

# Welfare Reform

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Sacramento County  
Department of  
Human Assistance  
by the  
Community Services  
Planning Council

NANCY FINDEISEN  
Executive Director

KATRINA MIDDLETON  
Communications Director

ERICA FOGLE  
Human Services  
Information System

JUDY BRAMSON  
AND B. J. UELTZEN  
Human Services  
Coordinating Council

JOHN COLEN  
Consultant

## Department of Human Assistance

CHERYL DAVIS  
Director

JERRY PLUMMER  
Welfare Reform  
Project Manager

LINDA CHANDLER-ALLEN  
Public Information Officer

ANNE-MARIE RUCKER  
Communications  
Coordinator

CHUCK KIDWELL  
Community Development  
Manager

DON KRAEMER  
AND SYLVIA PEREZ  
Administrative Service  
Officers



## *the Challenge and the Opportunity...*

### **Personal Responsibility and Work Opportunity Reconciliation Act**

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193). This legislation fostered a new vision for human assistance—welfare as short-term, emergency aid with a major focus on increasing recipient self-sufficiency. The Act also established a federal block grant process, requiring States to develop systems to disseminate funds.

### **Key elements of the Act are:**

- replaces Aid to Families with Dependent Children (AFDC) with Temporary Assistance for Needy Families (TANF),
- limits aid to 60 months in a lifetime (5 year limit),
- work or community service requirements after 24 months on assistance,
- prohibits legal immigrants from receiving Food Stamps and Supplemental Security Income (SSI),
- requires teen parents receiving assistance to live at home or with adult supervision,
- limits food stamps for able-bodied, single adults to 3 months out of every 36 months unless they are working.

For AFDC/TANF recipients, the Act eliminates entitlement to existing programs and includes among its eligibility requirements that the recipient must:

- have a minor child,
- cooperate in pursuing child support,
- cooperate in establishing paternity, and
- sign over child support to the State while on aid.

### **Sacramento County Public Assistance Recipients**

According to information released by the Department of Human Assistance, public assistance recipients in Sacramento County as of 1996 fall within the following categories of aid:

- 37,605 single-parent families on AFDC

*“Approximately one in five families county wide will be directly affected by the implementation of welfare reform.”*

*Cheryl Davis, Director of Sacramento County's  
Department of Human Assistance*

- 9,456 two-parent families on AFDC
- 46,162 persons who receive SSI
- 7,800 individuals who receive General Assistance
- 18,000 single persons and 47,000 families receiving food stamps

Before January 1, 1997, a typical family (one parent, two children) on Aid to Families with Dependent Children (AFDC) received \$594 in cash aid and \$249 in food stamps for a total \$843 per month. The typical TANF family (one parent, two children) as of January 1, 1997 would receive \$534 in cash aid and \$268 in food stamps. Total support equals \$802 monthly, a reduction of \$41. In addition, this family will be limited to a maximum of 60 months of assistance regardless of the ages of the minor children or whether the parent has found employment. While on TANF the parent must meet work requirements as well as paternity and child support requirements or face sanctions that would reduce benefits.

Since 1983 the number of families on AFDC has increased more than 170 percent in our region. The number of food stamp recipients who are receiving no other form of cash assistance has increased more than 150 percent. It is interesting to note that the number of food stamp recipients was relatively stable from 1983 until 1991 before making marked increases. This trend mirrors the economic recession that began in 1990.

*“Changing a sixty year old welfare program is a tremendous challenge, but it is also an opportunity to help people find the dignity of work and personal responsibility. Welfare reform will take the cooperation of the entire community in providing child care, education, training, jobs, transportation and compassionate care for our elders and others in need.”*

*Muriel P. Johnson  
Supervisor, Third District  
Board of Supervisors  
County of Sacramento*

*“Most of the homeless families we serve have huge barriers to employment which they see as unsurmountable obstacles—child care, transportation, drug and alcohol problems and sometimes criminal backgrounds.”*

*Heather Andrews, Director  
Sacramento Area Emergency Housing Center*

*“Aid recipients are facing a major lifestyle change and will need support during their transition to greater independence.”*

*Donna Cook  
Former AFDC Recipient*

## What are the Potential Impacts on Sacramento County?

There are two basic concerns in Sacramento County. One is the loss of dollars coming into the County due to the reduction of federal welfare funds. This money feeds our local economy through grocery store purchases, rent and housing payments, etc. According to Cheryl Davis, Director of the Department of Human Assistance for Sacramento County, the estimated economic impact is more than \$180 million lost in Sacramento County over five years—equal to closure of one military base. The loss of federal and state money spent in the local economy will equal \$9 million in 1997 and \$150 million by 2001.

