

**NLWJC - Kagan**

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**Welfare-Research Studies**

EYES ONLY

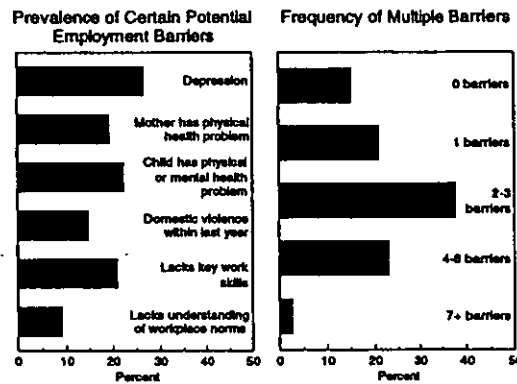
### SPECIAL ANALYSIS

## Potential Barriers to Work among Welfare Recipients

Most discussions of welfare and work have focused on how education, work experience, child care, and transportation limit welfare mothers' employment and wages. However, other potential barriers to employment, such as mental and physical health problems, substance abuse, and domestic violence, also affect welfare mothers disproportionately and make employment difficult.

cc: PRB  
Tipper Gore

**Prevalence of potential barriers.** Two recent surveys of welfare recipients in San Bernardino County, California, and in an urban county in Michigan indicate that the vast majority of welfare recipients face at least one potential employment barrier.

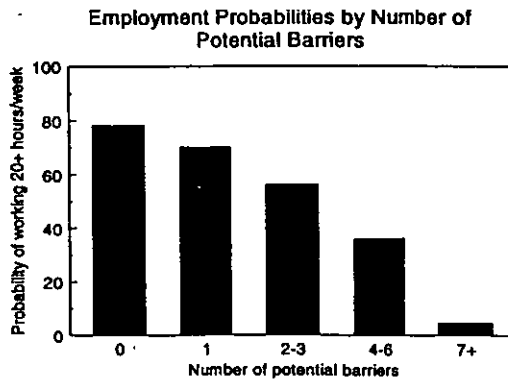


Most face multiple barriers (see upper chart). In one study, for example, over 20 percent lacked key job skills, and roughly one in ten misunderstood workplace norms on issues such as punctuality, absenteeism, and lines of authority in the workplace. Mental health problems were quite common: the proportion diagnosed with depression was at the low range of previous surveys of low-income mothers but about twice as high as among all women. About one

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in five had a physical health problem, and respondents were twice as likely to report physical limitations as women nationally. The share that reported severe physical abuse by a husband or partner in the last year was about four to five times the national average—though similar to rates reported in other welfare studies. Previous research has also found that 25 to 35 percent of recipients had a learning disability.

**Employment.** The studies find that these barriers do in fact affect employment. In one study, for example, the probability of working at least 20 hours per week decreased steadily with increases in the number of potential barriers faced by an individual (see lower chart). Even so, many people who faced barriers were able to work, and in some cases the differences in work participation were not large between those with and without a particular barrier. In San Bernardino, for example, just over one quarter of recipients with health problems met the 1998 California work requirement of 26 hours per week, a level similar to the 30 percent with no health problems who met the requirement.



Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: Welfare Studies

CEA is working on a WEB piece summarizing the Michigan study below and a study of San Bernadino's caseload. I'm taking a look at both studies, but didn't see a point in duplicating efforts by doing weekly items. Some of the data may be relevant for our FY 2000 ideas, though the sample is obviously limited. The Michigan study highlights domestic violence issue. HHS' FY 2000 budget includes a \$71 million initiative to improve and expand services for victims of domestic violence, though this is much broader than welfare reform.

----- Forwarded by Andrea Kane/OPD/EOP on 11/05/98 07:13 PM -----

Study spotlights barriers that keep women on welfare

November 4, 1998

BY WENDY WENDLAND, Free Press Staff Writer

Women who remain on welfare are more likely to be victims of domestic violence, suffer from clinical depression and have less than a high school education, according to a new study from the University of Michigan.

They are slightly less likely to be dependent on alcohol, and slightly more likely to be dependent on drugs, according to the report, "Barriers to the Employment of Welfare Recipients."

The U-M study is believed to be the first in the nation to examine what is keeping welfare recipients from working. The report comes at a time when Michigan's welfare levels are at 1971 lows, when Gov. John Engler is advocating mandatory drug testing for welfare recipients and when the state's main welfare-to-work strategy has been a job search and readiness program, Work First. There were 108,144 welfare cases in August. Most families on welfare are headed by single women.

U-M researchers say they hope their findings will be used by policy makers in Michigan and elsewhere to adjust their plans to better reflect the barriers facing people who remain on welfare.

"The first wave of welfare reform has been, 'Let's get people off the rolls.' What this says is people who remain on the rolls are likely to be those who have substantial barriers," Sheldon Danziger, U-M professor of social work and public policy, said Tuesday. "This shows you shouldn't assume that anybody can go out and get a job."

The report, by the university's Poverty Research and Training Center in the School of Social Work, was based on interviews of 753 single mothers. The Michigan women were on welfare in February 1997 and interviewed between September and December 1997. U-M officials plan to conduct

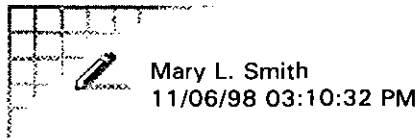
follow-up interviews later this year and in early 2000.

One major problem welfare recipients face is domestic violence. Research has shown 48 percent to 63 percent of welfare recipients suffer from domestic violence sometime in their lives. This can affect their ability to show up to work, Richard Tolman, U-M associate professor of social work, said Tuesday.

The Family Independence Agency recently required all caseworkers who help welfare recipients find work to go through a one-day training. In Muskegon, the Work First agency screens welfare recipients for domestic violence and makes referrals to a program, Every Woman's Place. The program is getting about 12 referrals a month, said executive director Susan Johnson. The domestic violence program includes counseling, support groups and shelter.

k

Women's issues - equal pay



Record Type: Record

To: Elena Kagan/OPD/EOP, Bruce N. Reed/OPD/EOP, Thomas L. Freedman/OPD/EOP  
cc: Laura Emmett/WHO/EOP  
Subject: Status of Equal Pay MOUs

You asked about the status of the MOUs between the Department of Labor and the EEOC that were announced at the Equal Pay event on April 2 by the Vice President. The "damages" MOU (that permits the Office of Federal Contractor Compliance to serve as EEOC's agent for purposes of seeking damages within the context of their conciliation efforts) is almost completed. This is the MOU that the women's groups are mostly concerned with.

This MOU, which will go out for notice and comment, has been cleared by OMB and Labor. WH Legis Affairs is fine with us proceeding with the MOU now that the confirmation and appropriations process is over. EEOC will have to vote on it, and then they will send it out for comment. Assuming that EEOC votes to proceed, they are planning on sending it out for comment soon.

However, last May, Rep. Fawell sent letters to both the EEOC and OFCCP indicating that he thought the "damages" MOU would radically increase OFCCP's authority. Both EEOC and OFCCP have responded to Fawell, either orally or in writing, and explained that the change would be narrow in scope and would further the efficient resolution of these cases.

