



Opportunities for Change:

Lessons
Learned
from Families
Who Leave
Welfare



CITIZENS' COMMITTEE for CHILDREN
OF NEW YORK INC.

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Table of Contents

EXECUTIVE SUMMARY2

INTRODUCTION5

CONTEXT AND BACKGROUND8

FINDINGS FROM THE STUDY12

 Why Cases Were Closed13

 Work and Work-Related Activities.....16

 Child Care23

 Child Support.....26

 Health Insurance.....27

 Housing.....31

 Food and Nutrition Services35

 Demographic Information About the Families37

CONCLUSIONS: TAKING ADVANTAGE OF OPPORTUNITIES TO ASSIST FAMILIES40

Executive Summary

The federal, State and New York City governments have made dramatic and unprecedented changes to welfare programs. The 1996 passage of the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) created a Temporary Assistance to Needy Families (TANF) block grant to fund social service programs, imposed lifetime limits on receipt of public assistance (welfare), strengthened work requirements and increased the number of recipients required to participate. New York State passed the Welfare Reform Act (WRA) of 1997, which changed State welfare programs to comply with both the PRWORA and the New York State Constitution which requires care of the needy despite federal cut-off rules for assistance. New York City had launched its own welfare reform initiative in 1995, New York City – Work, Accountability, You! (NYC-WAY), combining stringent eligibility requirements and front-end fraud detection with work requirements for participants, primarily through the Work Experience Program (WEP).

In New York City alone, more than 500,000 people – including almost 300,000 children – have left welfare since 1995. Citizens' Committee for Children of New York, Inc. (CCC), in its attempts to learn what has happened to the children, located and interviewed 50 families who were no longer receiving welfare or who were only receiving partial welfare grants due to sanctions. CCC also used findings from Human Resources Administration and Urban Institute reports to supplement its survey data. The CCC survey did not capture information on the universe of recipients who left welfare. Rather the findings illustrate outcomes at a point in time for these 50 families and provide lessons on what is needed to evolve welfare programs to the next stage – providing information and access to supports that all families need to be able to work and raise their children.

Findings

Families leaving welfare were not receiving Food Stamps or Medicaid, even though they were financially eligible for the programs, and were faring poorly. Although half of the families interviewed by CCC had worked since leaving welfare, even these

families remained economically vulnerable and without access to available safety net programs. Both working and non-working families struggled to find the means with which to feed, house, and care for their children. Findings show that welfare reform efforts in New York City are not helping families improve their financial situations. Most families remained in poverty and for some, the financial situation was worse than when the families received welfare.

CASE CLOSURE

- For 60% of the families interviewed, it had been six months or less since they left welfare.
- Seventy-two percent or 36 families reported having their welfare cases closed involuntarily while only 28% or 14 families requested that their cases be closed. Fourteen families (28% of the total sample) had been sanctioned and had their welfare cases partially closed by having one or more members of the family excluded from the welfare budget.
- The most frequent reason for case closure was either part-time or full-time employment (36%). Other reasons included: sanctions (28%), missing public assistance appointments (16%) and being supported through other government programs (8%).

WORK

- Half of the families in our sample (25) had not worked at all since leaving welfare. The other half had worked since leaving welfare and of those, 18 or 72% were still working at the time of the interview.
- Only 29% of the 25 families who had worked were employed during traditional business hours. The majority of families (63%) had worked less traditional hours (night, weekend and varied shifts).
- Of the families who had worked, weekly earnings were as follows: five families earned less than \$100; six families earned between \$100 and \$200; four families earned between \$200 and \$300; five families earned \$300 to \$400; and four families earned over \$400. One family had earnings that varied from week to week.

CHILD CARE

- Half of the families in our sample (25) had not worked at all since leaving welfare and 56% cited lack of child care as the primary reason for their unemployment.
- Out of 110 children under age 18, 73 were not in child care or youth development activities besides classroom instruction in school.
- Only 14 families had child care for all of their children; 10 of these families had worked, eight were still working when we interviewed them.
- Only 21 families had child care for at least one child under the age of 13 (31 children in care) while 32 families had no child care for at least one child in this age group (60 children not in care).

CHILD SUPPORT

- Only five (12%) families receive or had received child support payments for at least one child but had very low levels of income from this source.
- Eight families (14%) could not establish child support orders because the non-custodial parent was deceased or out of the country.

HEALTH INSURANCE

- Only half of the families working at the time of the interview (9 of 18) had health insurance provided by their employers.
- Most children did have medical coverage. Out of a total 110 children, 74 had private insurance, Child Health Plus or Medicaid. However, 35 of the children were uninsured.
- Heads of households were less likely to have health insurance – only 50% had insurance and the 13 partners in our sample were the least likely to be insured, with only six or 46% insured.

HOUSING

- Most of the families were leaseholders and 40% lived in public or other subsidized housing.
- Families lived in precarious housing situations. Eleven families (22%) lived in very crowded housing; 22 families (44%) were facing eviction; and 10 families (20%) had become homeless.
- Four (36%) of the 11 families who were victims of domestic violence had returned to abusive situations since leaving welfare in order to pay the rent.

FOOD AND NUTRITION SERVICES

- Food Stamps were used by 17 families (34%) for at least one person in the family. The remaining 33 families (66%) did not receive Food Stamps for any member of the family.
- The Women, Infants and Children (WIC) supplemental nutrition program was used by 19 families (63%) who had children under age five.
- School breakfast and lunch programs were utilized by 91% and 98%, respectively, of the 43 families with at least one child in school.
- The majority of families (76%) had been in situations where they had no money for food and had to feed themselves through emergency food services and borrowing.

DEMOGRAPHIC INFORMATION ABOUT THE FAMILIES

- There were 176 persons in the 50 families interviewed including 110 children under the age of 18, 50 heads of households, 13 spouses or partners, and three adult dependents.
- Most families had very low income levels: 74% of families (37) had total weekly income from all sources of less than \$200; and 22% (8) of these families had no income at all. Only 24% (12) had weekly income levels higher than \$200.
- Educational levels attained by the heads of households were high compared to the universe of welfare recipients. Only 26% had less than a high school education, and 74% had completed at least high school or a General Equivalency Examination for their diplomas.

Conclusions:

TAKING ADVANTAGE OF OPPORTUNITIES TO ASSIST FAMILIES

In striving to move families from welfare to work, New York City must provide access to child care, Medicaid, Food Stamps, and other programs to help parents bridge the gap between entry level wages and living expenses. New York City has demonstrated that it can move people off of the welfare rolls but has not demonstrated a commitment to helping families better their financial situations. In the post-entitlement age, programs must be redesigned to support all low-income families, rather than drawing divisions between welfare recipients, former recipients and those on the verge of requiring welfare. To move ahead with welfare reform that makes a positive difference in the lives of children, New York City must:

- Ensure that families have accurate information regarding their case closures and access to available benefits as they leave welfare or try to avoid applying for welfare.
- Develop and implement a comprehensive outreach campaign to inform low-income families about the programs for which they may be eligible. These include Medicaid, Child Health Plus, WIC, Food Stamps, welfare, job training, readiness and educational services and other public benefit programs.
- Provide case management services to all clients to facilitate the transition from welfare to work.
- Allow simulated work week participants to take advantage of the City's available training,

education and job placement services and advance proposals for new strategies to help families bridge from welfare to employment.

- Develop the Job Center potential to become one-stop service centers where employment-related supports and access to welfare benefits are co-located.
- Move forward with implementation of the new Temporary Rent Subsidies for the Homeless program and lobby the State to make TANF funds available for the program.
- Lobby the State for expanded eligibility for subsidized child care to 275% of the federal poverty level (approximately \$38,000 annual income for a family of three).
- Lobby the State and federal government to restructure the mechanism for child support payments so that more children receive payments.
- Lobby the federal government to increase the supply of Section 8 rent subsidies and the new Welfare to Work Section 8 subsidies. The new subsidies were allocated to New York City in October 1999 but at the inadequate amount of 1400 subsidies.

New York City must move ahead to a new phase of welfare reform where supports are available to encourage and enable family members to enter and remain in the workforce. Public assistance benefits should remain available for families unable to work – either temporarily or permanently – to support themselves, and should continue to evolve into programs that supplement low wages and lift families out of poverty.

Federal Welfare Reform

In August 1996, President Clinton signed into law the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA), ending anti-poverty entitlement programs for families in the United States. The PRWORA combined funding streams for social welfare programs into a block grant (Temporary Assistance to Needy Families or TANF), imposed lifetime limits on families' receipt of public assistance (commonly referred to as welfare) and made many categories of families ineligible to receive public assistance. The PRWORA strengthened work requirements authorized in previous attempts at reforming welfare and expanded the pool of welfare recipients required to participate. The PRWORA gave states much more flexibility in designing welfare programs than had previously been afforded.

In August 1997, New York State passed the Welfare Reform Act (WRA), changing State welfare programs to comply with both the PRWORA and the New York State Constitution which requires care of the needy despite federal cut-off rules for assistance. Since that time, counties and New York City in particular have launched a series of social experiments with the goal of reducing welfare rolls, which in New York City had skyrocketed in 1993 to more than one million recipients.

Final regulations governing the use of TANF were not issued until April 1999, almost three years after passage of the PRWORA. The final TANF regulations took effect on October 1, 1999. They provide guidelines to states on the types of assistance that count towards federal limits, use of TANF funds to provide services to non-welfare recipients, use of unspent TANF dollars and reporting requirements for various bonus incentive programs created in the PRWORA. The regulations also provide guidance on penalties to states for failure to comply with provisions of the PRWORA but preserve a great deal of flexibility at the local level. The regulations allow TANF dollars to be used more flexibly to provide services to low-income families who are not receiving welfare as well as for Earned Income Tax Credits.

Welfare Reform in New York City

Even before the passage of PRWORA, the New York City Department of Social Services, called the Human Resources Administration (HRA), had launched its own welfare reform initiative in 1995 called New York City – Work, Accountability, You! (NYC-WAY). First targeting adult recipients in the Home Relief (HR) program, NYC-WAY combined stringent eligibility requirements and front-end fraud detection with work requirements for participants, primarily through the Work Experience Program (WEP). In January 1996, a pilot began to expand NYC-WAY to the Aid to Families with Dependent Children (AFDC) population – poor families with children. By mid-1996, NYC-WAY was fully implemented for recipients of both AFDC and HR.

In 1998, Mayor Giuliani promised to end welfare by the year 2000. This precipitated the next evolution of New York City's welfare program – Job Centers were to replace Income Support Centers and every adult receiving public assistance was expected to work in exchange for benefits. In March 1998, Income Support Centers began to be converted to Job Centers. Piloted in sites throughout the City, Job Centers were designed to incorporate job readiness and job search activities into the application for welfare benefits. The Job Centers were also intended to incorporate aspects of multi-service centers, providing access to employment, education, nutrition and medical assistance and child care referral at one facility. Families were also required to comply with new screening processes such as the mandatory completion of a Job Profile form and meeting with a financial planner who would conduct a screening and assessment of the applicant's emergency needs, if any, and need for on-going public assistance or other means of support. Other means of support ranged from non-welfare government programs (such as Unemployment Insurance) to help from friends and family or community resources. The applicant would then have to meet with an employment planner to arrange the job search and WEP activities¹. Before they could receive welfare benefits and as a condition of having their applications

¹ WEP activities are scheduled in advance of being found eligible for welfare. If the applicant has not found a job by the end of the 30-45 day job search and readiness, and is found eligible for welfare, the WEP assignment begins immediately.

reviewed, applicants were required to participate in 30-45 days of job readiness and job search.

In practice, applicants for welfare benefits at Job Centers were not informed about the availability of welfare programs and their rights to apply for welfare benefits. The conversion of Income Support Centers to Job Centers was to have been completed Citywide by April 1999, but a federal investigation of HRA practices found that families were denied access to Food Stamps, Medicaid and denied the right to apply for welfare benefits until the second or third visit to the Center. The City was required to make procedural changes at the Job Centers and in May 1999, the City was allowed to proceed with conversion plans albeit at a much slower pace than initially intended. However, as of July 1999, the City's conversion plan was again halted by the courts pending further evaluation of the City's monitoring practices of procedures and access to benefits in the Job Centers.

Why the Study?

As welfare reform moves ahead in New York City, its architects are credited with reducing, by more than 500,000, the number of adults and children receiving public assistance. At the same time that the economy nationally and locally has produced the lowest unemployment rates in the last 10 years, New York City is experiencing substantial increases in use of emergency services of all types. The number of homeless families residing in shelters is on the rise. New facilities will be opened to meet the City's increased need for emergency shelter. Food pantries and soup kitchens often run out of food or stretch food supplies for an increasing pool of clients. Medicaid rolls continue to shrink despite more children living in poverty. The New York Times reported on October 7, 1999, that although New York City's recovery from the last recession continues, more

than 24% of the City's population is officially poor². In fact, Citizens' Committee for Children (CCC) of New York's 1999 edition of *Keeping Track of New York City's Children* shows that the percentage of children living in poverty has increased from 39% in 1990 to 42% in 1996³.

Throughout the country, in order to evaluate the effects of welfare reform experiments, government agencies, academic institutions and others are studying the impact of welfare reform by tracking the experiences of those who leave welfare. Reports from states operating welfare waiver programs before the passage of the PRWORA served as early lessons as the country as a whole geared up to develop new programs and policies with the goals of reducing welfare caseloads and moving families from welfare to work. Evaluation of program outcomes is critical to ensure that programs lead to the desired outcomes of work and independence, as well as to ensure that families and their children are not lost in the shuffle as some welfare programs are re-created and others destroyed.

This report incorporates findings from two studies, in addition to our own, of families leaving welfare. CCC drew upon a local and a national study to supplement and compare our own findings on 50 families in New York City who had left welfare between 1996 and 1998.

The first study, *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*⁴, is a New York City Human Resources Administration (HRA) report issued in September 1998. The study surveyed 126 families, who left welfare in November 1997, on their employment status and use of certain support services either through government or through employers. The study is not representative of the universe of welfare leavers but does provide early data on a set of welfare leavers in the City.

The second study, *Families Who Left Welfare:*

² "Poverty Rate Persists in City Despite Boom." The New York Times. Thursday, October 7, 1999.

³ *Keeping Track of New York City's Children*. Citizens' Committee for Children of New York, Inc., p. 18, 1999.

⁴ Bush, Andrew S., Desai, Swati and Mead, Lawrence M. *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration. September 1998.

⁵ Loprest, Pamela. *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program. August 1999.

*Who Are They and How Are They Doing?*⁵ is a national study conducted by the Urban Institute as part of their Assessing the New Federalism Program to assess changes in federal social policy. The study, which was released in August 1999, looked at a nationally representative sample of 1,289 families who left welfare from 1995 through 1997 – a period during which many welfare reform waiver programs were in place and states were constructing new welfare programs to comply with the PRWORA.

Where are the New York City families who have left the welfare rolls? What are their successes? What are their concerns? Who among the welfare leavers found jobs and for those who did not, how are they supporting themselves? The fact is that of the more than 500,000 people estimated to have left the welfare rolls, close to two-thirds are children. Citizens' Committee for Children of New York, Inc. (CCC) sought to locate families who had left the welfare rolls to find out how they and their children were faring without public assistance benefits. Were children better off or were they homeless and hungry? Were parents able to support their families with wages from work? Had they worked at all and what had enabled or hindered their efforts? These were some of the questions CCC hoped to answer in its Tracking Families Who Leave Welfare Task Force.

Methodology

In the Fall of 1998, CCC examined the changing welfare programs by visiting three of the nine Job Centers that were in operation as well as an HRA contracted Employment Center to learn about their goals and new procedures for families applying for benefits. CCC also developed a questionnaire to gather data from families who had left welfare either voluntarily or involuntarily, including families who had partial case closings or sanctions. Families are sanctioned – the adult's portion removed from the welfare grant – for many reasons which include non-compliance with welfare program requirements, missing appointments and errors. CCC sought information in

eight areas: leaving welfare, work and work-related activities, child care, child support, health insurance, housing, food and nutrition, and general information about the families.

An outreach letter and flyers were sent to almost 700 organizations including employment and job placement, education and training programs, several shelters, day care and Head Start centers, settlement houses, soup kitchens and food pantries, family support programs, and foster care and preventive service providers. CCC located and interviewed 50 families through this outreach process. The families self-selected and contacted us to be interviewed. Trained CCC volunteers conducted the interviews by telephone, at program sites and at CCC in both English and Spanish. Families who completed the in-depth interview were provided with a \$20 stipend and an informational packet on benefits available to low-income families.

The data collected from the interviews was entered into a database and aggregated. The data was also disaggregated to look more carefully at those families who had worked and had not worked since leaving welfare, those who were still working at the time of the interview and sanctioned families. Response rates were calculated for each question in the instrument and data was only used for questions with an 85% or higher response rate.

Our sample of 50 families does not represent the universe of welfare leavers and only families who were attached to some type of community program were interviewed. Our data may not capture information on families who are faring very well because these families do not rely on help from the community-based organizations contacted through our outreach efforts. Nor does it capture information on families faring poorly who don't know about or are unable to avail themselves of community services. Despite these limitations, the interviews generated significant information about how 50 families and 110 children fared and point to trends that can be used to learn more about a greater number of families.

Context and Background

Case Closings

Since 1995, significant reductions in the number of welfare recipients have occurred. In 1995, more than 1.1 million New Yorkers – including 559,000 children – were receiving public assistance. By October 1999 the number had dropped to 645,000 recipients – 365,000 of them children⁶. The number of children receiving benefits declined sharply despite the growing number of children living in poor families. CCC's report, *Keeping Track of New York City's Children*, indicates that 42% of children in New York City are poor⁷.

What factors contributed to caseload decline? New York City's healthy economy, spawning budget surpluses, still cannot boast a low unemployment rate. By May 1999, the unemployment rate in the City was 6.3% while statewide it was 4.9%⁸. In many New York City communities, the unemployment rate remained more than double the Citywide average.

