

WELFARE REFORM 2002: HELPING LATINO FAMILIES MOVE FROM WELFARE TO WORK

By Sean Thomas-Breitfeld and Eric Rodriguez*

Introduction

This year, the United States Congress will work to pass legislation reauthorizing the Temporary Assistance for Needy Families (TANF) block grant, the primary cash assistance program for poor families and children. Although some may prefer that TANF reauthorization simply extend the funding period with all the current provisions until our nation recovers from its economic downturn, many members of Congress will strive to make several changes to the TANF program. As proposals for reforming the TANF program develop, the debate over TANF reauthorization must focus on developing measures that best meet the increasingly complex and multifaceted needs of America's poor families.

The TANF reauthorization debate has already begun. Last year, several reauthorization bills were introduced in the U.S. House of Representatives. In particular, if enacted, both the TANF Reauthorization Act of 2001 (H.R. 3113) sponsored by Rep. Patsy Mink (D-HI) and the TANF Recipients' Lifeline Act (H.R. 3459) by Rep. Nydia Velazquez (D-NY) would improve considerably implementation of the TANF block grant for Latino families. Recently, Rep. Benjamin L. Cardin (D-MD) introduced the Next Step in Reforming Welfare Act (H.R. 3625). Additional bills will be introduced shortly by Senator Paul Wellstone (D-MN) and other members of Congress, which are likely to contribute significantly to this year's debate on TANF reauthorization.

Given the striking demographic changes in the nation's poor families since 1990 and the downward turn in the U.S. economy, the reauthorization of TANF comes at a critical time. Latino families, who were among the last to benefit from the economic boom of the 1990s, were among the first to feel the effects of the recession. Since September 2001, more than 240,000 Latinos joined the ranks of the newly-unemployed. This is compounded by the fact that Latinos are increasingly found among the nation's working poor and that Hispanic TANF recipients, in particular, continue to face serious challenges to leaving the rolls and obtaining good-paying jobs. Moreover, despite declining economic security, large segments of Hispanic communities across the nation remain prohibited from accessing federal safety-net services. Given these elements, the debate over TANF reauthorization is both timely and crucial for the nation's nearly eight million Hispanic families.

Background

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) fundamentally altered the nation's primary cash assistance program for families. Undoubtedly, implementation of PRWORA had a profound and adverse impact on Latino families largely due to cuts in services and assistance to legal immigrants. While the impact of PRWORA on

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immigrant and Latino families makes a strong case for change via the TANF reauthorization process this year, there have been several other notable developments since 1996 that deserve the attention of lawmakers.

First, while in 2000 there were roughly half as many families on the welfare rolls nationwide as compared to 1996, the share of all families receiving TANF assistance who are Latino increased from 20.8% to 24.5% between 1995-1996 and 1998-1999. By 1999, more than one in four children on TANF nationwide was Hispanic.

Second, the economy is now in recession, and even if economic growth resumes in the coming months, unemployment rates are likely to continue to climb, especially for Latinos, throughout 2002. This means it will be more difficult for welfare clients to find and keep jobs. Many Latino workers are found in the low-wage labor market and are particularly vulnerable to job and income loss in the current climate. Many Latino workers who happen to be legal immigrants will find that they are not eligible for basic safety-net services due to welfare reform's changes in eligibility for health and nutrition services.

Finally, since 1990, the nation has undergone sweeping demographic changes. For instance, the nation's Latino population increased by 57.9% between 1990 and 2000. Over the decade of the 1990s Hispanic communities prominently emerged in states such as Arkansas, Georgia, and North Carolina – states that experienced greater than 300% growth in their Latino populations. Undoubtedly, large numbers of immigrant Latino workers joining the labor force can explain the bulk of this population growth in these particular states. However, the firms and industries that have employed many immigrant and Latino workers have tended to pay low wages, and while almost all Latino and immigrant families in the U.S. have at least one working parent, many fail to earn enough to lift their families above poverty. As a result of these factors, by 2000, one-quarter of all poor families in the U.S. were Hispanic, and a large share of these families had foreign-born parents who were working yet still poor. In one of the more striking changes since the last round of welfare reform, evidence reveals that the target population of federal programs like TANF and Food Stamps has increasingly come to reflect the growing presence of immigrants and Latinos who have strong connections to the workforce.

Given these factors, in 2002, states are facing new socioeconomic policy challenges. The TANF reauthorization debate will not result in good public policy so long as it fails to take into account how the nation's poor population has changed or to address the skill challenges facing poor Latino families.

Key Provisions

As TANF reauthorization legislation is developed and debated in Congress this year, NCLR believes the following measures will go a long way in assisting states to help the nation's poor families effectively:

- **Access.** Federal rules prevent many states from providing many Latino families with immigrant parents a safety net. Although some benefits from which immigrants were originally barred have been restored, these restorations only apply to immigrants who entered the country before 1996; thus, many legal immigrants remain prohibited from receiving assistance. While nearly all states have opted to maintain TANF eligibility specifically for immigrants who were in the country before 1996, many states include the

sponsor's income as the immigrant's when making benefit eligibility determinations, effectively disqualifying many immigrants from receiving assistance. Moreover, many immigrant parents of U.S. citizen children do not access benefits for which their children are eligible due to confusion over eligibility status or the belief that receipt of assistance will have negative immigration consequences. As more Latino families join the ranks of the unemployed, access to cash assistance, Food Stamps, and Medicaid will be critical. The Farm Bill (S. 1731) contains language that would further restore eligibility for Food Stamps to lawfully-present immigrants; President Bush has indicated that he would support similar language. That measure should be enacted and serves as a good starting point as TANF reauthorization begins. Other bills, including those introduced by Reps. Velazquez, Cardin, and Mink, remove outright the barriers to legal immigrants' access to public assistance programs.