In order for the damages MOU to move forward, we need three things to happen: (1) the EEOC and OFCCP need to send the final version of the document to OMB for clearance (we understand that it is near completion); (2) for the agencies to make sure that Rep. Fawell has all of the information that he needs, to make sure that he understands the nature of the agreement; and (3) for us to be comfortable that the release of the MOU will not jeopardize either the EEOC or OFCCP appropriations process.

I talked to Ellen Varygas about the timing tonight, and she agrees with the three things that still need to be done. I am waiting to hear back from the Department of Labor regarding their sense of timing in order not to jeopardize the appropriations process. However, both EEOC (Ellen Varygas) and Labor agree that we could not do this before the middle of ~~August~~

November

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: good news from Urban Institute studies

Based on some embargoed info, here's a summary of two studies Urban will release at a 10 a.m. press conference on Monday. The second study is especially encouraging in terms of supporting work first -- any job really is a good job -- and the value of EITC. The actual study, which I'll have Monday, also has info about impact of housing assistance and child care. Elena, we've already got a lot of welfare stuff for the weekly, but you might to include a few sentences about the *Does Work Pay* study.

On July 27th, the Urban Institute is releasing two positive studies on employment for welfare recipients. *Job Prospects for Welfare Recipients: Employers Speak Out* confirms what other studies and anecdotes have found -- that employers value entry-level workers who are reliable and have a positive attitude over workers with specific skills. Seventy percent of employers rate welfare recipients positively on attitude and reliability. Employers reported little knowledge about or interest in government financial incentives. Instead, they are interested in government programs that help with screening and training employees. Most entry level jobs pay low wages with few benefits, with two-thirds of surveyed employers looking for part-time employees. Transportation is a serious issue, with one-third of companies their entry-level jobs are not accessible by public transportation. The results are remarkably similar to those from the Wirthlin survey of 400 companies conducted for the Welfare to Work Partnership on employer's attitudes, incentives, and transportation. However, the two studies diverge on the type of jobs available to welfare recipients, with 72% of the Welfare to Work Partnership businesses reporting full-time jobs and health benefits for people hired off welfare. The Economic and Social Research Institute conducted the survey of 500 employers of varying sizes, locations, and industries, with a special focus in Milwaukee and Los Angeles.

The second report finds that people moving from welfare to work enjoy significantly increased income, even if they move into low-wage, part-time jobs. *Does Work Pay? An Analysis of the Work Incentives Under TANF* examines how monthly income for a family of three changes as they move from no work to a part-time minimum wage job to a full-time minimum wage job, and finally to a full-time \$9.00 per hour job. The study calculates these changes in 12 states (AL, CA, CO, FL, MA, MI, MN, MS, NJ, NY, TX, WA). Not surprisingly, the lower the welfare payment, the greater the incentive to work. For example, moving from welfare to a part-time minimum wage job increases family income by 38 percent in Washington and 108 percent in Mississippi. Working full-time at the minimum wage moves a family of three above the poverty line in all 12 states.

The initial move from welfare to part-time work results in the most dramatic increase in income, with smaller incremental gains as families move up. On average, family income

increases 51% in the transition from welfare to a part-time minimum wage job, with income growing by another 20% between part-time and full-time minimum wage work and another 16% between a full-time minimum wage job and full-time work at \$9.00 per hour.

The study confirmed that federal and state policies make a big difference in making work pay. In particular, the EITC helps families maintain income as they lose other benefits over time. For example, in Mississippi the EITC almost doubles the increase in family income between welfare and a part-time job -- from 67% to 108%. In New York, EITC makes the difference between a 19% and 45% increase in income. The study defined income as earnings, TANF grant, cash value of food stamps, federal and state EITC, other state tax credits, and all federal and state tax liabilities. It is not clear whether the study accounted for increased costs associated with work, such as child care and transportation.

**Message Sent To:**

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Diana Fortuna/OPD/EOP  
Emil E. Parker/OPD/EOP

WR - research studies  
and  
WR - state + local plans

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: NGA Press Release on Welfare Reform's Second Year

Here's NGA Press Release. Looks positive. No mention of any specific policy issues, just a general call that "Congress and the president uphold the historic welfare agreement reached in 1996 and reject any cuts and reduced flexibility in welfare or Medicaid." They released 4 reports on welfare reform as well (see Summary of Publications below), the largest of which we did a weekly item on and HHS did a press release about.

<http://www.nga.org/Releases/PR-28July1998WelfareReform.htm>

Contact: Becky Fleischauer  
202/624-5364

#### GOVERNORS REFLECT ON WELFARE REFORM'S SECOND YEAR—

##### "Pace and Success Far Exceed Expectations of Proponents and Skeptics Alike"

Washington, D.C. – Reflecting on the welfare law's second year, the nation's governors hailed the pace and initial success of welfare reform, declaring that it had "far exceeded expectations of proponents and skeptics alike." The governors warned that continued traction in this steady climb of progress depends on a solid federal-state partnership.

"The nation's governors ushered in a new era of responsibility and a new vision for achieving independence through work," said NGA Chairman Ohio Gov. George V. Voinovich and Vice Chairman Delaware Gov. Thomas R. Carper. "Governors played a key role in getting the welfare law passed, and we continue to demonstrate our leadership in making this law work. We urge in the strongest possible terms that Congress and the president uphold the historic welfare agreement reached in 1996 and reject any cuts and reduced flexibility in welfare or Medicaid. States have transformed welfare, lifting millions to independence and self-sufficiency. Governors hope and expect to continue this partnership, which is making our success possible."

Since the 1996 enactment of the welfare law and the new flexibility and innovation made possible in its Temporary Assistance for Needy Families (TANF) block grant, the number of individuals on welfare in the U.S. has dropped 27 percent. According to several reports governors released at a news conference today, the flexibility in the new law has unleashed a host of innovative approaches to help welfare recipients find jobs and succeed in their work.

#### A Race to the Top

America's governors are steering a welfare reform course toward work and independence that includes engaging communities and the private sector to help meet the challenges of



moving people from welfare to work. Governors are providing assistance with transportation to expand access to work, and increased child care to support working families.

As caseloads decline, states are shifting spending from providing cash assistance to investing in the supports to fortify working families and fortify them for continued success on the job. Although nationwide caseloads decreased by nearly one third, overall state-spending on welfare efforts has increased. States are spending significantly more on child care and services to help people find and keep a job. State spending for child care increased by more than 50 percent; spending on efforts to help welfare recipients succeed at work increased by more than 30 percent. This action refutes predictions of a "race to the bottom" among states.

Accessible, quality, child care and transportation are two pillars of work stability that are fundamental to successful welfare reform. States are spearheading child care initiatives that provide affordable, accessible child care during various work shifts. At least 10 states are ensuring child care for all working poor families below a specified income level.

