for More Than 300,000 Children

Under the Administration's proposed budget, at least 300,000 fewer children would receive child care assistance in 2009 than in 2003. The Administration estimates that the number of children receiving child care already fell by 100,000 over the last year, and will fall by another 200,000 over the next five years, resulting in a

decline from 2.5 million children in FY 2003 to 2.2 million in FY 2009. This would occur because child care funding would be essentially frozen through FY 2009, making it impossible for states to maintain their current levels of child care assistance.

However, the Administration's budget almost certainly underestimates the number of children that would lose child care over the next five years if the proposed budget was adopted, according to a recent analysis from CLASP and the Center on Budget and Policy Priorities (CBPP), *Reversing Direction on Welfare Reform: President's Budget Cuts Child Care for More Than 300,000 Children*, by Jennifer Mezey, Sharon Parrott, Mark Greenberg, and Shawn Fremstad. The analysis argues that the Administration fails to take into account the likely decline in the amount of federal Temporary Assistance for Needy Families (TANF) funds that states will be able to commit to child care over the next few years. CLASP and CBPP estimate that when one includes the decline in overall TANF spending projected by the Congressional Budget Office,

continued on page 5

THE EFFECT OF LACK OF ACCESS TO CHILD CARE

A newspaper article from Nevada highlights the plight of two single mothers—one of whom cannot get child care assistance and the other who was scheduled to lose her assistance. These mothers are not alone. According to the Children's Defense Fund, as of June 2003, Nevada had a wait list of almost 6,000 families.

For Donna Young, a single mother of two who makes \$8 an hour and has been trying to get child-care assistance for two years, that means warnings from her power company that her heat may be shut off soon. For 22-year-old Amy Tucker, who will lose her child-care help in January, that means getting a second job. For the new year, her 22-month-old son Tyson Owens will see less of his mom, who already works full-time. The \$300 a month Tucker receives from the state toward her \$500-a-month day-care bill is what stands between her and the welfare office. It is the key to her independence, she said. (Source: Anjeanette Damon, "State Budget Cuts Hurt Child Care Effort," *Reno Gazette-Journal* [Nov. 29, 2003].)

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A Plan for Program Integration

CLASP recently posted two documents to its website that focus on the flexibility, opportunities, and barriers that exist under current federal law with respect to cross-program integration both within human services programs and across the welfare and workforce systems. Working in consultation with state and local officials, CLASP, the National Governors Association Center for Best Practices, and the Hudson Institute developed models of cross-system integration focusing on comprehensive services for children and families and integration of the Workforce Investment Act (WIA) and Temporary Assistance for Needy Families (TANF). The Center on Budget and Policy Priorities wrote the third paper in this project, which covers benefit simplification.

In *Providing Comprehensive, Integrated Social Services to Vulnerable Children and Families: Are There Legal Barriers at the Federal Level to Moving Forward?* Rutledge Hutson discusses the fragmentation and complexity of current social service delivery, which makes it extremely difficult, if not impossible, for many families to obtain the services they need. A number of states and localities have begun

experimenting with ways to provide a more family-centered, seamless service delivery system, a system that offers a broad continuum of services and tailors these services to the strengths and needs of individual families. To help other states and localities achieve this goal, Hutson answers the following questions in the paper:

- What does integration look like?
- What programs could be included?
- What are the challenges (legal, administrative, etc.) to integration?
- Does federal law create barriers?

The second paper in the series, *Integrating TANF and WIA Into a Single Workforce System: An Analysis of Legal Issues* by Mark Greenberg, Emil Parker, and Abbey Frank, identifies and analyzes legal issues faced in efforts to integrate TANF and WIA funding into a single workforce system. The analysis focuses on issues involved in bringing together TANF and WIA into an integrated system in which services would be organized by function rather than by federal program/funding stream. The authors argue that, in such a system, service delivery would be arranged according to worker needs rather than by rules governing eligibility under particular federal funding streams.

This paper begins by outlining what a functionally integrated approach might look like. It then summarizes the applicable laws governing TANF and WIA and discusses the issues presented by integration efforts. A concluding section summarizes the findings from the individual sections and offers a set of recommendations. ■

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

CLASP Update is published monthly.

Editors: Gayle Bennett, John Hutchins

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■ To view *Providing Comprehensive, Integrated Social Services to Vulnerable Children and Families*, visit: www.clasp.org/Pubs/Pubs_ChildWelfare.

■ To view *Integrating TANF and WIA Into a Single Workforce System*, visit: www.clasp.org/Pubs/Pubs_Job.

Welfare Caseloads Increase in 26 States and DC Between June and September 2003

Between June and September 2003, 26 states and the District of Columbia reported welfare caseload increases, while 24 states reported decreases, according to new data collected by the CLASP. Overall, the national caseload remained essentially flat, declining by 0.1 percent between June and September 2003. Over the past year (September 2002–September 2003), the national caseload increased by 0.4 percent, and 30 states had caseload increases.

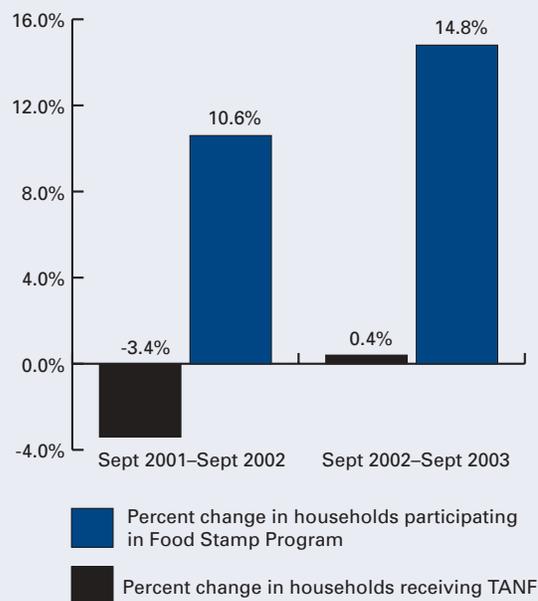
CLASP has collected this new data on the Temporary Assistance for Needy Families (TANF) caseloads through September 2003 from 50 states and the District of Columbia. These are the most current and complete data available.

Most states are experiencing relatively small caseload changes each quarter. In the most recent quarter, between June and September 2003, 34 states saw their caseloads change by less than 3 percent. Three states (Missouri, New Mexico, and Virginia) saw their caseloads rise by more than 5 percent, and five states (Alaska, Montana, Nevada, Texas, and Utah) saw their caseloads decline by more than 5 percent.

The new analysis from CLASP notes the sharp contrast between flattening welfare caseloads and rising food stamp caseloads between 2001 and 2003. Between September 2001 and September 2003, the number of households participating in the Food Stamp Program increased by 2,064,112, while the number of families receiving TANF fell by 62,239.

“The welfare caseload story continues to be a mixed one,” said Mark Greenberg, CLASP Policy Director and co-author of the analysis. “The biggest puzzle is still why welfare caseloads for much of the country have stayed essentially flat or declined at a time when unemployment grew and the food stamp caseload grew.”

ANNUAL PERCENTAGE CHANGE IN TANF AND FOOD STAMP CASELOADS, 2001–2003



Additional Findings

In reviewing the new caseload data, CLASP also finds:

- **Over the year, from September 2002 to September 2003, TANF caseloads increased in 30 states.** The average increase over this period was 6.0 percent. In comparison, during the prior year, from September 2001 to September 2002, 24 states reported increases, averaging 8.7 percent.
- **Two states experienced caseload growth of at least 15 percent in the past year.** Idaho’s caseload grew by 22 percent and Arizona’s by 17 percent between September 2002 and September 2003.
- **Three states experienced caseload declines of at least 15 percent in the past year.** Between September 2002 and September 2003, Illinois and Nevada reported a caseload decline of 18 percent each, while Utah’s caseload fell 24 percent.

continued on page 7

Wade Horn Kicks Off 2004 CLASP Audio Conference Series

Wade Horn, Assistant Secretary, Administration for Children and Families, U.S. Department of Health and Human Services, was the first guest of the 2004 CLASP Audio Conference Series on February 6, 2004.

In an hour-long interview with CLASP Communications Director John Hutchins, Dr. Horn offered his perspective on welfare reauthorization, child care funding, transitional

jobs, marriage promotion, abstinence education, youth development, Head Start, and child welfare. ■

■ To order a cassette tape of the Audio Conference, visit: www.claspstore.org.

■ To view a transcript of the Audio Conference, visit: www.clasp.org/DMS/Documents/1077826905.9/Horn_AC_transcript.pdf.

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- John Corlett, Senior Fellow and Director of Public Policy and Advocacy, Federation for Community Planning, Cleveland, Ohio
- Bob Greenstein, Executive Director, Center on Budget and Policy Priorities

Friday, May 7, 2004

Financing Child Welfare: What Policies Best Protect Children?

- Cassie Statuto Bevan, Senior Policy Advisor, Office of Rep. Tom DeLay, House Majority Leader
- Nick Gwyn, Minority Staff Director, Human Resources Subcommittee, House Committee on Ways and Means
- Rutledge Hutson, CLASP Senior Staff Attorney

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Child Care Shortfalls Hurt Working Families

Child care subsidies help low-income families work and leave welfare, but funding shortfalls are forcing states to enact restrictive policies that are hurting poor families and efforts to promote their employment and earnings. The Administration's recently proposed FY 2005 budget would make this situation even worse, causing 447,000 children receiving child care assistance in FY 2003 to lose this assistance by FY 2009, according to a new CLASP paper (see related article on p. 1).

Child Care Programs Help Parents Find and Keep Jobs: Funding Shortfalls Leave Many Families Without Assistance by Jennifer Mezey, explains that:

- Federal and state child care assistance to low-income working families grew substantially between 1996 and 2001 as a result of welfare reform.
- Increased child care assistance—both for welfare recipients and for other low-income working families—was an essential part of states' strategies to help promote work and reduce the need for welfare. During these years, employment of low-income and single mothers increased significantly.

- Child care assistance has played a key role in increasing employment among mothers and helping families leave welfare for work.
- Even during this period of progress toward providing child care assistance to a larger share of families who need help, the great majority of eligible children remained unserved as demand outstripped supply.
- The growth of child care funding essentially stopped in FY 2001 with Temporary Assistance for Needy Families (TANF) and state dollars becoming rapidly depleted as funding sources.
- Limited resources have forced states across the country to cut child care assistance, creating hardship for already struggling low-income families.

This paper concludes with excerpts from recent press coverage about child care restrictions and cutbacks in 15 states. ■

■ To view this document, visit: www.clasp.org/Pubs/Pubs_ChildCare.

Child Care Cuts *continued from page 1*

the number of children receiving child care assistance would decline by 447,000 between FYs 2003 and 2009.

The loss of child care assistance for at least 300,000 children should be cause for serious concern. Child care is an essential work support for parents and can promote healthy educational and social development for children. The expansion of child care assistance in the 1990s played an important role in the decline in welfare caseloads and in the increase in single-parent employment. Recent research evidence shows that child care programs help parents leave and stay off of welfare, get and keep jobs, and work more hours. Currently, only one out of seven children who is eligible for child care assistance under federal rules receives this assistance. Those who don't often

are forced to settle for poor quality child care, pay a very large proportion of their incomes for child care, or both. The Administration's FY 2005 budget proposals would jeopardize an important part of the 1996 welfare reforms for many families and leave an increasing number of low-income working families without the child care help they need to remain employed and meet the developmental needs of their children. ■

■ To view the analysis, visit www.clasp.org/DMS/Documents/1076435768.7/CC_reversing.pdf.

■ To view a description of the methodology used in the analysis, visit: www.clasp.org/Pubs/DMS/Documents/1076435523.65/reversing_appen.pdf.

