



November 5, 2004

Commissioner John Wagner
Department of Transitional Assistance
Commonwealth of Massachusetts
600 Washington Street
Boston, MA 02111

community impact

CHILDREN
YOUTH
EMPLOYMENT
HOUSING

Chairman of the Board

Cathy E. Minehan

President and Chief Executive Officer

Federal Reserve Bank of Boston

Milton J. Little, Jr.

President and Chief Executive Officer

Ansın Executive Leadership Chair

Dear Commissioner Wagner:

On behalf of the Welfare Reform Advisory Committee, please accept this Report of Recommendations in anticipation of the expiration of the Commonwealth's current waiver and in further anticipation of the Reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

After many weeks of debate and deliberation, we present these recommendations for your consideration. They represent a consensus of opinion realizing that the diversity of the members most likely precluded unanimity on all of the issues. Regardless of the lack of unanimity, the members reflected a thoughtful group of individuals committed to serving the best interests of these individuals and families receiving welfare benefits.

The recommendations are presented in three parts. The first part addresses the funding of any plan adopted by the Commonwealth. It is necessary for the Legislature to provide adequate funding to meet the requirements included in current Congressional proposals. For example, it was evident that the current proposals are going to increase the demands on the Department by way of mandatory assessments, the development of individual plans for each recipient, and the delivery of support services allowing individuals to participate in work. Congress also plans to increase the hourly demands with regard to participating in work-related activities as well as expanding this requirement to additional populations currently exempted.

The Committee felt strongly that failure to adequately fund these new requirements could result in failure of the Department and the participants to meet these new obligations.

The second part addresses recommendations requiring legislative action. Specifically, the Committee felt that Massachusetts should not retreat from the work requirement and the two-year time limit. However, we felt that the Legislature should revise the definition of "work" so that it aligns with the anticipated federal work definition and requirement. This definition would take into account "core activities" and "other qualified activities".

Additionally, we recognized the importance of "universal engagement". This would result in the inclusions of some populations in the work requirement that are currently exempted. A key tool in the implementation of this policy is the aggressive use of comprehensive assessments focusing on the participant's strengths as well as the barriers.

The third part addresses administrative or regulatory changes that would contribute to the success of participants and the program in general. For example, DTA should experiment with pilot programs based on best practices in other states. These should, of course, be modified to meet any unique characteristics of Massachusetts. But we should endeavor to learn from other states in what works.

Commissioner John Wagner
November 5, 2004
Page Two

Further, the Commonwealth should invest in the education and training of eligible recipients in ways that improve the economic outcomes of families. For example, Maine's Parents as Scholars program has demonstrated success in getting families off of government dependency and contributing greatly to their long-term economic self-sufficiency.

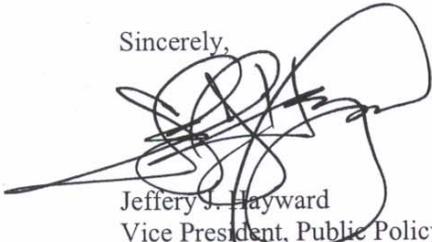
The Department was encouraged to increase its efforts to promote policies that add to a family's ability to build assets. Specifically, the Department should vigorously promote a more simplified earnings disregard, access to the Earned Income Tax Credits and other financial work supports.

The Department was encouraged to offer different program activities that promote employability and self-sufficiency to the various populations, including the hard-to-serve recipients and continue to use co-location of its offices whenever possible thereby increasing access for recipients.

And finally, given that one key objective is to get families off of welfare and into economic self-sufficiency, the Department should review its education/training provider reimbursement structure introducing incentives for job retention and advancement by participants.

In closing, we thank you for providing the opportunity to meet with a broad and diverse group of individuals to discuss this very important issue. We are hopeful that through ongoing dialogue and consultation with one another, we can meet the objectives of the next iteration of the federal and state welfare laws thereby resulting in increased promise and hope for the Commonwealth's poor and disadvantaged families and their children.

Sincerely,



Jeffery J. Hayward
Vice President, Public Policy
United Way of Massachusetts Bay
Co-Chair



Ed Sanders-Bey
Assistant Commissioner
Department of Transitional Assistance
Co-Chair

JJH:ESB:las

Enclosure: Welfare Reform Advisory Committee Report



MITT ROMNEY
Governor

KERRY HEALEY
Lieutenant Governor

Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Transitional Assistance
600 Washington Street • Boston, MA 02111

RONALD PRESTON
Secretary

JOHN A. WAGNER
Commissioner

November 9, 2004

Jeffery J. Hayward
Vice President, Public Policy
United Way of Massachusetts Bay
245 Summer Street, Suite 1401
Boston, MA 02210

Dear Mr. Hayward: *Jeff*

I want to express my sincere gratitude for your efforts as co-chair of the Welfare Reform Advisory Committee, which was convened to address the expiration of the Commonwealth's current waiver and reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. I have just concluded a review of the recommendations that the Committee submitted, and found them to be thoughtful and well written. I know that the Committee had an extensive amount of material to cover in a limited time, and I appreciate the hard work by all involved, but especially by you and Christie Getto Young of your staff.

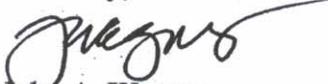
The expiration of the Commonwealth's welfare reform waiver will be a watershed event for public policy in Massachusetts, and federal TANF reauthorization will further complicate the issues we face. I am very pleased that the Committee addressed, and was able to reach a general consensus, on some of the major items that will be before us in the coming months. Expanding the limited participation of the current program to a universal engagement model will be a significant challenge, but one that will help thousands of recipients move toward self-sufficiency, while aligning state policies with those of the federal government. The recommendations of the Committee concerning assessments for recipients are also illuminating. The themes of identifying necessary supports at the earliest opportunity, and searching for strengths, rather than deficits on the part of recipients, are ones that I fully support and intend to work towards as we strive to adapt and improve the TAFDC program.