Yet the economy alone is not the cause of welfare roll declines. Families remain poor in New York City and the procedures for obtaining and maintaining welfare benefits become more cumbersome each year. In 1995 and 1996, New York City added fraud detection initiatives such as finger imaging, Eligibility Verification Review (EVR) interviews and home visits, in addition to the already intensive application interview. Additionally, expanded work requirements and zealous application of penalties for non-compliance with welfare program components have also contributed to declining caseloads. The 1996 and 1997 welfare reform laws at the federal and State government levels increased the pool of recipients required to participate in work and eliminated benefits for certain populations (i.e. legal immigrants, teen parents who don't live with their parents). In 1998, the Job Center model and a new emphasis on diverting people from welfare changed the mechanism by which poor families try to obtain and maintain public benefits.

Work

Since the 1960's, policy-makers have developed programs designed to move welfare recipients from dependence on welfare into the workforce and targeted various sub-populations of welfare receivers to do this. Whether to move recipients into training or education programs or simply to reinforce their need to get out and search for a job, the welfare-related work programs have a poor history of success in moving recipients into the workforce and reducing the need for public benefits.

The latest inception of New York City's work programs for welfare recipients is the Work Experience Program or WEP. WEP has been promoted by HRA as a program to encourage responsibility, establish structure in the lives of the welfare dependent, develop job experience to make participants more marketable and has been touted as a way in which welfare recipients can repay the debt to society earned by receiving welfare. WEP participants are placed for time-limited assignments in various City agencies and non-profit organizations: it is important to note that WEP is not a job placement program. Participants earn the welfare benefits they have been found eligible for as compensation for the work they perform through WEP.

The New York City Human Resources Administration (HRA) has introduced the 35-hour simulated work week for recipients and universal participation in work-related activities. With the move to the simulated work week, New York City plans to combine work experience (through WEP), training and educational activities for its 68,000 recipients required to engage in work-related activities⁹.

Child Care

New York City's Agency for Child Development (ACD) contracts with a wide range of subsidized

⁶ New York City Human Resources Administration. HRA Facts. October 1999.

⁷ *Keeping Track of New York City's Children*. Citizens' Committee for Children of New York, Inc., p. 6, 1999.

⁸ New York State Department of Labor. Bureau of Labor Statistics. Division of Research and Statistics. 1999.

⁹ Not all recipients are required to engage in work related activities. Parents who do not have child care for children under the age of 13 cannot be required to work. There are also State and federal exemptions from the work requirement although New York City has used a narrow definition in granting exemptions.

child care providers for low-income families, including licensed child care centers, registered group and family day care homes, and after-school programs. ACD also operates a child care voucher program. The Board of Education and the Department of Youth and Community Development provide Pre-Kindergarten and school age child care and after-school programs. Additionally, HRA provides child care funding for welfare recipients who must participate in work-related activities and the transitional child care benefit which provides up to one year of subsidies for families who leave welfare for employment.

While there have been increases in funding for subsidized child care at the federal, State and local levels, the increased supply does not match the need. Despite recent attempts to eliminate the waiting list for ACD child care, an extensive waiting list of nearly 40,000 children remains. The substantial investment in child care made by the State this year will result in an additional \$64 million for expanded child care in the City. However, despite this influx of dollars, only 13,000 new child care slots will be created – only one-third of the anticipated need¹⁰.

Welfare reform mandates that parents actively engage in work or work-related activities, necessitating a commitment to a much larger expansion of quality child care options than what has occurred. Children whose parents participate in work-related activities in order to continue receiving public assistance are mostly in unregulated child care settings referred to as informal care or babysitting. HRA child care funds for these families pay for more than 21,000 slots of informal care with no quality or safety assurances. For parents receiving welfare, those who are leaving welfare and those who struggle to avoid it, safe, affordable, quality programs for their children are

absolute necessities. In New York State, parents receiving welfare who are required to engage in work-related activities are guaranteed child care for their children up to age 13 or they are exempt from participation. For those who are not receiving welfare, no such guarantee exists.

Child Support

New York City has long required that welfare recipients provide information on non-custodial parents for child support enforcement purposes. However, for this population and other families served by the Office of Child Support Enforcement, the rate of child support orders in place and actual payments to children continues to be low. New York City's HRA and the Office of Child Support Enforcement work to establish paternity for children and through the courts to establish payment orders, wage garnishing and other mechanisms for payment of child support to children.

While almost 70% of all children are estimated to at some point in their lives be in a single parent household, nationally only 22% of ordered child support payments are actually collected¹¹. While New York State's child support collection rate has improved from 15% in 1996 to 20% in 1997,¹² this rate is still unacceptably low.

Often the non-custodial parents have very low income levels themselves and any level of child support payment is a hardship. For others, the system of enforcement breaks down and despite the non-custodial parent's ability to pay, resources do not make their way to children.

Health Insurance

The PRWORA de-linked Medicaid assistance from welfare receipt and families may qualify for Medicaid based on eligibility levels that were in place for the AFDC program in 1996 whether or

¹⁰ CCC calculated the number of unserved children in these households by using population estimate data from the National Center for Children in Poverty for families earning less than 275% of the poverty level in which 1) parent was required to engage in work-related activities or 2) mothers worked. Child care take-up rates were applied to the estimates to produce the total number of children requiring care. The number of child care slots of all types available to children ages 0-5 were subtracted from this total resulting in a remaining 47,808 child unmet need.

¹¹ Association for Children for Enforcement of Support, Inc. National News Spring/Summer 1999.

¹² United States Department of Health and Human Services Office of Child Support Enforcement, 22nd Annual Report to Congress for year 1997.

not they qualify for TANF. This de-linking of services and subsequent expansion of Medicaid eligibility levels has caused confusion regarding eligibility for the benefit in New York City. However, income eligibility levels for Medicaid remain low: household income of just \$1068 per month may disqualify some or all family members¹³.

Child Health Plus (CHP) was established by New York State in 1991 and has been expanded over the last three years to offer benefits comparable to those offered through Medicaid for children who are income ineligible for Medicaid and are uninsured. Notwithstanding, approximately 700,000 children in New York State, 350,000 of them in New York City, remain without health insurance coverage. Lack of insurance results in children missing preventive health care appointments which avert serious illness, being served in emergency rooms where there is no continuity of care, hospitalization for preventable conditions or not receiving health care at all. Uninsured adults are also at risk, especially those with on-going or recurrent health issues such as high blood pressure, asthma and HIV related infection. Adults who do not receive medical attention to avert or treat illness are at risk of developing serious medical problems, losing time at work and having difficulty caring for their children.

Housing

Low-income families in New York City cannot afford housing. Families receiving public assistance receive shelter allowances so low that families frequently become homeless or are forced to double or triple-up in housing. A family of three, the typical size for families receiving welfare, receives only \$286 per month for rent in addition to the maximum \$291 welfare grant for all other expenses. In New York City, the vacancy rate for

apartments renting at that level is only 1.5%¹⁴. Even those families successful enough to leave welfare for jobs are not much better off. According to the New York City Rent Guidelines Board 1999 Income and Affordability Study, using the federal standard of affordability as 30% of a household's income going towards rent, a worker would have to earn more than \$14 per hour working full-time to afford New York's median rent stabilized rent of \$700 per month. Studies of welfare leavers across the country have shown that wages are in the range of \$7 to \$8 per hour for families who find work. These families can afford rents up to \$400 per month, and even that modest rent is more than 30% of monthly income.

The New York University Law School's Center for Real Estate and Urban Policy estimated New York City is more than 550,000 affordable housing units short of its need despite 414,000 low-income families already living in affordable, subsidized housing¹⁵.

Food and Nutrition Services

The PRWORA made many legal immigrants ineligible for Food Stamps and changed benefit levels and the way they are calculated. Although New York State created a Food Assistance Program to meet the nutrition needs of some immigrants (children, the elderly and disabled adults), and the federal government has since restored Food Stamp benefits for these categories of immigrants, many others are left without access to the program.

Food Stamp use is on the decline. From 1995 to 1998, the number of Food Stamp recipients has decreased from 1.4 million to 1 million¹⁶. Yet food insecurity in New York City is growing, so much so that food pantries and soup kitchens have grown to more than 1,100 providers serving 600,000 New Yorkers yearly¹⁷. This past year, these emergency

¹³ New York City Human Resources Administration, Medicaid Financial Levels. Effective January 1, 1999.

¹⁴ New York City Department of Housing Preservation and Development. Selected Findings of the 1996 New York City Housing and Vacancy Survey. February 20, 1997, p. 2.

¹⁵ Scafidi, Benjamin P. and Schill, Michael H. *Housing Conditions and Problems in New York City: An Analysis of the 1996 Housing and Vacancy Survey*. New York University School of Law Center for Real Estate and Urban Policy Working Paper 97-7, p. 29, 1997.

¹⁶ *Keeping Track of New York City's Children*. Citizens' Committee for Children, Inc., p. 49, 1999.

¹⁷ "Second Helping." City Limits, April 1999.

providers received so many customers that they simply did not have food available for all who needed it. Food pantries and soup kitchens have reported having to decrease portion sizes of meals in order to give to more hungry people or having to limit visits. According to the New York City Coalition Against Hunger, an organization of emer-

gency food providers, 1,400 children are turned away from feeding programs each day and are part of the changing demographics of food pantry and soup kitchen clients¹⁸. The growing hunger problem in the City results in increased numbers of working people, immigrants, and children who must rely on these networks to eat.

¹⁸ "FRAC Special Analysis: Hunger in New York City and Connecticut," Food Research and Action Center Current News & Analyses, May 1999.

Findings from the Study

Certain characteristics of the interviewed families were notable:

- The fifty families interviewed had a total of 110 children under age 18¹⁹, or 2.2 children average per family, slightly higher than the 1.8 children per family for the public assistance family caseload as a whole²⁰.
- The heads of the families had achieved higher education levels than the general welfare population with 74% having at least High School or General Equivalency Diplomas (see Demographic Information About the Families, p. 39). Educational attainment for the general welfare population is much lower than for our surveyed families: only 26% have a High School or General Equivalency Diploma and only 17% have some post-high school education²¹.
- All of the families interviewed were connected to community services and were part of a larger social network (i.e. settlement houses, employment and training programs, feeding programs) than family and friends. We were not able to locate families who did not have this type of attachment. CCC attempted to secure informa-

tion from HRA but was unable to obtain it due to confidentiality rules.

- Most families had received welfare for less than five years; 32% had received welfare for less than two years and 22% had received welfare for less than one year.
- Half of the families interviewed had worked at some point since leaving welfare although they were not all working at the time of the interview. This report illustrates how 50 families with above average education and attachment to social service community networks fared once their welfare benefits were terminated. Some families were successful in their efforts to secure employment and were paid wages that allowed them to cover living expenses. Other families were unable to find work or were paid low wages and found themselves searching for any means possible to support themselves and their children. Almost all of the families remained economically vulnerable and were in need of support services or benefits such as Food Stamps. Their stories are valid and serve as an education to all of us who work to create programs that ultimately impact upon children's quality of life.

¹⁹ Two families had dependents over the age of 18 (total of three children over 18) in addition to children under the age of 18.

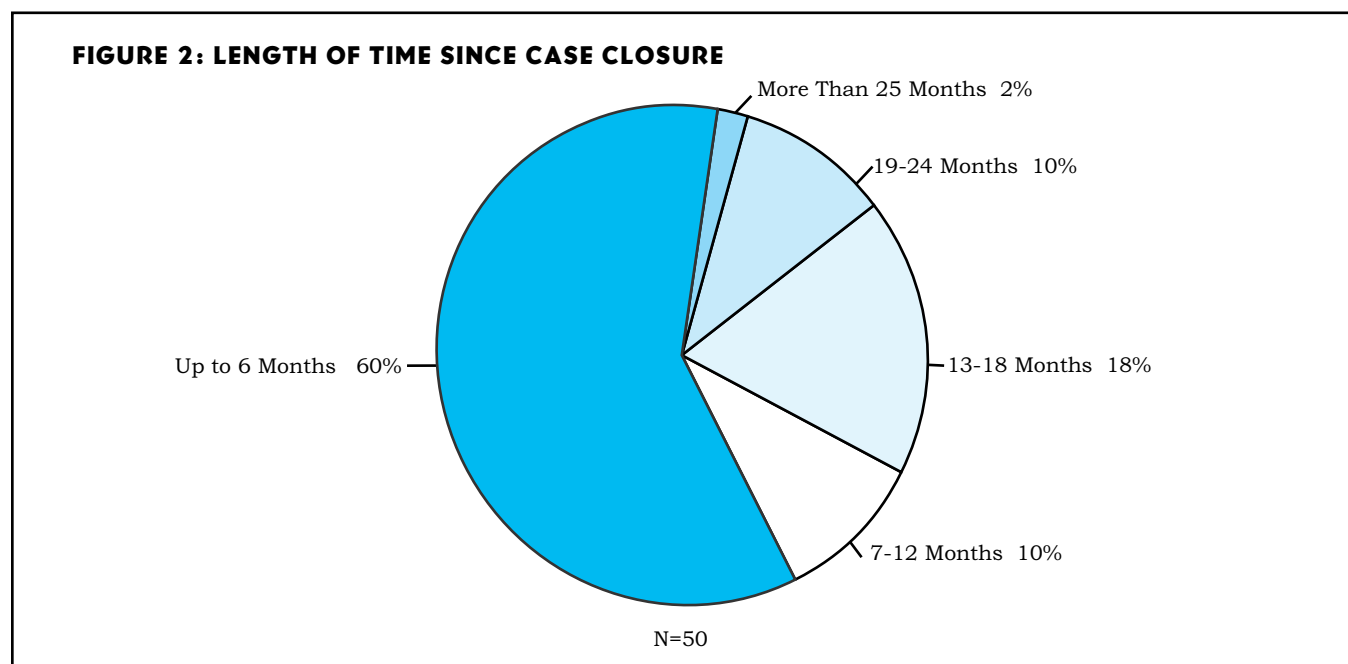
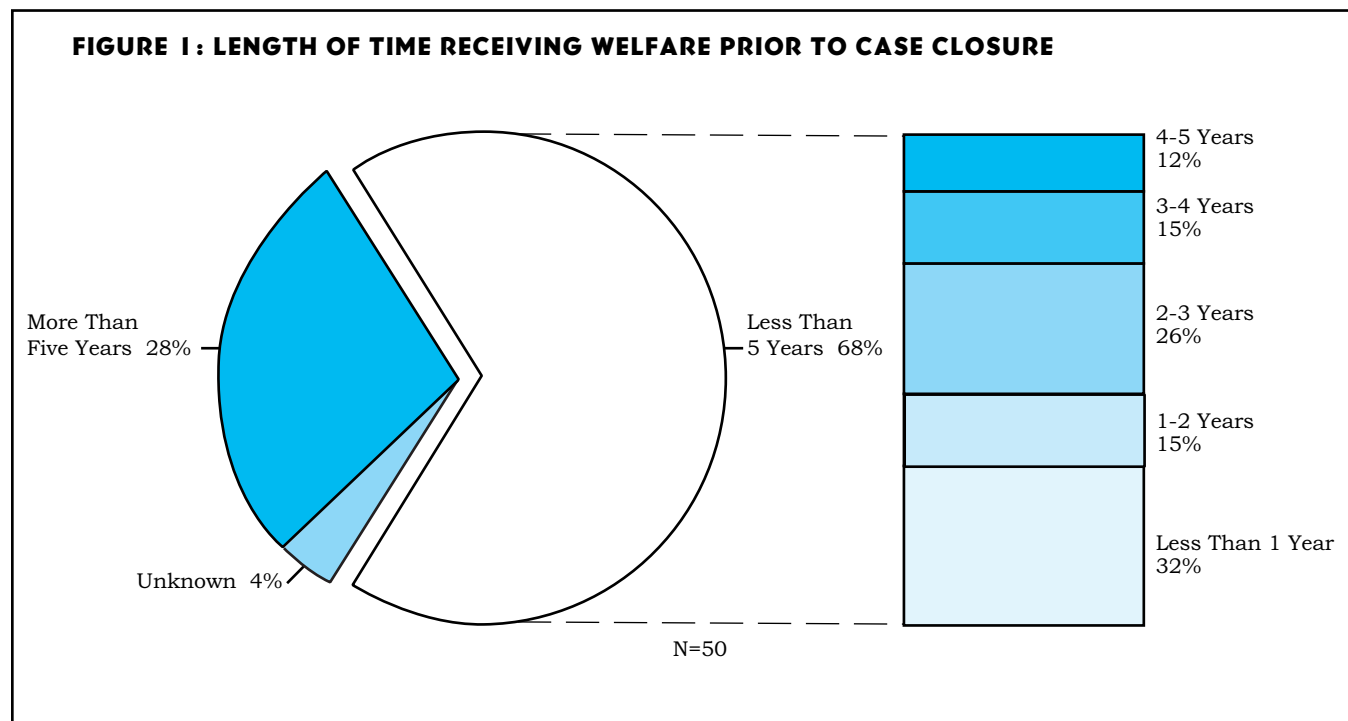
²⁰ *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 4, September 1998.

²¹ *Ibid.* p. 4.

Why Cases Were Closed

The fifty families interviewed had received welfare for varying lengths of time before leaving the program, with the majority (68%) having received welfare for five years or less.

For the majority of families in our sample, (60%) it had been six months or less at the time of the interview since they left welfare. All but 2% had left welfare less than two years prior to the interview.