Long-Term Training Makes a Difference

Research has shown that the welfare-to-work programs that have been most successful in helping parents work more and increase earnings over the long run are those that include substantial access to education and training, together with employment services and a strong overall focus on work as the goal. Job training and other postsecondary activities appear to be particularly important in helping welfare recipients qualify for higher paying, more stable jobs.

The House welfare reauthorization bill (H.R. 4) would cut the time training counts toward meeting initial hours of participation by three-fourths—from 12 months down to three months in each 24-month period. The Senate Finance bill, on the other hand, continues the current 12-month policy and adds a new option for states to count vocational educational training toward the work rates for more than 12 months, with participation in such programs capped at 10 percent of a state's caseload.

The following data from a new CLASP publication, *Why Congress Should Expand, Not Cut, Access to Long-Term Training in TANF* by Julie Strawn, support increasing welfare recipients' access to longer-term training:

- **Jobs increasingly require some training or education beyond high school, yet there is expected to be a sharp slowdown in the growth of workers with postsecondary skills.** According to the Bureau of Labor Statistics, occupations requiring postsecondary education, which accounted for 29 percent of all jobs in 2000, will account for 42 percent of total job growth between 2000 and 2010. Yet there will be far less growth in the number of workers with postsecondary education over the next 20 years than there was over previous decades—just a 19 percent increase as compared to a 138 percent increase from 1980-2000.
- **Skills pay off more in the labor market than ever before—1999 Census data show women with an associate degree earn more than twice as much as those without a high school diploma** (about \$24,000 compared to about \$11,000) **and 37 percent more**

than those with only a high school diploma (who earn about \$17,000). Some training or education beyond high school is required to qualify for family-supporting jobs, yet only about one-sixth of welfare recipients have any postsecondary education.

- **Workers with postsecondary credentials are more likely to be employed than those with a high school education or less.** In 2000, 87.8 percent of workers with a college degree were employed, a 12 percent higher employment rate than for those with just a high school diploma, and a 40 percent higher employment rate than those with less than a high school education.
- **Workers with more education have shorter unemployment spells.** A national study of unemployment spells between 1996 and 1999 found that those with less than a high school education were unemployed 47 percent longer than college-educated workers. Those with a high school diploma only were unemployed almost one-fourth longer (23.5 percent) than those with at least some college.
- **Current or former welfare recipients who work are in low-wage jobs with few benefits and experience little earnings growth.** Those who have left welfare and are working earn about \$8,000 to \$12,000 annually, only about one-fourth receive employer-based health benefits, and 30-40 percent work nonstandard hours. In general, women with only a high school diploma have about half the annual wage growth of women with a bachelor's degree and only about 60 percent of the wage growth of those with an associate degree.
- **The TANF law's current 12-month limit on vocational educational training is not supported by recent research findings on the experiences of welfare recipients in the labor market and on the effectiveness of different welfare-to-work strategies.** Even earning just an occupational certificate from a community college typically takes more than a year, as recipients typically work part-time and often must take remedial reading, writing, or math courses before taking

continued on page 7

their program courses. For example, welfare recipients in the California community colleges take two years on average to complete even the shorter certificate programs.

- **The most successful welfare-to-work programs are those that do not rely primarily on one activity but provide different services to different recipients as needed, including job search but also education and training.** In the most recent rigorous research, from the National Evaluation of Welfare-to-Work Strategies (NEWS), the Portland, Oregon, program far outperformed the other sites—and most other welfare-to-work programs that have been studied—by producing large increases in employment, earnings, job quality (wages and benefits), and employment stability. Portland provided a range of services, making substantial use of education and training, as well as job search and other activities. Other programs offering a mix of services have also been highly effective.
- **Consistent with this national research, state studies also show better outcomes for those who received job training or other postsecondary education.** A 2003 study of welfare recipients in California's community colleges found that the more education CalWORKs (the state's welfare program) students attain, the greater their earnings, even for those who entered college without a high school diploma or GED. Those who obtained an associate degree dramatically increased their pre-college earnings (from about

\$4,000 annually to nearly \$20,000), and those in vocational fields saw even larger increases. And a 2002 study of the Maine Parents as Scholars program—which supports welfare participants while they complete a two- or four-year degree—found that graduates increased their hourly median wages from \$8.00 before college to \$11.71 immediately after college, a 46 percent increase. ■

■ To read this paper, visit: www.clasp.org/Pubs/Pubs_PostsecEd.

RECOMMENDATIONS ON REAUTHORIZING HEA

The skill requirements of today's and tomorrow's jobs continue to rise—by 2020 it's estimated that 15 million new jobs will require college preparation. A new paper from CLASP, the National Consumer Law Center, and the Workforce Alliance—*Making HEA an Engine of Economic Productivity and Worker Prosperity*—argues that the U.S. can meet this increasing demand by modernizing the Higher Education Act (HEA) through reauthorization. It suggests ways Congress can better align HEA with the needs of employers and the realities of working adults' lives.

■ To view this paper, visit: www.clasp.org/Pubs/Pubs_PostsecEd.

- **Since the recession began, 28 states have experienced an overall caseload increase.** Between the “official” start of the recession in March 2001 and September 2003, 28 states have experienced a caseload increase. On average, these states have seen their caseloads increase 16.2 percent during this time period. The states experiencing the largest increases over this period are Arizona (56.0 percent), Idaho (33.1 percent), Colorado (32.9 percent), Nevada (32.0 percent), and Mississippi (29.6 percent). For the 23 states exper-

encing caseload declines during the recession, the average decrease has been 13.5 percent, with the largest declines in Illinois (45.5 percent), New York (36.0 percent), Wyoming (31.7 percent), and Hawaii (27.4 percent). The overall caseload decreased 3.7 percent since the recession began. ■

■ To view the new data and CLASP's analysis, visit www.clasp.org/Pubs/Pubs_Welfare_Policy.

CLASP Alumni

Herb Semmel, Director of CLASP from 1977–1980, passed away on February 5 in Los Angeles after a long fight with cancer. In his varied career, Herb was a litigator, a law school teacher, and a trainer and mentor for attorneys and other advocates for social justice. Herb joined CLASP as Staff Attorney in 1974 and conducted major litigation and legislative and administrative advocacy on health care and civil rights. After leaving CLASP, he moved to New York where for 10 years he was Litigation Director for New York Lawyers for the Public Interest. There he brought major test cases focused on the needs of people with disabilities and health care. He spent the last 10 years at the National Senior Citizens Law Center in Los Angeles where he continued his work on the Medicaid program and on health care issues for seniors and people with disabilities. Alan Houseman, CLASP Executive Director, praised Herb “as the quintessential lawyer for the public interest and social justice, who

devoted his professional life to addressing the problems of people with disabilities, senior citizens, and low-income persons. He will be greatly missed within the legal services and public interest legal communities.”

Patricia M. Wald, the former Chief Judge of the U.S. Court of Appeals for the DC Circuit and former Judge of the International Criminal Tribunal for the Former Yugoslavia at The Hague, was appointed by President Bush to the commission that will investigate prewar intelligence on Iraq. As part of her long and distinguished career, Judge Wald was a Staff Attorney with CLASP during the 1970s and the Litigation Director of the Mental Health Law Project. While she was at the Justice Department in the 1960s, she also helped establish the federal legal services program. She currently serves as the Chair of the Open Society Institute’s Criminal Justice Initiative. ■

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C E N T E R F O R L A W A N D S O C I A L P O L I C Y

Beyond Marriage Licenses

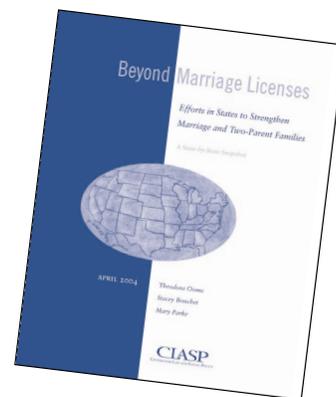
Over the last 10 years, every state has undertaken at least one activity or made at least one policy change designed to strengthen marriage and/or two-parent families—although most of these efforts have been modest, according to a new report from CLASP, *Beyond Marriage Licenses: Efforts to Strengthen Marriage and Two-Parent Families. A State-by-State Snapshot* by Theodora Ooms, Stacey Bouchet, and Mary Parke. The report is the first to provide a state-by-state description of government-related activities in the new field of couples and marriage policy.

The new report comes as Congress is considering an Administration proposal for \$1.5 billion in dedicated funding for activities to promote healthy marriages as part of the reauthorization of the federal welfare program, Temporary Assistance for Needy Families (TANF).

Among the report's main findings:

- The authors identify four main categories of couples and marriage activities: (1) state policy initiatives, commissions, and campaigns, (2) changes in state marriage and divorce law (specifically covenant marriage laws and license fee reductions for couples who have pre-marital counseling), (3) programs, activities, and services, and (4) policy changes related to marriage and two-parent families in TANF and child support.
- Seven states—Arizona, Florida, Louisiana, Michigan, Oklahoma, Utah, and Virginia—and several communities have used flexible TANF funds (under the 1996 welfare reform law) to support marriage-related activi-

ties. Nearly three dozen states have launched voluntary educational programs, usually on a pilot basis, to help couples better choose marriage partners and create healthier, longer-lasting marriages.



- Traditionally, relationships and marriage education classes have been available mostly to middle-class, committed couples in non-governmental settings. With the availability of government funding in recent years, some states and communities are adapting classes for low-income individuals and couples (both married and unmarried) in a variety of settings.
- The federal government is already dedicating funds to marriage-related activities—even as the President's TANF marriage initiative remains unresolved. Over the past three years, the federal Administration for Children and Families has committed at least \$90 million in grants for demonstration projects, technical assistance, and research and evaluation.

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No Minor Matter: Paternity Establishment for Children of Minor Parents

For the roughly 150,000 babies born each year to unwed minors, paternity establishment is a complicated issue. Paternity establishment provides children with crucial financial and emotional support and access to larger extended families. At the same time, it can cause problems for minor parents: immature youngsters might enter an ill-advised marriage; a young man might sign an acknowledgment for a child who is not his genetic offspring; or a young woman who is a victim of incest or statutory rape might be better off if paternity is not established. The potential rights, limitations, and obligations of the minor parents, their babies, and the grandparents all need to be considered in developing thoughtful approaches to this issue, according to a new CLASP policy brief and full report, *No Minor Matter: Developing a Coherent Policy on Paternity Establishment for Children Born to Underage Parents* by Paula Roberts. Roberts offers recommendations to states for developing consistent laws and policies to address paternity establishment among minor parents.

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

Editors: Gayle Bennett, John Hutchins

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There are three ways for unmarried parents to establish paternity: (1) the parents could marry, (2) both parents could sign a voluntary paternity acknowledgment, and (3) either parent could file a law suit to establish the baby's paternity. In the last decade, there have been major legislative and judicial efforts to streamline paternity establishment procedures.

For minor parents, however, establishing paternity is more complex. Society has long recognized that children are in need of special legal protection. Until they reach a certain age ("majority"), they generally lack the experience and rationality to marry, bring law suits, or enter contracts without an adult to guide them. Therefore, in no state may a minor marry or bring suit without either parental consent or court approval or both. In many states, minors must also obtain their parent's permission to sign a voluntary acknowledgment of paternity. Most states do not have laws directly addressing voluntary establishment by minors.

Babies born to unmarried minors should have their paternity established so that they can obtain the emotional, social, and financial support they need. Given the vulnerability of many young mothers and fathers, however, there is a need for adult oversight to help minor parents choose the most appropriate route for paternity establishment—including the choice not to establish paternity in cases of rape or incest and where domestic violence is an issue.

Roberts' recommendations to states differentiate "young teens" (age 14 or 15 and under), "middle teens" (age 16 and 17), and "older teens" who are legal adults (generally 18- and 19-year-olds). The social science research suggests that states develop more rigorous constraints on the youngest group and a more open set of options for the middle group than is now contained in most state laws.