Given the diversity of the group, it is not surprising that there were differences of opinion, as illustrated by dissenting remarks of the Massachusetts Law Reform Institute (MLRI) and the Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA, which references the MLRI dissent). Although their dissent contains too many inaccuracies to detail here, I feel the need to address a couple of them. The notion that there would be no protections for the severely disabled or pregnant women does not

comport with my understanding of the conversations that took place at the Committee's meetings, and suggests an unduly harsh approach by the Committee and the Department. The remarks also fail to acknowledge the assessment process and other protections recommended by the Committee, which change the context in which universal engagement is presented. I also take issue with the MLRI assertion that the Department undertook this process with a preconceived notion of the recommendations of the Committee. To the contrary, the report seems to reflect an array of recommendations driven from the valuable perspectives on the part of many of our stakeholders, and should further enhance the Department's ability to move more families into the economic mainstream.

As we begin the steps necessary to process and act upon the recommendations of the Committee, I hope that we can continue to work closely with you. Thank you again for partnering with us as we strive to assist recipients of Transitional Assistance move to self-sufficiency.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Wagner". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John A. Wagner
Commissioner

Welfare Reform Advisory Committee

**A Report to the Commissioner of the
Massachusetts Department of Transitional Assistance**

**Recommendations Post-Waiver and in
Anticipation of the Reauthorization by the
Congress of the United States of the
Personal Responsibility and Work Opportunity Reconciliation Act of 1996**

November 2004

Section 1

THE WELFARE REFORM ADVISORY COMMITTEE

Background and Purpose

The Welfare Reform Advisory Committee (WRAC) was established in July 2004 by Commissioner John Wagner of the Department of Transitional Assistance. He asked that a committee be convened to advise and make recommendations to him on changes that should be made to Massachusetts welfare programs and policies given that our state waiver will expire in September 2005, and also with the expectation that the Federal government will be reauthorizing the federal welfare law in the interim.

Commissioner Wagner asked the following members to participate in the Advisory Committee. They represent government agencies, advocates, educators, providers, the workforce development community, businesses, and individuals with experience and expertise in the fields that serve welfare recipients such as education, training, disability, services for immigrants and refugees, substance abuse, and mental health. Edward Sanders-Bey, Assistant Commissioner, Policy and Program Management of the Department of Transitional Assistance, and Jeffery Hayward, Vice President of Public Policy and Community Impact of the United Way of Massachusetts Bay, co-chaired the Committee.

Committee Members

Elsa Bengel	YMCA Training, Inc.
Carly Burton	MA Immigrant & Refugee Association
Carolyn Castro-Donlan	DPH-BSAS
Patrick Flavin	The TJX Companies
Heriberto Flores	New England Farm Workers
Toni Gustus	Department of Public Health – BSAS
Christie Getto Young	United Way of Massachusetts Bay
John Halliday	ICI-UMass Boston
Deborah Harris	MA Law Reform Institute
Kristin Johnson	UMass Medical School - Disability Evaluation Services
Bill Kiernan	ICI-UMass Boston
Janet McKeon	Office of Child Care Services
Ali Noorani	MA Immigrant & Refugee Association
Andrea Perrault	Department of Education
Judy Selesnick	WIA Association
Gina Spaziani	MA Executive Office of Community Colleges
Dr. Charley Sweet	UMass Medical School - Disability Evaluation Services

Committee Activities

The Committee worked on an accelerated timeline, in order to prepare recommendations in a timely fashion for the upcoming 2005-2006 Legislative Session. The Committee had six three-hour meetings between August and October 2004. In addition, Committee members worked diligently between meetings gathering data, facts and figures, best practices, program issues, anecdotal evidence and other analyses in order to provide the entire Committee with essential specifics to make informed decisions during meetings. Committee members also spoke with many knowledgeable individuals who work with or on behalf of welfare recipients both in and out of state. Given the time constraints, the committee focused its meetings on high level discussions of issues related to work participation. It should be said that not every member agreed with every recommendation. Rather, while unanimity was not the objective, this report reflects more of a general consensus that emerged from the Committee's discussion and work. It was agreed that each member would have the opportunity to present and attach dissenting opinions in instances where they disagreed with the report's recommendations. Such dissents are attached.

Section 2

BACKGROUND ON FEDERAL & STATE WELFARE LAW

History of Federal Welfare Law and Background on PRWORA

In 1935, the United States Congress created the Aid to Dependent Children (ADC) program as part of the original Social Security Act. The goal was to help states make it possible for poor children without a parent's support to live at home rather than in an orphanage. The program became Aid to Families with Dependent Children (AFDC) when Congress extended coverage to the child's parent or other caretaking relative.

For 61 years, states ran the AFDC program in partnership with the federal government. In order to receive federal funds for the AFDC program, states were required to comply with federal laws and regulations. States were allowed to set their own benefit levels, but had to follow federal rules for calculating eligibility and had to provide benefits in cash.

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (sometimes referred to as the PRWORA or the federal welfare reform act). The 1996 federal welfare reform act converted AFDC to a block grant—called Temporary Assistance to Needy Families (TANF)—with essentially fixed funding. The act eliminated the 61-year policy of automatic eligibility for cash assistance, and instead gave states broad discretion in deciding which needy families or categories of needy families will receive aid and whether the aid will be in the form of cash or other benefits or services.

Under the federal-state AFDC program which the block grant replaced, Massachusetts received federal matching funds for state expenditures for welfare benefits; education, training, and child care for welfare recipients and former recipients; emergency assistance for

families; and administration of these programs. For every dollar the state spent on these programs, the state generally received an additional dollar in federal funds.

In contrast, under PRWORA, the state now receives an annual TANF block grant of \$459.4 million a year, subject to annual appropriation by Congress. PRWORA is designed around the concepts of a work requirement for adult recipients and a five-year lifetime limit for the receipt of cash assistance. As such, states are generally restricted in using TANF block grant funds for certain purposes, such as cash assistance for families for more than five years, and services for many legal non-citizens.