Most families surveyed did not leave welfare voluntarily – almost three-quarters or 36 families reported having their welfare cases closed involuntarily while just over one-quarter or 14 families requested that their cases be closed. Included in our sample were 14 families (28%) who had been sanctioned and had their welfare cases partially closed²². These families had been sanctioned for the following reasons:

- Three families refused Work Experience Program (WEP) assignments.
- Four families had WEP assignments which conflicted with other activities or which were otherwise untenable:
 - One mother had to make the choice between WEP and school. She chose school, completed her degree and is now employed full-time.
 - One father was required to participate in substance abuse treatment as a condition of his family remaining in the shelter where they were temporarily housed. He was assigned a WEP assignment that interfered with his treatment.
 - One mother found a part-time job on her own and was subsequently called in for a WEP assignment. Her WEP assignment conflicted with her employment and she did not want to lose her job.
 - One mother could not participate in WEP when required to because she had no child care. She was told that her husband must care for the children so that she could participate. However, her husband suffers from diagnosed emotional problems and it is not safe for the children to be alone with him. The mother had to choose between WEP and ensuring that her children remain safe. She chose her family and was sanctioned.
- Seven sanctions were errors or could have been avoided:

- One family was sanctioned completely – including the children – for unknown reasons.
- One mother was incorrectly sanctioned because she was not a citizen.
- One family could not complete a recertification interview because they lacked a birth certificate which had been destroyed in a fire.
- One family was sanctioned when they did not receive mail from HRA because they were in the shelter system.
- Three families were sanctioned for missing WEP appointments when they had either missed the appointment with good reason or had attended the appointment. One received a notice from HRA confirming her compliance with WEP (contradicting the sanction notice). One had a conflict with a doctor's appointment and informed her caseworker of the situation in writing, but was still sanctioned. Another missed the appointment for health reasons, called to reschedule, received a rescheduled appointment notice after the appointment was to take place and was waiting for a new appointment date.

The families in our sample had closed welfare cases for a variety of reasons, some for multiple reasons. The primary reason noted was employment (36%) – either full-time or part-time. The New York City Human Resources Administration, in a September 1998 report entitled *Leaving Welfare: Findings From a Survey of Former New York City Welfare Recipients*, reports that 54% of welfare leavers in their sample left welfare because of employment²³. In that study, 25% of the sample had left welfare for failure to meet program requirements not including sanctions due to non-compliance with work-related activities²⁴. The sample had been drawn from families who left welfare in November 1997. An Urban Institute national report, *Families Who Left Welfare: Who*

²² When a family is sanctioned for non-compliance, the non-compliant adult's portion of the welfare grant is removed from the family's budget. In our sample, two sanctioned families reported having their welfare grants exclude child portions as well.

²³ *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 8, September 1998.

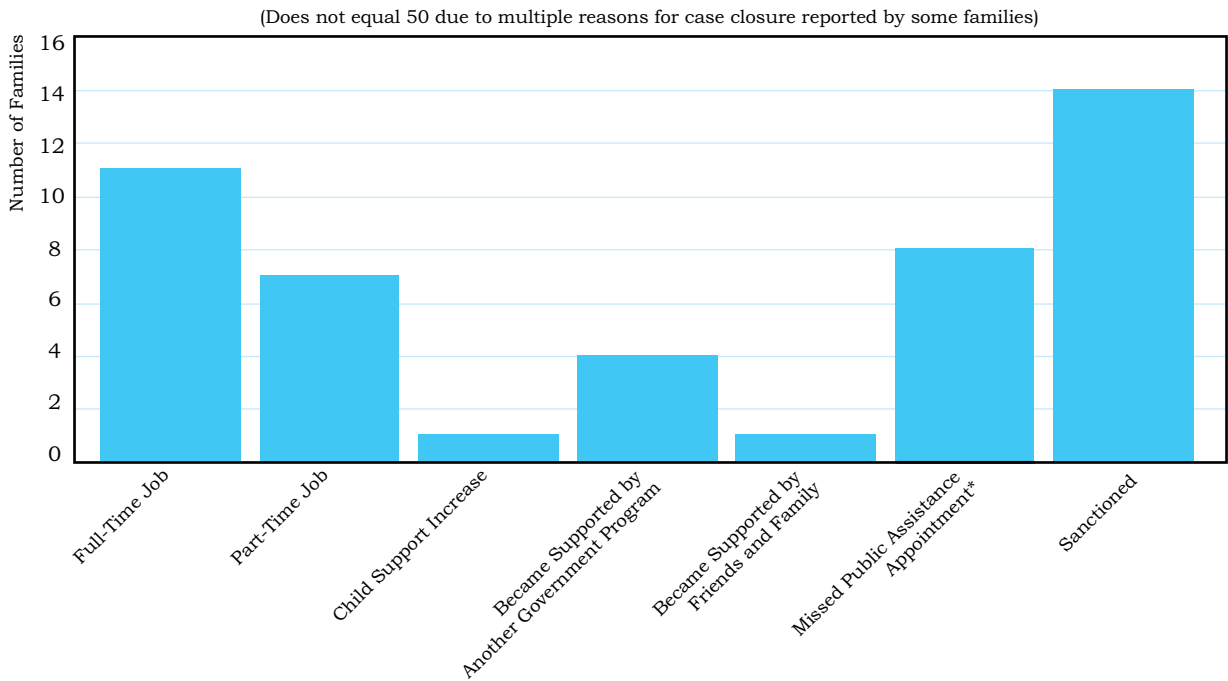
²⁴ *Ibid.* p. 5.

Are They and How Are They Doing? showed that 69% of leavers nationally left welfare for employment and only 10% left due to administrative problems or hassles²⁵.

Families had cases closed due to missed public assistance appointments (excluding sanctioned families discussed on p. 14):

- Four families missed face-to-face recertification appointments;
- Two families missed WEP appointments;
- One family missed a Begin Employment: Gain Independence Now (BEGIN)²⁶ appointment; and
- One family did not answer this question.

FIGURE 3: REASONS FOR CASE CLOSURE



*Does not include five families sanctioned due to missed public assistance appointment. These families are counted in sanctioned total. (See narrative, p. 14.)

²⁵ *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, p. 8, August 1999.

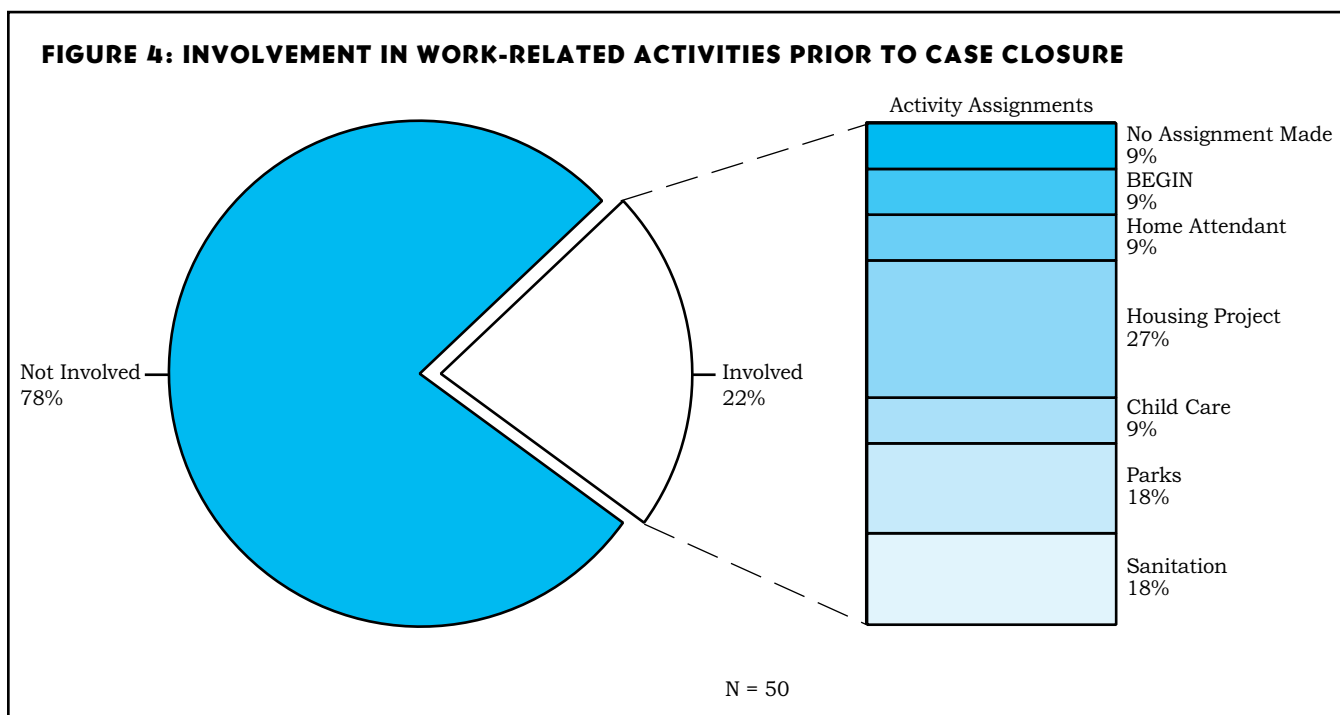
²⁶ BEGIN is a predecessor of WEP that emphasized education and job training activities.

Work and Work-Related Activities

Our sample had only 11 families or 22% who had participated in work-related activities while receiving welfare. These families had engaged in a variety of activities, some in multiple activities, in order to continue receiving welfare benefits. The work performed in exchange for benefits varied: one provided child care (she was already doing this when called in for a WEP assignment); a woman with a home attendant certificate and a work history in this field was assigned to perform these services; others performed clerical (1), janitorial and maintenance work (5), or cleaned City parks (3). One woman, assigned to BEGIN, worked towards her GED. However, she failed the exam and was not assigned to another educational activity.

The City's Work Experience Program (WEP) has been fraught with controversy since its inception. The program is expensive - in 1997 the City spent \$18 million on program supervision alone - and has not led to significant job placements (see NOTE below). WEP has taken the place of programs that welfare recipients traditionally had access to and need, such as English as a Second Language, literacy, General Equivalency Diploma (GED) and others.

FIGURE 4: INVOLVEMENT IN WORK-RELATED ACTIVITIES PRIOR TO CASE CLOSURE



When asked if they had acquired skills or benefits from their participation in work-related activities, the 11 families responded both positively and negatively about their experiences.

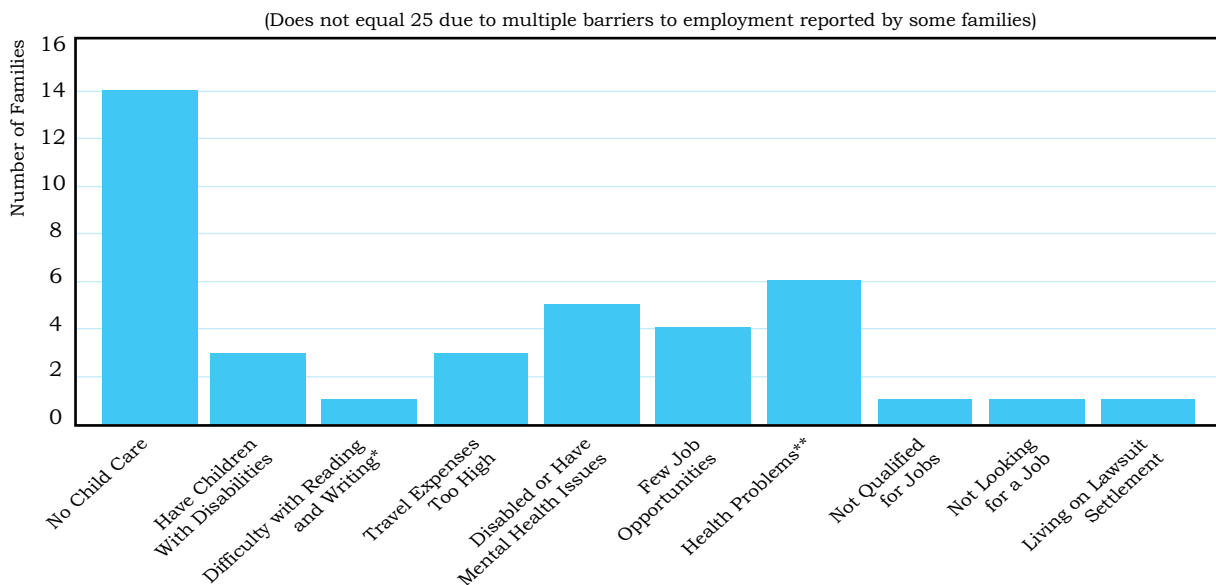
NOTE: WEP job placement statistics are not reported. According to the 1997 Community Food Resource Center publication "Workfare: The Real Deal II," information from City Council hearings indicates that in 1996, of 75,000 WEP workers, only 250 moved into employment from WEP. This is a .003% placement rate.

RESPONSES TO PARTICIPATION IN WORK-RELATED ACTIVITIES

Positive Response	Negative Response
Time management skills were refined	Learned nothing (Three families explained that they entered placements with significant skills: home attendant, child care provider and a former executive secretary)
Learned maintenance or janitorial skills	Learned that she needed to pursue job training on her own
Learned painting and repairs	Failed GED exam
Learned skills they did not have prior to participation	Difficulty participating because she had no child care
Placement provided work experience	The placement did not lead to a job despite a job opening at the site
Kept participant busy	Had to leave college or job training program in order to participate in work-related activity assigned by HRA
	No benefit

Half of the families in our sample (25) had not worked at all since they left welfare. These families faced multiple barriers to employment. The top reason given for unemployment was a lack of child care. The Urban Institute study showed that non-workers cited illness or disability, inability to find jobs, lack of child care or transportation as the reasons for unemployment²⁷. Additionally, 26% reported needing to take care of their home or family members as the reason for their unemployment²⁸.

FIGURE 5: WHY 25 FAMILIES HAD NO EMPLOYMENT SINCE LEAVING WELFARE



* Respondent needs glasses and has no ability to acquire them. She does not have a literacy problem.

** Includes: asthma in adult; asthma in child; heart and kidney problems; diabetes and asthma; high blood pressure, asthma and a back injury; seizure disorder.

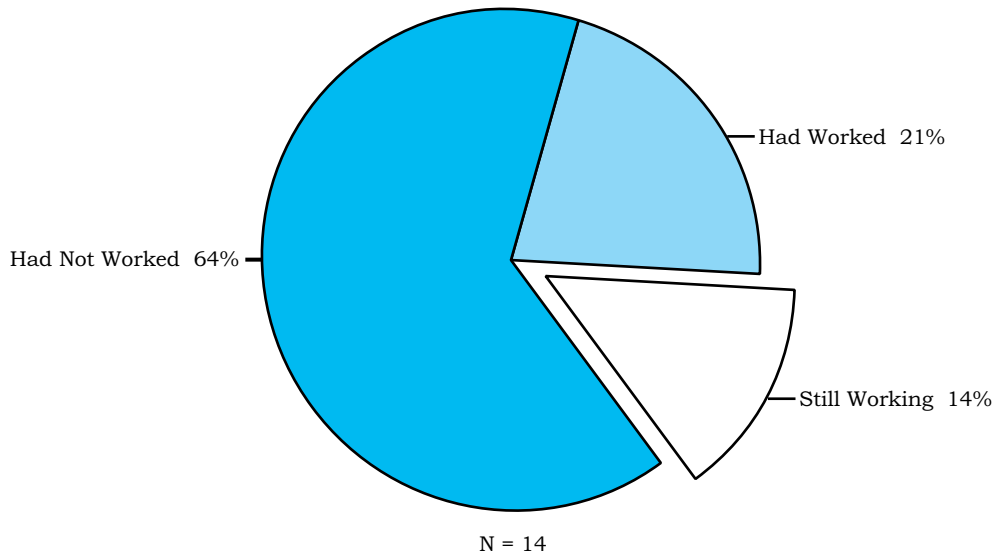
²⁷ *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, p. 15, August 1999.

²⁸ *Ibid.* p. 15

Sanctioned families (14 or 28% of our sample) in particular were less likely to have worked; only 29% (4) of the sanctioned families had worked at some point since having their welfare cases partially closed. The nine sanctioned families who had not worked cited lack of child care (6), health

and disability issues for themselves or their children (4), few job opportunities (2), and being told that they are unqualified for jobs they applied for (1) as reasons for unemployment. Only one sanctioned family was not actively seeking employment.

FIGURE 6: SANCTIONED FAMILIES WERE LESS LIKELY TO HAVE WORKED OR TO STILL BE WORKING



Half or 25 of the families interviewed for our study had worked since leaving welfare. Of those, 18 or 72% were still working at the time of the interview. Seven families had worked since leaving welfare but were no longer working at the time of the interview:

- Three had been fired or laid off (including one parent who had worked a temporary job).
- One had to leave work when a baby was born.
- One left a job to find full-time work and better wages.

- One had become homeless.
- One had to leave work because of a disability – she is legally blind.

The Urban Institute reports that nationally, 66% of former recipients work 35 hours or more weekly²⁹ while the HRA study shows 50% work this many hours and 44% work fewer than 35 hours weekly³⁰. The median income reported by the Urban Institute was \$6.61 per hour with 25% earning more than \$8.00 hourly³¹. HRA reported a median of \$7.50 per hour with 49% earning more

²⁹ Ibid. p. 10.