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Making the Utmost of State Flexibility in TANF

The Temporary Assistance for Needy Families (TANF) program offers states a great deal of flexibility in designing their welfare programs. However, more states could be taking advantage of income disregards, according to a recent article in *Clearinghouse Review* by John Bouman, Margaret Stapleton, and Deb McKee of the Sargent Shriver National Center on Poverty Law.

The article explains that, under TANF, states have full authority to adopt any income-counting rules to determine eligibility for benefits and the amount of monthly assistance. An “earned income disregard” is a deduction from a recipient family’s gross pretax earnings, so that only the remainder is counted in determining eligibility or benefit amount. For example, if a state adopts a “\$120 plus one-third of the remainder” earned income disregard, then a family with earnings of \$420 in a given month would have \$200 “counted” in its TANF eligibility and benefit amount calculations ($\$420 - \$120 = \$300$; $\$300/3 = \100 ; $\$300 - \$100 = \$200$). Earned income disregards have been used variously as a standard way to approximate take-home pay (avoiding complex administrative issues associated with case-by-case rulings on various payroll deductions) and as incentives to defray the initial expenses of the transition to work.

Advocates of earnings disregards argue that they help “make work pay.” In addition, they argue that earnings disregards or other cash work supports help produce desired outcomes in work activity, earnings levels, welfare exits, and child outcomes.

States have implemented a wide array of earned income disregards. Some are as low as \$90 per month, and some as high as 100 percent of earnings (for a limited time). Some combine a flat amount with a percentage amount as in the example above. Some are time-limited or partially time-limited.

The article explains that earnings disregards can help states meet federal work participation rates. Earnings disregards can keep a working family in the TANF program while

the adult improves her earnings rather than immediately terminating the case at a low earnings level. This is good for the state (aside from producing improved outcomes for the family) because it keeps a paid employed worker in the TANF caseload longer, helping meet the federal work participation rate. It does not necessarily increase expenditures on cash assistance because the assistance payments are residual, less than “full” amounts, and the work support strategy is likely to reduce welfare recidivism (when welfare leavers return to the rolls and receive “full” monthly payments until they find another job).

The article also argues for more state flexibility in deciding when recipients must leave the welfare rolls. The earned income disregard’s ability to support work and help the state meet the work rate does not last very long if workers are ejected from the rolls due to the looming threat of the 60-month time limit or the actual expiration of 60 months. The solution for this problem, Bouman and his colleagues explain, is to have the state pay the residual monthly TANF benefit with state funds. The federal TANF legislation allows the state to pay benefits with state funds and to count such workers in the federal participation rates.

Therefore, the article concludes, a generous earnings disregard is a win-win situation for families and states. The state has substantial help in meeting work participation rates and in preserving flexibility to then serve families with employment barriers. The worker has an incentive to increase hours and keep them at the increased level.

The article then describes the time-limit relief and earnings disregard policies of Illinois, Maryland, Rhode Island, Delaware, and Pennsylvania and the experiences of these states. ■

■ To view the article, *Time Limits, Employment, and State Flexibility in TANF Programming*, visit: www.povertylaw.org/legalresearch/articles/free/500978.PDF.

Debunking Child Care Myths

As the Senate began debate on welfare reauthorization and child care funding in March (see p. 6), CLASP released a new analysis, *Myths About the Adequacy of Current Child Care Funding* by Jennifer Mezey. The paper dispels six misperceptions about the adequacy of federal funding for child care, including these four:

Myth: The Senate welfare bill provides \$3.3 billion in child care funding, which is more than enough to cover the estimated \$1 billion to \$1.5 billion in increased work and child care costs.

Fact: The Congressional Budget Office has estimated that increasing work participation to meet the requirements of the Senate Finance Committee bill would cost \$1 billion to \$1.5 billion over five years. However, increasing work participation to meet the requirements of the House bill is estimated to cost between \$3 billion and \$9 billion over five years. Furthermore, the Senate bill only contains \$1 billion of mandatory—or *guaranteed*—funds. The remaining \$2.3 billion represents an increase in the discretionary authorization levels under the child care reauthorization bill approved by the Senate Health, Education, Labor, and Pensions Committee. Congress would still have to appropriate any additional funding; in this current budgetary environment, it seems unlikely that a full \$2.3 billion increase would be approved.

Myth: In 2003, states got fiscal relief from the federal government, which should have helped them take care of their child care needs.

Fact: In 2003, states received \$20 billion in fiscal relief to make up for their budget shortfalls. Half of these funds were in the form of increased federal Medicaid contributions, and half were for general purposes. While these funds have played an important role in helping states, they were only available for fiscal years (FYs) 2003 and 2004. The need for additional child care funding is not limited to these years, and it will grow even larger

after FY 2004, when no state fiscal relief funds will be available. Second, \$20 billion covers only a modest fraction of state FY 2004 budget shortfalls. Third, child care is one of many programs, including health care, education, and public safety, competing for the modest amount of available funds.

Myth: Only half the states have waiting lists for child care. Therefore, the need for child care is not that great, and we don't need significantly more funding.

Fact: According to data from the Children's Defense Fund and the National Women's Law Center, more than 20 states have waiting lists for child care. However, just because a state does not have a waiting list does not mean that all families who are eligible and want child care services can get them. Limited resources have forced states to restrict the availability of child care subsidies in ways other than instituting waiting lists. For instance, some states are not accepting applications for child care assistance from eligible families. Other states have lowered income eligibility levels so that only the lowest income families can receive subsidies. States have also increased co-payments, which makes it too expensive for some families to accept child care subsidies. Additionally, states have also frozen or reduced provider payment rates so that, even if a family can get a subsidy, they can't find a provider who will accept it.

Myth: We have enough funding to meet the needs of TANF families and families transitioning off of TANF.

Fact: When Congress passed the 1996 welfare bill, the intent was not to restrict the availability of child care subsidies to welfare families and families transitioning off of welfare. One of the big successes of the 1996 welfare bill was making child care funding available to serve families on welfare, leaving welfare, or at risk of having to go on welfare because of their low income. If child care assistance is restricted only to welfare recipients and families transitioning off of TANF, many low-income, at-

continued on page 5

Keeping Child Support Advocates Up-to-Date

In an effort to keep child support advocates and interested parties up-to-date on the latest news, CLASP Senior Staff Attorney Paula Roberts released three memoranda covering recent developments in Medicaid costs and medical support, child support and Supplemental Security Income (SSI), and paternity disestablishment case law. Following is a summary of each of the memos.

Medical Support

In *OIG Studies on Potential Medicaid Savings Through Cost Contributions from Noncustodial Parents*, Roberts summarizes recent reports from the Office of the Inspector General (OIG) of the U.S. Department of Health and Human Services on the potential of seven states to recoup some of their Medicaid costs for children in single-parent families through improved medical support enforcement. In particular, the OIG is interested in the capacity of noncustodial parents who did not provide private health care coverage to their children to contribute toward the cost of their children's Medicaid coverage. The states for which OIG has released reports are Connecticut, Indiana, New Jersey, New York, North Carolina, Texas, and Virginia.

Child Support and SSI

SSI and Child Support summarizes the options laid out in a recent Social Security Administration brief about how to increase child support, and overall income, for children receiving Supplemental Security Income (SSI). In contrast to the Temporary Assistance for Needy Families program, the SSI program contains a mandatory child support disregard, meaning the income obtained from child support payments does not wholly offset SSI payments. However, at present, only 25 percent of those SSI children living with just one parent actually receive child support. Thus, a substantial number of SSI children might benefit from more aggressive pursuit of support on their behalf.

Paternity Disestablishment

Since the publication of the CLASP series on paternity disestablishment, *Truth and Consequences* (available in the 2003 section of the Child Support publications page on the CLASP website), there have been a number of newly reported paternity disestablishment cases from the states. The newest cases are summarized in *Paternity Disestablishment Case Update*. ■

■ To view these three memoranda, visit: www.clasp.org/Pubs/Pubs_ChildSupport.

Debunking Child Care Myths continued from page 4

risk families may need to go on to welfare because they cannot maintain employment. Surely, this would fly in the face of the intent of Congress in 1996.

CLASP also released a second brief analysis at the same time, *Five Reasons Why the Senate Should Adopt the Snowe-Dodd Amendment to Increase Child Care Funding* by Jennifer Mezey. Both of these papers are available at www.clasp.org/Pubs/Pubs_ChildCare. ■

Beyond Marriage Licenses continued from page 1

“This report shows that a lot more is going on with marriage policy and programming in states than most people realize,” said Theodora Ooms, CLASP Senior Policy Analyst and lead author of the report. “However, the efforts thus far are modest and reach only a small number of people. Given the lack of research on marriage-related interventions, policymakers should proceed cautiously, try out a variety of strategies, and carefully evaluate the positive and negative consequences of these programs, particularly for low-income families and children.” ■

■ To download the 75-page report, including individual state profiles, visit: www.clasp.org/Pubs/Pubs_Couples.

Senate Debate Begins on TANF Reauthorization, Then Stalls

On Monday, March 29, the Senate began debate on a Temporary Assistance for Needy Families (TANF) reauthorization bill that had been reported out of the Senate Finance Committee last fall. However, after a strong bipartisan vote (78-20) in favor of an amendment, sponsored by Senators Olympia Snowe (R-ME) and Christopher Dodd (D-CT), for an additional \$6 billion in child care funding over five years, the process stalled, and the bill was pulled from floor consideration by Senate Majority Leader Bill Frist (R-TN). The debate was halted because the Republican and Democratic Senate leadership could not agree on the number of amendments to be considered, which amendments were germane, how much

time the debate would take, and whether the consideration of the bill would be tied to a set of explicit agreements about a House-Senate conference.

On March 31st, President Bush signed another three-month straight extension for the TANF program, which keeps it funded through June 30, 2004. At press time, it was unclear what the next step in the reauthorization process would be. ■

■ For the latest CLASP analyses of TANF issues, visit www.clasp.org/Pubs/Pubs_Welfare_Policy.

Comings and Goings at CLASP

In recent months, CLASP has welcomed four new staff members:

Amy-Ellen Duke joined CLASP as a Policy Analyst in January. She is working on workforce development and postsecondary education for low-income individuals. Previously, Ms. Duke was a Research Associate at the Urban Institute where she contributed to several evaluations of state-level welfare reform and anti-poverty programs.

Danielle Ewen joined CLASP in February as a Senior Policy Analyst working on child care and early education. Immediately prior to joining CLASP, Danielle Ewen was the Senior Policy Analyst at the Trust for Early Education, where she worked on federal policy issues related to prekindergarten. Before that, she worked at the Children's Defense Fund as a Senior Program Associate in the Child Care and Development Division, concentrating on issues related to early childhood education policy, including child care, Head Start, prekindergarten, and school-age care.

Katherine Hart joined the CLASP child care and early education team in March as a Research Associate. Prior to joining CLASP, Ms. Hart was a Program Assistant in the Child Care and Development Division at the Children's Defense Fund where she worked on policy and advocacy activities related to child care, Head Start, prekindergarten, and after-school programs at the federal, state, and local levels.

Sharon Hong came to CLASP in March and is a Research Assistant with the Project for the Future of Equal Justice. Her current focus is assisting with the development and advancement of community-oriented problem-solving strategies in the civil justice community. Prior to joining CLASP, she served as a field organizer with the Kentucky Democratic Party.

■
CLASP is sad to say goodbye to Rutledge Hutson, a Senior Staff Attorney at CLASP for the past five years, where she worked on child welfare, TANF, and reproductive health issues. Hutson has become the new Deputy

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Friday, May 7, 2004

Financing Child Welfare: What Policies Best Protect Children?