To draw down the TANF block grant funds, the state does not have to “match” the federal funds as it did under the AFDC funding system, but the state does have to spend a specified amount, known as the state’s “maintenance of effort” (MOE) in order to obtain the federal funds. To meet the minimum MOE requirement, the state must spend 75% of its “historic state expenditures” (or 80% if the state fails to meet federal work participation rates) on “qualified state expenditures.” “Historic state expenditures” are the state’s federal FY 94 expenditures *from state funds* for AFDC, AFDC administration, Emergency Assistance, AFDC child care, and AFDC education and training. “Qualified state expenditures” are generally expenditures of state funds on these programs and other programs reasonably calculated to accomplish the purposes of the block grant. The U.S. Department of Health and Human Services (HHS) has calculated Massachusetts’ “historic state expenditures as \$478.6 million. Thus, under federal law, Massachusetts must spend at least 75% of \$478.6 million from state funds -- \$358.9 million -- in order to draw down the full TANF block grant. States can use the required state expenditures to provide benefits for families that are not eligible for benefits under the federal block grant, for example, families that have reached the federal five-year time limit and non-citizens ineligible for federally funded benefits

History of State Welfare Law and Background on Chapter 5

In February 1995, a year and a half before PRWORA was signed into law, the Massachusetts legislature enacted its own welfare plan with the adoption of the Acts of 1995, Chapter 5, which renamed the state’s welfare program Transitional Aid to Families with Dependent Children (TAFDC). Chapter 5 made sweeping changes in the program, including a two-year time limit on benefits, a family cap (prohibition of benefits for additional children born to mothers receiving welfare), LearnFare (requirements for children to meet school attendance requirements), a work program for parents subject to the time limit whose youngest child is school-age, living arrangement and school attendance requirements for teen parents, and others. Chapter 5 also liberalized the treatment of earnings to provide incentives to working recipients.

Because Chapter 5 was implemented prior to PRWORA, Massachusetts needed permission from the federal government to implement them. In October 1995 HHS approved Massachusetts’ application for waivers for most of the Chapter 5 provisions. For example, while the PRWORA generally requires recipients to work for 30 hours per week, a previously approved waiver allows Massachusetts flexibility in setting its work requirement, which currently ranges from 20 to 30 hours per week, depending on the age of the recipient’s child.

The waivers expire on September 30, 2005.

As provided by Chapter 5, recipients who are not exempt from the time limit are limited to 24 months of assistance in any five-year period. Recipients are exempt from the time limit if they are:

- a person with disabilities,
- needed to care for a family member with disabilities,
- the caregiver of a child under two who is not excluded by the family cap,
- the caregiver of a child excluded by the family cap who is under three months old,
- a teen parent under age 20 who is attending full-time high school or a full-time GED and training or work program that totals at least 20 hours a week,
- a pregnant woman in her last 120 days of pregnancy, not receiving benefits for themselves, or
- age 60 or older.

The Massachusetts TAFDC program currently allows for six-month extensions to the time limits on a case-by-case basis, while extensions to complete an approved education or training program may be granted for three months. Extensions are evaluated and granted according to several criteria such as whether a recipient has cooperated with DTA to find employment, whether a recipient has rejected offers of employment or quit her job without good cause, and whether suitable child care is available.

State and Federal Work Requirements

Current Federal Work Requirements

PRWORA is designed around the concepts of a work requirement for adult recipients and a time limit for the receipt of cash benefits. The act instituted a 30-hour-per-week work requirement for all able-bodied recipients after two years of receiving benefits, and a five-year lifetime limit on receipt of benefits. Further, PRWORA provides that as a condition of qualifying for the full TANF block grant, states must have a specified percentage of recipients of TANF “assistance” in countable activities. (“Assistance” under PRWORA includes most cash assistance but not work supports such as child care for parents who are not receiving a cash payment).

Countable activities under PRWORA. For recipients whose youngest child is less than 6 years old, PRWORA allows states to count recipients who are in priority activities for 20 hours a week (30 hours/week for two-parent families who do not have a child care subsidy, and 50 hours/week for two-parent families receiving subsidized child care) toward the work participation requirement. Priority activities, which must account for most hours under current federal law, include:

- paid work,
- vocational educational training (for up to 12 months),
- community service,

- on-the-job training,
- job search (for up to six weeks),
- subsidized work,
- work experience,
- providing child care to another recipient who is performing community service, and
- school attendance for teen parents.

Recipients whose youngest child is 6 years of age or older are countable if they participate in 20 hours of priority activities and 10 hours of additional activities¹, which may include priority activities, but also includes:

- job skills training,
- secondary or vocational education for non-high school graduates, or
- education related to employment.

Required participation rates under PRWORA. PRWORA did not assume that all, or even most, TANF recipients would be in countable activities. PRWORA provided that initially states would be subject to penalties if they did not have 25 percent of recipients in countable activities in federal fiscal year 1997 (75 percent for two-parent families) and that this percentage would increase to 50 percent in federal fiscal year 2002 and thereafter (90 percent for two parent families). In computing these percentages, states are allowed to exclude from the denominator cases in which the adult was not receiving assistance (referred to as “child only” cases, which account for about 36 percent of cases in Massachusetts). In addition, states may exclude families with a child under the age of one and families receiving short-term non-recurring assistance for not more than four months.

Further, in calculating the percentage participation rate that states are required to meet, PRWORA allows states a credit for each percentage decline in the caseload (not attributable to policy changes) since federal fiscal year 1995. Because of declines in the caseload, Massachusetts and many other states have had net required participation rates of zero or close to zero. For federal fiscal year 2002, Massachusetts’ net required participation rate for families was 0.8 percent. (Forty-one states had net required participation rates for federal fiscal year 2002 of less than 10 percent).²

It is important to note that work participation rates apply only to programs and services funded with federal TANF dollars. As such, some states utilize “separate state programs” to meet the needs of certain low-income families. Expenditures on separate state programs can help states meet their MOE requirements, but the basic requirements that attach to the use of

¹ Two-parent families whose youngest child is six are countable if they participate in 5 hours of activities in addition to priority activities.

² U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, Temporary Assistance for Needy Families Program, Information Memorandum No. TANF-ICF-IM-2003-02 (Sept. 17, 2003), Table 1A.

