

# WELFARE REFORM 2002: DEFINING THE BATTLE LINES

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## Introduction

Recently, the Bush Administration released a plan to reauthorize the Temporary Assistance for Needy Families (TANF) block grant, the nation's primary cash assistance program for families. Shortly after the President's announcement, lawmakers in the U.S. Senate released details of their plan on TANF reauthorization.

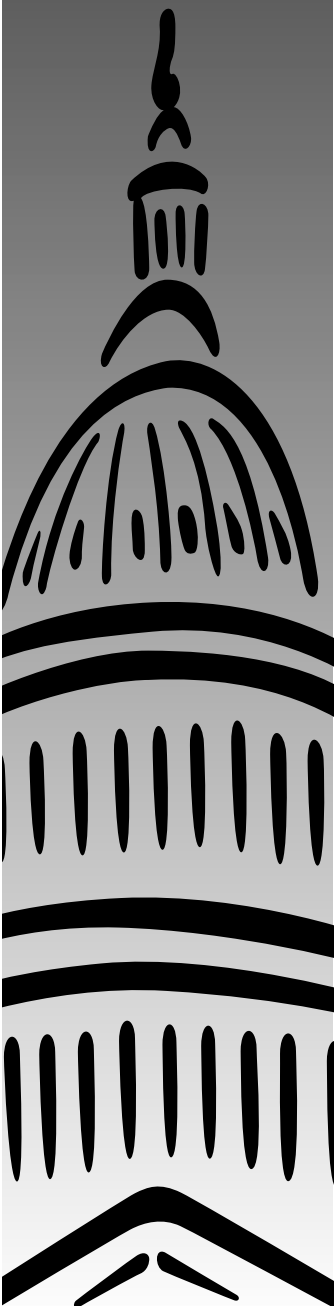
Not surprisingly, emerging proposals, along with several existing proposals from members of the U.S. House of Representatives, have generated a good deal of debate, which is helping to shape the political and policy parameters of the welfare reauthorization discussion. As lawmakers in Congress and the Administration focus on reauthorization, advocates will need to ensure that legislative vehicles include key provisions that enable Latino families to access services and more effectively move from welfare to work. This paper highlights and contrasts the major legislative plans that have begun to frame the debate and analyzes them in the context of the TANF reauthorization priorities for Latino families identified in a previously-released NCLR White Paper (January 28, 2002).

## The Fault Lines

Thus far, proposals for TANF reauthorization have concentrated on several core issues that serve to define the debate such as funding for TANF, supporting work, and strengthening families. Underlying these core areas are notions of encouraging "state flexibility" and creating greater "work support" structures.

- **Funding.** Given lower TANF caseloads for states since 1996 some members of Congress initially signaled a willingness to reduce the total TANF block grant amount. However, the economic recession and subsequent fiscal problems experienced by states appear to have dissuaded lawmakers from proposing an actual cut. The debate now centers on whether to freeze the amount or increase it, and how best to channel more funds into the program. For example, in the House, Reps. Patsy Mink (D-HI) and Benjamin Cardin (D-MD) propose to adjust the block grant for inflation while in the Senate, Senator Rockefeller (D-WV) would increase the block grant by a more modest amount. Meanwhile, both the White House plan and the plan put forth by Senators Thomas Carper (D-DE) and Evan Bayh (D-IN) would freeze TANF funding; a measure that could result in as much as a 22% loss in value of the block grant in inflation-adjusted dollars by the year 2007, according to calculations by the Center on Budget and Policy Priorities.
- **Work.** TANF has generally prioritized pushing recipients of cash benefits immediately into jobs by enforcing work requirements and time limits, and not fully counting education and skill-building as work-related activities. Despite the highly-touted success of the 1996 work provisions, and the fact that millions of recipients have left the TANF rolls

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since then, the debate once again appears to center on strengthening work requirements versus allowing states to prioritize education and training activities to get the remaining TANF recipients into jobs. For instance, both the Bush plan and the proposal by Senators Carper and Bayh impose a 40-hour work week on recipients (up from 30 hours under current law) eliminate the caseload reduction credit, and require that states reach work participation rates of 70% by 2007. Other proposals take a different approach and encourage states to expand training and support that helps remaining TANF recipients move from welfare to good jobs. For example, Senator Rockefeller's plan would allow states to combine work and post secondary education for 5% of their caseloads and count vocational education for up to 24 months, rather than the current limit of 12 months. In the House, the bills by Reps. Mink and Cardin eliminate the 30% cap on the proportion of a state's caseload that can participate in vocational education. The Mink bill further allows all education to count toward the work participation rate and eliminates the one-year limit on participation in vocational education.