- Cassie Statuto Bevan, Senior Policy Advisor, Office of Rep. Tom DeLay, House Majority Leader
- Nick Gwyn, Minority Staff Director, Human Resources Subcommittee, House Committee on Ways and Means
- Rutledge Hutson, Deputy Director, Child Welfare & Mental Health Division, Children's Defense Fund

Friday, June 4, 2004

A New Progressive Agenda: Innovative Ideas for Work and Immigration Policy

- Deepak Bhargava, Executive Director, Center for Community Change
- Steve Savner, CLASP Senior Staff Attorney and Senior Fellow, Center for Community Change

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No Minor Matter *continued from page 2*

While these age differentiations are somewhat arbitrary, they do reflect a consensus in both state law and social science research that it is rational to distinguish within the group commonly referred to as “teens.” The younger the teen the more vulnerable he or she is and the more likely that he or she will need some adult guidance on the proper course of action. Existing state laws on the age of majority, the age of sexual consent, and the age of marriage generally reflect this kind of age differentiation.

In addition, the recommendations take into account that minors and their parents may disagree about the right course of action. For instance, parents might pressure the couple to marry when that is not their desire or withhold permission when the minors believe this to be the right thing to do. Or, grandparent liability laws may make paternal grandparents loath to allow paternity establishment because they will then be responsible for the child support owed by their minor child. Similarly, grandparents may be reluctant to sue or allow a voluntary acknowledgment in circumstances where the couple's

relationship violated the state's statutory rape law. These issues need to be taken into account in developing policy. ■

■ **To download the policy brief and full report, visit:**
www.clasp.org/Pubs/Pubs_ChildSupport.

Comings and Goings *continued from page 6*

Director of the Child Welfare and Mental Health Division at Children's Defense Fund (CDF). At CDF, she'll continue to focus on child welfare financing, the intersection of TANF and child welfare, kinship care, and the provision of comprehensive family services.

“Through the effective work of Rutledge, CLASP has developed a national reputation in child welfare and services integration,” said CLASP Executive Director Alan Houseman. “Rutledge is really irreplaceable, but, fortunately, she will continue her work at a colleague organization.” ■

New CLASP Board Members

CLASP welcomed four new board members to its ranks in January 2004:

David Berns is the Director of the Arizona Department of Economic Security where he provides leadership and oversight for Arizona's welfare, employment services, child welfare, child support, disabilities, aging, and community services programs. Before coming to Arizona, Berns spearheaded the development and implementation of a model child welfare and public assistance system in El Paso County, Colorado.

Bruce Iwasaki is the Executive Director of the Legal Aid Foundation of Los Angeles (LAFLA), the front-line law firm for low-income people in Los Angeles. Through six community offices and two courthouse clinics, LAFLA provides a comprehensive range of services that attack the many problems faced by low-income people.

Anna Faith Jones is President Emerita of The Boston Foundation, one of the oldest and largest community foundations in the country. During her 16-year tenure as President and Chief Executive Officer, the Boston Foundation's staff and board became more diverse, and the Foundation played an increasingly active role in the community, sponsoring special initiatives, convening groups, and working closely with other organizations and funders.

Joe Lockhart is a partner with The Glover Park Group, a Washington, DC- and New York-based communications firm, where he specializes in media relations and political strategy. An award-winning journalist, Lockhart also served as President Clinton's Press Secretary from 1998-2000 and is a veteran of numerous political campaigns. ■

CLASPupdate

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CENTER FOR LAW AND SOCIAL POLICY

Community Colleges Helping Low-Income Parents Get Better Jobs

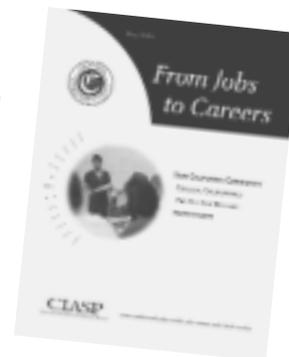
Women receiving welfare in California who complete an Associate degree or certificate work more and earn substantially more in the two years after college than they did before college, according to a new report from the Center for Law and Social Policy (CLASP) and the California Community Colleges Chancellor's Office (CCCCO).

The report, *From Jobs to Careers: How California Community College Credentials Pay Off for Welfare Participants* by Anita Mathur, with Judy Reichle, Julie Strawn, and Chuck Wiseley, tracks the employment rates and median annual earnings of female welfare participants who exited the California community college system in 1999–2000. The welfare program in California, known as CalWORKs, allows participants to attend a California community college for up to 18 to 24 months as a way to satisfy the work requirements mandated by federal welfare law. Key findings of the report include:

- The year-round employment rate for all exiting female CalWORKs students doubled from before college to one year after exit. In addition, the more education received, the greater the employment rate after exit.
- CalWORKs students increased their earnings substantially after college. For example, by the second year out of school, median annual earnings of CalWORKs women with Associate degrees increased by 403 percent compared to earnings prior to entering college (rising from \$3,916 to \$19,690). For those who earned credentials, CalWORKs women quickly narrowed the

initial earnings gap between themselves and other women students.

- Longer educational programs lead to greater median annual earnings. In particular, vocational certificates for female CalWORKs students must be at least 30 units long for earnings to top \$15,000 the second year out.
- While attending school, CalWORKs women (even those who entered college without a high school diploma) were more likely to be employed than the general CalWORKs population. Furthermore, CalWORKs students' earnings were 20 percent greater than the general CalWORKs population who were employed during the same time period.
- Associate degrees take a minimum of 2.5 full-time academic years to complete due to the number of courses required. CalWORKs students, along with the majority of all community college students, take an average of



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Head Start Children, Families, and Programs in 2003

A new CLASP policy brief presents the latest federal data on Head Start children, families, teachers, and programs, offering insights into the services the program provided and whom it served in 2003. The data come from Program Information Reports submitted to the U.S. Department of Health and Human Services by all federal Head Start grantees.

The Head Start program, created in 1965, delivers early education and support services to low-income children and their families. While Head Start primarily serves low-income preschool children ages 3–5, the Early Head Start program, created in 1995, serves low-income infants and toddlers (birth to age three) and pregnant women. In 2003, Head Start took center stage in Washington, as it was scheduled to be reauthorized by Congress. Despite much debate, Congress could not reach agreement on how best to renew the program for the coming years, and the reauthorization process has stalled.

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

CLASP Update is published monthly.

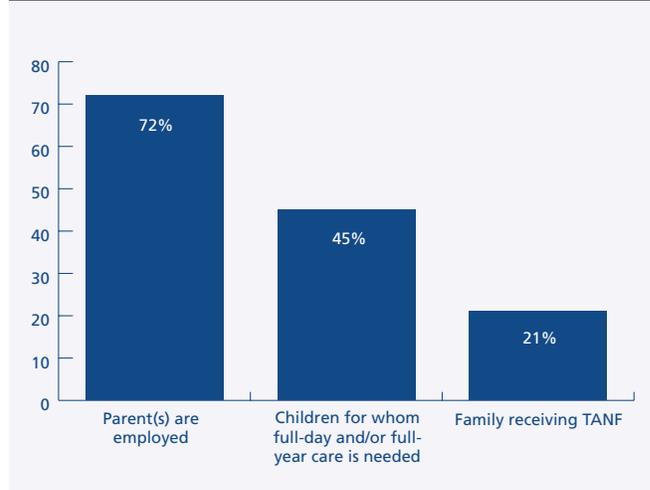
Editors: Gayle Bennett, John Hutchins

CLASP

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Head Start Parent Employment, Need for Child Care, and Family TANF Receipt, Program Year 2003



The new policy brief, *Moving Forward: Head Start Children, Families, and Programs in 2003*, by Katherine Hart and Rachel Schumacher, describes continuing trends in Head Start from previous years, as well as highlights a number of changes since 2002. Among the most important findings:

- **Head Start provides early education and a range of services to poor children and their families.** In 2003, nearly three-quarters of Head Start children were from families earning less than 100 percent of the federal poverty level (\$18,400 for a family of four in 2003). The Head Start child population remained very diverse in 2003, and 27 percent of Head Start children had a primary language other than English.
- **Most Head Start families include working parents.** Seventy-two percent of Head Start families had one or both parents working in 2003. In 2003, more than half of the children who needed full-time care received it through Head Start. Twenty-one percent of Head Start families received Temporary Assistance for Needy Families benefits in 2003 (see figure above).

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The Ultimate Burden of the Tax Cuts

A joint report from the Urban-Brookings Tax Policy Center and the Center on Budget and Policy Priorities looks at the effects of the 2001 and 2003 tax cuts, examining not only who benefits but also who is likely to pick up their costs once they are inevitably paid for. The report, *The Ultimate Burden of the Tax Cuts* by William G. Gale, Peter R. Orszag, and Isaac Shapiro, finds that low- and middle-income households are likely to lose significantly once costs of the tax cuts are offset.

This analysis shows not only who benefits directly from the recent tax cuts but also who benefits and who loses once the financing of the tax cuts is considered. The report examines the distribution of the 2001 and 2003 tax cuts (once they are fully in effect and reflecting the President's proposal to make most of these tax cuts permanent) combined with the costs of paying for those tax cuts.

The first scenario assumes that each household pays an equal dollar amount each year to finance the tax cuts. Under this scenario, each household receives a direct tax cut based on the 2001 and 2003 legislation, but it also "pays" \$1,520 per year in some combination of reductions in benefits from government spending or increases in other taxes to finance the 2001 and 2003 tax cuts. Something close to this scenario could occur if the tax cuts were financed largely or entirely through spending cuts. The authors refer to this as the "equal dollar burden" scenario.

The second scenario assumes that each household pays the same percentage of income to finance the tax cuts. Under this scenario, each household receives a direct tax cut based on the 2001 and 2003 legislation, but it also pays 2.6 percent of its income each year. Something close to this scenario could occur if the tax cuts were financed through a combination of spending cuts and progressive tax increases. They refer to this as the "proportional burden" scenario.

The principal findings include the following:

- **On average, the bottom four-fifths of households—households with income below about \$76,400—would lose more than they gain from the tax cuts once the necessary financing is taken into account.** That is, once the need for financing is included, the 2001 and 2003 "tax cuts" are best seen as net tax cuts for the top 20 percent of households as a group, financed by net tax increases or benefit reductions for the remaining 80 percent of the population as a group.
- **Middle-income households would be worse off under both scenarios for financing the tax cuts, but they would fare much worse if tax cuts are financed entirely on an equal dollar burden basis (such as could occur if the adjustment were largely or entirely undertaken through spending cuts).** Under the equal dollar burden scenario, the middle fifth of households would lose an average of \$869 per year or 3.1 percent of their after-tax incomes. Under the proportional burden scenario (which could occur through a mixture of spending cuts and progressive tax increases), the middle fifth of households would lose an average of \$228 a year. This is substantially smaller than the losses under an equal dollar burden scenario, but it still amounts to 0.8 percent of their after-tax income.
- **Low-income households would be worse off under either scenario, but they face potentially enormous costs if the tax cuts are financed entirely on an equal dollar burden basis.** Low-income households gain little from the tax cuts and would lose much from reductions in spending programs that would result in an equal dollar burden per household. On average, they would lose an average of just over \$1,500 a year, or 21 percent of their income. Under proportional financing (which would very likely reflect less of a reliance on

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spending cuts), they lose about 2.5 percent of their after-tax income on average.

- **Conversely, high-income households would be net winners, and the gains among the highest-income households would be large.** People with annual incomes of more than \$1 million would gain an average of \$59,600 a year—a 3.1 percent gain in after-tax income—under the proportional burden scenario and \$135,000 a year—or 7 percent of income—under the equal dollar scenario.
- **Under both of the financing scenarios, more than three out of every four households would ultimately**

lose more than they gain from the tax cuts. The net “losers” would be concentrated among low- and middle-income households. For instance, under the equal dollar burden scenario, nine of every 10 households in the middle fifth of the income distribution would lose more from the tax cuts than they would gain, and nearly all of the households in the bottom two-fifths of the income distribution would end up net losers. ■

■ To read the full analysis, visit: www.cbpp.org/6-2-04tax.pdf; to read the summary of the analysis, visit: www.cbpp.org/6-2-04tax-sum.pdf.