Equally important to the eligibility rules affecting immigrants are the effects that discourage welfare "leavers" from accessing Food Stamp and Medicaid benefits. Only four in ten income-eligible families participated in the Food Stamp Program in 1997 and 1999. Also, in 1997, fewer than four in ten (36%) women who left welfare received Medicaid, and the largest proportion (41%) were uninsured. In order to enhance receipt of work supports, resources should be allocated for state outreach efforts directed at increasing welfare leavers' participation in both the Food Stamp and Medicaid programs. Rep. Cardin's bill provides funding to states to encourage the simplification of application processes and increase coordination between TANF and the Food Stamp and Medicaid programs.

- **Language Services.** Language is a barrier for many low-income families accessing TANF. The lack of translation services poses an inconvenience at best, and at worst may effectively ban needy families from receiving benefits or the appropriate welfare-to-work services. To ensure that states can effectively serve limited-English-proficient (LEP) persons, the bills by Reps. Mink and Velazquez require that states provide individuals oral and written notice in the client's native language. In addition to these measures, a provision to require states to include in their state plans a strategy for serving LEP families would be useful, and states should record and report recipients' primary language for data collection purposes. States also need federal support to meet the language service challenges they face. This is especially critical in states with new or "emerging" Latino communities. A funding stream should be created to channel resources and technical assistance effectively to states to train, recruit, and otherwise meet the needs of LEP families attempting to access services or navigate through the welfare-to-work process. This could also be achieved by increasing the cap on administrative expenses for states under TANF.
- **Education and Training.** Limited education and job skills are a barrier for many Latino TANF recipients. The bills by Reps. Mink and Cardin allow states the flexibility to count English-as-a-Second-Language (ESL) training and other educational programs as "work" activities. States should also conduct literacy and language assessments before an individual is assigned to a work activity. These assessments will assist frontline workers in effectively placing LEP recipients in education and training programs appropriate to their skill levels. The development of grants to states and localities for research, technical assistance, and demonstration projects could promote and fund best practices in the areas of improving employment and earnings outcomes for LEP persons, increasing English proficiency of LEP persons, and enhancing linguistic and cultural competence in TANF services. The reauthorization of the \$3 billion Welfare-to-Work block grant could be the means to guarantee a substantial pot of money to develop programs of the necessary size and scope to make an impact on LEP families.

- **Anti-discrimination.** With the end of welfare entitlement, welfare agencies and individual frontline workers were given significant discretion in determining eligibility and providing benefits. Unfortunately, this increased discretion has also resulted in increased discrimination. Instances of discrimination prevent Latinos and other minorities from applying for benefits and diminish the quality of assistance they receive, preventing their transition from the welfare rolls toward self-sufficiency. Rep. Mink's bill clarifies that TANF applicants and recipients are entitled to protections under federal and state civil rights laws. To ensure compliance with civil rights laws, data collection and reporting should include race, ethnicity, native origin, and gender to identify disparities. These data should identify who has received assistance, the type of assistance being received, disparities in the effects and administration of programs, and unique barriers that may require targeted assistance. States should also include in their state plans strategies for ensuring compliance with civil rights laws, educating clients of their rights, and enabling clients to appeal decisions and report discrimination. Lawmakers should consider incorporating a welfare client's "bill of rights" whereby caseworkers are required to report upon the "intake" or when a client "leaves" TANF the full range of welfare-to-work or work support services for which families may be eligible.

Another issue that must be addressed during TANF reauthorization is the implementation of TANF in Puerto Rico. Despite having a much higher poverty rate than the rest of the nation - almost three-fifths (59%) of Puerto Rico's 3.5 million inhabitants lived below the poverty level in 1990 - Puerto Rico was not included in the Supplementary Security Insurance Program, nor was it provided with the TANF Supplemental Grant. To ensure that Puerto Rico and other territories are not disadvantaged by the block grant formula and have the capacity to overcome the significant barriers faced by U.S. citizens and legal residents living in those territories, the funding level for Puerto Rico and other territories must be re-examined.

Finally, it is fairly evident that initiatives that require additional federal resources will be difficult to enact this year given the current budgetary environment. Notwithstanding this fiscal dilemma, federal funds will undoubtedly flow to programs and initiatives that can make the case that such investments are essential to the nation's prosperity and economic security. Through the TANF reauthorization debate, Congress can send a clear message that the federal government is determined to help states in rising to meet the challenges they face in a new and ever-changing economic, political, and social climate; one which reflects the presence of Latinos as a substantial portion of the population affected by these policies.