TANF funds – time limits and work participation requirements – do not apply. HHS regulations express support for the creation of such separate state programs and make clear that states will not be penalized for policy initiatives that further the goals of welfare reform. Over half the states utilize separate state programs.³

Current State Work Requirements

In 1995, Chapter 5 imposed a 20-hour per week work requirement on non-exempt recipients whose youngest child (other than a child excluded by the family cap) is school-age. Activities that counted as work activities were generally limited to paid work or unpaid community service at a public or non-profit entity. Teen parents who had not completed high school were required to attend school. In two-parent families, each parent (unless exempt) was subject to the 20-hour per week work requirement. DTA had the option under Chapter 5 of requiring parents of pre-school children (between the ages of two and five) to participate in education, training, or other activities, but did not do so.

The state fiscal year 2004 budget extended the 20-hour per week work requirement to these parents of pre-school children (non-exempt recipients whose youngest child (other than a family cap child) is two), but allowed them to meet the work requirement through education or training to the extent those activities would be countable under federal law.

A year later, the state fiscal year 2005 budget increased the work requirement to 24 hours per week for recipients whose youngest child is between the ages of 6 and 8 and to 30 hours per week for recipients whose youngest child is 9 years of age or older.

<u>Summary of Current Hourly Work Requirements</u>	
Population	Hourly Work Requirement
Youngest child is 0-2	Exempt from work requirement
Youngest child is 2-5	20 hours/week
Youngest child is 6-8	24 hours/week
Youngest child is 9 and older	30 hours

The state fiscal year 2005 budget also *expanded* the activities that meet the work requirement to include:

- education and training for all recipients (if it meets the requirements of PRWORA or any successor federal law),⁴ and
- housing search if the recipient is homeless.

³ U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation, Temporary Assistance for Needy Families (TANF) Program: Fifth Annual Report to Congress (Feb. 2003), p. II-10.

⁴ Relying on the state budget language that limits education and training to activities that meet the requirements of PRWORA, DTA allows education or training to count toward the work requirement for only 12 months.

DTA also currently counts:

- paid work,
- unpaid community service at a public or non-profit agency,
- college work study,
- internships at a public or non-profit agency,
- providing child care so another recipient can meet work requirements or teen parent school requirements,
- participating in a substance abuse program while in a substance abuse shelter,
- job search (currently only counted for most recipients in the last three months of time-limited benefits), and
- participation in DTA-funded supported work programs, which provide job search, work readiness, and some subsidized employment to a limited number of participants.

Effect of the Massachusetts Waivers of Federal Law

When Congress passed PRWORA, it recognized that some states had undertaken their own welfare reform efforts in advance of Congress and had welfare reform changes underway that might make it difficult for them to meet the federal participation rates. Consequently, PRWORA allows states that had welfare reform waivers before August 22, 1996 to continue to operate in accordance with those waivers without jeopardizing federal TANF funds. Accordingly, in calculating federal work participation rates, Massachusetts has been able to exclude from the denominator all recipients who are exempt from a work activity requirement under Chapter 5 in addition to the child-only families and families with a child under age one that may be excluded under federal law.

In addition, because of its waivers, Massachusetts has been able to count recipients towards the numerator for the work participation rate if they are participating for 20 hours per week (not 30, as PRWORA requires for parents of children age 6 or older), and if they are participating in any work, education, training, or job search activity.

Due to its waivers, Massachusetts in federal fiscal year 2002 had a participation rate of 60.9 percent, far in excess of its net required participation rate of 0.8 percent.⁵

The Expiration of the Massachusetts Waivers

PRWORA authorized the TANF block grant for five years, through September 30, 2002. Because Congress has not yet reached agreement about the extent to which TANF should be changed before the block grant is reauthorized, Congress has enacted a series of TANF extensions that have continued level block grant funding at the original PRWORA amount, and have continued PRWORA rules for TANF, including the caseload reduction credit and

⁵ U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, Temporary Assistance for Needy Families Program, Information Memorandum No. TANF-ICF-IM-2003-02 (Sept. 17, 2003), Table 1A.

the option for states with pre-PRWORA waivers to continue to operate in accordance with those waivers. It is possible that a future extension might include changes to TANF, but it is impossible to predict whether and what changes might be required.

Both the House TANF reauthorization bill and the Senate Finance Committee TANF reauthorization bill would allow states with pre-PRWORA waivers to continue to operate under the waiver rules until the waivers expire. It is therefore expected that Massachusetts will be able to operate under its waiver rules through September 30, 2005 when the waivers expire whether TANF is reauthorized before or after that date. Until then, Massachusetts will be able to exclude from the work participation calculation recipients who are exempt under Chapter 5 and will be able to count recipients who meet the hours and activities requirements in Chapter 5. Massachusetts' countable participation rate will thus be far in excess of federal requirements at least through September 30, 2005.

As of October 1, 2005, if Congress extends funding without making changes to TANF, Massachusetts will be subject to current TANF rules regarding work participation rates, countable hours and activities, and recipients that may be excluded from the work participation rate calculation. For federal fiscal year 2002, HHS calculated that Massachusetts would have had a work participation rate of 9.2 percent if it had not had its waiver and been allowed to count only activities and hours that are countable under TANF and had not been able to exclude exempt families from the calculation. DTA estimates that the Massachusetts participation rate is approximately 9.9 percent.⁶ It is possible that these calculations understate countable participation in Massachusetts because the calculations are based on sample data rather than tracking data.

However, even if the HHS calculation of Massachusetts' countable hours and activities stays at current levels, Massachusetts will not have difficulty meeting current TANF work participation rates because it will have a caseload reduction credit for federal fiscal year 2006 of about 44 percent, giving it a net required participation rate of 6 percent. Since HHS has calculated Massachusetts' countable rate without the waiver as 8.4 percent, Massachusetts will meet the required rate.⁷

Overview of House and Senate TANF Reauthorization Bills

History of TANF Reauthorization Process

TANF was authorized for six years and was scheduled for reauthorization in 2002. Questions about the future direction of welfare reform have stalled the process, and Congress has passed a number of short term TANF extensions because it has not reached agreement on changes to the program. The U.S. House of Representatives passed a TANF reauthorization bill, largely

⁶ These calculations are based on sample data rather than tracking data.