³⁰ *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 10, September 1998

³¹ *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, p. 12, August 1999.

than \$7.00 hourly³². In CCC's sample of 25 families who had worked since leaving welfare, hours worked, types of jobs held and earnings varied greatly. Of these 25 families who had worked at some point since leaving welfare:

- Eight families had worked less than 20 hours per week and half of those (4) had worked for 10 hours or less;

- Eleven families reported working from 20-40 hours per week; and
 - Five families had worked more than 40 hours per week.
- The types of jobs reported in studies of families who had left welfare were similar³³:

TYPES OF JOBS HELD BY FORMER WELFARE RECIPIENTS AS REPORTED BY THE HUMAN RESOURCES ADMINISTRATION AND THE URBAN INSTITUTE

Type of Job	Human Resources Administration: Percent of Leavers	Urban Institute: Percent of Leavers
Service	24%	38%
Professional/Managerial	23%	14%
Sales	17%	12%
Clerical	10%	19%
Manufacturing/Industrial (UI-laborers)	13%	3%
Craft/Repair		7%
Operators/Transportation		7%
City/Government	7%	11% (included in above)
Other	5%	
Unknown	2%	

A large percentage of the 25 families from our survey who had worked had combined earnings with welfare prior to leaving the rolls (46% or 11 families) but only seven of those families were still

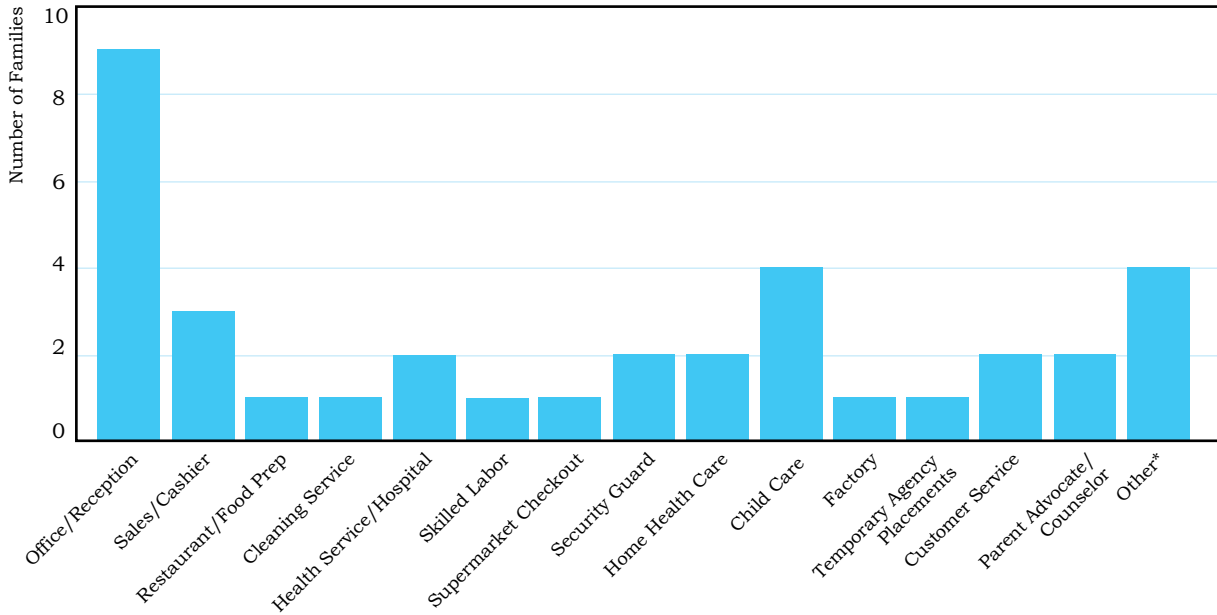
employed when interviewed by CCC. The 25 families from our study who had worked held a wide variety of jobs since leaving welfare and had used multiple strategies to obtain employment.

³² *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 11, September 1998.

³³ *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 9, September 1998. and *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, Table 2, August 1999.

FIGURE 7: TYPES OF JOBS HELD SINCE LEAVING WELFARE

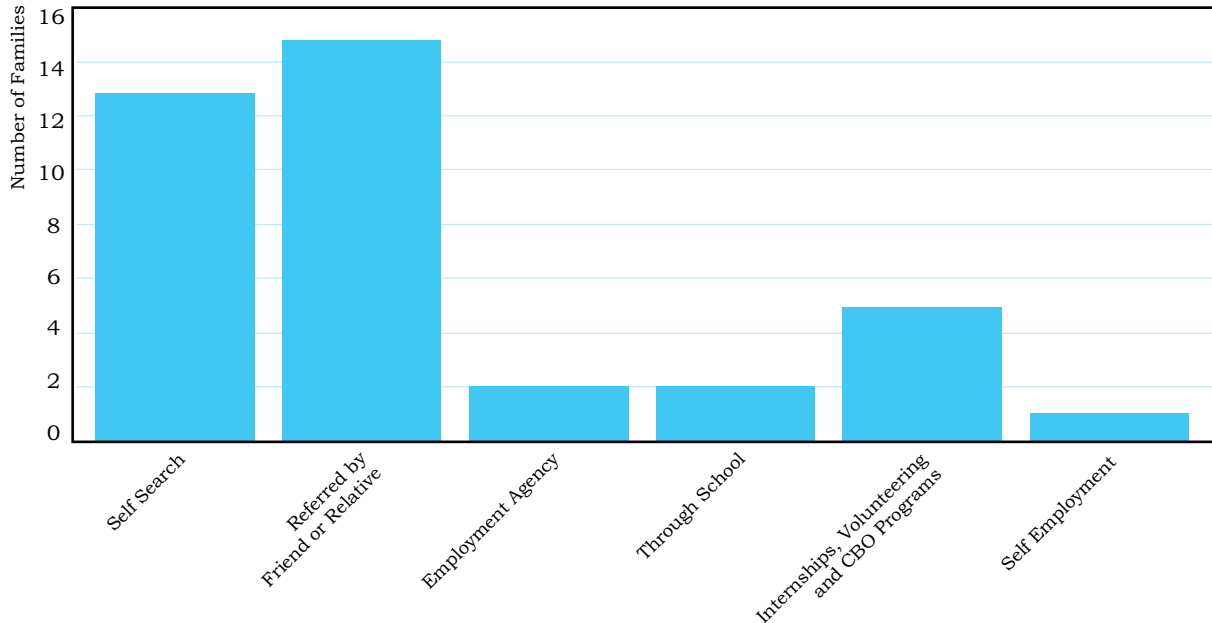
(Number equals more than 25 due to multiple jobs held by some families who had worked)



* Jobs include: making lampshades; fabric cutting and parking lot attendant; fashion designer; transporting handicapped children and supervising a staff of eight.

FIGURE 8: STRATEGIES USED TO FIND EMPLOYMENT

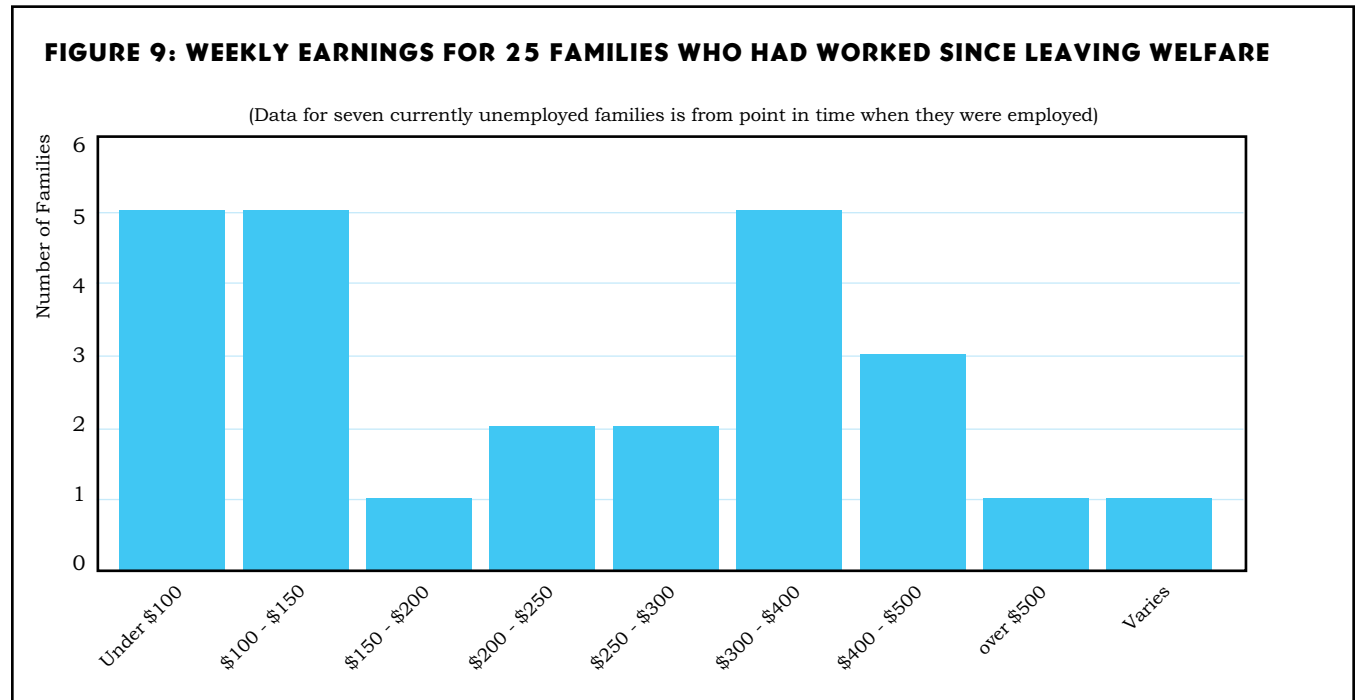
(Number equals more than 25 families due to multiple strategies used to find jobs)



Only 29% of the 25 families who had worked were employed during traditional business hours – 9 a.m. until 5 p.m. The majority of families who had worked, or 63%, had worked during less traditional hours – often during the evenings and early mornings. These families pieced child care together for traditional work hours and other work hours (see Child Care: Hours of Work and Child Care Arrangements for 18 Families Working at Time of Interview, p. 24).

Earnings also varied dramatically for the 25 families who had worked. While six families reported working for less than the federal minimum wage, the majority of families (12) had hourly wages of \$5.15 to \$10.00. Five others earned \$10.00 to \$16.00 per hour and one parent charged \$25 per child per day as a babysitter. Weekly income from work clustered at both ends of the earnings spectrum due to differences in hours worked.

FIGURE 9: WEEKLY EARNINGS FOR 25 FAMILIES WHO HAD WORKED SINCE LEAVING WELFARE

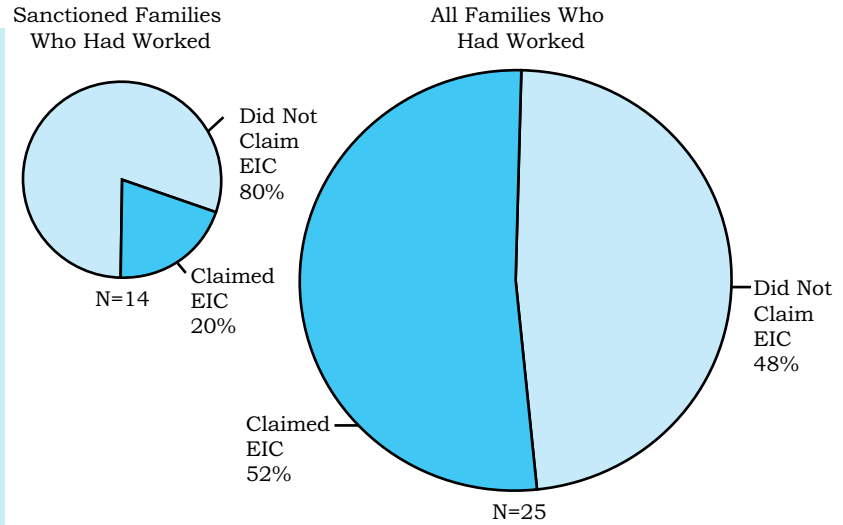


Unfortunately, the Earned Income Tax Credit was not widely used by the population that had worked. Those families who had been sanctioned

by HRA and had found employment since the sanction were less likely to use the tax credit.

FIGURE 10: THE EARNED INCOME TAX CREDIT WAS NOT WELL UTILIZED AND SANCTIONED FAMILIES WERE LESS LIKELY TO CLAIM THE CREDIT

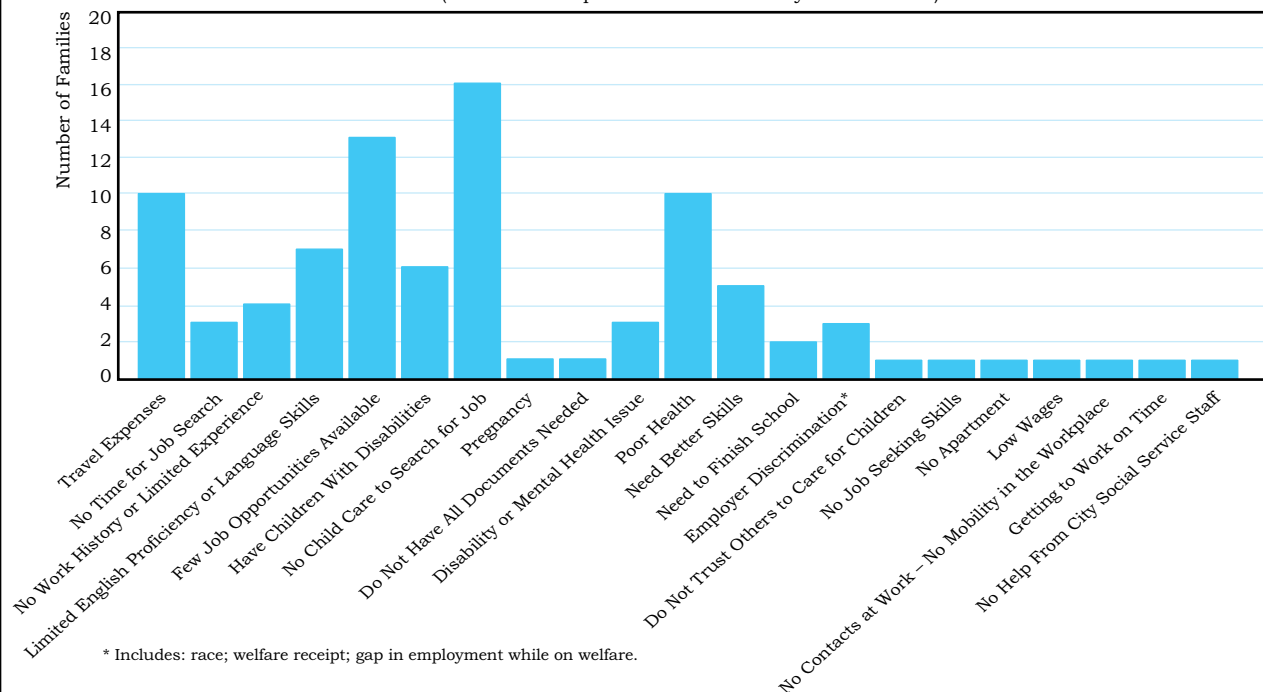
The Earned Income Tax Credit (EIC) is an important federal anti-poverty initiative that returns dollars to low and moderate income working families by reducing their tax burden. The EIC can also be used as a wage supplement for families who expect yearly income to be below \$27,000; in this case, part of the expected EIC is added to each paycheck rather than returned as a lump sum at tax filing time. Developed as a federal refundable program, New York State operates a counterpart credit and New York City is poised to have the first local credit of this type in the nation.



The 50 families interviewed noted that lack of child care, few job opportunities, travel expenses and poor health were major barriers to seeking employment.

FIGURE 11: BARRIERS TO OBTAINING EMPLOYMENT

(Indicates multiple barriers identified by some families)



For the purposes of conforming to the New York State WRA's recognition that children under the age of 13 should not be left to care for themselves, our findings will focus on the 47 families who had at least one child under the age of 13. However, it is notable that 73 out of 110 children (66%) under age 18 were not in care or youth development activities besides classroom instruction in school, including 12 out of a total 18 children aged 14 - 17.

Only 21 families had child care for at least one child under the age of 13³⁴ (total of 31 children in care), while 32 families had no child care for at least one child in this age group (total of 60 children not in care). Only 14 families had child care for all of their children: ten of these families had worked, eight still were working when we interviewed them. The remaining four families who had at least part-time child care had not worked.

Of the 25 families who had not worked at all since leaving welfare, 17 (68%) had no child care for at least one child under the age of five. These families reported that no child care resources were

available to them and the parent was the youngest child's only caregiver. Five other families in this group had children under the age of 13 with no child care. The lack of child care for very young children was a major barrier to seeking employment (see *Why 25 Families Had No Employment Since Leaving Welfare*, p. 17).

The HRA study showed that 37% of leavers in their sample had no child care. Those who did have child care for their children used primarily informal care (41%)³⁵. The Urban Institute report showed that only 19% of leavers used child care in the first three months after leaving welfare³⁶. This low use of child care may indicate: 1) that families are not moving into work immediately after leaving welfare; 2) that families may have spells of unemployment after leaving welfare during which they do not use child care; 3) that children are in informal child care arrangements which may change often.

Families working at the time of interview (18 out of 25 who had worked since leaving welfare) pieced together child care arrangements in order to continue working. These families had children of various ages, and worked primarily non-traditional hours.

³⁴ Two additional families had child care only for their children who were older than 13 and no child care for their younger children.

³⁵ *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 14, September 1998.

³⁶ *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, p. 18, August 1999.

HOURS OF WORK AND CHILD CARE ARRANGEMENTS FOR 18 FAMILIES WORKING AT TIME OF INTERVIEW:

A 23 year-old parent has a four year-old child in a full-time preschool program. This parent works from half an hour after the program begins each morning until half an hour before the program closes each night. The parent pays \$76 per week, which covers extended hour care, earns \$25,000 per year and does not qualify for subsidized care.

A 32 year-old single parent with nine and five year-old children pays a friend to care for them two hours each day. The parent pays \$60 per week for this care to continue employment from 7 a.m. to 3 p.m. This parent earns less than \$2.50 hourly.

A 42 year-old single parent with a nine year-old child works less than 10 hours per week in the mornings while her son is in school. The child is in special education and is home after-school with his parent. The family has no other child care available and the parent currently earns \$4.00 per hour.