- **Family.** One criticism leveled at the TANF program, generally, has been the lackluster effort on the part of states to take steps to encourage marriage and "family formation," despite the inclusion of a variety of family-related provisions in the 1996 welfare law. The proposals put forward thus far suggest that there is little consensus with respect to how this can be done effectively and many that question whether it should be done at all. For example, the White House plan, Senators Carper and Bayh, Senator Rockefeller, and Rep. Cardin devote between \$75 and \$200 million to "promote" marriage. Furthermore, all the major proposals, including the bill by Rep. Mink, restrict states from imposing stricter work requirements on two-parent families.

Finally, other emerging areas of debate include the funding level for childcare, improving services for recipients with limited proficiency in English, and access for legal immigrants.

## **Focusing on the Challenges of Latino Families**

The above areas have real implications for Latino families and children in the TANF system as funding and work requirements are likely to have a deeper impact on poor Latino families than others, given their skill levels. But no areas of the TANF reauthorization debate are likely to be more pivotal to the nation's Latino families than improving access to TANF, strengthening the welfare-to-work services available to TANF clients with limited English proficiency (LEP), and enhancing the ability of poor families in Puerto Rico to get good-paying jobs.

- **Access to Assistance for Legal Immigrants.** Under current law, legal immigrants who arrived after 1996 are barred for at least five years from receiving TANF and other federal safety-net services. The law permits states to provide TANF and related services to legal immigrants who arrived after 1996 using state funds. At least 23 states have opted

to use their own funds to provide TANF assistance and services to legal immigrants. Consequently, across the states there exist entire segments of communities with families who are unable to access basic safety-net services should members of the community suffer unexpected job losses. In response, the National Governors Association, the National League of Cities, and the National Conference of State Legislators have appealed to Congress to allow states to be given the flexibility to serve legal immigrants in their states with federal TANF funds.

Notwithstanding the practical needs of states, President Bush's proposal posits that TANF reauthorization must safeguard against "welfare dependency among noncitizens"; a premise at odds with all available evidence. Research by the Urban Institute found that, during the last half of the 1990s, more immigrant families moved out of states that opted to provide TANF services to legal immigrants than those who moved into states with TANF access. Though the White House did support a provision that would allow greater access for legal immigrants to Food Stamps, the TANF measure specifically ensures that millions of working families would remain unable to access these services if needed.

On the other hand, proposals from Senator Rockefeller and Representatives Cardin and Mink would, to varying degrees, ensure that states can use federal TANF dollars to provide basic services to legal immigrants. Specifically, the bill by Senator Rockefeller allows states the option to cover legal immigrants, regardless of date of entry, with TANF funds. Representative Mink's bill goes further by making legal immigrants eligible for TANF on the same basis as citizens, removing all barriers, waiting periods, and "deeming" requirements that restrict eligibility. Representative Cardin's bill also improves access by eliminating the 1996 welfare reform law's ban on states providing TANF assistance to legal immigrants and reducing to three years the period during which a sponsor's income would be deemed available to the immigrant. Finally, the TANF outline put forth by Senators Carper and Bayh had no provision with respect to legal immigrants, though it is expected to contain a measure similar to a state option when finally introduced.

- **Improving Welfare-to-Work Services for LEP Families.** A major challenge facing many states in TANF implementation has been the inability of state administrators to communicate effectively with and provide appropriate language services to poor families with limited English proficiency (LEP). This issue has impacted both native-born<sup>1</sup> and immigrant Latinos who have a strong desire to get into the workforce but have not been able to access appropriate welfare-to-work services given their language barriers. In the welfare-to-work context, there is evidence of clear challenges in the ability of administrators to conduct proper up-front employment and literacy assessments that are critical to developing employability plans. Moreover, in many cases LEP Latino and immigrant welfare "leavers" exit the TANF system unaware of the important transitional

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<sup>1</sup> Persons from the Commonwealth of Puerto Rico are native-born U.S. citizens, and many have limited English proficiency.

medical and other work supports available to them.<sup>2</sup> In most cases, these issues do not appear to be attributable to a state's lack of effort, but rather lack of expertise and resources to turn attention toward these particular challenges and build the capacity of their systems. TANF reauthorization can address some key elements of this issue which are particularly acutely felt in states with new "emerging" immigrant and Latino communities. Unfortunately, virtually no major proposal introduced to date has attempted to address this issue in a meaningful way, though the soon-to-be-introduced plan by Senator Wellstone (D-MN) is likely to include several key measures. In fact, not even the White House plan, which expressed concern for "ending dependency by noncitizens," included specific provisions to assist LEP families navigate through the welfare-to-work process. Several key measures could go a long way toward remedying these problems and ensuring that states are not compelled to use exemptions against such cases effectively shutting these families out of the welfare-to-work process entirely.

First, a no-cost provision that would assist states in their efforts to serve LEP families adequately would be to request that states include as elements of state plans a goal and strategy for serving such families. Although both President Bush and Rep. Cardin focus generally on strengthening state plans, their proposals do not specifically mention LEP families, allowing the needs of such families to be overlooked.