⁷ Without the waiver, Massachusetts would not meet the work participation rate for two-parent families based on the activities and hours that HHS is currently counting. Many other states also have difficulty meeting this rate (90 percent before caseload reduction credits). As of federal fiscal year 2001, nineteen states had placed two-parent families in separate state programs to so that the state would not be subject to penalties for failing to meet the two-parent rate (see Bloom, et al., *Welfare Time Limits: State Policies, Implementation, and Effects on Families*, Manpower Demonstration Research Corp (July 2002), Table A.5).

reflecting the Administration's proposals, on February 13, 2003. The Senate Finance Committee reported out a bill on September 10, 2003. It is possible that TANF reauthorization could pass Congress this year, but it seems more likely that TANF will be extended again, and that full reauthorization will not occur until next year. However, the House and Senate Finance Committee bills provide a strong indication of the parameters for reauthorization.

Required Participation Rates

Both the House bill and the Senate Finance Committee bill would raise participation rates for recipients receiving paid cash assistance from a federal TANF-funded program from 50 percent to 70 percent over five years. Both bills would eliminate the separate two-parent rate and would continue current law penalties for states that fail to meet the participation rate (up to 5 percent of the block grant, depending on the degree of failure).

Like current law, both bills would allow states not to count child-only cases or cases with a child under the age of one (the Senate bill says "children under one", but the House bill says "young children") when calculating the participation rate. Both bills would continue to allow states not to count families whose benefits are paid for only with state funds. Both bills would also continue to allow states not to count families receiving short-term assistance (defined by HHS as assistance for less than four months). In addition, both bills would allow states not to count cases in the first month of TANF assistance, in recognition of states' experience that some time must be allowed to place new applicants in a countable activity.

Changes to the Caseload Reduction Credit

Both bills would make major changes to the caseload reduction credit:

The House bill would substitute a moving base year for the current rule giving states credit for caseload declines (other than declines attributable to welfare reform changes) since 1995. If the bill had passed in 2003, the base year for 2004 would have been 1996; for 2005, it would have been 1998; for 2006, it would have been 2001; and for 2007 and succeeding years it would have been four fiscal years earlier. If the first year of TANF reauthorization is 2006, the base year would probably be 1998 for that year; for 2007, the base year would probably be 2000; for 2008, it would be 2003; and for 2009 and succeeding years it would be four fiscal years earlier. The Massachusetts caseload – like caseloads in many other states – declined until fiscal year 2000 and has gone up since then. Consequently, under the House version of the credit, Massachusetts would likely receive a substantial credit in 2006, but would not receive a credit after that unless the caseload goes down again. The Committee roughly estimated the credit for 2006 at 30 percentage points, for a net required participation rate under the House bill of 20 percent for federal fiscal year 2006.

The Senate Finance Committee bill would eliminate the caseload reduction credit altogether and would replace it with an employment credit that would give the states credit for the number of recipients who leave TANF for work and the number of non-welfare recipients receiving substantial child care or transportation assistance. Under the bill, the maximum

credit would have started at 40 percentage points in 2004 and would have phased down to 20 percentage points in 2008. If the first year of TANF reauthorization under the Senate Finance Committee bill is 2006, then the credit would likely be a maximum of 40 percentage points for that year, phasing down to 20 percentage points in 2010. The Congressional Research Service has calculated that Massachusetts would receive the maximum credit.⁸ Therefore, under the Senate Finance Committee bill, the effective participation rate requirement for Massachusetts would be 10 percent in fiscal year 2006, 20 percent in 2007, 30 percent in 2008, 40 percent in 2009 and 50 percent in 2010.

Countable Hours of Participation and Countable Activities

Both the House and Senate Finance Committee bills would change the hours of participation needed to count towards the participation rate and both would count participation in a broader range of activities for some period of time and for some hours. Like current law, neither bill would mandate participation by any individual. Rather, the states can decide who must participate and will receive their full block grants as long as they meet the required participation rates. Also like current law, neither bill would mandate participation for persons covered only with state funds.

The House bill would change the hours of participation needed to count fully toward the participation rate from the current 30 hours per week under federal law (20 hours for a parent with a child under 6) to 24 hours per week in “direct” work activities plus 13 hours in other activities (total 160 hours a month). States would receive partial credit towards the work rate if the family meets the 24-hour “direct work activity” requirement, and extra credit if the hours exceed 160 a month.

The House bill would allow “any activity” that “addresses” TANF’s general purposes to count as a “direct work activity” for three months in any twenty-four month period. The House bill would allow the state to count a fourth month of any such activity if needed to complete a program. After the third or fourth month, the state could only count supervised community service or work experience, on-the-job training, subsidized work, paid work, and education for teen parents as “direct work activities.” The House bill would allow any activity consistent with the broad purposes of TANF as other activities needed for the hours in excess of 24 per week needed for a family to count fully towards the work participation rate.

The Senate Finance Committee bill would also increase hours of participation needed to count fully towards the work participation rate:

- For single parents with a child under age six, 22 hours a week in “direct work activities” (total 96 hours a month),⁹

⁸ Gene Falk, *Memo re Senate Finance Committee Employment Credit*, Congressional Research Service (March 3, 2004).

⁹ The Senate Finance Committee bill says the weekly hours requirement for a family with a child under six is 24, but the family would count fully if it participates for an average of four weeks in the month, so the average weekly hours requirement is 22.