In addition, many jobs are not accessible by public transportation, particularly jobs in rural or suburban areas or jobs during nonstandard work hours. States are working with state and local transportation agencies to redesign public transportation routes and schedules to better accommodate reverse commutes and alternate work schedules. States are also using the flexibility provided under TANF for a variety of innovations, such as contracting for shuttles or buses; providing loans to families to purchase used cars; and training recipients to operate their own shuttle companies.

The flexibility of the two-year-old welfare law is allowing states to change the way they do business. More than ever, governors are focusing on results in pay-for-performance contracts with private and nonprofit organizations, in their relationships with local governments, and as they compete for the TANF bonus dollars that will be awarded based on job placement, retention, and earnings.

#### Taking Stock

The approaching two-year anniversary of the welfare reform law and the dramatic drop in welfare rolls have spurred states to research what happens to former welfare recipients when they leave welfare. Reductions in caseloads are not the only measure of success for governors—states also must look at the number of recipients and former recipients who are working, the types of jobs they are getting, and whether their families are better off.

Thirty-two states have efforts underway or plans to follow up on individuals leaving welfare to try to answer these questions. These studies will give governors an indication of how well welfare reforms are working and whether changes need to be made. Studies in nine states found that from 50 percent to 60 percent of recipients who leave welfare for work find jobs—generally paying between \$5.50 and \$7.00 an hour. Based on information gleaned from followup studies, governors are turning their attention to making sure that these individuals stay employed and move on to better jobs.

Increasingly, state welfare reform efforts are becoming part of a broader strategy to support the working poor and make work more attractive than welfare. Eleven states have adopted their own earned income tax credits for low-wage workers.

States are also focusing on efforts to prevent dependence on welfare by providing alternatives to joining the welfare rolls. Under TANF, 22 states adopted programs that help people find jobs or provide the supports needed for individuals to work, such as child care,

transportation, and medical care—to help them avoid welfare. Some states provide lump sum cash payments to individuals that can be used for car repairs, paying rent to prevent eviction and homelessness, and purchasing tools or uniforms. ]

### Sustaining the Momentum

When welfare recipients move into the workforce, they confront the challenges that many low-wage workers face. In the next phase of welfare reform, governors will be focusing on the "hard-to-place." As caseloads continue to decrease, a growing portion of those who remain on the rolls must overcome significant challenges if they are to succeed in the workplace. These include low basic skills, alcohol or substance abuse, chronic health problems, and learning disabilities. Time limits on benefits and stringent work requirements increase the urgency for states to find approaches that move these individuals into the workplace. States are tackling this challenge by developing more effective assessment tools, providing more intensive case management services, linking with a variety of public and nonprofit community service providers, and developing transitional work experience opportunities that combine work-based education and skills training. States are also focusing on noncustodial parents, helping them find work and training so they can better meet their child support obligations.

Although many recipients leave welfare for work, their tenure in the workplace is too often short-lived. Lack of understanding about workplace behavior, problems with child care and transportation, and the unstable nature of the low-skilled labor market all factor into job loss. Thus, a second major challenge for states is to help welfare recipients stay employed, build a work history, and advance to higher-skilled, better paying jobs. Job retention services such as extended case management, mentoring, easier access to supportive services, and work-based education and training to help people advance on the job, are increasingly on the menu of services for welfare recipients and former welfare recipients.

"Governors are proving that welfare reform has sparked a race to the top, fueled by innovative state strategies designed to help welfare recipients find and keep jobs," said Govs. Voinovich and Carper. "Now, as we face some of the most difficult challenges in completing reforms to restore dignity through work and independence, we will intensify our efforts and galvanize the federal-state partnership that is supporting our success to date."

The governors' bipartisan welfare reform policy, forged at an NGA meeting in 1996, provided the catalyst for the passage of historic welfare reform legislation. When governors convene in Milwaukee, Wisconsin, next week for their 90th annual meeting, they will spotlight initiatives for improving services for children in working families.

—END—

### SUMMARY OF PUBLICATIONS

#### **Working Out of Poverty: Employment Retention and Career Advancement for Welfare Recipients**

This report covers understanding the changing environment for recipients making the transition from welfare to work; helping welfare recipients stay employed and increase their wages and advancement opportunities; and using transitional employment as a career development strategy. Copies of this publication are available

at no charge by calling NGA at 202/624-5338.

**Strategies to Promote Education, Skill Development, and Career Advancement Opportunities for Low-Skilled Workers**

The changing labor market and welfare system have generated considerable interest in developing work-based training and career advancement opportunities for low-skilled workers. This StateLine summarizes the labor market trends affecting these workers, outlines new research findings, and highlights five promising state and local programs to promote skill development and career advancement.

**Preparing Youth for the Workforce under Welfare Reform**

The advent of welfare reform in 1996 promised to significantly alter the safety net for some of the most at-risk segments of the youth population. This StateLine suggests that state efforts to reduce welfare dependency should address the workforce preparation and youth development needs of this population. State initiatives should also include specific programmatic elements that are recommended by the relevant research but that are not often components of conventional youth programs.

**Serving Welfare Recipients with Learning Disabilities in a "Work First" Environment**

This Issue Brief examines strategies that states can use to help welfare recipients with learning disabilities move toward self-sufficiency within the context of welfare reform. It defines a learning disability; explains approaches to identifying and assessing undiagnosed learning disabilities; and suggests ways to secure accommodations for training, testing, and functioning in the workplace.

**Message Sent To:**

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Bruce N. Reed/OPD/EOP  
Elena Kagan/OPD/EOP  
Cynthia A. Rice/OPD/EOP  
Diana Fortuna/OPD/EOP  
Fred DuVal/WHO/EOP  
William H. White Jr./WHO/EOP  
Emil E. Parker/OPD/EOP

Andrea Kane
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Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: NACO and welfare reform

FYI, there is one line about welfare reform in remarks POTUS is taping for NACO meeting on 7/19. With my edits, it says:

"We're addressing the challenges of moving people from welfare to work, many of which are outlined in the study NACO is releasing at this conference."

NACO's study called "Is Welfare Reform Working: A Study of the Changing Welfare System in Counties" is a follow-up on welfare reform in the four areas where NACO conducted hearings in 1997 (Fulton Co, GA; Hennepin/Ramsey Cos, MN; Santa Clara Co, CA; Dade Co, FL). They also sent a questionnaire to 85 other counties. The basic message is constructive: "NACO is committed to making welfare reform work", ...there are many positive signs (caseload reductions, new partnerships), but there is much more to learn about long-term effects. The report applauds restoration of SSI and food stamps, and Access to Jobs, but raises concerns about congressional attempts to cut TANF.

Recommendations (I've asked HHS and DOL to take a look at these):

- Eliminate separate participation rate for two-parent families, or at least eliminate 90% requirement.
- Ease match requirement for Welfare-to-Work formula grants--prefer ATJ model which allows using other federal funds as match. (They indicate that match issue is why some states have turned down formula grants). Counties in states that reject formula grants should be allowed to access funds directly.
- Give states and counties additional funds and technical assistance to monitor effect of welfare reform on other systems and to track families once they leave welfare.