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- Laurel Dukeheart, Manager, Gateway to College Replication Project, Portland Community College, Oregon
- Jack Wuest, Executive Director, Alternative Schools Network, Chicago

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Child Support Measures That Would Help Poor Families

Current law requires families who receive cash assistance under the Temporary Assistance for Needy Families (TANF) program to assign (sign over) their rights to unpaid child support to the state. States keep much of the child support collected for current and former TANF families and share the money with the federal government. The Senate Finance Committee TANF bill would give states options to pass through more of the money to families, and it also includes stronger enforcement measures, according to a recent analysis by Vicki Turetsky, CLASP Senior Staff Attorney. She argues that these child support provisions make good policy sense for a number of reasons:

- **Families, not the government, should benefit from the child support paid by fathers.** One-third of current TANF families and half of former TANF families receive child support through the child support program. For poor families who receive it, child support is one-third of the family's income, or \$2,330 per year. Families who receive child support are more likely to leave and stay off welfare. In 2002, the child support program collected \$10 billion for current and former TANF families but held back \$2 billion to repay welfare costs. More than half of the retained support was owed to families who already left welfare.
- **Fathers pay more support when their support payments directly benefit their children.** Fathers who pay child support are more likely to stay involved with their children, and their children do better in school. A Wisconsin child support demonstration study found that fathers established legal paternity and paid more child support when the money was passed through to their children. The study also found evidence that passing through support reduced severe conflict between the parents.
- **The pass-through options are expected to significantly increase family income and save costs over time.** When collected, child support is a long-term income source for families. The Congressional

PROPOSED REGS ON FOOD STAMPS AND CHILD SUPPORT

Many of the households participating in the Food Stamp Program contain a person who either pays or receives child support. In 2002, Congress made changes in the food stamp laws that affect these households, especially those that contain a person who is paying child support.

The Farm Security and Rural Investment Act of 2002 (FSRIA) requires the United States Department of Agriculture to establish an optional, simplified procedure for states to use in determining the amount of child support paid by a household. FSRIA also requires states to treat child support payments as an income exclusion rather than a deduction (as provided in current law) unless they choose to stay with a deduction option. Proposed regulations on these changes were issued on April 16, 2004, and comments on these proposed regulations were due by June 15, 2004. In May, Paula Roberts, CLASP Senior Staff Attorney, prepared a memo that summarized the proposed regulations and discussed some issues raised by them.

To view the memo by Roberts, visit: www.clasp.org/DMS/Documents/1085150643.26/CS_FS_regs.pdf.

Budget Office estimates that family income would increase by a collective \$1.7 billion over five years and \$5.1 billion over 10 years as pass-through options are implemented. The Wisconsin study found that the cost of passing through the support to families was fully offset by increased payments by fathers and reduced welfare use by families. A full pass-through also is expected to lower administrative costs by as much as 6–8 percent.

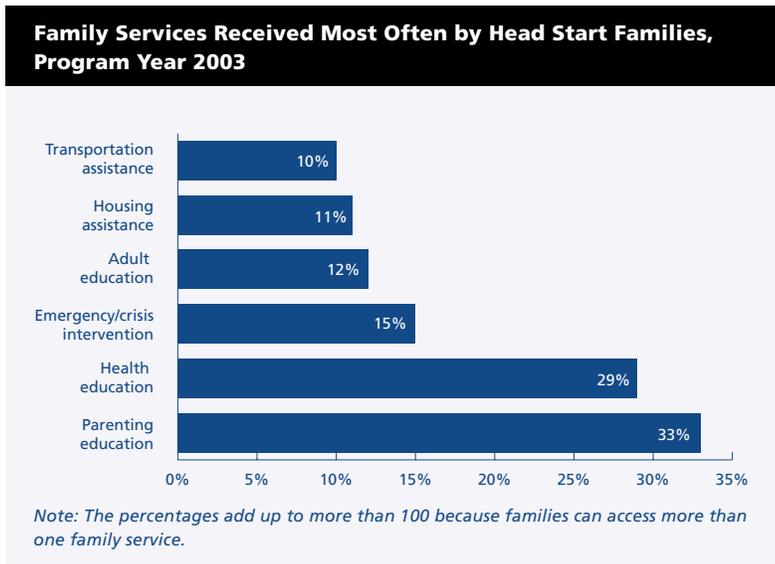
- **Tough interstate enforcement measures are included.** Since Congress enacted major child support improvements in 1996, collections are up 67 percent

continued on page 6

- **In the great majority of Head Start families (77 percent), neither parent has more than a high school degree.** In 2003, however, more Head Start families had a parent in education or job training programs. Eighteen percent of Head Start families had one or both parents in education or job training, up from 11 percent in 2002.
- **Head Start helps children access medical and dental care.** In 2003, more Head Start children had access to continuous medical and dental care than in previous years. Early Head Start children showed a particularly dramatic increase in access to dental care, rising from 47 percent in 2002 to 64 percent in 2003. In addition,

immunizations and health insurance coverage increased slightly in the overall Head Start population.

- **Head Start provides children with developmental and mental health screenings and facilitates special education and early intervention services when necessary.** In 2003, more Head Start children with diagnosed disabilities received special education services. In the Early Head Start program, 93 percent of children with disabilities received special education, an increase from 82 percent in 2002.
- **Head Start families access a variety of support services.** In 2003, the family support services accessed most often were parenting education, health education, emergency or crisis intervention, adult education, housing assistance, and transportation assistance (see figure left).



- **Head Start agencies often partner and align with other early care and education programs in their community.** In addition to partnering with child care centers to deliver services, more Head Start programs are working with school districts in their communities to coordinate transition services for children and families. ■

■ To download the policy brief, visit: www.clasp.org/Pubs/Pubs_New.

and collection rates have doubled, for a record \$20 billion collected in 2002. To improve enforcement in interstate cases (one-fourth of all cases), the bill includes insurance and bank matches, expanded federal offsets, uniform state laws, and other measures.

Turetsky concludes that these child support pass-through and distribution reform provisions have bipartisan support on Capitol Hill and have been endorsed by a variety of groups, including the National Governors Association, the National Conference of State Legislatures, the

American Public Human Services Association, the National Child Support Enforcement Association, and other child support and child advocacy organizations. ■

■ To view the analysis, *The Senate Finance Committee Welfare Bill Includes Important Child Support Measures That Would Help Poor Families* by Vicki Turetsky, visit www.clasp.org/DMS/Documents/1084470163.7/distr_facts.pdf.

■ To view analyses of other provisions of the Senate Finance TANF bill, visit www.clasp.org/pubs/pubs_welfare_policy.

Resources

Examination of Medicaid Finances

The Kaiser Commission on Medicaid and the Uninsured has released a Medicaid financial management report, *Medicaid's Federal-State Partnership: Alternatives for Improving Financial Integrity*. Increasing reliance on creative financing mechanisms has led to concern that Medicaid's financial integrity may be in jeopardy. The report discusses five key financial management dimensions, including organizational commitment, standards and requirements, risk management, reporting and monitoring, and enforcement. The report evaluates current Medicaid financial management and suggests ways to improve fiscal integrity. The report is available at www.kff.org/medicaid/7027.cfm.

Long-Term Economic Status of Single Mothers

A new study, *Economic Status in Later Life among Women Who Raised Children Outside of Marriage* by the Urban Institute, finds that women who spend 10 or more years

raising dependent children outside of marriage are 55 percent more likely to live in poverty at ages 65 to 75 than women who are married when raising their children. According to the report, the typical single mother manages to amass less than one-half as much wealth by her mid-60s and 70s as the typical mother who is always married when raising her children. The study is available at www.urban.org/url.cfm?ID=410933.

A Look at Foster Care

A new report, commissioned by the Pew Commission on Children in Foster Care, examines the experiences of children in foster care, as well as the experiences of parents whose children were placed in foster care and of foster and adoptive parents. *Voices from the Inside* illustrates serious shortcomings in the nation's child welfare system—of which foster care is the largest component—as well as aspects of the system that are successfully helping children live safely in permanent families. The report is available at <http://pewfostercare.org/research/voices/>. ■

Community Colleges *continued from page 1*

3.5 years to complete an Associate degree. This is due in part to the need for remedial coursework and to part-time attendance.

- Prior to and during college, CalWORKs students earned considerably less than other women students, but after college this earnings gap increasingly narrowed. It also closed more quickly among credential holders (exiting CalWORKs and other women who had a certificate or Associate degree) than among those who exited college without a credential.

“This study shows that allowing welfare participants access to postsecondary education is a shrewd long-term investment,” said Anita Mathur, lead author of the study. “Community colleges are helping low-income parents prosper in the labor market and are reducing the need for welfare.”

To read the new CLASP and CCCCCO report, *From Jobs to Careers: How California Community College Credentials Pay Off for Welfare Participants*, visit www.clasp.org/Pubs/Pubs_PostsecEd. ■

WHY JOB TRAINING MATTERS

Recent proposals to cap or reduce Workforce Investment Act (WIA) funding come at a time when already limited WIA resources are unable to keep pace with the demands of businesses and local communities for skilled workers and the needs of workers for access to training. A one-page fact sheet, *Why Funding for Job Training Matters* by Nisha Patel, argues that Congress should increase, not cap or reduce, resources for job training.

- To view this fact sheet, visit: www.clasp.org/Pubs/Pubs_Job.

CLASP on the Hill

In May, CLASP staff provided Congressional testimony in person and in writing on two issues that affect low-income families: government funding for marriage education and higher education funding for low-income students.

On May 5, 2004, Theodora Ooms, CLASP Senior Policy Analyst, testified before the Senate Finance Committee's Subcommittee on Social Security and Family Policy at a hearing entitled, "The Benefits of Healthy Marriage." She described marriage-related activities going on in the states, explained how policy-makers might address legitimate concerns about current marriage promotion proposals, and suggested that some

common ground on this contentious issue may be found in a "marriage-plus" perspective.

Then, on May 12, 2004, CLASP, The Workforce Alliance, and the National Consumer Law Center submitted testimony to the U.S. House of Representatives Committee on Education and the Workforce on the Higher Education Act (HEA) reauthorization. The testimony focuses on the importance of preserving key provisions that protect borrowers from fraud and abuse. ■

■ To read the marriage testimony, visit: www.clasp.org/Pubs/Pubs_Couples. To read the HEA testimony, visit: www.clasp.org/Pubs/Pubs_PostsecEd.

CLASPupdate

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C E N T E R F O R L A W A N D S O C I A L P O L I C Y

Potential Funding for Transitional Jobs Through Child Support

Many noncustodial parents with limited skills and work experience have a hard time meeting their child support obligations. It is often difficult for them to find steady work, and, given their limited connection to the world of work, it can be challenging for them to sustain employment for extended periods of time. Transitional jobs programs, which provide short-term subsidized jobs, skill development, and support services, are increasingly being used to assist noncustodial parents overcome substantial barriers to employment. Transitional jobs can lead participants to full-time employment and increase their ability to pay child support on a regular basis.

A new policy brief, *Where the Funds Are: Potential Use of Child Support Funds for Transitional Jobs Programs* by Abbey Frank, focuses on the ways in which states can leverage portions of federal child support funds to offset some of the costs of transitional jobs programs that are either targeted towards noncustodial parents or include noncustodial parents as a part of their client base.

State child support programs have three main revenue streams:

1. *basic program funding*, which is a mix of federal, state, and local matching funds;
2. *retained revenues* from child support collections that are retained to reimburse welfare costs; and
3. *incentive funding*, which is federal money given to states

as a result of their performance on five program performance measures.