- For single parents with a child six or older, 24 hours a week in “direct work activities” plus 7-8 hours in other “qualified activities” (total 136 hours a month),¹⁰
- For two-parent families, 34 hours a week in direct work activities plus 2 hours in other activities (total 156 hours a month) or, for families receiving subsidized child care, 50 hours a week in direct work activities plus an hour in other activities (total 220 hours a month).¹¹

The Senate Finance Committee bill would allow any activity that addresses work barriers to count as a direct work activity in the first three months in any 24-month period and as “other qualified activities” after that. It would also authorize a narrower range of activities for an additional three-months in any 24 months.¹² “Direct work activities” under the Senate Finance Committee bill include all of the activities allowed under current law. In addition, the Senate Finance bill would count caring for a dependent person with disabilities as a direct work activity and would authorize a “Parents as Scholars” program, which would permit states to count attendance at undergraduate programs (two- or four-year) or vocational education. The Senate Finance Committee bill would allow partial credit for families participating for less than the standard number of hours and extra credit for families exceeding the standard.

Screening, Assessment, Self-Sufficiency Plans

The House bill and the Senate Finance Committee bill would require states to assess the skills, work experience, and employability of each adult or teen-parent recipient receiving assistance in a TANF-funded program (excluding child-only cases) and to develop a family self-sufficiency plan for each such person. The bills are clear that states can conduct the assessment in the manner they deem appropriate. Plans must be established within 60 days of opening a case or within 12 months of enactment for current cases. The Senate Finance Committee bill requires the state to assess – in the manner the state deems appropriate – the well-being of children as well as work-related issues, and requires the plan to include steps to

¹⁰ The Senate Finance Committee bill says the weekly hours requirement for a family with a child over six is 34, but the family would count fully if it participates for an average of four weeks in the month, so the average weekly hours requirement is 31-32.

¹¹ The Senate Finance Committee bill says the weekly hours requirement for two-parent families is 39, but the family would count fully if it participates for an average of four weeks in the month, so the average weekly hours requirement is $34 + 2 = 36$ hours.

¹² During this period, three qualified rehabilitative services could count as direct work activities: (1) adult literacy programs or activities; (2) programs designed to increase English proficiency, and (3) any other rehabilitative activity if determined necessary by a qualified professional as determined by the state.

promote child well-being and support services such as WIC and housing assistance that are not administered by DTA.¹³

Section 3

RECOMMENDATIONS

The Committee's recommendations are divided into three parts. The first includes those funding recommendations that should be included as part of any legislation adopted by the Legislature and signed into law by the Governor. The second part addresses recommendations that should be addressed through the legislative process. And the third part contains additional recommendations that DTA should consider for either administrative or regulatory changes.

A. Funding

- (1) The Legislature should provide for an adequate and appropriate level of funding to ensure that assessments are able to be provided for where legally required and necessary.**

Both bills rely heavily on the role of assessments in determining a participant's strengths and barriers and the effect that each has on the participant's ability and level of participation. Whereas these assessments are mandated, and data suggests they serve a valuable role, it is essential that these tools be fully funded. Failure to provide funding will severely hamper the Department's ability to fulfill its mission and meet its obligations to the federal government as well as the participants. It is further recommended that DTA seek to learn from other states who have already implemented in-depth assessments as to the expected costs and seek an appropriate amount from the Legislature based upon anticipated caseload.

- (2) The Legislature should provide for an adequate and appropriate level of funding to ensure that all work related supports, as identified by the assessments, are available and accessible to all participants.**

Both bills aim to increase work participation rates and it is recognized that much of the population face one or more barriers to work. It is also logical that these barriers can only be addressed if sufficient capacity exists in the programs specially designed to address such barriers.

The consensus of the Committee was that new requirements could not be instituted (some leading to sanctions for failure to comply) in good faith unless 1.) necessary and reasonable support services were in place, or 2.) clear safeguards were in place to protect those from

¹³ Other changes proposed in the House bill and the Senate Finance Committee bill – such as dedicated funding for marriage promotion and family formation – do not impose mandates on the states. We therefore do not discuss them here because the state does not need to change policy or statute to comply with federal law.

sanctions if access to such services was unavailable.

The committee felt that meeting the needs of all recipients will require a significant increase in funding/resources for the employment services program and related supportive services. Clearly, any attempt to significantly increase participation rates will result in additional costs for program slots, child care, transportation (especially in the western part of the state) and assessments. Absent additional funding, the goal of engaging *all* recipients will be impossible to achieve, and if program slots or supportive services necessary for a client to work are unavailable, he or she should be granted good cause for failure to participate. Care should be given to providing specialized services for all population including persons with disabilities and lawful immigrants (see recommendations below).

The committee also supports making education and training a viable option for clients when appropriate. Committee members are concerned that recent state funding cuts to ESP have reduced the availability of such programs. The committee recommends that the legislature increase overall spending for ESP to bring the level of the Commonwealth's education and training programming in line with the national average.

It is further recommended that DTA continue to seek alternative funding by leveraging other resources in state government, or third party payors to cover expenses associated with assessments, counseling, and other services aimed at removing barriers thereby allowing participants to increase their ability to participate in work related activities.

B. Legislative Changes

(1) Massachusetts should not retreat from the bedrock principles of the state's welfare reform program – the work requirement and the two-year time limit (within a 60-month period).

In anticipation of the fact that Massachusetts will be losing its waiver in September of 2005, and that the federal government will reauthorize TANF in the interim, the state should not change the foundation of the welfare system. Both current federal law and anticipated federal law changes will undoubtedly include these requirements. As such, there is a general consensus among Committee members that the work requirement, as defined herein, be maintained and those individuals subject to the work requirement remain subject to the current time limit. It is further recommended that time limit extensions continue to be available to those who are satisfying work participation requirements, but have been unable to obtain employment through no fault of their own.

(2) However, the hourly “work requirement” and the activities that count toward it should be modified to align with anticipated federal requirements.¹⁴

¹⁴ Since most of the activities that count toward the work requirement are not, in fact, paid or subsidized work as we think of them in the traditional sense, these recommendations use the terms “work requirement” and “work activities requirement” interchangeably.