Key Points:

- Counties who responded to survey said the largest percentage of individuals who have left the welfare rolls have done so for full-time employment in the private sector, and the majority have remain employed for at least 6 months. (The actual data are rather odd--I'm trying to get some clarification from NACO).
- Counties expect to meet all family participation rates for now, but worry about two-parent rates and continuing success once they get to harder cases.
- Too early to tell long-term effects; counties are just beginning to track what happens to people; time limits not yet a major factor. Some evidence of increased use of food banks attributed to ABAWD and legal immigrant provisions.
- Collaboration is most consistent theme--with Chambers, neighboring jurisdictions, CBOs, businesses, faith community, foundations.
- CA, CO, MD, NC, OH and WI are providing additional flexibility to counties
- While most counties expect to meet current child care demand, they anticipate shortages in the future. NYC anticipates need to add 30,000 slots over next few years to respond to increased work by TANF families and working families, at estimated cost of \$150 M by 2001. Biggest need is infant care, along with care for off-peak hours and special needs children.

The report also highlights some interesting innovations in several areas. For example, Santa Clara

has a "JobKeeper: 24 hours Job Support Hotline" to help people resolve crises such as child care and transportation. Monterey County has developed a continuum of intensive substance abuse services for people moving from welfare to work. The Full Employment Council in Kansas City will provide a voucher worth up to \$1,800 to repair or buy a car, housing car insurance, continuing education, work tools/clothes, or substance abuse treatment for people who retain their jobs for at least nine months

**Message Sent To:**

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Bruce N. Reed/OPD/EOP  
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Diana Fortuna/OPD/EOP  
Lynn G. Cutler/WHO/EOP

**Q: Welfare caseloads have fallen, but do you know what happened to all those people who left the rolls? Didn't a new GAO study come out yesterday on this subject?**

**A: The President recently released new data showing that welfare caseloads have dropped to 8.9 million, a record drop of 3.3 million since he signed welfare reform into law and 5.2 million since he took office. A new report released yesterday by the non-partisan General Accounting Office found that because of welfare reform more welfare recipients are going to work. Of the seven states examined, three had more than doubled their job placement rates since 1995 and two had increased their rates by more than 70 percent. Overall, the percentage of recipients required to participate in work activities in the seven states examined had increased from 44 percent in 1994 to 65 percent in 1997. In addition, the most recent data from the Census Bureau's Current Population Survey show that work rates among welfare recipients increased by 20 percent from 1996 to 1997. HHS estimates that this means 1.7 million people who were on welfare in 1996 were working in 1997.**

Not enough time has passed for full scale research studies to be completed which tell us where all the recipients leaving the rolls have gone, but several state studies show that between 50 and 60 percent of those who leave the welfare rolls do so for work. Others leave because of marriage, their youngest child turning 18, an increase in child support, receipt of SSI, increase in earnings by another family member, or sanctions. Many states are using sanctions to enforce work rules, and we think that is entirely appropriate. Data from several state studies find that after being sanctioned, about half the people go to work and approximately 40 percent have an increase in their income. Several states also found that one-quarter to one-third of those sanctioned return to the rolls, presumably after complying with the requirements.

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# More Welfare Recipients Going to Work, Study Finds

By **ROBERT PEAR**

WASHINGTON, June 18 — Millions of people have left the welfare rolls since Congress overhauled the Federal program two years ago, but what happened to them has been a puzzle for policy makers. Now, the most comprehensive study of the new system says more and more are going to work.

The General Accounting Office, a nonpartisan arm of Congress, said today that there had been sharp increases in the proportion of welfare recipients being placed in jobs.

The findings address one of the biggest questions about social welfare policy in the United States. Officials have expressed many opinions but until now have had only sketchy information about what happened to the people leaving welfare.

Since shortly after President Clinton took office, the number of people on welfare has fallen 37 percent, to 8.9 million in March 1998 from 14.1 million in January 1993. The number has dropped 27 percent since August 1996, when Mr. Clinton signed a bill ending the Federal guarantee of cash assistance for poor children.

The accounting office examined the experiences of seven states chosen to be representative of the nation as a whole. In five of the states, it found "significant increases" in the proportion of welfare recipients who obtained jobs.

"California, Louisiana and Maryland more than doubled their job placement rates from 1995 to 1997, and Oregon and Wisconsin increased their rates by more than 70 percent," the report said.

Texas had a slight decline in the proportion of welfare recipients who found jobs. Data from Connecticut, while not exactly comparable, showed a substantial increase in the number of families leaving welfare because of increased earnings.

The General Accounting Office reported that 17 percent of Maryland's welfare recipients were placed in jobs in 1997, up from 4 percent in 1995. In Louisiana, the proportion rose to 17 percent, from 6 percent, while in California it rose to 19 percent from 9 percent.

Many more people, beyond those who found employment, were re-

quired to participate in "work activities" that prepare them for jobs, the report said.

Representative Sander M. Levin of Michigan, the ranking Democrat on the House subcommittee responsible for welfare legislation, reacted to the report with cautious optimism. "So far, so good," Mr. Levin said, "but there's much left to be done."

In 1995 and 1996, opponents of the welfare bill predicted that states would try to outdo one another in cutting welfare benefits and adopting punitive measures to keep poor people away. In an interview today,

Mr. Levin said, "We have not seen a race to the bottom."

But Mr. Levin said the progress of the last two years would be jeopardized if House Republicans cut spending on programs for poor people, as required under the budget blueprint approved by the House on June 5.

Representative E. Clay Shaw Jr., the Florida Republican who is chairman of the subcommittee, welcomed the report as evidence that "welfare reform is working."

Authors of the report were quick to point out that some important ques-

tions remained unanswered. The report does not show the effects of the 1996 law on the well-being of children. It does not measure the extent of hunger or homelessness among people removed from the welfare rolls. Nor does it show what will happen if the economy, now booming, turns sour.

The accounting office said people who left welfare in the last few years were "the most readily employable," while those remaining may have more difficulty getting jobs because they have fewer skills, less education or more serious medical

problems.

In its report, the accounting office also made these points:

• Forty-two states have liberalized their rules on earned income so that welfare recipients can keep more of their cash assistance payments after they begin working. Nearly all states have increased their limits on the value of automobiles and other assets that people can own while receiving public assistance.

• The proportion of welfare recipients who are told to pursue education and job training has declined in the last three years. Instead, people are routinely told as soon as they apply for welfare to get jobs.

• Nineteen states have adopted stricter time limits on welfare than

the five-year limit set by the 1996 Federal law. But most of these states make exceptions in some cases.

For example, welfare recipients in Connecticut may obtain a six-month extension of the state's 21-month time limit if they "have made a good-faith effort to comply with work requirements, but have been unable to find employment," the report said.

In Connecticut, the General Accounting Office found that 2,667 families had reached the 21-month time limit by December 1997. In this group, 1,666 families lost welfare benefits, but 1,001 families, representing more than one-third of the total, got extensions allowing them to continue receiving cash assistance.