As the policy brief explains, there may be limited ability to use basic program funding for certain transitional jobs-related expenses. There are no legal restrictions to using retained revenues, but, as a policy matter, CLASP does not recommend pursuing use of these funds. CLASP believes child support payments currently retained by the states should instead be paid directly to families. Incentive funding, however, is a potentially viable source, and a few sites are currently using such funding for employment-related services for noncustodial parents.

Federal incentive payments are allocated to states based on their child support collections performance. For fiscal year 2004, the amount set aside in this pool is \$454 million. States are required to spend all of their incentive payments to supplement other funds being used to carry out child support activities. However, in addition to using the

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Improper TANF and Child Care Payments

A recent report from the Government Accountability Office (GAO), *TANF and Child Care Programs: HHS Lacks Adequate Information to Assess Risk and Assist States in Managing Improper Payments*, shows that states can improve their management of improper payments from Temporary Assistance for Needy Families (TANF) and Child Care and Development Fund (CCDF) programs. These block grants support millions of low-income families with cash assistance, child care, and other services.

At the federal level, the U.S. Department of Health and Human Services (HHS) oversees TANF and CCDF. Within states, many public and private entities administer these programs and share responsibility for financial integrity. GAO looked at (1) what selected states have done to manage improper payments in TANF and CCDF and (2) what HHS has done to assess risk and assist states in managing improper payments in these programs. To address these questions, GAO selected states that varied in geographic location and program size. GAO used a survey to collect consistent information from 11 states and visited five states.

The 16 states in GAO's review reported using various strategies and tools to manage improper payments, but their efforts were uneven. Almost all the states in the review reported that they performed some activities to assess whether their programs were at risk of improper payments. These activities, however, did not always cover all payments that could be at risk, focusing, for instance, on cash welfare payments but not on payments for services, which were more than half of all TANF payments in certain states. As a result, the assessments do not provide a comprehensive picture of the level of risk in these state programs, which would be useful to HHS as it takes steps to address requirements under the Improper Payments Act.

States also reported using a variety of prevention and detection tools to protect against improper payments, but states reported fewer tools in place for CCDF than for TANF, particularly in the area of data-sharing to verify eligibility. Although the states in GAO's review recognized the importance of addressing improper payments, they cited competing demands for staff attention and resource limitations that constrained their efforts. The report found that while addressing improper payments does involve costs, comprehensively assessing risks can help focus prevention and detection efforts on areas at greatest risk.

HHS reported using information from its monitoring activities, including single audits and state financial expenditure reporting to determine if the TANF and CCDF programs are at risk of improper payments. The GAO report found, however, that these activities do not capture information about the various strategies and tools that states have in place for managing improper payments, such as those GAO observed in its review. In the absence of such information, HHS cannot determine if the TANF and CCDF programs are susceptible to significant improper payments, as required under the Improper Payments Act. HHS officials acknowledged that

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The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

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The State of State Budgets

State tax revenue grew by 11.4 percent in the April-June 2004 quarter compared to the year before, according to preliminary data released in August by Nicholas W. Jenny of the Rockefeller Institute of Government. When adjusted for the effects of legislation and inflation, the increase was 6.7 percent. This marks the third straight quarter of real, adjusted state tax revenue growth. The April-June quarter finishes the fiscal year for 46 states, and this accelerating growth has helped many states to meet or exceed their revenue targets.

While state tax revenue growth seems healthy, the Rockefeller Institute warns that real state revenue levels still have a way to go before they have fully recovered from the recession, which ended over two years ago. In fact, a July analysis from the Center on Budget and Policy Priorities (CBPP), *States' Heavy Reliance on Spending Cuts and One-Time Measures to Close Their Budget Gaps Leaves Programs at Risk* by Elizabeth McNichol, suggests that states may have trouble digging themselves out of their current budget holes.

The CBPP analysis notes that states cut spending, drew down their reserves, raised taxes, and used one-time measures, such as borrowing, federal fiscal relief, and payment date shifts to close budget gaps of nearly \$200 billion between fiscal year 2002 and fiscal year 2004. On average, states were three times more likely to rely on spending cuts to close deficits than on revenue increases. The heavy reliance by the states on short-term measures and spending cuts to balance their budgets means that state programs continue to be squeezed, despite the improvements in the economy. At the start of fiscal year 2005 budget deliberations, states faced gaps of \$36 to \$40 billion in their budgets, according to CBPP.

The measures that states have used to close their budget gaps, combined with the severity of the fiscal crises that states faced, suggest that state services will remain at risk for a number of years, argues CBPP. During the 1990s, state spending grew at the same pace as the economy

STATE-BY-STATE WIA DATA AVAILABLE

CLASP recently posted a set of tables that provide state-by-state Workforce Investment Act (WIA) program participation data for program year 2002. States were required to begin implementation of WIA by July 2000, and they have been continuously developing their programs since that time. Under the Act and associated regulations, states are required to collect a series of demographic and performance outcome information on each WIA participant who accesses intensive or both intensive and training services. At the completion of the program year (July-June), states are required to submit data on those participants that exited the WIA program during the year. Individual participant data are collected and reported annually to the U.S. Department of Labor through the WIASRD system, which CLASP used to develop these tables.

To view *State-by-State WIA Program Participation Data—Program Year 2002*, visit: www.clasp.org/Pubs/Pubs_Job.

grew. States had sufficient revenue to accommodate increasing costs, such as rising health costs and growing school enrollments. In addition, in response to public demand, many states were able to increase their investment in schools, reduce reliance on local property taxes, expand health coverage for low-income children and their families, and expand access to higher education. Some of this progress was rolled back as states cut their budgets over the last three years. CBPP concludes that, unless state revenues soon begin to grow much faster than average, states will not be able to restore these cuts for a long time. ■

■ To view the Rockefeller Institute of Government data, visit: <http://stateandlocalgateway.rockinst.org>.

■ To view the CBPP analysis, visit: www.cbpp.org/7-29-04sfp.htm.

Would Poor Couples with Kids Be Better Off Married?

Policymakers and researchers alike are debating whether marriage might be an anti-poverty strategy for families with children. Some believe that if more parents married, there would be a substantial decrease in poverty. Others suggest that increasing the marriage rate among poor and near-poor parents, while not dramatically reducing poverty, would make a significant dent in the

poverty rate for families with children.

Still others are highly skeptical of these claims. A new policy brief, *I Can't Give You Anything But Love: Would Poor Couples With Children Be Better Off Economically If They Married?* by CLASP Senior Staff Attorney Paula Roberts, summarizes recent research bearing on the validity of these viewpoints. In

particular, it reviews recent econometric studies by the Urban Institute's Robert Lerman on the economic effects of marriage on low-income couples.

Most children live in one of four household types: married, cohabiting, single parent living with another adult in a non-romantic relationship, and single parent. On the surface, the data are clear: married-couple households have a much lower poverty rate than any other family type. For example, in 1998, among households with children, approximately 8 percent of married-couple families, 16 percent of cohabiting couples, 24 percent of single parents living with another adult in the household, and 38 percent of single-parent families were officially poor (see figure). While there was some variation by race, poverty among married-couple families was considerably lower than in any other family type in every instance.

Why Might Marriage Matter?

There are five major reasons why married couples with children might be more economically successful than other household types:

Percent of Households with Children in Poverty, by Race and Household Status, 1998

Type of Household	All Races	White	Black	Hispanic
Married Couple	8.2%	6.3%	9.4%	17.9%
Cohabiting Couple	16.0%	10.8%	18.4%	27.6%
Single Parent, Other Adults in the Household	24.2%	14.7%	31.4%	36.1%
Single Parent, No Other Adult Present	38.1%	27.4%	52.4%	49.3%

Source: Lerman, R. (2002). How Do Marriage, Cohabitation, and Single Parenthood Affect the Material Hardships of Families With Children? Washington, DC: Urban Institute, Table 3.

- **Economies of scale.** Married couples can share expenses for common needs like food, rent, and utilities. In the long run, this frees up money for asset accumulation (e.g., a car, household appliances) and for savings.
- **The potential for more earnings.** The number of adults in a household who are able to work increases economic well-being so long as each earns enough to offset the additional costs associated with his or her presence in the household. Even if one partner is unemployed, the other may increase his or her hours of work or take a second job to ameliorate the income loss.
- **Improved work effort.** Marriage changes the work behavior of some men: husbands with children earn higher wages and work more hours than non-husbands with similar characteristics.
- **Division of labor.** One parent might not work outside the home or work only part-time. This would reduce the need for costly child care. It would also free the other parent to work overtime or take a second job, increasing family income.

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- **Ability to obtain help from the extended family or the community.** Friends and relatives might be more likely to give monetary gifts to married couples. These gifts (e.g., shower and wedding gifts, money for the down payment on a home) allow couples to accumulate material goods and assets that help them build wealth.

But wouldn't most of these reasons also apply to cohabiting couples? Evidence suggests that while cohabitation has positive economic effects, they are not as strong as those seen in marriage. Perhaps there is less income-sharing among cohabiters than among married couples or less commitment and less sense of a future together. Since cohabitation is usually shorter term than marriage, this might also explain why the positive economic effects of cohabitation are not as great as marriage. In addition, several studies find that married couples are much more likely to receive financial help from their families than are cohabiting couples or singles.

How Much Is Explained by Selection?

It may be that the positive economic effects of marriage are less about marital behavior and more a reflection of who chooses to marry. For example, the characteristics that determine success in the workforce (e.g., attitude, talents, education) might also be the characteristics of those who choose marriage. If this is so, the economic rewards of marriage would be more a result of personal characteristics than the behavioral effects of marriage. However, it also appears that marriage changes the work behavior of some men: husbands with children earn higher wages and work more hours than non-husbands with similar characteristics. In other words, the economic benefit of marriage appears to be the result of a combination of personal characteristics that individuals bring to marriage and behavioral changes that may occur after marriage.

What Does It All Mean?

The work of Lerman and others suggests that even among mothers with high poverty rates and low

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CENSUS DATA SHOW POVERTY, UNINSURED ROSE IN 2003

According to Census data released on August 26, 2004, the nation's official poverty rate rose to 12.5 percent in 2003 from 12.1 percent in 2002. Thus, a total of 35.9 million people were living below the poverty line in 2003, an increase of 1.3 million from 2002.

In addition, the data show an even larger increase in the number of children (those below age 18) living in poverty. The child poverty rate increased to 17.6 percent (12.9 million children) in 2003 from 16.7 percent (12.1 million children) in 2002—an increase of 733,000 children. The poverty rate has risen for three consecutive years, and more than one in six children lives in poverty.

Despite this growth in child poverty, TANF participation fell again in 2003. "It's troubling that the system that should be providing basic support to help poor families is now helping a smaller and smaller share of poor children," said CLASP's Policy Director Mark Greenberg.

The world of the uninsured also grew. The number of people without health insurance rose by 1.4 million to 45 million people in 2003. The percentage of the nation's population without coverage grew to 15.6 percent in 2003 from 15.2 percent in 2002.

Official national poverty estimates, as well as most government data on income and health insurance, come from the Census Bureau's Current Population Survey. This year the Bureau is simultaneously releasing data from the broader American Community Survey, which also includes income and poverty numbers but cannot be statistically compared with the other survey.

The report, *Income, Poverty, and Health Insurance Coverage in the United States: 2003*, is available at www.census.gov/hhes/www/income.html. Poverty and health insurance data are also available by region, state, race, age, and nativity.

they needed more information to be in a position to carry out their responsibilities under the Act and, therefore, recently initiated several projects to gain a better understanding of state control activities. However, GAO found that HHS' projects do not provide mechanisms to gather information on a recurring basis. The absence of such mechanisms hinders HHS' ability to adequately assess the risk of improper payments and assist states in managing improper payments in these multibillion dollar programs on an ongoing basis. Given the statutory framework of the TANF program, GAO recognizes that HHS may determine that it needs legislative action to direct states to provide the information it needs to take this approach.