- (a) **All individuals, except for those noted below, should be required to participate for 24 hours per week in core work activities, and up to an additional 10 hours per week in “other qualified activities.” “Other qualified activities” should be defined so as to comply with federal standards for work participation (subject to the parameters discussed below in (A)(2)(b)). Individuals excepted from this requirement shall include parents with children under the age of two years old and child only cases.**
- (b) **Core work activities should include all activities that qualify under current state law (listed below), as well as those allowed under federal law. In the event that federal TANF reauthorization legislation changes so that education and training programs are not considered core work activities, such programs should still be allowed under the state work activities requirement. If this should adversely impact the ability of the state to meet federal work participation rates, the Committee recommends that education and training programs be funded with state dollars to ensure their continuance.**
- **Paid work;**
 - **Participation in DTA-funded supported work programs, which provide job search, work readiness, and subsidized employment;**
 - **Unpaid community service at a public or non-profit agency;**
 - **Internships (also known as “work experience”) at a public or non-profit agency;**
 - **Adult Basic Education, English for Speakers of Other Languages (ESOL), and other training that prepares for job placement;**
 - **Education and training that results in a job;**
 - **College work study;**
 - **Housing search if the recipient is homeless;**
 - **Participating in a substance abuse program while in a substance abuse shelter;**
 - **Caring for a person with disabilities and**
 - **Providing child care so another recipient can meet work requirements or teen parent school requirements.**

Because both the House bill and Senate Finance Committee bill require 24 hours per week in core work activities, the Committee’s recommendations reflect this anticipated change. However, the bills diverge when determining how to count any additional hours. A uniform requirement of 24 hours per week of core work activities is easier to understand and administer than different hourly requirements for different groups. As such, two-parent families should also be able to choose how to divide work and other family responsibilities as

long as their total hourly activities meet an average of 24 hours of core work activities per person.

- (3) The state should employ the principle of “universal” or “full engagement” (which is anticipated to be included in the federal TANF reauthorization law) to assist each recipient in furthering his/her goals toward self-sufficiency. As such, each recipient should be expected to participate in a self-sufficiency plan and DTA must identify and/or develop programs to appropriately engage all populations, including persons with disabilities. To further these goals, the Department should also modify its current assessment process as described below.**

Universal or full engagement challenges the Department to develop programs, which meet parents where they are, and tailor self-sufficiency plans so that all parents can be engaged in activities that promote their highest potential. DTA is encouraged to work with experts and service providers to identify a wide array of existing and/or new programs to appropriately meet recipient needs and engage them toward self-sufficiency (especially for recipients with disabilities who have been exempt from both the time limit and work requirements since the inception of Chapter 5).

Perhaps the most contentious issue faced by the committee was whether or not “full engagement” should include parents who are persons with disabilities – i.e. those parents whose disability does not meet the level of SSI eligibility. Some members of the committee argued that continuing to exempt this population constituted a disservice to them.

At the same time, a majority of the committee was concerned that losing exempt status placed the person with disabilities at risk of financial sanctions if their individual full engagement plans were not met. It was the clear consensus that the department must ensure through either its “good cause” or assessment procedures that sanctions will not occur if the noncompliance was due to their disability, or to the department’s inability to find services or resources (whether medical or employment-based) that the individual needs in order to fulfill their full engagement plan.

Consequently, the committee thought that medical evaluations should now be focused not on exempting persons from full engagement but instead on determining what the individual person with disabilities was capable of doing, with sufficient support, to contribute to their success and that of their children.

Assuming these safeguards and services were in place, most members of the committee agreed that the person with disabilities could fully participate to an appropriate extent that allowed each individual to realize their full potential resulting in their contributing to the family income through work.

It was also suggested that the Commissioner actively engage persons with disabilities in

supporting a more full engagement strategy and defining the nature of the supports and services that will be necessary. This approach will provide a stronger role for persons with disabilities in the design and development of policies, practices and programs that will result in increased workforce engagement by TANF recipients who have a disability.

Additionally, it was suggested that DTA carefully monitor for increases in sanctions and take appropriate actions necessary resultant from any increases to safeguard vulnerable populations.

(4) The Legislature should restore the eligibility of lawful immigrants to receive Supplemental TAFDC benefits and provide for necessary state funding to be used to provide these benefits.

Until August 2002, Massachusetts provided Supplemental TAFDC benefits to these immigrants with state funds so that they were treated equally with citizens. Some lawful immigrant families are now not eligible for any benefits. Families who are not eligible for any benefits also do not qualify for employment and training services or for child care subsidies available to TAFDC recipients. Some of these families could be employed, but need support services to do so; some of these families cannot work and are denied the minimum subsistence needed to provide for their children's well-being. Other immigrant families are eligible for benefits for some or all of the children in the family because the children are either citizens or non-citizens eligible for federal benefits. In those mixed-status families that do receive benefits, the benefit is lower than the amount received by a family in which all members are eligible.

Moreover, studies show that low-income children in mixed-status families are much less likely to receive TANF than children in families where the parent is a citizen.¹⁵ The problem is compounded because Massachusetts treats mixed-status families as subject to the work requirement and the time limit even though federal law allows them to be treated as child-only cases not subject to work requirements or time limits. The cost of providing benefits to lawful non-citizens who are currently ineligible is approximately \$2 million a year according to some estimates, less than 1 percent of the total appropriation for TAFDC benefits. State funds spent for lawful immigrants count fully towards the state's federal maintenance of effort requirement.

Assessments Needed to Support Full Engagement

Both the House and Senate Finance Committee TANF reauthorization bills would require states to assess the skills, work experience, and employability of each adult or teen-parent recipient (excluding child-only cases) and to develop a family self-sufficiency plan for each such person. The bills are clear that states can conduct the assessment in the manner they deem appropriate. Plans must be established within 60 days of opening a case or within 12

¹⁵ See Cherlin, et al., *Public Assistance Receipt Among Native-Born Children of Immigrants*, Welfare, Children, & Families: A Three-City Study, Policy Brief 01-3, 2001; see also Fix, M., and Passel, J., *The Scope and Impact of Welfare Reform's Immigrant Provisions*, Urban Institute (January 2002).

months of enactment for current cases. The Senate Finance Committee bill also requires the state to assess – in the manner the state deems appropriate – the well-being of children as well as work-related issues, and requires the plan to include steps to promote child well-being and support services such as WIC and housing assistance that are not administered by DTA.