The second concern is that when the benefits are reduced, the need for food and shelter will still be there, and these people will then turn to General Assistance which is solely a county cost. The additional cost to Sacramento County is estimated at more than \$6 million.

While the intent of TANF is to move people from welfare to work, the pragmatic consequence is that there must be job openings available for them. This need for new jobs and job training programs exceeds the number of jobs and job training programs available, and families will be dropped from federal aid programs even though they are unable to find work.

According to Cheryl Davis, Director of the County’s Department of Human Assistance, approximately one in five families county wide will be directly affected by the implementation of welfare reform.

### Number of Food Stamp Recipients—Receiving No Other Assistance

Sacramento Region and California

January 1996

	Number of Persons
Amador	622
El Dorado	2,293
Placer	2,922
Sacramento	32,264
Yolo	3,561
California	893,956

Source: Calif. Dept. of Social Services

### Recipients of Aid to Families with Dependent Children Family Groups

Sacramento Region and California

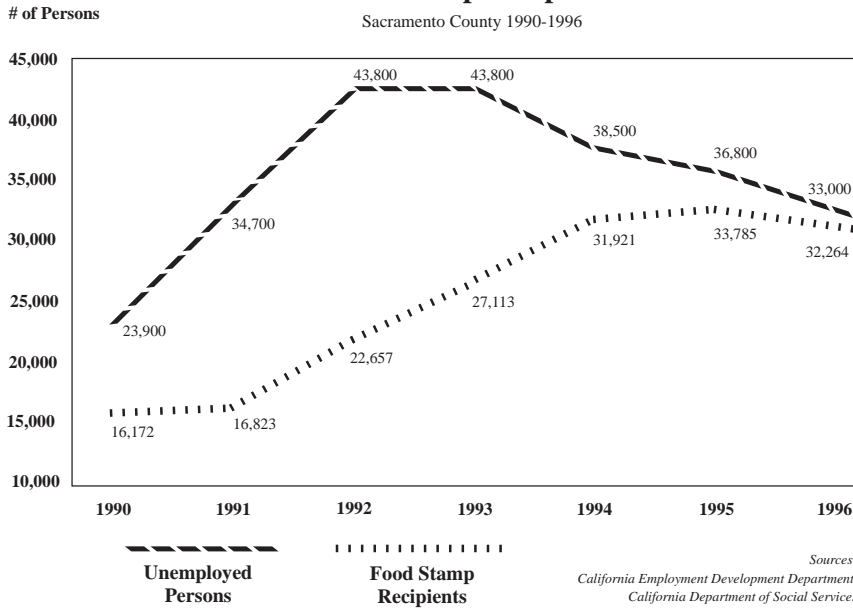
January 1996

	Children	Total Persons
Amador	628	940
El Dorado	3,000	4,560
Placer	4,296	6,488
Sacramento	70,660	102,247
Yolo	5,886	8,587
California	1,403,902	1,982,360

Source: Calif. Dept. of Social Services

## Number of Unemployed Persons and Food Stamp Recipients

Sacramento County 1990-1996



*Sources:  
California Employment Development Department,  
California Department of Social Services*

## Welfare Reform Forums and Town Hall Meetings

### Forums

As part of a campaign to solicit input, three all-day community forums were held in February, co-sponsored by the Sacramento County Department of Human Assistance (DHA), the Community Services Planning Council, the Human Services Coordinating Council, the League of Women Voters, and California State University, Sacramento, Division of Social Work. Attended by almost 400 participants, the objectives of these forums were to:

1. familiarize the community with the components of welfare reform;
2. identify major issues in the implementation of welfare reform;
3. identify potential opportunities in the restructuring of welfare;
4. identify the impact of welfare reform on major stakeholders (providers, clients, etc.);
5. generate recommendations for the implementation of reforms.