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Barry J. Toiv/WHO/EOP

Subject: HHS RELEASE

HHS/ACF did background briefing this morning on the two reports referenced in release below. Michael Kharfen said it went well. Reporters attending were: Laura Meckler, AP; Judy Haveman, Post; Rich Wolf, USA Today; Ina Jaffe, NPR. Barry, I wouldn't think you'd get press questions, but if you want Q&As, let me know. We did a weekly item already on the MDRC study of Portland. I'll do one this week on Urban Institute 5-state study though it's primarily a snapshot, and not an impact evaluation.

----- Forwarded by Andrea Kane/OPD/EOP on 06/23/98 03:29 PM -----



mhennegh @ OS.DHHS.GOV

06/23/98 02:32:56 PM

Please respond to mhennegh@os.dhhs.gov

Record Type: Record

To: HHS PRESS @ LIST.NIH.GOV

cc:

Subject: HHS RELEASE

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FOR IMMEDIATE RELEASE

Tuesday, June 23, 1998

Contact: Michael Kharfen

(202) 401-9215

#### REPORTS EXAMINE SUCCESSFUL WELFARE-TO-WORK EFFORTS

HHS Secretary Donna E. Shalala today released two reports that examine successful programs in five states and one city helping welfare recipients move into jobs.

"As states and localities develop their own welfare-to-work programs, they need to know how successful programs are achieving results," Secretary Shalala said. The efforts outlined in these reports are excellent examples of programs that work."

One of the studies, "Building an Employment Focused Welfare System," prepared by the Urban Institute, examines how welfare reform is being implemented by Indiana, Massachusetts, Oregon, Virginia and Wisconsin -- five states that have experienced caseload declines well above the national average.

The second report prepared by the Manpower Development Research Corporation, "Implementation, Participation Costs, and Two-Year Impacts of



the Portland (Oregon) Welfare-to-Work Program," looks at Portland, Oregon's welfare-to-work program, which reduced welfare expenditures by 17 percent over a two-year period, while increasing recipients' earnings by 35 percent.

"I am encouraged that these programs report substantial numbers of welfare parents working, and significantly in jobs paying more than the minimum wage," said Olivia Golden, HHS Assistant Secretary for Children and Families. "Moving from welfare to work must mean opening new doors of opportunity for families."

The five-state study focuses specifically on experiences implementing "Work First," the philosophy that most welfare recipients are capable of obtaining employment, that any job is better than no job and that the best way to succeed in the labor market is to join it.

The five states studied in the Urban Institute report were already restructuring their welfare systems to emphasize work when Congress passed major federal welfare reform in 1996. That legislation eliminated traditional open-ended cash assistance provided by the Aid to Families with Dependent Children (AFDC) program and the Job Opportunities and Basic Skills Training (JOBS) program. Congress replaced these programs with the Temporary Assistance for Needy Families program, which provides block grants to individual states, and which requires work for welfare recipients.

"There has been a shift in welfare-to-work programs across the country, from relying on providing education and training as the major route to self-sufficiency, to programs which embrace a Work First philosophy," said Pamela A. Holcomb of the Urban Institute. "The point of this report is to show how states are accomplishing this shift."

Typical practices, the researchers report, included (1) making a job search the first and central activity, (2) limiting participation in education and training, (3) imposing stricter participation and work requirements, including greater use of unpaid work experience (4) enforcing stiffer penalties for noncompliance and (5) placing time limits on assistance.

While the Work First programs in all five states shared common features, each state combined elements to create its own unique version of welfare reform. For example:

- Virginia provided recipients with the greatest opportunity to combine assistance with employment but also applied severe penalties for non-cooperation;
- Both Virginia and Massachusetts imposed work requirements sooner than the other states and relied more extensively on community service programs to engage recipients in some form of work;
- Oregon developed the most successful program for creating subsidized employment opportunities for welfare recipients.

By tracking a sample of recipients over a one year period, the five-state study found that 31-44 percent of the participants at the end of the year were still receiving cash assistance or back on welfare, with or without a job.

"The Portland results provide valuable lessons on how to not only get

more people working, but also get them better jobs, and on how to succeed with those typically considered hard to place in jobs," said Gayle Hamilton of the MDRC. "The program emphasized getting a job quickly, but also used some education and training as tools to get there."

Portland, Oregon's efforts have been among the most effective among large-scale mandatory programs, according to the report prepared by the Manpower Demonstration Research Corporation. By the end of the study period, just 41 percent of program group members were receiving welfare, compared to 53 percent of control group members. The proportion of people working at full-time jobs increased by 13 percent, and the proportion with employer-provided health benefits increased by 10 percent.

The Portland program used a mixed-services strategy: most people participated in job search, but many also participated in short-term education, vocational training, work experience, and life skills training. Failure to participate resulted in welfare grant reductions.

- More -  
- 3 -

One important feature of the Portland program is that it increased job quality. Participants were encouraged to look for and take "good" jobs--full-time jobs, paying more than the minimum wage, with benefits and potential for advancement.

The studies suggest that states will need to adopt a greater range and mix of services and strategies to help the least employable welfare recipients, Assistant Secretary Golden said.

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Note: HHS press releases are available on the World Wide Web at:  
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To: See the distribution list at the bottom of this message  
cc: mkharfen @ acf.dhhs.gov @ inet  
Subject: Re: NPR story on welfare reform studies

In case you didn't hear/see this...

----- Forwarded by Andrea Kane/OPD/EOP on 06/24/98 11:26 AM -----



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To: Andrea Kane/OPD/EOP  
cc:  
Subject: Re: NPR transcript 

**NPR ALL THINGS CONSIDERED**  
Aired on JUNE 23, 1998

**New Welfare Reform Numbers**

LINDA WERTHEIMER, HOST: It's ALL THINGS CONSIDERED. I'm Linda Wertheimer.  
NOAH ADAMS, HOST: And I'm Noah Adams.

States are successfully moving welfare clients into jobs, according to two studies released today by the U.S. Department of Health and Human Services.

NPR's Ina Jaffe has details about the studies, which looked at cities in five different states.

INA JAFFE, NPR REPORTER: The philosophy shared by all the welfare programs in the studies could be summarized as "work first." That is, education and training in most cases took a backseat to job hunting. The Urban Institute compared the programs in Indianapolis, Indiana, Worcester, Massachusetts, Culpepper, Virginia, Portland, Oregon, and Racine, Wisconsin.

Pamela Holcomb (ph), the author of the study, says the differences in the details of each state's program didn't seem to matter much. What was important, she says, was speed.

PAMELA HOLCOMB, AUTHOR OF STUDY OF WELFARE-TO-WORK PROGRAMS: It is important to get recipients into the program or the work-focus as quickly as possible; to sort of change the message from the beginning time that somebody walks in the door. That really does make a difference.

JAFFE: Still, the results did vary from state to state. The percentage of welfare clients who found work range from a low of 36 percent in Worcester, Massachusetts to a high of 66 percent in Culpepper, Virginia. But the city where the effects of the work-first approach could be seen most clearly was Portland.

That's because welfare clients required to participate in job search and work activities were compared with a control group who weren't required to do anything in exchange for their benefits.