GAO recommends that HHS do more to gather information on state internal control systems and to partner with states to address improper payments. In response, HHS said that its current plans are adequate, given the legislative restrictions on its ability to regulate state TANF programs.

After the release of the GAO report, on August 18, 2004, HHS issued notice in the *Federal Register* that it is proposing to survey states on their best practices for preventing improper payments in the TANF and CCDF programs. These surveys will request that states voluntarily provide information, including how they define improper payments, what processes they use to identify such payments, and what actions are taken to reduce or eliminate improper payments. The Administration for Children and Families (ACF) within HHS intends to establish a repository for the state submissions, which will be available to all states for viewing on an HHS/ACF website. This website will provide information that will help states improve their program integrity system(s) so that improper payments in the programs can be reduced. ■

■ To view the GAO report, visit: www.gao.gov/cgi-bin/getrpt?GAO-04-723.

educational attainment, marriage can have positive economic effects. Marriage can lead to lower poverty rates and less material hardship. However, being married does not eliminate poverty and material hardship. Moreover, poverty and material hardship contribute to marital break-up, eroding the positive effects of marriage. In addition, it is clear from the studies that a number of other factors—including being poor to begin with; having a pre-marital birth, low educational attainment, or limited work experience; and race—influence the extent of marriage's effect on poverty.

The evidence that increasing marriage would contribute to poverty reduction does not, in itself, provide guidance about which public policies or programs might result in increased rates of marriage. Nor does it provide guidance

as to which policies might increase healthy marriages (without inadvertently increasing unhealthy ones) or might support marriage without disadvantaging single-parent families.

In short, Roberts concludes that marriage can be part of anti-poverty strategy, but it is no substitute for other efforts to reduce poverty, such as increasing educational attainment, providing job training, taking steps to improve job quality for low-wage workers, strengthening child support enforcement, improving access to work supports, and reducing racial discrimination. ■

■ To read the full policy brief, visit: www.clasp.org/Pubs/Pubs_Couples.

Comings and Goings at CLASP

COMINGS

CLASP is pleased to announce that we have added Policy Analyst Hannah Matthews to our child care and early education team. Hannah is a recent graduate of the Johns Hopkins public policy program with experience working at the Levitan Center for Social Policy at Hopkins, Voices for America's Children, and Human Rights Watch.

GOINGS

CLASP is sad to say goodbye to Communications Director John Hutchins. John is leaving CLASP to

become the Publications Director at MDRC, the social policy research firm, in New York.

“John has truly transformed our communications and publications efforts,” said CLASP Executive Director Alan Houseman. “John has made a huge difference to CLASP and to our effectiveness as an institution.”

John's last day was September 3. Former CLASP Communications Specialist Gayle Bennett is the new Communications Director. ■

Potential Funding continued from page 1

funds to support child support core services, states may also use these payments for other activities that “may contribute to improving the effectiveness or efficiency” of the program—as long as the state submits an application to the Office of Child Support Enforcement and it is approved by the Secretary of the U.S. Department of Health and Human Services (HHS).

While no state has yet applied or received permission from HHS to use federal child support funds specifically to fund a transitional jobs program, several states are using these funds to provide employment services for noncustodial parents. It seems likely that states could use funds from the incentive payment pool to cover the costs of transitional jobs programs, which will increase the employability of low-skilled noncustodial parents, and, in turn, increase child support payments.

To date, four states—Minnesota, Maryland, South Dakota, and Missouri—have been granted approval for alternative uses of the incentive payments. Of these four applications, South Dakota, Minnesota, and Missouri received approval to operate programs related to increasing the employability of noncustodial parents. (See the policy brief for more information on these three programs.) While these approved programs do not

include all the elements of a transitional jobs program, each program contains components of the traditional transitional work model. It seems likely then that a state could successfully petition the Office of Child Support Enforcement to use the incentive pool funds to establish and operate a complete transitional jobs program for noncustodial parents. Additionally, the regulations do not prohibit the use of these funds to pay for wage subsidies, which are key to a transitional work program.

The skills that participants gain, as well as the high employment and earnings outcomes of individuals who complete transitional job programs, would undoubtedly positively impact the effectiveness of the state's child support enforcement program. Transitional jobs programs would increase the earnings potential for noncustodial parents who either have limited skills or have had difficulty sustaining employment. ■

■ For more information on how to petition for the use of child support funds for transitional jobs programs or for copies of successful submissions from several jurisdictions, contact Abbey Frank of the Center for Law and Social Policy at (202) 906-8023 or afrank@clasp.org.

■ To view this policy brief, the first in the Transitional Jobs Series, visit: www.clasp.org/Pubs/Pubs_Job.

Special CLASP Audio Conference

**Friday, September 10,
2004, 12:30-1:30 pm (ET)
An Interview with Author
Jason DeParle**

Jason DeParle, an award-winning *New York Times* reporter, discusses his soon-to-be-released book, *American Dream: Three Women, Ten Kids, and a Nation's Drive to End Welfare*. Called by NPR's Daniel Schorr "one of the great works on social policy of this

generation," *American Dream* will undoubtedly help shape the debate about the future of welfare and low-wage work. Hosted by CLASP's Jodie Levin-Epstein, the Audio Conference will also include CLASP's Mark Greenberg and the University of Pennsylvania's Kathryn Edin.

This special Audio Conference is not part of the 2004 Audio Conference Series and must be purchased separately.

To register for the Jason DeParle Audio Conference, visit:

<http://www.claspstore.org/index.htm>



For more information about DeParle's new book, go to:

www.jasondeparle.com

The Future of Immigrant Children

Almost one-fifth of the nation's children, and one-quarter of the nation's low-income children, are immigrants or the children of immigrants. One-fifth of the nation's low-wage workforce is comprised of immigrants, and half of the nation's job growth during the 1990s was attributable to immigrants.

CLASP staff Mark Greenberg and Hedieh Rahmanou recently wrote an article for the Fall 2004 issue of *The Future of Children* on the topic of poor immigrant children. The article responds to the question: "How should policymakers, advocates, stakeholders, and practitioners respond strategically and proactively to demographic change and increasing diversity in order to promote the healthy development, productivity, and well-being of our nation's children into the future?"

In 1996, Congress elected to restrict access to food assistance, health care, income support, employment services, and other benefits and services for legal immigrants. Since that time, there have been limited partial repeals of some, but not most, of the restrictions. The result has been curtailed eligibility, a patchwork of uneven state and local responses, and sharp drops in participation among families that could benefit from services and assistance.

This article summarizes some of the key data suggesting the magnitude of the problem. It also proposes policies that could enhance the well-being of this significant and growing share of the nation's children. These policy recommendations are summarized below.

The restrictions on access to health care, food assistance, and public benefits eligibility for legal

immigrants established by the 1996 law should be repealed. The ostensible justification for such policies had been to discourage individuals from immigrating to the United States in search of, or with the expectation of, public benefits. The authors argue, however, that the goals of immigration policy should be advanced by determining and enforcing the rules relating to immigration, not by restricting access of immigrant families and children to important public benefits. It is counterproductive to deny immigrant families access to the services that could improve parents' employment prospects and promote children's healthy development and school readiness.

States need to make active efforts to improve participation in public programs among eligible immigrant families.

- To reduce confusion about eligibility, locations that serve as "points of access" should utilize a combination of specialized caseworkers and systems that automatically determine eligibility based on prompts for required information.
- To increase access among limited-English speakers, translated written notices and communications

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Stay Up-to-Date on Child Support Issues

CLASP has recently released a number of memos, fact sheets, and a chart covering various child support issues.

- *OIG Studies on Possible Recoupment of SCHIP Costs Through the Child Support Program* by Paula Roberts. The U.S. Department of Health and Human Services' Office of Inspector General (OIG) recently conducted studies in several states on the potential for recouping State Children's Health Insurance Program costs from non-custodial parents through the child support program. This memo summarizes the OIG recommendations and state actions to date in Connecticut, Indiana, Michigan, New Jersey, New York, North Carolina, Texas, and Virginia.
- *The Importance of Child Support Enforcement: What Recent Social Science Research Tells Us* by Paula Roberts. This series of updated fact sheets, originally released in May 2002, describe the research on the economic and

non-economic benefits of child support payments and the documented correlations between child support enforcement and marriage promotion and decreased non-marital childbearing.

- *Litigation Success on the Issue of Recoupment of Child Support Overpayments* by Paula Roberts. This memo discusses the ramifications of the recent court decision in *Gamble v. Ohio Department of Job and Family Services*. The court found that the Eleventh Amendment barred monetary relief against the state and its officials. It also barred declaratory and injunctive relief against the state, but the Eleventh Amendment did not bar such relief against state officials. Plaintiffs' counsel then successfully moved for a preliminary injunction to stop the state from recouping erroneous overpayments of child support.
- *State Policy Regarding Pass-Through and Disregard of Current Month's Child Support Collected for Families Receiving TANF-Funded Cash Assistance* by Paula Roberts and Michelle Vinson. This chart lists all 50 states' and the District of Columbia's child support pass-through and income disregard policies as of August 31, 2004.
- *Establishment of Paternity and Enforcement of Support Orders When a Member of the Military Is Involved* by Paula Roberts. The Department of Defense employs approximately 1.4 million active duty military personnel, 1.4 million reservists, 2 million retirees, and 800,000 civilian employees. Many of these employees and retirees are non-custodial parents. This memo to child support advocates details how to deal with the military in establishing and enforcing support orders. ■

The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

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■ To view any of these documents, visit:
www.clasp.org/Pubs/Pubs_ChildSupport.

Working Hard, Falling Short

According to a new report, more than one out of four American working families now earn wages so low that they have difficulty surviving financially. Many lack the skills and education they need to move into jobs that pay better, even while the economy demands more highly trained employees. And while our economy relies on the service jobs these low-paid workers fill—such as cashiers, janitors, security guards, and home health aides—our society has not taken adequate steps to ensure that these workers can make ends meet and build a future for their families, no matter how determined they are to be self-sufficient.

The Working Poor Families Project, with the support of the Annie E. Casey, Ford, and Rockefeller foundations, has spent three years working in 15 states to examine both the conditions of low-income working families with children and public policies that can help improve their lives. Their new report, *Working Hard, Falling Short: America's Working Families and the Pursuit of the Economic Security*, builds on that work and takes a broader look at low-income working families across the nation and key facets of an economic and public system that affect their ability to achieve economic security. Findings and recommendations from the report are presented below.

Findings

After examining national and state data, a wide range of studies, media coverage, and other sources, the report highlights five broad findings about low-income working families in the United States:

Millions of working families are struggling to make ends meet. More than 25 percent of working families in the United States can be classified as low-income. To be considered low-income, a family of four earned less than \$36,784 in 2002 (far less than the median income of

\$62,732 for a family of four). Of those 9.2 million low-income working families, 2.5 million are officially in poverty (earning less than \$18,392 for a family of four). Working families with a minority parent are twice as likely to be low-income as families with white parents.

The education and workforce development systems inadequately prepare many workers for today's economy.

Low-income workers are almost three times more likely not to have finished high school than those who earn more; nationally, 27 million adults do not have a high school degree. Without a high school diploma, these workers need improved skills to succeed. Current federal and state education and skills-training efforts do not meet workers' needs and fall short of businesses' demand for skilled labor.

Too many jobs offer low wages and insufficient benefits.

The nation has seen a decline of traditional well-paying jobs that provide reliable paths to the middle class for many workers. Twenty-four million jobs in the United States, a fifth of all jobs, cannot keep a family of four above the poverty level and provide few or no benefits. Even workers who have advanced beyond high school do not have good jobs; 3.9 million low-income working families have a parent with some postsecondary education.

Conditions for low-income working families vary enormously by state.