### Town Halls

In April and May seven Town Hall Meetings were held at public sites such as high schools and community centers. One meeting was hosted in the City by Mayor Joseph Serna. Six meetings were held in the five County Supervisorial Districts and hosted by the County Supervisor of that district: Roger Dickinson, District One; Illa Collin, District Two, Muriel Johnson, District Three; Dave Cox,

District Four; Don Nottoli, District Five. Because of its geographic size, two meetings were held in District Five. These meetings gave more than 1,000 members of the public who attended an opportunity to meet their elected officials, learn about welfare reform, provide input to the planning process, and learn about available community services and resources.

## Recurrent Themes: Challenges

Forum and Town Hall discussions revealed a number of issues viewed as particularly challenging. Foremost among them are the creation of jobs, the provision of individual and family supports necessary to move individuals from welfare to work, and caring for particularly vulnerable populations such as elderly immigrants who will be severely affected by welfare reform.

## Job Development and Training (Providers, Recipients, Employers)

The creation of new jobs was identified as of primary importance in welfare reform. TANF has a number of work requirements to be achieved over the next five years. For example, states must achieve a 25 percent employment participation rate for single-parent families by 1997, rising annually by five percent increments to 50 percent by 2002.

Complementary to job creation and development are training and support to improve skills, literacy, and other job success behaviors. Moreover, training should include not only clients but employers and others who provide individual support to those making the transition from welfare to work.

Recommendations included: create tax incentives for schools and colleges to provide job training and for businesses to provide employment for this population; increase opportunities for on-the-job training; ensure that the employee has basic job skills and is prepared for the workplace; encourage partnerships between the public, nonprofit and private sectors for job development programs; require that new businesses or developers guarantee jobs before getting approval to build or start business.

## Child Care

Child care was the most frequently identified challenge because of the inability of the current child care system to accommodate the large number of children who would suddenly need care. Of particular concern was the lack of child care for infants and toddlers. According to DHA, it is projected that 11,500 new slots will be needed this year, and the need will grow to 22,500 slots in 2002. One suggestion is to expand the existing child care system. An example

<b>TANF Job Requirements</b>					
	<b>Single Parent Family</b>	<b>Hours Required per week</b>	<b>Two Parent Family</b>	<b>Hours Required</b>	<b>Jobs Needed</b>
1997	25%	20	75%	35	12,500
2000	40%	30	90%	35	18,841
2002	50%	30	90%	35	20,850
<i>Department of Human Assistance - 1977</i>					

would be to train recipients to be child care givers and to enlist other community entities (i.e., churches, civic organizations, etc.) to deliver child care services. However, California has strict licensing requirements for child care. Staff must meet educational requirements and maintain specified adult/child ratios and the facility must meet building, fire and zoning codes.

Recommendations included non-traditional group involvement in child care, i.e., neighborhood co-op and on-site business locations; expansion in services and delivery models, e.g., overnight care, shift care, sick childcare; and development of multi-use facilities.

### Transportation

Transportation is a challenge that cuts across many areas. The lack of transportation in areas with high concentrations of human assistance recipients seriously affects their ability to work unless jobs are developed closer to their living environments.

Recommendations included innovative suggestions about the potential for distribution of bus passes, creative car pooling and other means of transportation assistance.

### Neighborhood Involvement

Throughout the forum discussions, neighborhood/community involvement was identified as an important element in the successful development of any welfare reform plan.

Recommendations included encouraging neighborhood agencies and community resources to work together to avoid duplication of efforts, organizing neighborhoods, and creating one-stop neighborhood service centers.

Public Assistance Rates per 1,000 Population - January 1996 High-Utilization Zip Codes					
Zip Code	Area Description	AFDC Family Groups	Food Stamps	General Assistance	Supplemental Security Income
95660	North Highlands	54.5	9.6	14.0	52.8
95814	Downtown	34.2	29.5	75.6	199.3
95815	North Sacramento	74.0	18.4	35.9	74.9
95817	Oak Park	69.4	14.4	35.8	140.9
95820	Fruitridge/Colonial Heights	56.6	10.7	20.1	69.4
95822	Meadowview/Exec. Airport/Land Park	43.1	6.8	13.3	49.1
95823	Meadowview/Valley Hi	60.7	8.7	13.6	53.1
95824	Fruitridge	70.9	12.0	22.1	83.7
95832	Meadowview	73.2	7.7	17.3	89.8
95838	Del Paso Heights	76.0	16.3	27.6	90.4

Sources: Department of Human Assistance  
Social Security Administration  
Western Economic Research

### TANF and Immigrant Aid

While the issues discussed above represented those requiring the most immediate attention, several other challenges were identified at the forums. Meeting the needs of legal immigrants represents a unique challenge. For example, states are required to ban legal immigrants from eligibility for food stamps and SSI until citizenship. Services that are prohibited for legal immigrants include welfare, food stamps, public health, housing, and SSI, including in-home services. On the other hand, services that must be provided to immigrants include basic public education, emergency medical care, short-term non-cash disaster aid, communicable disease testing and immunization.