Second, reliable data on all who seek services from TANF offices would identify districts with specific language needs. Although the White House's proposal focuses on revising data collection, the President's agenda moves away from recording information on families receiving TANF by focusing instead on information related to management and performance, such as TANF-funded services and expenditures. Furthermore, despite the Mink bill's efforts to strengthen data collection, the required demographic information does not include primary language or English proficiency.

Third, assessments are also key to providing effective services to LEP clients. Although the proposal from Rep. Mink would provide individuals with the option to do a skills assessment, TANF recipients facing language barriers may not understand the option or elect to be assessed. Rep. Cardin's proposal would require that every TANF recipient's employability be assessed and states that the assessments would consider limited proficiency in English.

Fourth, as a matter of sound public policy, TANF reauthorization should focus on improving the English proficiency of recipients, in order to prepare them for employment that will provide significant gains in income and offer opportunities for advancement. An

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<sup>2</sup> Previous research by NCLR has shown that Latinos constitute an increasing share of the TANF caseload. Numerous studies have documented language barriers between LEP clients and human and social service offices, e.g., Applied Research Center, Equal Rights Advocates, National Campaign for Jobs and Income Support, and HHS Office for Civil Rights. Analysis of the Food Stamp Program (FSP) by the Food Research & Action Center has shown that over half of eligible Hispanic individuals fail to receive FSP benefits. Also, analysis of both Medicaid and the Food Stamp Program by the Urban Institute has documented an exodus from both work support programs by families leaving TANF.

important tool for improving the employment outcomes of LEP Hispanics is English language instruction. However, the work-first philosophy and limits on what can count toward the work requirements of TANF have dissuaded many states from placing people in English language programs. The Mink bill allows all education and English instruction activities to count toward the work participation rate and eliminates the one-year limit on participation in vocational education. Representative Cardin's bill makes similar changes by counting English language instruction for ten of the 30 hours required for work participation rates and extending the limit on vocational education to two years. The bill by Senator Rockefeller allows states to count up to ten hours of English language coursework toward work participation requirements. The Bayh-Carper outline contains a transitional jobs program that would combine 20 hours of work per week with additional hours of language skills training and other activities to improve employment outcomes. Also, the Bayh-Carper proposal includes a sustainable employment credit that could provide incentives to states to use English language courses as a tool for improving employment and wages for limited-English-proficient TANF recipients. President Bush's proposal would only allow participation in job training, possibly including English language training, for up to three consecutive months within a two-year period.

Finally, a measure to channel resources to states for assisting them in building capacity to serve LEP families more effectively must be considered. Several plans contain funds for technical assistance and capacity-building for states including "pathways" grants that could be expanded. However, given the number of states that are experiencing these challenges Congress and the White House ought to consider proposing a more comprehensive formula grant program to states that adequately meet this need.

- **Reducing Funding Disparities in Puerto Rico.** President Bush made an important first step in addressing the funding inequities that face the Commonwealth of Puerto Rico and other territories by explicitly including territories in the marriage grant program. Unfortunately, the President's other proposals did not extend other grants to Puerto Rico, whose TANF program is severely under funded due to a cap on welfare funding and its exclusion from many funding streams, like the TANF Supplemental Grant. Territories should be fully included in the funding of TANF programs to ensure that Puerto Ricans and other U.S. citizens are not disadvantaged by the block grant formula.

Finally, several other bills are expected to emerge in the coming weeks. For instance, Senator Wellstone (D-MN) will introduce a bill that contributes a progressive perspective to the TANF debate in the Senate. Also, Senators Baucus (D-MT) and Grassley (R-IA) - chair and ranking minority member, respectively, of the Senate Finance Committee - are likely to introduce a bipartisan TANF reauthorization bill within the next two months. In the House, Representative Hergert (R-CA) is expected to introduce a bill within the next few weeks and begin "mark-ups" shortly thereafter, while the Hispanic Caucus will soon unveil TANF reauthorization priorities.

At this point, Congress seems poised to launch into a highly partisan and ideological fight on TANF, even though there appears to be more bipartisan consensus on the issues than ever before. President Bush has done much to change the tone within his party with respect to immigrants but still has yet to deliver fully when it comes to major public policy achievements. With that said, it will be no small task for the President, Senate Majority Leader Daschle (D-SD), and others in Congress to overcome anti-immigrant sentiment in both parties which appears to have hardened in recent months. However, the treatment of immigrants and families with limited English proficiency in this debate will not go unnoticed by the broader Latino community. Moreover, improving access to TANF for legal immigrants and strengthening the welfare-to-work system within states to enable more LEP families to get off the rolls and into good jobs is fair, corresponds directly with the intent of the law, and responds to the practical challenges states are experiencing today. To ignore wholly these issues in comprehensive TANF reauthorization plans, or to take steps that exacerbate these problems, is both bad policy and bad politics.