The conditions of working families are affected significantly by states' tax structures and investments in education, training, and child care. While some states consciously enact policies that benefit low-wage working families, many states do not. For instance, workers in some states who make up to \$30,000 a year are eligible for publicly supported health

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HHS Awards Bonuses

On October 12, 2004, U.S. Health and Human Services (HHS) Secretary Tommy G. Thompson announced the awarding of \$200 million in Temporary Assistance for Needy Families (TANF) High Performance Bonuses to 37 states and the District of Columbia. The awards are for moving more welfare recipients from welfare to work, increasing job retention, increasing earnings, or meeting other goals of TANF.

The welfare reform legislation of 1996 authorized funding for annual performance achievement bonuses within the TANF program. Award amounts for each state depend upon their performance and the size of each state's TANF block grant. The largest bonus of \$28.1 million went to Ohio, which received \$18.4 million for "Success in the Workplace" and \$9.6 million for the largest percentage increase in Medicaid and SCHIP enrollment. Florida, Indiana, Michigan, Minnesota, Missouri, New Jersey, and Wisconsin all received total awards in the \$10 million to \$15 million range. All states receiving bonuses, and their amounts, are listed in the accompanying table.

In addition, on October 4, Secretary Thompson announced the awarding of \$25 million bonuses to New York, New Hampshire, Maryland, and the District of Columbia for achieving the nation's largest decreases in out-of-wedlock births without a corresponding increase in the abortion rate. The TANF law allocates \$100,000 annually to be awarded to the states for this purpose.

In order to receive the bonuses, states are required to show a decrease in their abortion rate, which is measured as the number of abortions divided by the number of births. New York's abortion rate declined from 49.5 percent in 1995 to 48.9 percent in 2002; New Hampshire's declined from 23.1 to 22.9 percent; Maryland's declined from 20.4 to 15.8 percent; and the abortion rate in the District of Columbia declined from 71.2 to 32.1 percent. ■

2003 TANF HIGH PERFORMANCE BONUS AWARDS

STATE	BONUS AMOUNT
Alabama	\$2,561,627
Alaska	3,180,454**
Arizona	4,037,864
Arkansas	2,836,643**
California	7,043,582
Delaware	715,072
Dist. of Col.	1,253,166
Florida	10,208,852
Idaho	1,596,903**
Indiana	10,339,955**
Iowa	4,489,194
Kentucky	3,083,832
Maine	2,563,677
Massachusetts	7,260,861
Michigan	10,491,822
Minnesota	13,399,244**
Mississippi	2,585,628
Missouri	10,852,587**
Montana	2,276,700**
Nebraska	2,901,429**
New Hampshire	1,047,423
New Jersey	12,040,026
North Dakota	1,319,990**
Ohio	28,115,197
Oklahoma	3,030,247
Oregon	2,236,268
Pennsylvania	4,643,161
Rhode Island	179,251
South Carolina	3,791,245
South Dakota	747,267
Tennessee	9,576,190**
Utah	3,517,021
Vermont	1,839,010
Virginia	7,914,259**
Washington	762,743
West Virginia	3,823,474
Wisconsin	10,860,369
Wyoming	877,767
TOTAL	\$200,000,000

** Bonus amounts to these states are limited to 5 percent of the state's family assistance grant for the year (see Section 403[a] of the Social Security Act).

care while workers in other states lose their eligibility once their earnings exceed \$10,000.

Responses to these issues are inadequate. The world of work has changed drastically, but public policies have not. While some states are trying to adjust, other states are doing little. At the same time, state resources will never be sufficient to address all of the issues confronting America's working families. The report asserts that the federal government has the responsibility to ensure that the nation has trained, well-educated workers to meet the needs of a rapidly changing economy, that people are treated equally across the country, and that we honor work with fair wages and benefits for all employees.

Recommendations

This report's findings prompt the need for a wide array of responses from policymakers, businesses, and the public. The report makes four main recommendations:

Invest in education and training for working families. Federal and state policies must be strengthened so that postsecondary education, targeted skills-training, and adult literacy programs successfully enroll and serve more low-income working adults. Such policies must address the needs of employers and be grounded in the realities of the labor market. While states can do more on their own, the federal government must make sure its policies and programs are effective throughout the country.

Improve income, benefits, and supports for low-income working families and increase the number of good jobs. Federal and state leaders should set policies that reward work through pay and benefits sufficient to support families. Leaders should expand

resources for and promote greater access to health care and other important benefits, such as child care. Leaders also should set policies that maintain and generate good jobs.

Assess the conditions of America's working families and government efforts on their behalf. The federal government should regularly assess the extent to which working families in the United States are self-sufficient. It should make available current, detailed data on the economic status of working families at the national, state, and local levels. Further, it should redefine poverty more realistically and adopt a meaningful definition of self-sufficiency or low-income. Federal and state governments should improve policies and programs that support America's working families. To this end, they should prepare and make public accurate information that measures the performance of public investments and make necessary adjustments in light of the results.

Focus the nation's attention on low-income working families. The federal government should initiate a nationwide discussion on how one of the wealthiest nations in the world values and rewards work. As a part of this, the federal government should create a national commission to examine why so many working families struggle financially, how federal and state government policies and private-sector business practices can better support low-income working families striving for economic security, and how such efforts can increase national competitiveness and reduce costs for taxpayers. ■

■ To view this report, visit: www.aecf.org/initiatives/jobsinitiative/workingpoor/working_hard_new.pdf.

should be made available. The use of untrained interpreters such as children should be discouraged. Additionally, research shows that bilingual staff are more likely to be available in community- and health-based settings, and that immigrant families are more likely to apply for benefits at community health clinics and other non-welfare settings. Offering simplified applications in such non-welfare settings will increase access to benefits to limited-English speakers.

- To alleviate fears of threatened immigration status, applications should be modified to reduce requests for sensitive information (such as immigration status or social security numbers) from family members not applying for benefits.

Promote better labor force outcomes for immigrant parents who are eligible to work in the United States.

Federal and state policy initiatives designed to expand access to higher education and labor force advancement for low-earning workers could provide significant assistance to low-earning workers in immigrant families. In addition, eliminating restrictions on TANF eligibility could improve access to employment services for unemployed parents. Ensuring that activities to improve English language acquisition count toward program participation requirements could help ensure that such services are made available.

Change federal law to improve both access to, and the quality of, training and other workforce services for a broad range of unemployed and under-employed workers, including those with limited English proficiency. Changes that could improve access for immigrants in particular are as follows:

- Federal performance standards governing the workforce system and any common performance standards across systems should be structured in ways that do not discourage providing services to persons with limited English proficiency.
- Federal law should encourage the development of “integrated training programs” that combine job

training and language acquisition to help immigrants with limited English proficiency gain job training and English skills at the same time. The development of such programs could be encouraged through a combination of research and demonstration funding, technical assistance to states and localities, data reporting, performance measurement, and state plan requirements.

- Federal law should encourage a significantly enhanced effort by one-stop centers to ensure that career counseling, vocational assessment, and other services are structured to meet the needs of job seekers and workers with limited English proficiency.
- States should review their procedures to ensure that translated documents are made available and are consistent with federal civil rights requirements.

Congress also needs to address the situation of undocumented immigrants who are residing in the United States but are not eligible to work here legally. Broader issues around immigration policy, including amnesty and guest worker proposals, are beyond the scope of this commentary. However, it seems clear that it will be impossible to fully address the needs of all children in immigrant families, or the labor force prospects of all immigrant parents, as long as substantial numbers of immigrant parents residing in the United States are not allowed to lawfully work in this country.

The authors conclude that, ultimately, federal policy must take a new course, one that shifts away from the goal of restricting assistance to immigrant families and instead acknowledges the need to provide family supports and employment services to help ensure that children of immigrants thrive and that their parents can progress in the labor force. ■

■ To view the entire article, visit: www.clasp.org/Pubs/Pubs_Job; to view the entire issue, visit: www.futureofchildren.org.

CLASP Presents on Pre-K at Brookings

On September 10, 2004, Rachel Schumacher and Danielle Ewen of the CLASP Child Care and Early Education team made a presentation at the Brookings Institution as part of a roundtable discussion on universal pre-kindergarten for four-year-olds. More than 100 national and state policymakers, experts, and researchers attended the meeting.

CLASP has conducted a national survey of states that deliver state pre-kindergarten programs in community-based child care settings as well as schools. Rachel and Danielle presented the preliminary findings from this survey at the roundtable. This survey is part of a long-term project funded by the Joyce Foundation to conduct research and technical assistance to help states expand access to early education programs that also address the needs of low-income working families.

Most states implementing pre-kindergarten programs have opted for a model that, to some degree, allows for the delivery of pre-kindergarten in community-based settings. In fact, all of the five states that offer or are working toward offering universal pre-kindergarten allow delivery of pre-kindergarten in community-based settings, and four of the five have or plan to have more than half the children in community-based pre-kindergarten settings. The emergence of this model is significant because it has

the potential to break the traditional barrier between early education and child care policies and programs and to strengthen the quality of community-based child care programs beyond the pre-kindergarten hours and classroom. Whether the promise is met depends on the policy choices made by states and the ways in which these choices are implemented.

At the Brookings Institution, Rachel and Danielle presented preliminary data on state policies in nine different areas, including program design and eligibility; state governance and coordination; funding and integration of funding streams; program standards and supports for providers; and data and evaluation. Overall, the survey findings suggest there is reason to be optimistic for the integrated model when examining these questions, but there is significant research still to be done to fully understand implications for children, families, and community-based child care providers.

A final paper on this topic will be available and posted on CLASP's website in December 2004. For more information, or to receive a copy of the final paper when it is available, please contact Danielle Ewen at dewen@clasp.org or Rachel Schumacher at rschumacher@clasp.org. ■

Recently Posted at clasp.org

CLASP recently posted the following documents on its website, www.clasp.org:

Safety in the Safety Net: TANF Reauthorization Provisions Relevant to Domestic Violence by Nisha Patel and Vicki Turetsky.

Side-by-Side Comparison of Marriage and Fatherhood Provisions in H.R. 4 Passed by Senate Finance Committee and House by Vicki Turetsky.

Comments Regarding Head Start Program Information Report by Rachel Schumacher and Katherine Hart.

Comments to the Employment and Training Administration on the EMILE System by Abbey Frank.

Resources

Health Action USA

Families USA will convene Health Action 2005 on January 27-29, 2005, at the Renaissance Mayflower Hotel in Washington, DC. This is the 10th annual conference, which brings together national, state, and community leaders in the fight for high-quality, affordable health care for all. Topics covered at the conference will include Medicaid, Medicare, and insuring the uninsured.

TANF-SSI Coordination

The Government Accountability Office (GAO) has issued a report that examines the overlap between those receiving Temporary Assistance for Needy Families (TANF) and Supplemental Security Income (SSI) benefits. *TANF and SSI: Opportunities Exist to Help People with Impairments Become More Self-Sufficient* focuses on whether TANF recipients with impairments are encouraged to apply for SSI; whether work requirements are imposed on TANF recipients applying for SSI and the range of services provided to such recipients; and the interactions between SSI

and TANF programs to assist individuals capable of working to obtain employment. The full report, GAO-04-878, is available at www.gao.gov.

Growth of Medicaid Expenditures

A report from the National Association of State Budget Officers (NASBO) shows that state Medicaid expenditures continue to grow and are crowding out other categories of state spending. NASBO's annual *State Expenditure Report* documents that in FY 2003, Medicaid accounted for 21.4 percent of all state spending, just below the amount states spent on K-12 education, which was 21.7 percent. Despite federal fiscal relief and state efforts to keep costs contained, 23 states experienced Medicaid shortfalls in FY 2003. In FY 2004, states are expected to spend more on Medicaid than on elementary or secondary education. The annual survey has been distributed since 1987, when Medicaid accounted for barely 10 percent of state budgets, while education spending held steady at 23 percent. The report is available at www.nasbo.org/Publications/PDFs/2003ExpendReport.pdf.