Other services which may be permitted for legal immigrants include school lunches and breakfasts, means-tested elementary and secondary education programs including Head Start; child care; foster care; Women, Infants, and Children (WIC) program; health and nutrition services; and Job Training Partnership Act (JTPA) services.

This provision will have a significant impact on California which has the highest percentage of legal immigrants in the United States. Forty percent of the country's legal immigrants reside in California, comprising 12 percent of the state's population.

Public Assistance Numbers of Recipients - January 1996 High-Utilization Zip Codes					
Zip Code	Area Description	AFDC Family Groups	Food Stamps	General Assistance	Supplemental Security Income
95660	North Highlands	1,670	294	428	1,618
95814	Downtown	564	486	1,245	3,284
95815	North Sacramento	1,790	445	869	1,811
95817	Oak Park	1,092	227	564	2,218
95820	Fruitridge/Colonial Heights	2,024	382	720	2,482
95822	Meadowview/Exec. Airport/Land Park	1,907	300	589	2,171
95823	Meadowview/Valley Hi	3,760	542	841	3,291
95824	Fruitridge	1,962	333	612	2316
95832	Meadowview	588	62	139	721
95838	Del Paso Heights	2,283	489	830	2,716

Sources: Department of Human Assistance  
Social Security Administration



## Recurrent Themes: Opportunities

Several themes emerged regarding opportunities. The most frequently identified areas of opportunity included building collaborations among communities, professionals and unions, and linking nonprofit agencies and the private sector. An example of this type of alliance is the partnership between the California Emergency Foodlink and the Teamsters Union. This partnership is likely to result in an additional 1,200 jobs for welfare recipients. Similarly, when Packard Bell opened a Sacramento computer assembly plant in 1995, one-third of the initial entry-level employees—17 percent of the workforce—were hired from welfare rolls.

Recurrent themes in these public meetings included fostering client empowerment and personal responsibility, increasing self-esteem and self-sufficiency, and creating and developing new jobs. Implementing welfare-to-work models should be a priority of welfare reform.

## Summary

The effects of this legislation will be wide-ranging, complex and have a profound effect on society. P.L. 104-193 introduces work requirements, sets time limits on participation, requires states to transition recipients into employment and to change the rules for a variety of other programs.

Its impacts, both direct and indirect, will be felt by families, children and communities. Implementation of this legislation will result in increased demand on human service programs and could result in increases in social problems such as homelessness, crime, child abuse, in-home violence and substance abuse.

While P.L. 104-193 has been signed and federal welfare reform is in place, changes are occurring almost daily, as California lawmakers debate those ele-

ments that are within the state's discretion. The state's response will not be finalized until July 1 when a welfare reform plan is due to the federal government. One significant change has already occurred in the area of SSI payments to elderly and disabled legal immigrants. Recently the continued coverage of disabled legal immigrants was approved, while elderly legal immigrants are still not covered. More changes will occur, and are occurring even as this report goes to press.

Sacramento County has this time now to study data and gauge the impact on the people and the economy, gather public input, inform the community, and develop local plans. The Forums and Town Hall meetings held earlier this year provided a platform to bring forth questions and ideas about Welfare Reform in the City and County of Sacramento. The questions and suggestions raised in those meetings are still being reviewed. This input from the community was invaluable. Thank you to everyone who participated.

For more information, call Linda Chandler-Allen, Public Information Officer for Sacramento County Department of Human Assistance at (916) 978-2071.

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Community Services Planning Council  
909 - 12th Street, Suite 200  
Sacramento, CA 95814  
916/447-7063  
e-mail address: [cspsc@sna.com](mailto:cspsc@sna.com)  
[www.sna.com/access/cspsc](http://www.sna.com/access/cspsc)