After two years, the number of welfare clients who found work was 11 percent higher among those required to participate in job search. What's more, these Oregon welfare clients were told not just to

find any job, but to look for a good job, with higher than minimum wages and opportunities for advancement. Gail Hamilton (ph) directed the Portland study for the Manpower Demonstration Research Corporation.

GAIL HAMILTON, DIRECTOR OF PORTLAND STUDY OF WELFARE-TO-WORK PROGRAM, MANPOWER DEMONSTRATION RESEARCH CORPORATION: You're

definitely seeing people with higher earnings, and some of this is due to people having better jobs. Now, it was a very good labor market out in Portland during this period. So that -- that probably helped facilitate this push to take a good job, but don't wait forever to find a good job and take it.

JAFFE: The studies also found, however, some unintended consequences of the new federal welfare law as a result of the way different components interact. For example, welfare clients are now encouraged to work, even if they don't earn enough to get off welfare completely. To make this more attractive, they're allowed to keep more of their salaries without substantially reducing their benefits.

But the Urban Institute's Pamela Holcomb points out during this time, while clients are working and doing everything else the law requires, they continue to use up their welfare time limit, which is five years under federal law. She says the State of Illinois has found one solution to this catch-22.

HOLCOMB: They will fund the benefits during those months when a family is combining work and welfare, out of state dollars. Therefore, those months don't count against those person's time limit.

JAFFE: Pamela Holcomb and Gail Hamilton both point out that while the work-first approach is moving welfare clients into jobs, it's the clients most ready to work who are finding employment. So in the future, they say, welfare rolls will have a greater percentage of people who are not ready, who may be facing such obstacles as domestic violence or substance abuse, and states will need to develop new strategies to help these clients succeed in the world of work.

Ina Jaffe, NPR News.

End

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To: See the distribution list at the bottom of this message

cc:

Subject: Announce Portland Welfare Reform Evaluation?

HHS is about to release very positive results from an evaluation of Portland, OR's welfare reform program and wondered whether we might be interested in doing something with this given POTUS trip to Oregon on Friday/Saturday. If not, they'll release next week and I'll just do a weekly on it.

The evaluation, part of the National Evaluation of Welfare-to-Work Strategies, found a 17% reduction in welfare expenditures and 35% increase in earnings, for those in program compared with those in control group. Other positive results: reduced welfare dependency (41% of participants on assistance after 2 years compared with 53% of control group) and increase in quality of jobs (full time, with health benefits). The model is a "mixed services strategy"--most people went through job search, but many also participated in short-term education, vocational training, work experience, and life skills training. Positive results were sustained over 2 years and are expected to hold up for 3rd year. Employment and earnings gains were positive for both more and less job ready participants.

**Also of interest**, the Center on Budget and Policy Priorities recently released a study on Oregon suggesting that **minimum wage** increases can boost wages for welfare recipients moving to work.

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**Questions and Answers on Tufts University Welfare Reform Study  
February 23, 1998**

**Q: The Tufts study says the majority of states are failing badly in implementing welfare reform. Does the Administration agree with this finding?**

**A:** No. HHS is tracking state programs and the results certainly demonstrate that we're on the right track. As Secretary Shalala announced in a speech two weeks ago, there has been no race to the bottom in state welfare spending -- on average, states are spending more per person on welfare than they did in 1994. States have refocused their programs on work -- turning welfare offices into employment offices; investing money in job preparation, child care, and transportation, and making work pay by letting families keep more welfare benefits when they go to work. At the same time, states are enforcing mandatory work requirements with credible sanction policies which persuade many recipients to go to work.

Welfare caseloads have fallen dramatically -- by 2.4 million or 20 percent in the first 13 months of the new law -- and preliminary studies show most people are leaving welfare for work.

To ensure even more success in the future, we announced last week that we will provide \$200 million a year in High Performance Bonuses to states that do the best job of helping people get jobs and succeed in the workplace.

**Q: The Tufts study says state welfare policies are hurting the economic prospects of poor families. Do you agree?**

**A:** No. The study does not actually measure how welfare reform affects families. It simply assumes that the only way to improve families' well-being is to give them more welfare. In this biased analysis, states that increase the size of welfare checks and exempt more people from work requirements are ranked high, while states that impose time limits and sanctions to encourage work are ranked low. The fact is, the best way to increase a family's economic circumstances is to help them get and keep a job, and state programs that provide both carrots and sticks seem to be the most promising.

**Q: Doesn't welfare actually pay better than work?**

**A:** No. Entry level wages exceed welfare benefits in many states, and when combined with the Earned Income Tax Credit -- up to \$3,600 a year -- nearly all working families are better off than those on welfare. In addition, welfare recipients who go to work have the opportunity to move up to better jobs and pay, while those who stay on welfare have limited opportunities.

**Q: Why do you believe the Tufts analysis is flawed?**

**A:** The study has a number of serious problems.

- **The study does not focus on results.** By the authors' own admission, it focuses entirely on 'inputs' by looking at state decisions on 34 policy choices (see attached chart). It then makes the assumption that certain policy choices lead to positive or negative impacts on the economic security of poor families. There is nothing in the study that tells us how families are actually faring. For example, the study concludes that most states are not investing in the economic security of families, but it ignores the actual financial data -- released by HHS two weeks ago -- which shows that states have increased average welfare spending per person under welfare reform. The study does find that states are making substantial investments in child care.
- **The study makes highly questionable assumptions which conflict with research findings.** For example, the study assumes programs that invest in education and training and encourage work without requiring it are the most effective -- that's why it gives positive marks to states for focusing on education and training and having generous exemptions. By contrast, the most credible welfare reform studies, such as those done by the Manpower Demonstration Research Corporation, have found a "work first" strategy to be most successful. Under a work first strategy, welfare agencies focus on getting people jobs (and sanction those who don't cooperate) and then help people retain jobs and succeed in the workforce through training and other support services. Successful work first programs also expect broad participation in work programs.
- **The study is heavily biased towards negative rankings.** The scale used to assess state programs is constructed with almost twice as many negative points as positive. It is impossible for a state to even get a positive score in several of the categories. For example, in order to get a positive score, a state must refuse to impose the five year time limit, increase welfare benefits, exempt more families from work requirements than the federal law, and spend more money on welfare agency staff. It is worth noting that two of the advisors to this study -- Peter Edelman and David Ellwood -- resigned from the Administration in opposition to the President's support of the welfare reform law.

**Q: Mr. Reed, how do you feel about your home state of Idaho receiving the lowest ranking?**

**A:** I don't want to comment on particular state rankings, but as I've already mentioned, we think there are serious problems with the overall methodology of the study.