A 37 year-old single parent of eleven and seven year-old children works from 7 a.m. to 3 p.m. as a child care provider in their home. The parent earns less than \$100 per week from this work, however, the children are able to be cared for in their own home before and after-school. The family has no child care besides the parent.

A 44 year-old parent with 17 and 12 year-old children has enrolled them in an after-school program located at their school. This program is provided at no cost to the family. One parent works nights, between midnight and 6 a.m. and earns, on average, \$110 per week. The children stay with one parent while the other works.

A 28 year-old single parent with nine, eight and two year-old children works part-time on standby with a temporary employment agency. This parent also cleans garages whenever possible to help support the family. The two school-aged children are enrolled in an after-school program at a community based organization. This care is ACD subsidized and the family pays \$15 per child based on their total income. However, no care is available for the two year-old child.

A 36 year-old parent with a nine year-old child has after-school care two days per week in the child's school. This care is free to the family. The parent works mornings and early afternoons as a receptionist earning \$6.00 per hour.

A 37 year-old single parent with a 16 year-old child works from 5:30 a.m. to 4 p.m. The child is in a private high school and has a scholarship from New York State to attend the program. The parent must pay \$1500 per year to continue this education. The parent earns \$450 per week supervising a staff of eight in a social service agency.

A 30 year-old single parent with ten, seven and four year-old children works from 9 a.m. until 1 p.m. Monday through Saturday and has no child care for any of the children. This poses a problem on Saturdays when the children are not in school. The parent earns minimum wage at a customer service job and must stay home with the children, missing work, when there are school holidays.

A 37 year-old single parent with five and three year-old children has no regular child care. The parent works weekends as a home attendant for \$6 hourly with varying hours.

A 34 year-old single parent with sixteen, eleven and five year-old children works nights from 11:30 p.m. until 7:30 a.m. The parent does not work regularly but is on-call as a nurse-technician and earns \$9 hourly. The 16 year-old child is the family's babysitter when the parent is working.

A 36 year-old single parent with four children ages twelve, nine, seven and four patches together child care arrangements through neighbors, family day care for two of the children during school vacations, full-time family day care for the youngest child and summer care. The oldest child is 12 and has no child care at all. This parent works Tuesdays and Thursdays from 1:30 p.m. to 7:30 p.m., Wednesdays from 9 a.m. to 5 p.m., and Fridays from 10 a.m. to 6 p.m. as a parent advocate and earns \$400 - \$500 per week. The parent pays \$100 for two of the children for vacation care and \$2 per week for after-school hours. The family child care for the youngest child is free to the family.

A 28 year-old single parent with an eight year-old child earns \$9.50 hourly as a secretary and works traditional office hours (9a.m. to 5 p.m.). The child is in an after-school program at a settlement house that picks the child up from school each day.

A 23 year-old single parent with a three year-old child works from 8:30 a.m. to 5:15 p.m. The child attends a full-time Head Start program that provides care from 8 a.m. to 5:30 p.m. This program is free. The parent earns \$10 per hour as a customer service representative.

A 40 year-old single parent has a 17 year-old in a group home and an 11 year-old in an after-school program twice a week. The parent works from 10 a.m. to 6 p.m. Monday through Friday and 10 a.m. to 6 p.m. on Saturday earning approximately \$225 weekly.

A 38 year-old parent with a 16 year-old works from 4 p.m. to midnight earning \$6.50 hourly as a security guard. The child is with one parent while the other works.

A 39 year-old single parent with children ages 17, 12 and 10 works 8 a.m. to 4 p.m. Monday to Friday but once a week must work from 10 a.m. to 6 p.m. The parent earns \$370 per week and has no child care. Although the parent was offered subsidized after-school care for the children, the family cannot afford the \$70 - \$80 weekly sliding scale fee.

A 25 year-old single parent with children ages seven, six and four has ACD subsidized after-school programs for all three children. The oldest child attends a community based organization program, the six year-old attends a day care program and the youngest child remains in a Pre-Kindergarten program for after-hours care. This parent pays \$50 per week for care, based on the family's income which totals \$23,500 yearly.

Only seven families (16%) of the 50 we interviewed knew that they could apply for subsidized child care as non-welfare recipients. These families had been informed by caseworkers or through literature at welfare offices (3), friends and family members (2), and through their colleges (2). Subsidized child care use, as child care use in general, was low. Of the 21 families using some type of child care, five had ACD subsidized care. Knowledge of transitional child care subsidies available for families leaving welfare for employment was equally low. Only four families had knowledge about the program and only one had received the benefit. Families interviewed were shocked to learn about transitional child care benefits for those who leave welfare for work and told us they did not know they could apply for subsidized child care. One family had asked about the transitional benefit and was told that “no such thing exists”.

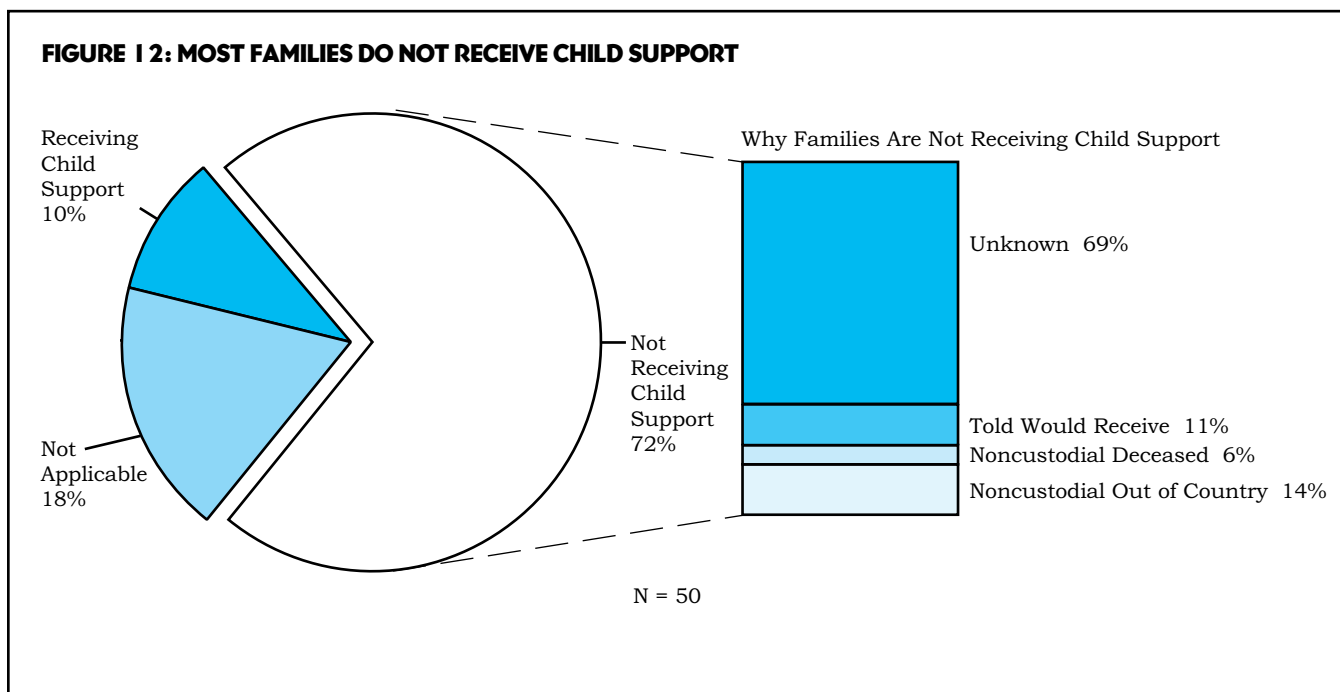
Transitional Child Care (TCC) is a program administered by the Human Resources Administration. The program is available to parents leaving welfare for employment who need help paying for child care so that they can work. TCC provides money to help parents pay the cost of care for children under the age of 13 in day care centers and homes, school-age programs and informal care. The program provides up to 12 months of assistance for eligible families after they leave welfare.

Child Support

Nine of the families interviewed had parents who were married parents of children in the household. These families are excluded from our sample because child support enforcement is a mechanism by which non-custodial

parents pay child support to their children. When these families are excluded from the sample, our findings show that only five (12%) of the remaining 41 families receive or had received child support payments for at least one child in the family.

FIGURE I 2: MOST FAMILIES DO NOT RECEIVE CHILD SUPPORT



For eight families, child support orders could not be established because the non-custodial parent was deceased (2) or out of the country and efforts to locate the parent or to establish an order had failed (5) or because the parents were not divorced although they were no longer functioning as a married unit (1).

The five families who had established paternity and had court orders for child support to be paid by the non-custodial parent had very low levels of income from this source:

- A family had child support ordered to be paid for four children. The actual amount received by the family for all children was \$50 per month.

- A family with support orders for two children received a total of \$50 per month.
- A family with a support order for one child had received a one-time payment in December 1998 and has not received any child support since then.
- A family with a support order for one child received \$100 per month.
- A family with child support orders for three children was receiving child support for three children per month but the amount was less than \$150. Four of these families had not worked since leaving welfare and the child support received was a major component of their household income.

Employer Sponsored Insurance

Of the families who had jobs at the time of interview (18 of the total 25 who had worked since leaving welfare), half of them (9) had health insurance provided through their employers. Three families had employers who paid the entire premium for health insurance and five had to pay part or the entire health insurance premium and the insurance did not cover each family member.

- One parent paid the entire premium for herself and two children – a total of \$52 per month.
- One parent paid \$200 per year for union sponsored insurance which covered the parent and the child.
- One parent paid \$13-\$15 every two weeks for union sponsored health insurance.
- Two parents had deductions from their paychecks for a private HMO.

Three children in the working families who had employer provided health insurance were not covered through their parent's insurance plan. One of these families had one child enrolled in the New York State Child Health Plus program. One family had private insurance for two of the three children and Medicaid coverage for the youngest child. An employed sanctioned family had no health insurance for their child.

The nine working families who were not provided with health insurance through their employers were served through a combination of insurance programs:

- Three children in two families were enrolled in the New York State Child Health Plus program³⁷.
- Five families had at least one person insured through the Medicaid program. These families,

despite income from employment, earned below the Medicaid eligibility level. In these five families, only three of the five heads of households were insured (two uninsured) and 11 children were insured.

- The remaining three families had no health insurance of any kind for any household member including six uninsured children.

The HRA leavers study showed even lower rates of employer sponsored coverage for working families: only 43% received health benefits (this included 6% who also received Medicaid in addition to employer provided health insurance)³⁸.

Medicaid

Twenty-three of the 50 families in our survey had at least one family member insured through Medicaid including the six working families discussed above. This represents 48% of the total family sample. Of the families in which at least one member was covered by the Medicaid program, eight heads of households were uninsured (out of 23) and eight children were uninsured (out of 58 children in these families). The Urban Institute report showed that for families who left welfare six months or less prior to the interview, Medicaid participation was higher – 52% of adults and 55% of children were covered by the program³⁹. This figure drops to 47% for children of all former recipients⁴⁰. The HRA study also showed that for families working at the time of interview, 14% had some Medicaid coverage for their households⁴¹. The HRA report did not contain data specific to children in these households.

³⁷ Note: only children under the age of 19 can be insured through this program. Adults are not covered.

³⁸ *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 13, September 1998.

³⁹ *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, p. 19, August 1999.

⁴⁰ *Ibid.* Chart 11.

⁴¹ *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 13, September 1998.

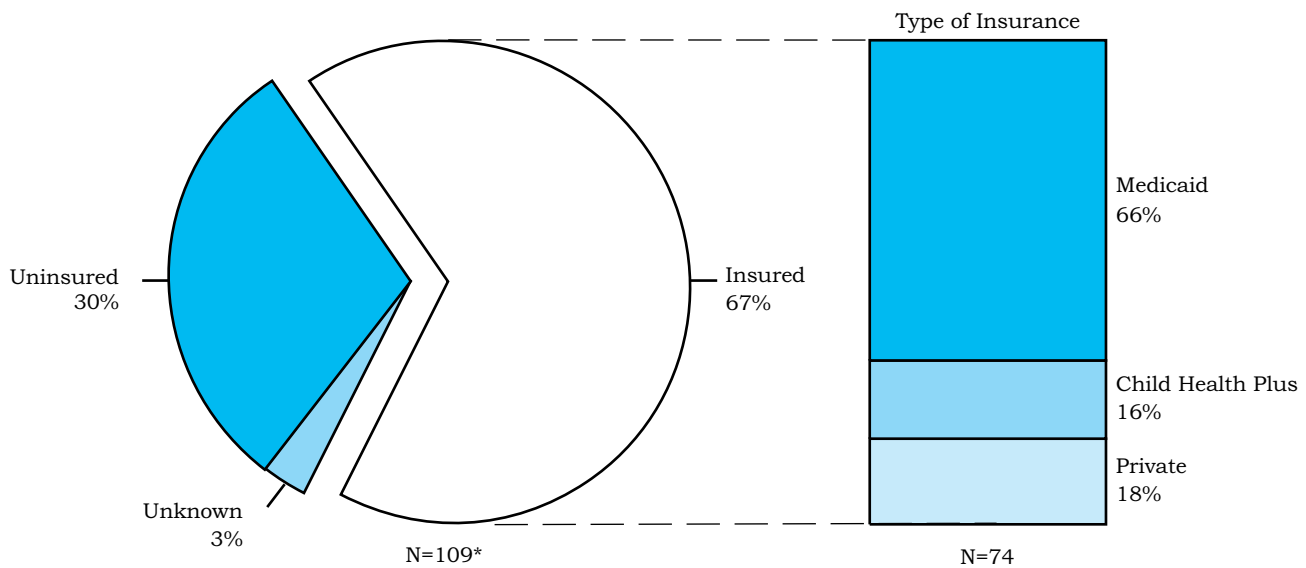
Children

The aggregate data on health insurance coverage for children shows that almost one-third (30%) had lost their Medicaid insurance and were uninsured. These children were in working, non-working and sanctioned families. Heads of households were even less likely to have health insurance – only 50% had insurance. The 13 part-

ners in our sample were the least likely to be insured, with only six or 46% insured.

Despite the lack of insurance for too many parents and children in the 50 families interviewed, most children did have medical coverage. Out of a total 110 children, 74 (67%) had private insurance, Child Health Plus or Medicaid.

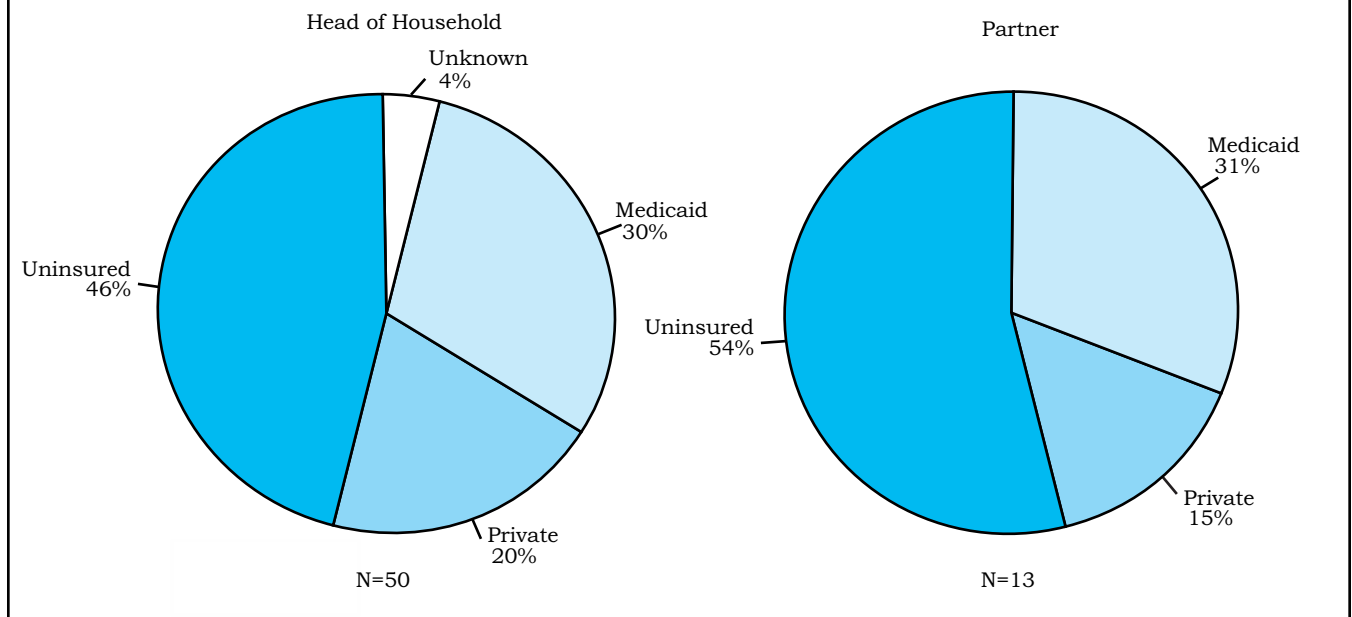
FIGURE 13: MOST CHILDREN HAD SOME FORM OF HEALTH INSURANCE



*Note: One parent reported both Medicaid and Child Health Plus as insurance for child.

Child Health Plus is a New York State health insurance program for children who are financially ineligible for Medicaid and otherwise uninsured. The program charges low premiums for low and moderate income families but even families with high incomes can buy into the program for their children. Coverage is available for children up to age 19 and benefits include well-child care, immunizations, emergency care, prescriptions and other medical and mental health needs.

FIGURE 14: ONLY HALF OF ADULTS HAD HEALTH INSURANCE



The 16 families who were not covered by Medicaid and were not covered by private insurance provided by an employer gave varied responses for their lack of coverage. Many parents

cited difficulty in having to re-apply for Medicaid when their welfare cases were closed, while others were not aware that they could apply for Medicaid separately from welfare.