**Tufts Survey of State Welfare Policies--Comparing TANF/CCDF vs. AFDC/JOBS/CC**

Possible point values

Part I	TANF	-2	-1	0	+1	+2
<b>Benefit Levels and Eligibility</b> (Total possible points for category: -8 to +2)						
A1	Are benefits different than under AFDC?					
A2*	Different benefit level for new state residents?					
A3	Family cap?					
A4	Child support pass through?					
A5*	Exclude drug felons?					
A6	Adopt family violence exemptions?					
<b>Time Limits</b> (Total possible points: -4 to 0)						
B1	Lifetime limit different than federal 60 months**					
B2	Assistance beyond 60 months for > 20% of cases?***					
<b>Work Requirements &amp; Sanctions</b> (Total possible points: -10 to +2)						
C1	Include education and training in definition of work activities?***					
C2	Exempt single parents with children over one year from work?***					
C3	Other exemptions from work requirement?***					
C4	Stricter sanctions for non-compliance with work requirement?					
C5	Terminate Medicaid for failure to participate in work activity?					
C6	Reduce/terminate food stamps for failure to comply with work?					
<b>Assistance in Obtaining Work</b> (Total possible points: -6 to +2)						
D1*	> 30% allowed to participate in vocational educational training?***					
D2*	Count > 12 months of vocational educational training as work?***					
D3	Count > 6 weeks of job search toward work requirement?***					
D4	Case managers handling fewer cases and providing more services?					
D5	Spending more dollars on case manager training?					
<b>Income and Asset Development</b> (Total possible points: -1 to +10)						
E1	Allow greater earned income disregards?					
E2	Increase asset allowance for a vehicle?					
E3	Increase asset allowance for savings?					
E4*	Provision for establishing IDAS?					
E5	Extend transitional Medicaid beyond 12 months?***					
E6	Provide own health coverage for income eligible, insured families?***					
<b>Part II CHILD CARE BLOCK GRANT</b> (Total possible points: -6 to +6)						
F1	Subsidize child care for those in TANF work activity?					
F2	Subsidize for those whose cash assistance has ended due to earnings?					
F3	Maintain previous level of child care assistance for working poor					
F4	State spending at least equal to spending on AFDC-related child care?					
F5	At what level will state match additional federal funding?					
F6	Spending more on training child care providers?					



Part III	LEGAL IMMIGRANT FAMILIES (Total possible points: -3 to 0)	-2	-1	0	+1	+2
G1*	Current legal immigrants eligible for cash assistance?					
G2*	Newly arrived legal immigrants eligible for cash assistance?****					
G3*	New and/or current legal immigrants eligible for food assistance?****					

- \* Items assigned one half value since they only affect a minority of cases.
- \*\* Requires a waiver or separate state-funded program to get 0, +1 or +2 score.
- \*\*\* Requires a waiver or separate state-funded program to get +1 or +2 score.
- \*\*\*\* Requires a waiver or separate state-funded program to -1 score.

*NOTE: Positive score indicates state is doing better than under previous policy, negative score indicates state is doing worse, 0 indicates no change.*

### **Background on the Study**

The study was conducted by researchers from the Center on Hunger and Poverty at Tufts University. A nine-member national Advisory Board Peter, including Edelman, David Ellwood, and Donna Pavetti, provided advice on the scale, however the report cautions that the final product does not necessarily reflect the views of the advisors.

In the absence of outcome information, the study attempts to analyze state welfare program "inputs" and to evaluate their likely investments in the economic security of low income families. The study is based on a "Tufts State Welfare Reform Scale" based on 34 state policy decisions. It compares state policy in October 1997 under TANF/Child Care Development Fund and continuing waivers with its previous program under AFDC/JOBS/child care without any waivers. Each state's overall score provides a relative measure of the extent to which it is using its flexibility to invest in the economic well being of poor families.

Each question on the scale has three possible responses: negative (less investment in economic security than under previous policy), zero, or positive (likely to improve household economic well-being compared to previous law). Values range from -2 to +2. Scores for each question are summed to get a total for each category. Scores for each Part are added to get an aggregate score.

Information was collected by reviewing state TANF plans and policy decisions, followed by phone interviews with state welfare administrators. The survey and responses were revised to reflect passage of the Balanced Budget Act. All fifty states and D.C. verified the final responses.

## COMPARING STATES' OVERALL TUFTS SCALE SCORES

Table 2 shows overall state scores ranked in descending order (highest to lowest). Recalling from Table 1 that the range of possible overall scores is -38 to +22, it is clear that no state did as little, or as much, as could have been done to change the impact of its welfare programs on the economic security of poor families with children. The highest overall score of +12 points, received by VT, fell 10 points short of the maximum score. The lowest score of -15.5 points, received by ID, was also 22.5 points higher than the minimum.

Generally, states in the Southern region scored lower than states in the Northeast. Among the fourteen states receiving overall scores above zero, seven are in the Northeast region (VT, RI, PA, NH, ME, CT and MA), and four are in the Western region (OR, CA, WA and UT). Two states in the top fourteen are in the Midwestern region (IL and MN), and one (TN) is in the South. Of the fourteen states with lowest overall scores, seven are in the Southern region (FL, NC, LA, MS, AL, GA, and DC), four are in the Midwest (OH, IA, MO and KS), two in the West (WY and ID), and one in the Northeast (NJ).

During the 1996 policy debate over "devolving" welfare to the states, leaders in six states were particularly active in efforts to obtain greater state prerogatives. In the states of CA, MD, MI, NJ, OH, and WI, governors made welfare reform a major component of their policy agendas<sup>18</sup>. All of these states except one are doing worse than their peers in terms of promoting the economic security of recipient families. With one exception, all these states received scores at or below the median value of -3 points, while two (OH and NJ) scored among the worst in the nation. CA scored among the top fourteen states with an overall score of +4.5 points (though several of its newer policies were not implemented until after October 1997).

Overall, fourteen states created welfare programs demonstrating greater investment in the economic security of poor families, while two states maintained the status quo under prior law. Thirty-five states (including DC) designed welfare programs which are likely to worsen the economic security of poor families.

**Table 2: Overall Tufts Scale Scores With State Rankings**

State	Rank	Score
VT	1	12.0
OR	2	7.5
RI	3	6.5
PA	4	4.5
NH	4	4.5
ME	4	4.5
CA	4	4.5
WA	8	4.0
DT	8	4.0
UT	10	2.5
IL	10	2.5
MN	12	2.0
MA	12	2.0
TN	14	1.5
NY	15	0.0
NE	15	0.0
VA	17	-0.5
TX	17	-0.5
MT	19	-1.0
DE	20	-1.5
NV	21	-2.0
HI	21	-2.0
CO	21	-2.0
AR	21	-2.0
AK	25	-2.5
NM	26	-3.0
ND	26	-3.0
MI	28	-3.5
MO	28	-3.5
WV	30	-4.0
WI	30	-4.0
SC	30	-4.0
AZ	30	-4.0
SD	34	-5.0
OK	34	-5.0
KY	34	-5.0
IN	34	-5.0
OH	38	-6.0
FL	38	-6.0
NC	40	-6.5
LA	40	-6.5
IA	40	-6.5
NJ	42	-7.0
MO	44	-8.0
MS	45	-9.0
AL	45	-9.0
GA	47	-9.5
DC	48	-10.5
KE	48	-11.0
WY	50	-12.0
ID	51	-15.5

<sup>18</sup> Norris, D. F., and L. Thompson. *The Politics of Welfare Reform*. SAGE Publications, Thousand Oaks, CA, 1995

## DESCRIPTION OF OVERALL SCALE RESULTS

State welfare policy impacts the economic security of poor families in a variety of ways. The Tufts Scale divides major state policy provisions into three major parts, comprising a total of seven categories. Part I contains items related to TANF Block Grant provisions, Part II to the Child Care and Development Fund, and Part III to assistance for legal immigrant families. These are shown, along with states' scores on each of the major subcategories, and their overall Scale scores, in Table 1 below.

**Table 1: State Scores Overall and by Subcategory, as of October 1, 1997**

State Code	Part I:					Part II:	Part III:	Total
	Benefit Level & Eligibility	Benefit Time Limits	Work Requirements & Sanctions	Assistance Obtaining Work	Income & Asset Development	Child Care	Legal Immigrant Families	Sum of Parts I, II, and III
AK	-2.5	-2.0	-2.0	-1.5	3.0	4.0	-1.5	-2.5
AL	-2.0	-2.0	-6.0	-3.0	3.0	4.0	-3.0	-9.0
AR	-2.5	-3.0	-4.0	-1.0	6.5	4.0	-2.0	-2.0
AZ	-3.5	-2.0	-3.0	-3.0	5.5	4.0	-2.0	-4.0
CA	-4.0	-1.0	1.0	2.0	1.0	6.0	-0.5	-4.5
CO	-2.0	-2.0	-5.0	0.0	4.5	4.0	-1.5	-2.0
CT	-0.5	0.0	-4.0	-1.0	6.0	5.0	-1.5	4.0
DC	-4.0	-2.0	-3.0	-2.0	0.0	3.0	-2.0	-10.0
DE	-3.0	-3.0	-3.0	2.0	4.5	3.0	-2.0	-1.5
FL	-4.5	-2.0	-5.0	-1.5	4.0	5.0	-2.0	-6.0
GA	-3.0	-3.0	-4.0	-3.0	1.5	3.0	-1.0	-9.5
HI	-4.5	-1.0	-4.0	-1.5	5.0	5.0	-1.0	-2.0
IA	-3.0	-2.0	-4.0	-0.5	4.0	1.0	-2.0	-6.5
ID	-7.0	-4.0	-7.0	1.5	1.0	2.0	-2.0	-15.5
IL	-5.0	-1.0	0.0	0.5	4.5	5.0	-1.5	2.5
IN	-4.0	-3.0	-5.0	2.0	3.0	4.0	-2.0	-5.0
KS	-4.0	-2.0	-9.0	1.0	3.0	2.0	-2.0	-11.0
KY	-2.5	-2.0	-3.0	-3.0	4.5	3.0	-2.0	-5.0
LA	-1.5	-1.0	-4.0	-2.5	0.5	4.0	-2.0	-6.5
MA	-4.0	0.0	0.0	1.0	4.0	2.0	-1.0	2.0
MD	-4.0	-2.0	-3.0	0.0	4.0	2.0	-0.5	-3.5
ME	-1.0	-1.0	0.0	-1.5	4.0	5.0	-1.0	4.5
MI	-1.5	0.0	-10.0	-0.5	6.5	4.0	-2.0	-3.5
MN	-2.0	-1.0	-1.0	0.0	3.0	3.0	0.0	2.0
MO	-4.0	-2.0	-3.0	-3.0	4.0	2.0	-2.0	-8.0
MS	-4.0	-2.0	-8.0	0.0	1.0	6.0	-2.0	-9.0
MT	-3.0	-2.0	-6.0	2.0	6.0	4.0	-2.0	-1.0
NC	-5.5	-2.0	-3.0	-2.0	3.0	5.0	-2.0	-6.5

**Table 1 (continued): State Scores Overall and by Subcategory, As of October 1, 1997**

State Code	PART I:					PART II:	PART III:	Total
	Benefit Level & Eligibility	Benefit Time Limits	Work Requirements & Sanctions	Assistance Obtaining Work	Income & Asset Development	Child Care	Legal Immigrant Families	Sum of Parts I, II, and III
ND	-4.0	-2.0	-5.0	0.0	5.0	5.0	-2.0	-3.0
NE	-6.0	0.0	-5.0	1.0	4.0	6.0	0.0	0.0
NH	-1.5	-2.0	-1.0	2.0	4.0	5.0	-2.0	4.5
NJ	-3.5	-2.0	-6.0	-2.0	5.0	3.0	-1.5	-7.0
NM	-1.0	-3.0	-6.0	-1.5	5.5	5.0	-2.0	-3.0
NV	-2.0	-2.0	-3.0	-2.0	4.0	5.0	-2.0	-2.0
NY	-3.0	-1.0	-1.0	-2.0	4.5	3.0	-0.5	0.0
OH	-1.0	-2.0	-7.0	-2.0	6.0	2.0	-2.0	-6.0
OK	-4.0	-1.0	-4.0	0.5	2.5	3.0	-2.0	-5.0
OR	-1.0	0.0	-2.0	0.5	7.0	4.0	-1.0	7.5
PA	-1.0	-2.0	-3.0	0.5	5.5	6.0	-1.5	4.5
RI	-1.5	-1.0	-2.0	0.0	5.0	6.0	0.0	6.5
SC	-4.0	-2.0	-5.0	1.0	5.0	3.0	-2.0	-4.0
SD	-4.0	-1.0	-4.0	-1.0	3.0	4.0	-2.0	-5.0
TN	-1.0	-1.0	-8.0	1.5	7.0	4.0	-1.0	1.5
TX	-2.5	-2.0	0.0	0.0	2.0	4.0	-2.0	-0.5
UT	-1.0	-3.0	-4.0	2.0	5.5	4.0	-1.0	2.5
VA	-5.0	-1.0	-1.0	0.0	3.5	5.0	-2.0	-0.5
VT	-1.0	0.0	1.0	2.0	5.0	6.0	-1.0	12.0
WA	-2.5	-1.0	-4.0	1.5	6.5	4.0	-0.5	4.0
WI	-3.0	-2.0	-5.0	-2.0	4.0	5.0	-1.0	-4.0
WV	-2.0	-2.0	-2.0	-2.0	4.0	2.0	-2.0	-4.0
WY	-6.0	-2.0	-7.0	0.0	4.0	0.0	-1.0	-12.0
<b>Median</b>	-3.0	-2.0	-4.0	0.0	4.0	4.0	-2.0	-3.0
<b>Range of Possible Scores:</b>								
<b># Of Items</b>	6	2	6	5	6	6	3	34
<b>Maximum</b>	+2.0	0.0	+2.0	+2.0	+10.0	+6.0	0.0	+22.0
<b>Minimum</b>	-8.0	-4.0	-10.0	-6.0	-1.0	-6.0	-3.0	-38.0

The bottom two rows of Table 1 show the range of possible scores that states could receive for each category, and overall. For two categories (benefit time limits and treatment of legal immigrant families) states only can receive scores that are equal to or less than zero, since prior welfare law did not limit eligibility duration, nor restrict eligibility of legal immigrants. Moreover, in order to maintain policies in either of these two areas that are "neutral" (i.e., comparable to federal policy under AFDC/JOBS/child care assistance), and receive a score of zero, states have