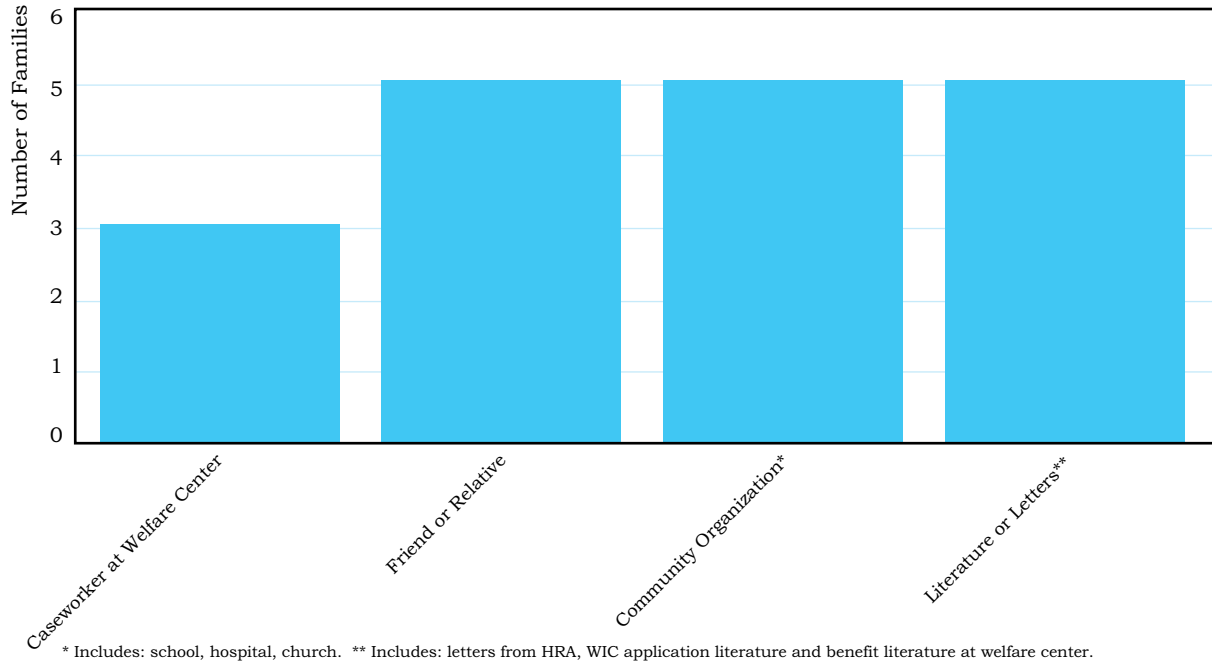
WHY FAMILIES WERE NOT RECEIVING MEDICAID

Reason Given	Number of Families
Did not know they could receive Medicaid after public assistance case closure	5
Did not have all documents necessary for application (no permanent address)	2
Application process interferes with work	1
Not a citizen	1
Has not yet re-applied	3
Family told they would continue to receive Medicaid but did not receive	1
Family told ineligible because of a job	1
Application pending	1
No assistance from worker to obtain Medicaid	1

While many families were not aware that they could apply for Medicaid if they met income eligibility regardless of welfare receipt, 21 families or 45% were aware that they could apply for Medicaid separately. The most likely group of parents to know about this option were the fami-

lies who were working at the time of the interview (53% of the 18 families in this category) and families who had not worked since case closure were least likely to know that they could apply for Medicaid (38% of 25 families in this category).

FIGURE 15: HOW FAMILIES LEARNED THAT THEY COULD APPLY FOR MEDICAID



When asked about Transitional Medicaid benefits, only eight families or 17% of the sample group were aware of the benefit availability and two families were receiving these benefits. The sanctioned families were the least likely to know of the availability of Transitional Medicaid benefits (91% did not know) and the families working at the time of the interview were the most likely to know of these benefits although most of these families were unaware as well (72% did not know).

Transitional Medicaid benefits are available to income eligible families who leave welfare for work. The benefit recognizes that families often leave welfare for entry level jobs that do not offer health benefits and that this may be a deterrent to leaving welfare. The program provides up to one year of Medicaid coverage after the family leaves welfare.

Of the eight families (out of the total 50) who did know about this benefit:

- Two had received or were receiving Transitional Medicaid;
- One had closed their public assistance case more than one year ago, therefore, they were not eligible for the benefit;
- One was missing documents to apply for the program and took too much time off from work to apply so discontinued her efforts to obtain the benefit.

Housing

The 50 families interviewed had atypical housing situations compared to the welfare population in general. Most of the families interviewed were leaseholders. While only 27% of recipient families overall reside in subsidized housing⁴², 40% of our sample lived in public housing or had their housing costs subsidized through one of the following:

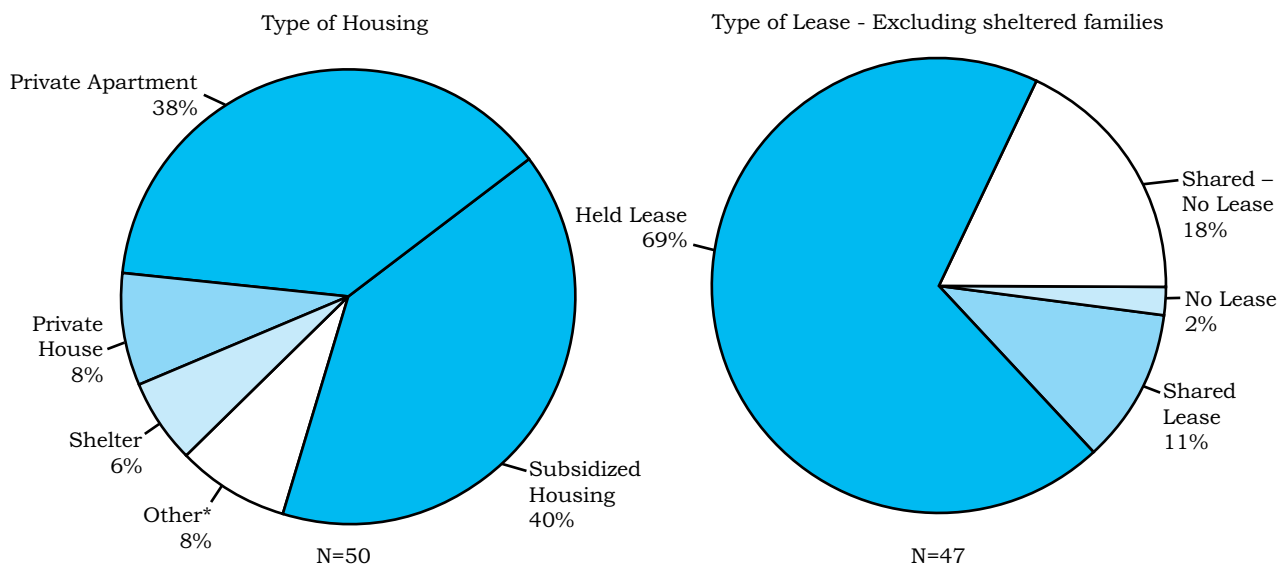
- Federal Section 8 rent subsidies which make up the difference between market rents and family income;
- Emergency Assistance Rehousing Program (EARP) which provides federal Section 8 subsidies to homeless families relocating from shelters to permanent housing;
- Jiggetts court ordered rent supplements⁴³ for

eligible families who are receiving welfare, have children under the age of 18 and are faced with eviction because their rent costs exceed their public assistance shelter allowance; or

- Non-profit operated housing, which may be part of the federal Section 8 program or may rent apartments to low-income families due to regulatory agreements imposed through the financing of the project.

Despite these indicators of housing stability, families struggled to remain housed and pay their rent with very low income. Data collected on ability to pay rent each month showed a high incidence of borrowing, return to abusive situations and threat of eviction, putting families in constant danger of losing their housing.

FIGURE 16: MOST FAMILIES WERE LIVING IN SUBSIDIZED OR PRIVATE APARTMENTS AND WERE LEASE HOLDERS

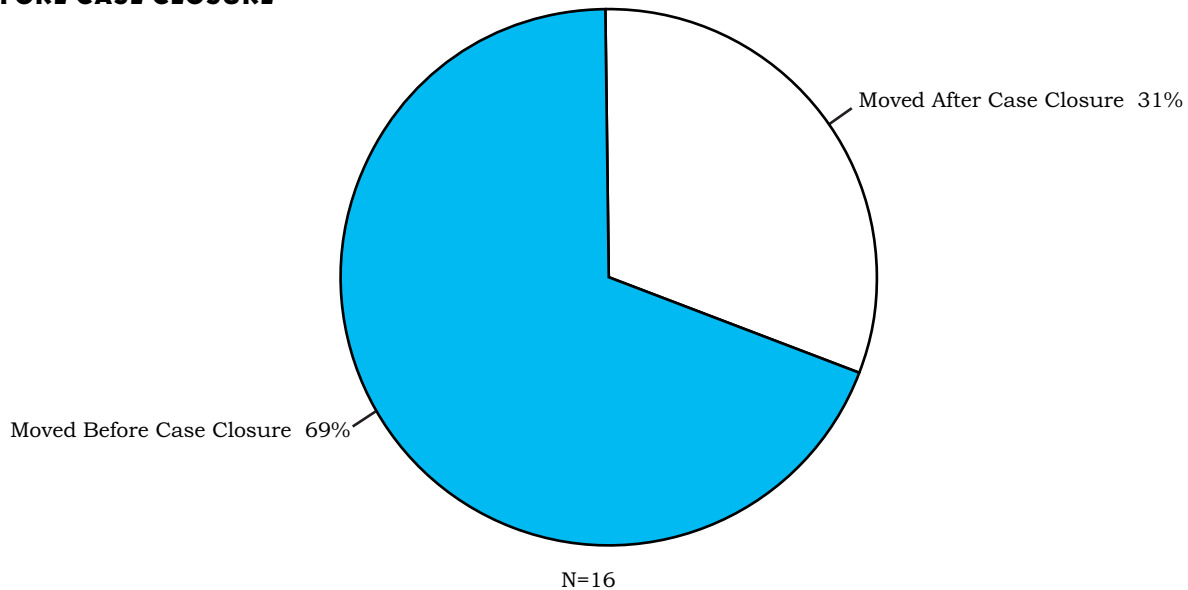


* Includes: room; double-up from place to place with friends; friend's mother's home and another friend's home; homeless except when they stay at daughter's home.

⁴² Blackburn, Anthony J. *Housing New York City, 1993*. New York City Department of Housing Preservation and Development, p. 315-316, 1995.

⁴³ *Jiggetts v. Dowling* was filed in 1987 by the Legal Aid Society. The case contends that the welfare shelter allowance set by New York State falls short of actual housing costs in the City. The Court of Appeals has ruled repeatedly that the State must develop a new shelter allowance schedule that bears a reasonable relation to the actual cost of housing. New York State is seeking to once again appeal this decision.

FIGURE 17: FAMILIES LIVING IN DOUBLED-UP ACCOMMODATIONS OR IN SHELTER WERE THERE BEFORE CASE CLOSURE



There were 16 families who lived in shared accommodations or in shelters. The majority of these, 11 families or 69%, had moved to these accommodations before leaving welfare, although five families or 31% had moved to these situations since leaving welfare.

Eleven families, or 22%, lived in very crowded

housing. Crowding was calculated from data collected on the number of rooms the family lived in, and the number of adults and children residing in the rooms. CCC used the Housing Vacancy Survey standard of more than 1.5 persons per room as being severely crowded⁴⁴.

DETAIL: ELEVEN FAMILIES LIVED IN CROWDED HOUSING ACCOMMODATIONS

Employment Characteristics Since Leaving Welfare	Number of Persons Per Room	Total Number of Family Members	Number of Children
Had not worked	1.6	5	4
Had not worked	2	6	4
Had not worked	2	3	1
Had not worked	4	4	3
Had not worked; sanctioned	1.6	4	2
Had worked	3	6	3
Had not worked	2	4	3
Had worked; working	3	3	1
Had not worked; sanctioned	6	6	3
Had worked; working	3	3	2
Had worked; working	2	2	1

⁴⁴ Blackburn, Anthony J. *Housing New York City, 1993*. New York City Department of Housing Preservation and Development, p. 256, 1995.

Despite a large number of families holding leases to their apartments and living in subsidized housing, which are benchmarks of stable and long-term housing accommodations, many families were precariously housed. Families often were unable to pay their rent each month and had to rely on borrowing money from friends and rela-

tives, moved into shelters or doubled-up situations, had to go to welfare centers for assistance or take other steps to remain housed. Domestic violence victims comprised 22% of the families interviewed (11) and 36% (4) of these families had returned to abusive situations since leaving welfare in order to pay the rent.

FIGURE 18: FAMILIES HAD DIFFICULTY PAYING RENT

Most Families Cannot Pay Rent Each Month and Must Borrow to Remain Housed

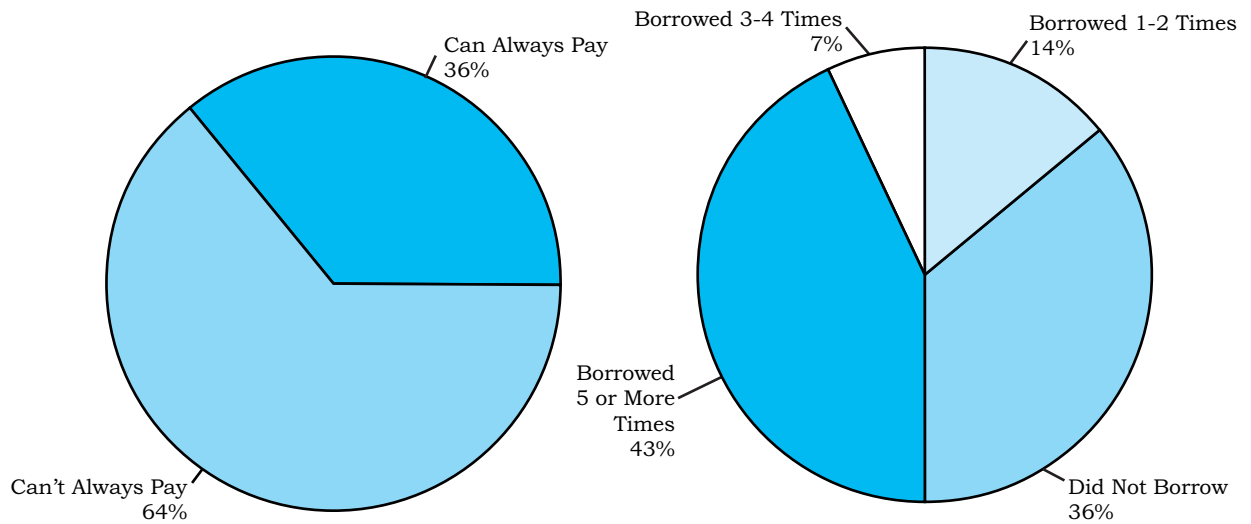
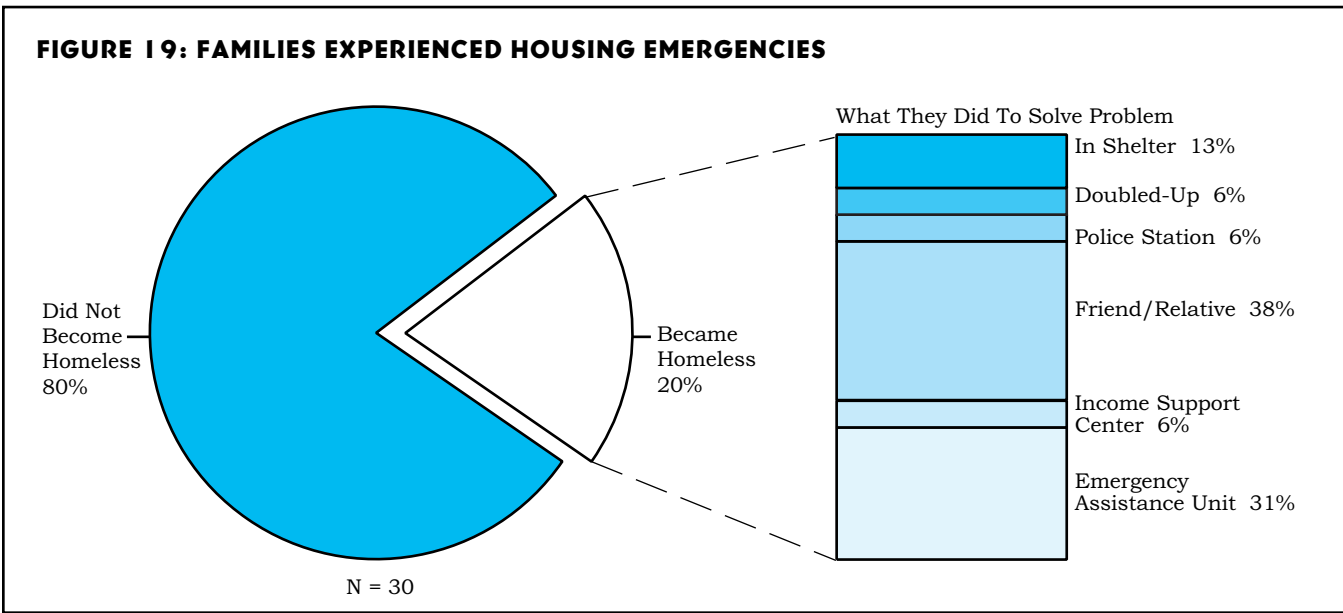


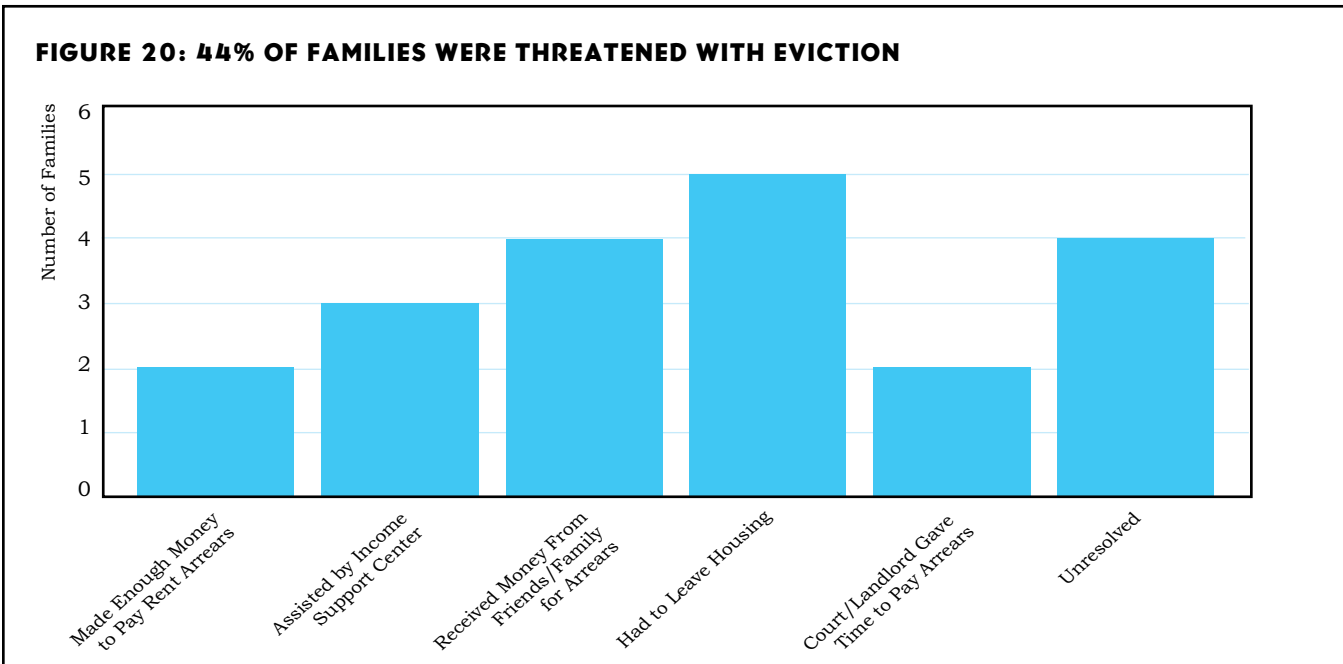
FIGURE 19: FAMILIES EXPERIENCED HOUSING EMERGENCIES



A large percentage of families were threatened with eviction – 44% or 22 families – since leaving welfare. Ten families or 20% had become homeless. Those who had worked and those who had not worked since case closure were equally likely

to have become homeless. The Urban Institute found that 39% of families who left welfare had difficulties with rent and that 7% moved in with others to avoid homelessness⁴⁵.

FIGURE 20: 44% OF FAMILIES WERE THREATENED WITH EVICTION



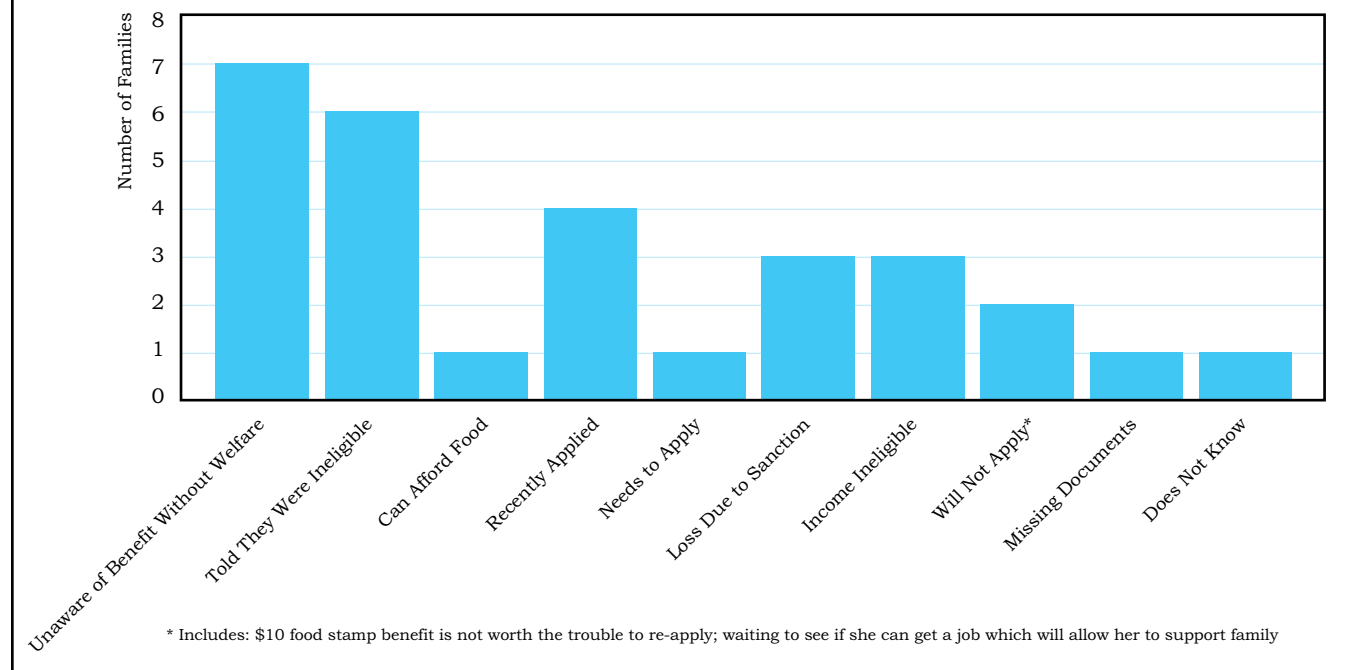
⁴⁵ *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, p. 20, August 1999.

Food and Nutrition Services

The Urban Institute indicated that only 31% of welfare leavers receive Food Stamps⁴⁶. A similar proportion of families in our sample were using food stamps: 34% or 17 families had at

least one person in the family receiving Food Stamps. These families had 42 children and five were not receiving Food Stamps. The remaining 66% or 33 families did not receive Food Stamps for any family member.

FIGURE 2 I : 33 FAMILIES DID NOT HAVE FOOD STAMPS



The WIC program provides free, healthy foods for eligible pregnant and nursing women, infants and children under the age of five. WIC is a federal program established to combat childhood anemia, therefore, it provides children with nourishing, iron-rich supplements to their diets. Parents receive monthly WIC checks which they redeem at local supermarkets for WIC approved foods. Families also receive nutrition counseling.

Most families were aware of and used the Women, Infants and Children (WIC) supplemental food program for low income families. While 20 families had no children under age five, no preg-

nant or lactating women (the population served by the WIC program), the remaining 30 families did have at least one member that fit this criteria and 63% (19) of them were receiving the benefit. In these families, four infants and 17 children under the age of five received supplemental foods such as infant cereal and formula, cheese, milk, juice, cereal, beans and peanut butter. Only one child in these families was not receiving a food package. Only one mother in these families received WIC for herself. Most of the families had been participating in the WIC program since the birth of the first child in the family. Only three families were receiving WIC for less than one year including one family whose application for the program had recently been submitted. Families reported that the program

⁴⁶ *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, Chart 12, August 1999.

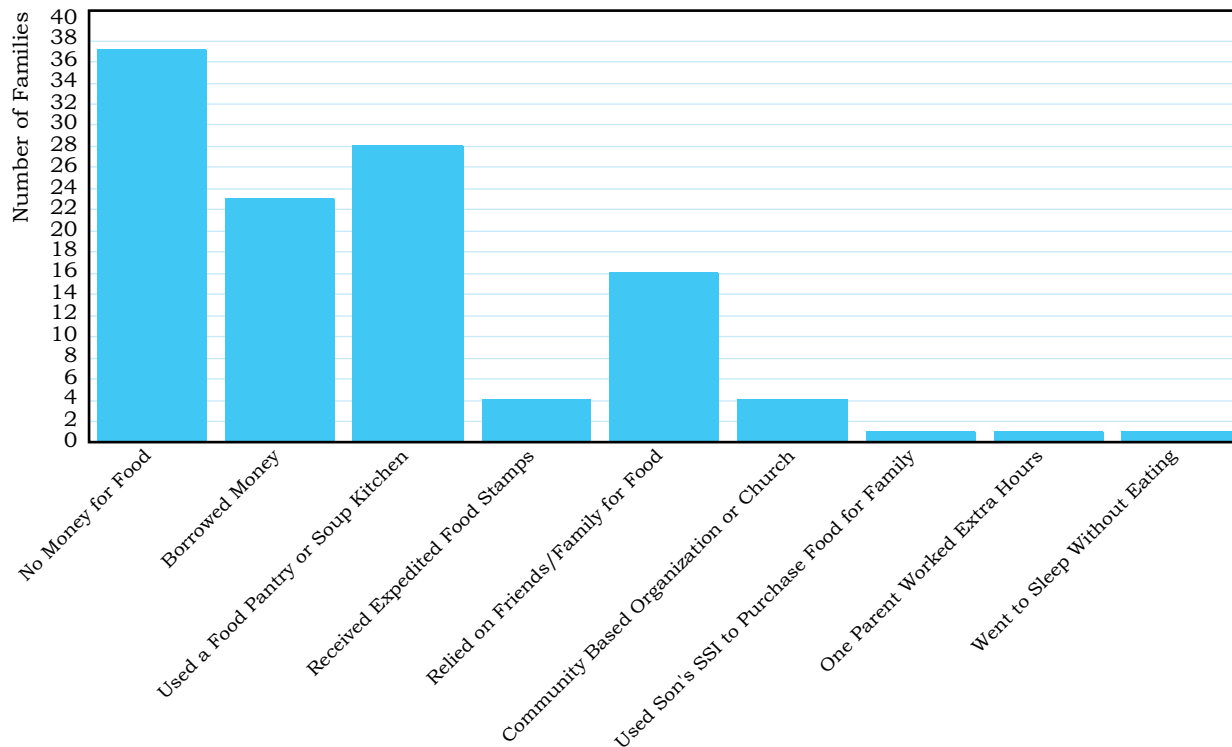
made a difference in the amount of money they had left over for other expenses (78% or 14 of the 19 families participating in the program).

School breakfast and lunch programs were utilized by 91% and 98%, respectively, of the 43 families with at least one child in school. Only 9% of families (4) responded that their school-aged children were not enrolled in a breakfast program or that it was not offered at their child’s school. Only 2% of families (1) had a child who was not enrolled in a school lunch program⁴⁷.

Food insecurity is high among former welfare recipients. The Urban Institute reports that 57% of leavers worried about having enough food and that 50% had run out of food and did not have money to purchase more ⁴⁸. Despite access to supple-

mental feeding programs for children, such as WIC and school feeding programs, 76% of the families (37) in our study had, since leaving welfare, been in situations where they had no money for food. Sanctioned families were the most likely to experience food emergencies of all the families interviewed – 86% had experienced having no money for food compared to 67% of the families who had worked at some point since leaving welfare (this group was the least likely to experience food emergencies although incidence was still quite high). Due to the high incidence of food emergencies, families employed multiple strategies to feed themselves, locating emergency food, borrowing to purchase food and using other strategies to feed themselves.

FIGURE 22: MOST FAMILIES EXPERIENCED FOOD EMERGENCIES AND EMPLOYED MULTIPLE STRATEGIES TO FEED THEMSELVES



⁴⁷ This family had a child enrolled in a High School that did not have a school lunch program.

⁴⁸ *Families Who Left Welfare: Who Are They and How Are They Doing?* Urban Institute Assessing the New Federalism Program, Table 4, August 1999.

Demographic Information About the Families

There were 176 persons in the 50 families interviewed including 110 children under the age of 18, 50 heads of households, 13 partners, and three adult dependents.

The disaggregated data for the study focused on:

- 25 families who had worked since leaving welfare;
- 25 families who had not worked since leaving welfare;
- 18 families working at time of interview; and
- 14 families sanctioned at time of interview (these families may have worked or been working at time of interview).

The average head of household age was 35 with 10% male respondents and 90% female respon-

dents. Surveyed heads of households were older, on average, than families receiving public assistance as a whole whose average head of household age is 32 years⁴⁹.

Children ranged in age from 9 months to 18 years (110 children) with the average age of seven. This is similar to the recipient child average age of 7.7 years⁵⁰. There were three adult dependent children in two families:

- One family with 19 and 21 year olds who are working and in school to earn GED or high school diplomas;
- One family with a 19 year old high school graduate who is working.

AGE DISTRIBUTION OF DEPENDENT CHILDREN

Age Range	Number of Children	Age Range	Number of Children
Less than one year	1	10 - 11	4
1 - 2	7	11 - 12	8
2 - 3	3	12 - 13	11
3 - 4	9	13 - 14	1
4 - 5	12	14 - 15	5
5 - 6	8	15 - 16	2
6 - 7	4	16 - 17	5
7 - 8	7	17 - 18	6
8 - 9	4	18 - 19	1
9 - 10	12	Over 19	3

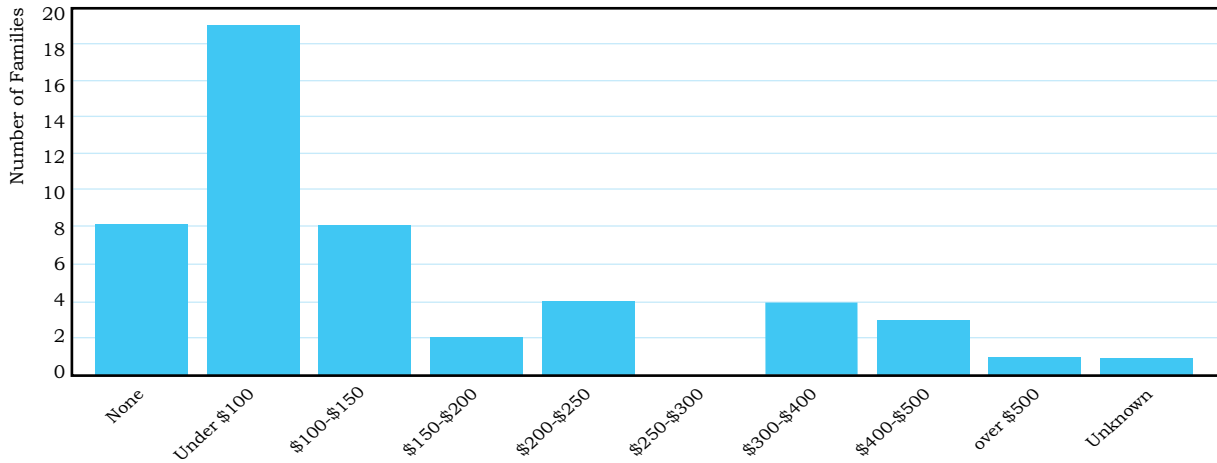
Family income sources and amount at time of interview varied from income reported in the Work and Work-Related Activities section due to job loss for seven families who had worked since leaving welfare. Also, data collected in this section includes

non-employment sources of income. Most families had very low incomes: 74% of families (37) had total weekly income from all sources of less than \$200 including 22% (8) with no income at all. Only 24% (12) had weekly incomes higher than \$200.

⁴⁹ *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*. City of New York Human Resources Administration, p. 4, September 1998.

⁵⁰ *Ibid.* p.4.

FIGURE 23: TOTAL WEEKLY INCOME FROM ALL SOURCES AT TIME OF INTERVIEW

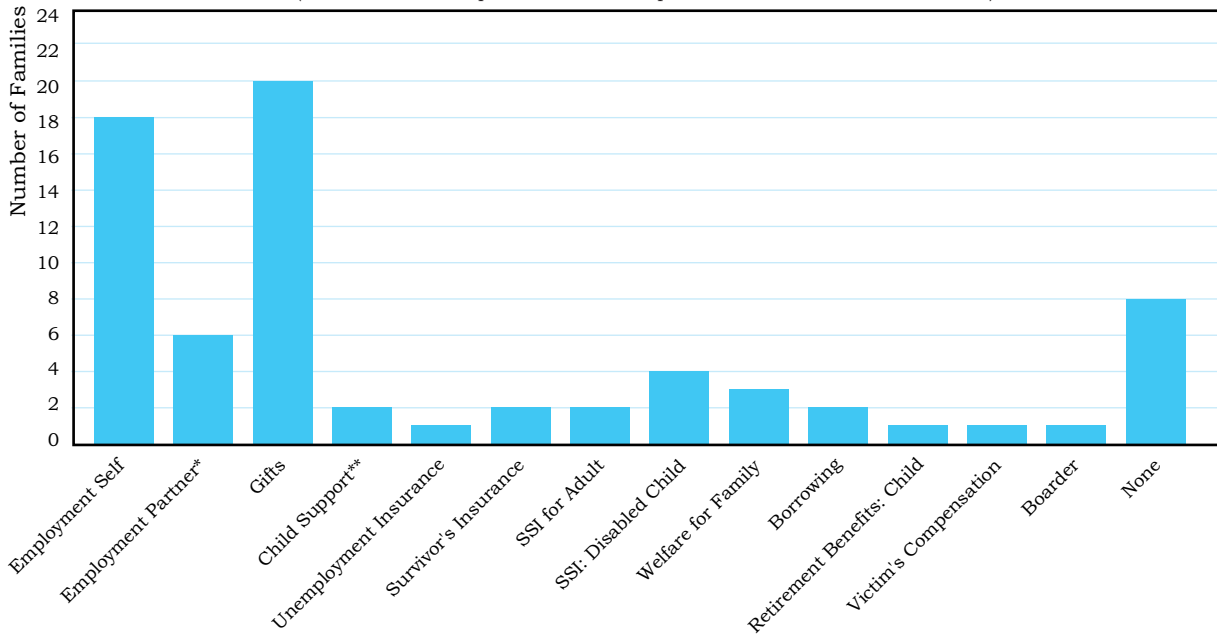


Families pieced income together from a variety of sources including employment, gifts, public

benefits of various types, and other sources of income. However, families remained extremely poor.

FIGURE 24: INCOME SOURCES FOR ALL FAMILIES

(Number does not equal 50 due to multiple income sources for some families)



*Includes separated partners. **Recurring payments only.

Educational levels attained by the heads of households were high. Only 26% had less than a high school education, 74% had completed at least high school or a General Equivalency Examination for their diplomas. Many family heads had gone to college although most had not completed degree programs.

- 32% had only a high school or GED education;
- 32% had high school or GED and some college;
- 8% had high school or GED and an Associate's degree; and
- 2% had high school or GED and a Bachelor's degree.

Conclusions

Taking Advantage of Opportunities to Assist Families

Almost all of the families interviewed by CCC needed assistance after leaving welfare. The families interviewed remained poor – and for some, worse off – despite employment and social networks of support. Many had no income with which to support themselves. Others had succeeded in securing employment but still needed Medicaid or Food Stamps to supplement their earnings and properly provide for their children. Most families left welfare involuntarily with continuing need for benefits.

Services That Families Need

JOB CENTERS

Preliminary Job Center data shows that no more than 25% of households requesting public assistance receive it, rather they are re-directed to non-welfare public benefits or rejected. Implementation of the Job Centers has been problematic: the City was sued for failing to provide access to Food Stamps, Medicaid and emergency benefits and ordered to stop conversion of the Job Centers and revise practices so that families can apply for public benefits during their initial visit to the Centers. Despite their limitations, the Job Center model and the final TANF regulations afford policymakers a unique opportunity to establish community multi-service offices which help low-income families. However, the stigma associated with welfare receipt is likely to discourage many low income New Yorkers from using the Centers.

JOB CENTERS COULD BECOME ONE-STOP SERVICE CENTERS WHERE EMPLOYMENT-RELATED SUPPORTS AND ACCESS TO PUBLIC BENEFITS ARE CO-LOCATED.

Families could benefit from employment-related programs and services offered in the Job Centers. Job Centers could also help families access other benefits they may be eligible for, such as health insurance, Food Stamps or child care subsidies, in addition to or in lieu of traditional welfare. Additionally, for families leaving welfare, the Job Centers could be a place to access program and enrollment information, facilitating the transition

from welfare receipt to receipt of other benefits or employment related supports offered by HRA such as transitional benefits. The HRA plan to incorporate Child Care Resource and Referral agencies into the Job Center model is a step in the right direction as all families with children require safe, quality child care so that they may work.

CASE MANAGEMENT

The Human Resources Administration must provide case management services to all welfare recipients to facilitate the transition from welfare to work.

CASE MANAGERS SHOULD WORK WITH ALL FAMILIES TO DETERMINE WHICH WORK-RELATED ACTIVITIES ARE BEST SUITED TO THEIR NEEDS TO FACILITATE THEIR LEAVING WELFARE FOR EMPLOYMENT.

This planning should begin with initial receipt of benefits and be a continuous process through which the family and caseworker work collaboratively and supportively to address barriers to life without welfare. This model of case management services has been used successfully in New York State's Child Assistance Program (CAP), a welfare reform waiver program that has led to increased earnings for clients, reduced the need for welfare and increased child support payments to children.

The welfare programs should also be sensitive to the needs of some families to receive welfare in one form or another over a long period of time due to multiple barriers such as low-education or skill levels, substance abuse, domestic violence and other family issues. Nevertheless, these families should be encouraged and supported by the case manager to fulfill their potential.

NEW YORK CITY MUST ENSURE THAT FAMILIES HAVE ACCURATE INFORMATION REGARDING CASE CLOSING AND APPLICATION REJECTION PROCEDURES. FAMILIES MUST ALSO BE INFORMED OF THE PUBLIC BENEFITS AVAILABLE TO THEM AS THEY LEAVE OR TRY TO AVOID WELFARE.

Before a family is sanctioned or has a case closed, voluntarily or involuntarily, a conference must be held in order to ensure that there is a plan for the care of children in the household. At that time, families should be provided with information on available benefits that may assist them in their transition off of welfare. Additionally, in the case of sanctioned families, the head of household should be made fully aware of the reason(s) for sanction and what may be done to reverse the sanction.

The final TANF regulations and the New York State Welfare Reform Act allow localities the resources and flexibility to provide poor families with supports while receiving welfare, to transition and remain off of welfare or to avoid it in the first place. Families who present themselves at welfare offices – Income Support or Job Centers – are there due to some economic crisis and should be assisted. The very poorest New Yorkers are not the only ones who need public benefits and services. Successful welfare reform requires a significant investment in resources despite dropping case-loads to implement support service programs targeted to all low-income families.

Benefits of all types including access to job development services and employment supports should be available to custodial and non-custodial parents (with the goal of child support), as should welfare benefits if needed. Welfare benefits should be utilized to stabilize a family, eliminating the economic crisis, while families work with staff to develop alternative plans. Additionally, information on subsidized child care, Food Stamps, WIC, Medicaid and Child Health Plus, Earned Income Tax Credit programs, unemployment insurance, housing programs, transitional child care and Medicaid, Head Start, Pre-Kindergarten as well as any other government benefit programs for which the family may be eligible must be provided.

Work and Work-Related Activities

Leaving welfare for work does not ensure that families are able to afford necessities or even that they are better off than when they were receiving

welfare. The earnings of welfare leavers in our survey places them below or near poverty levels necessitating that they bridge the gap between earnings and expenses through some other means. Wages from our survey often left families eligible for and in need of supplemental welfare grants, Food Stamps, Medicaid or a combination of benefits to ensure that the family remain housed, fed and that parents were able to maintain employment.

While fully half of the families interviewed had succeeded in finding employment for at least some period of time since leaving welfare, earnings remained low for the majority of families (see Demographic Information About the Families: Total Weekly Income From All Sources at Time of Interview, p. 38). However, benefits that could be combined with low wages to lift families out of poverty were frequently unavailable or the families did not know about them.

THE 35-HOUR SIMULATED WORK WEEK PARTICIPANTS SHOULD BE ASSISTED TO TAKE ADVANTAGE OF THE CITY'S AVAILABLE TRAINING, EDUCATION AND JOB PLACEMENT SERVICES.

Since the beginning of NYC-WAY in 1995, referrals to WEP have increased significantly (from 0 participants in 1995 to 68,000 in 1998) while referrals to training, education and other employment services has decreased (from 71,400 in 1995 to 35,300 in 1998)⁵¹. Assessments and employability plans must be developed and activities assigned based on needs identified. The City's 35-hour simulated work week will allow for participants to spend time in activities other than WEP, and HRA should use available referral database services to target recipients to programs that will lead to skills development and increased job marketability. Additionally, the Transitional Jobs bill, introduced by New York City Council member Stephen DiBrienza, is an example of a program that could be developed to provide on the job training and support services as a bridge between

⁵¹ *Keeping Track of New York City's Children*. Citizens' Committee for Children of New York, Inc., p. 46, 1999.

welfare and employment. Some of the components of the bill are: use of temporary jobs of up to 18 months; employees earn more than the minimum wage and are able to take advantage of Earned Income Tax Credits; provision of child care and health insurance benefits; and access to learning experiences on the job and outside of the workplace to help participants better compete for jobs in the open market.

Utilizing Existing Resources to Support Work

A comprehensive outreach campaign is necessary to inform low-income workers – those leaving welfare and those trying to avoid it – about the range of available programs and support services available to them.

THE HUMAN RESOURCES ADMINISTRATION MUST INFORM FAMILIES LEAVING WELFARE FOR EMPLOYMENT ABOUT ELIGIBILITY AND ENROLLMENT IN TRANSITIONAL BENEFIT PROGRAMS INCLUDING SUPPLEMENTAL WELFARE GRANTS.

Transitional Medicaid and child care subsidies (for families leaving welfare for a job) are being publicized at Income Support and Job Centers and through the mail for families leaving welfare. These outreach and enrollment efforts must be continued and enhanced. Families should also be made aware that despite earnings, they may be eligible for supplemental welfare grants, and that no matter how small, it will count towards the federal five year time limit on assistance. Screening for transitional benefit eligibility should occur before the case is closed and there should be no lapse in coverage. Providing these benefits prevents families from having to return to welfare as it enables them to afford medical and child care.

Additionally, access to Food Stamps, WIC, Medicaid, Child Health Plus, welfare, job training, readiness, Earned Income Tax Credits⁵², subsi-

dized housing and child care programs and educational services should be available to low-income families at Job and Income Support Centers. These programs alone or in combination can reduce or eliminate the need for welfare benefits, providing real options for diversion for families who do not require on-going welfare grants.

NEW YORK STATE SHOULD PASS LEGISLATION ALLOWING NEW YORK CITY TO IMPLEMENT A LOCAL COUNTERPART TO THE STATE AND FEDERAL EARNED INCOME TAX CREDIT PROGRAMS.

New York City has taken an important step to return dollars to low-income workers by including a City Earned Income Tax Credit in the FY 2000 budget. New York State will be increasing the credit for low income families over the next two years. New York State should allow New York City to implement a counterpart to the program while at the same time expanding the State program. Additionally, marketing campaigns must be undertaken in order to inform the public about the refundable credit to increase utilization of the program.

Child Care

The families interviewed struggled to piece together child care arrangements for their children. Many of the families who were working when we interviewed them had child care arrangements that were precarious at best. Other times children had to stay on their own, despite their young age, so that their parents could work.

This year, State allocations for child care will result in a minimum of \$64 million for New York City to expand child care opportunities. Despite this very large increase in resources, a multi-year investment is necessary if we are to meet the needs of all children currently unserved. To meet the need for care and enable parents to work:

⁵² Although the Earned Income Tax Credit is not a public benefit program, it is the single most successful anti-poverty program available to poor working families and continues to have bi-partisan support. The final TANF regulations allow States to use TANF funding to establish or enhance counterparts to the federal tax credit program. While federal proposals to increase the national minimum wage consistently fail, the Earned Income Tax Credit has a similar effect on the net earnings of low-wage workers.

THE STATE SHOULD EXPAND THE ELIGIBILITY FOR SUBSIDIZED CHILD CARE TO 275% OF THE FEDERAL POVERTY LEVEL (APPROXIMATELY \$38,000 ANNUAL INCOME FOR A FAMILY OF THREE).

To ensure that low-income working families are not forced to pay prohibitive rates for quality care or turn to inexpensive but low quality care to meet their child care needs, an expansion of eligibility from 200% to 275% of poverty is necessary. CCC's child care need calculation estimates that in New York City households with incomes below 275% of the federal poverty line, there are an estimated 48,000 children ages 0-5 who require care. Expanding eligibility would demonstrate support for working families, tap federal TANF funds which can be used for non-welfare and welfare recipients alike and implement an effective tool to decrease welfare need and keep children safe.

A CAPACITY EXPANSION INITIATIVE IS NEEDED AT THE STATE AND LOCAL LEVEL.

To accommodate the child care needs of families who will be called upon to participate in a 35-hour simulated work week and those who are already working but earning low wages, expansion of child care opportunities in all types of care is needed. New York City must use all new federal and State dollars to expand center and family-based child care capacity and ensure quality of care.

NON-TRADITIONAL CHILD CARE RESOURCES MUST BE DEVELOPED.

The work patterns of the families who were still working when we interviewed them and of parents in national studies reinforces the need for non-traditional care networks to be developed for parents working at night, on weekends and other non-traditional hours.

Child Support

Although the PRWORA and the WRA contained provisions for enhancing efforts to collect child support, few families receive it. Child support payments should be available to custodial parents to help them adequately care for their children, and employment services available to non-custodial parents so that they will be able to pay child support. Efforts to enforce child support orders established through the courts must continue and be improved.

RESTRUCTURE THE MECHANISM FOR CHILD SUPPORT PAYMENTS.

The entire system of child support should be restructured to require payments to be made for all children who are not living with both of their biological parents. Under the current child support system, only 20% of children with child support orders in New York State receive payments⁵³. One method of payment that has been proposed is through payroll deductions, similar to the process by which personal income tax is paid, ensuring that court ordered payments are directly withdrawn from the non-custodial parent's earnings.

Health Insurance

Too many entry-level jobs do not provide health insurance or do not provide coverage for whole families. However, even full-time work at the minimum wage can disqualify many families from the Medicaid program and this may serve as a disincentive to work. The serious medical problems that uninsured parents in our survey were facing – asthma and HIV, for example – require ongoing medical care. A health insurance program for uninsured adults must be developed to provide families with the medical attention needed to keep them healthy and able to care for each other.

⁵³ United States Department of Health and Human Services Office of Child Support Enforcement, 22nd Annual Report to Congress for year 1997.

FAMILIES MUST BE MADE AWARE OF THEIR RIGHT TO APPLY FOR MEDICAID AND OF THE AVAILABILITY OF CHILD HEALTH PLUS (CHP).

Outreach and enrollment efforts must be stepped up for Medicaid and Child Health Plus programs to reduce the number of uninsured children. When families close their cases because they are leaving welfare for work, there is an opportunity to pre-screen the family for continued Medicaid coverage through transitional benefits or for CHP. When cases are closed for non-work related reasons, eligibility for continued Medicaid should be discussed with the family and information provided to continue insurance coverage.

MEDICAID, WIC AND CHP APPLICATION PROCEDURES SHOULD BE MADE MORE “WORK-FRIENDLY”.

Parents should not have to make multiple visits to an application office, jeopardizing their employment. Additionally, the State Department of Health must finalize the single application form for CHP, WIC and Medicaid. A combined application form was piloted in 1999 and now must be fine-tuned for use by contracted facilitated enrollment organizations. WIC, CHP and Medicaid applications should be available at a wide variety of community resources.

Housing

Despite living in leased housing and often in subsidized housing, the families interviewed were at risk of losing their housing or had already lost it. The families had to rely on outside assistance from friends, family and government programs to stay housed and many had unresolved housing difficulties despite seeking assistance.

THE CITY SHOULD LOBBY THE FEDERAL GOVERNMENT TO INCREASE THE SUPPLY OF SECTION 8 RENT SUBSIDIES AND THE NEW WELFARE TO WORK SECTION 8 SUBSIDIES AUTHORIZED LAST YEAR.

Federal Section 8 rent subsidies once moved thousands of poor families into market rate apart-

ments, prevented homelessness and allowed homeless families to be housed. In 1994, the federal government stopped issuing incremental Section 8 rent subsidies, leaving New York City to rely on a small number of recycled vouchers and certificates each year. The federal government must once again share the responsibility of housing poor families. The Welfare to Work subsidies authorized last year have been allocated but New York City has only 1400 subsidies available to help low-income working families remain housed.

NEW YORK CITY AND NEW YORK STATE SHOULD MOVE FORWARD WITH IMPLEMENTATION OF A NEW TEMPORARY RENT SUBSIDIES FOR THE HOMELESS PROGRAM.

New York City developed this new program which targets homeless families who are moving from welfare to work and from shelters to permanent housing. The program will provide participants with two years of housing subsidies and case management services. New York City has committed tax levy dollars and is preparing to implement the program during FY '00. New York State should also allocate funds for the rent subsidy component of this program to build upon its FY '00 commitment of TANF funds for case management services for this population.

Food and Nutrition Services

Even a partial loss of food stamps hurts children. Too many families had food emergencies, low income levels and no food stamps. Nutritional deprivation leads to developmental difficulties, health problems and permanent, irreversible damage to children.

NEW YORK CITY AND NEW YORK STATE MUST IMPROVE ACCESS TO ON-GOING AND EMERGENCY FOOD STAMPS.

Families leaving welfare should be pre-screened for continued Food Stamp eligibility and if income eligible, should not have a lapse in benefits. Similarly, families who are applying for benefits and have emergency food needs should immedi-

ately be provided access to the program.

New York State should fully implement policy changes in the Food Stamp program announced by President Clinton in July 1999. The new Executive actions make it easier for states to serve non-welfare recipient families through the Food Stamp program and also includes a public education and marketing campaign to promote Food Stamp use for all low-income families who could benefit from even small Food Stamp grants to enrich their diets.

USE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) CHILD AND ADULT CARE FOOD PROGRAM MUST BE PROMOTED AND FACILITATED.

The USDA Child and Adult Care Food Program provides reimbursement for certain food costs to licensed or approved child care providers, making it easier for the provider to serve nutritious meals to children in care. The program reimburses costs of providing two meals and a snack for children in care, provides nutrition counseling through sponsor organizations, and requires three yearly USDA inspections. HRA provides the only access point to the program for informal child care providers.

Clearly welfare recipients do not move to self-sufficiency any faster than any other population trying to gain a foothold in the economy. Supports are necessary to encourage and enable family members to enter and remain in the workforce. Public assistance benefits should remain available for families unable to work – either temporarily or permanently – to support themselves, but should also continue to evolve into programs that supplement low wages and lift families out of poverty. Low-income parents require the stability afforded by quality child care programs for their children, access to health insurance programs, adequate nutritional resources to keep members healthy and knowledge of programs that will help them stretch their income dollars and enable them to better provide for their families. In the post-entitlement age, programs must be re-designed to support all low-income families, rather than drawing divisions between welfare recipients, former recipients and those on the verge of requiring welfare. Making programs such as Food Stamps, Transitional child care and Medicaid, Medicaid, Child Health Plus, housing subsidies, Earned Income Tax Credits, along with access to employment and education services, and cash benefits available to all families who need them will help achieve CCC's goal of every child healthy, housed, educated and safe.

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