Current state law under Chapter 5 requires little in terms of assessments. DTA’s practice is to conduct an initial intake interview for all recipients, which helps the Department to determine some information on the recipient’s educational attainment, work history and needed support services. In addition, DTA currently provides opportunities for applicants and recipients to self-identify some barriers to employment and to receive a more in-depth assessment of some identified barriers. For example, a recipient who identifies herself as a domestic violence survivor may be referred to a DTA domestic violence specialist for a more in-depth assessment. A recipient who identifies herself as a person with disabilities may apply for an exemption from work requirements on the basis of disability; the Disability Evaluation Service at the University of Massachusetts, under contract with DTA, will then evaluate information from medical providers and a questionnaire completed by the recipient to determine whether the recipient meets the requirements for a disability exemption.

For recipients who are subject to work activity requirements, DTA conducts an “Employment Services Program Assessment Interview” and creates an Employment Development Plan (EDP).¹⁶ The interview is intended to determine the vocational and employment interests of the client, decide if the client’s skills qualify her for the desired type of employment, determine potential educational and skills training activities, authorize support services (child care and transportation) if necessary and allowed for the activity, and have the client sign the printed EDP. The EDP contains the client’s employment goal (pre-printed on all EDPs as a job), activities the client will participate in, support services authorized, and start and end dates of activities.

The “Assessment Interview” is intended to be interactive, to engage the client in decision-making about career goals and appropriate activities, and to generally identify barriers to employment and supportive services which the client needs to address these barriers. In addition, DTA will soon be requiring workers to ask recipients during the “Assessment Interview” if they would like to be screened for learning disabilities. However, workers who develop the EDPs are not trained as employment counselors or as social workers or specialists who can readily identify invisible barriers, and there is a shortage of programs to which they can refer clients. Recipients who have not verified participation in an allowed activity within 60 days of being subject to the work activity requirement are automatically assigned to community service, without an assessment of what activity would be most appropriate.

Some recipients receive more formal assessments if they are referred to one-stop career centers or other training vendors with whom DTA contracts. An initial assessment in a career center setting usually consists of an interview with the client to obtain information about education level, reading or math levels, and also to screen for non-visible barriers to

¹⁶ Recipients who are exempt from work activity requirements and who are receiving assistance for themselves may volunteer for work activities. If they seek work activities or support services funded through DTA, DTA completes an EDP for them, which states which services are authorized.

employment, such as a disability. Recipients usually then take a reading/math screening, a TABE test, or any other appropriate verbal or pencil/paper testing, and are then referred to an education or training program.

If more comprehensive assessments were done early and on an on-going basis, recipients might obtain appropriate referrals sooner and have essentially two years to address employment issues, making better use of their time on welfare. Some issues such as transportation can often be readily addressed. Other challenges confronting recipients such as mental health problems, domestic violence, and low skill levels, take more time and resources to tackle. Nevertheless, dealing with these issues early in the period when recipients are receiving cash benefits, and on an on-going basis throughout, is a major opportunity to help recipients overcome their barriers and increase their participation.

The Department should have the flexibility to modify its current assessment process, but should ensure that the principles discussed below are incorporated.

- (i) *The purpose of any assessment should be to determine the strengths and skills of the client, to identify barriers to self-sufficiency and appropriate referrals to address them, and to develop a self-sufficiency plan tailored to what he or she is capable of doing with the appropriate support services. If program slots or supportive services necessary for a client to work are unavailable, he or she should be granted good cause for failure to participate.*
- (ii) *The assessment process should be ongoing, should engage all staff involved in the recipient's case at DTA and partner agencies, and should use both informal and formal identification strategies.*

Assessment should be “a process, not an event.”¹⁷ Although it should begin soon after a client first applies for TAFDC, it should continue during the entire period that the client receives assistance. Assessment is potentially a very expensive and resource intensive process. In general, the Committee recommends that DTA prioritize limited resources to expand services and education and training opportunities for clients, rather than do comprehensive assessments to identify the need for services that are in scarce supply.

All DTA staff, including applications staff, should continue to receive training to recognize indicators of barriers to employment and problems with child well-being, including domestic violence, learning disabilities, mental health problems, and other disabilities.¹⁸ These informal identification mechanisms should be used with all clients at intake as well as throughout their

¹⁷ Thompson, et al., “*Screening and Assessment in TANF/Welfare-to-Work: Local Answers to Difficult Questions*,” Urban Institute, 2001, at 75.

¹⁸ Training of staff who have responsibility for assessment, whether formal or informal, should also include training on confidentiality requirements.

receipt of benefits. In addition, the application process should continue to include questions that allow applicants to self-identify barriers such as domestic violence or disability. DTA should also explore the validity of using predetermined proxies, such as lack of sustained prior work experience, as a very simple screen to identify barriers to employment at intake, which would lead to an in-depth, comprehensive assessment.

- (iii) *Any recipient who is found to have significant barriers to self-sufficiency should be referred for a more in-depth assessment. Recipients should also be allowed to request in-depth assessments voluntarily.*

Any client who is found to have significant barriers should be referred for a more in-depth, comprehensive assessment. A group of assessment experts and specialists from partner agencies (DPH, MRC, DCS, UMass Medicals' Disability Evaluation Services Program, WIA, DMH, DOE, domestic violence agencies, teen parent providers, child-well being experts, etc.) could help DTA to develop a process for determining who should complete these more formal assessments, and the appropriate tools to conduct them.

- (j) The design of an assessment for a medical impairment (including psychological impairments) should be informed by the department's current disability determination process, particularly with regard to its vocational review process. The current process considers the severity of medical or mental impairments, residual functional capacity and vocational factors, such as age, education, English language capacity and past work. The self-sufficiency plan derived from an assessment should include: viable options for participation in a wide range of federally approved work-related activities; periodic reassessment and/or case management; and/or an adjustment in all or part of the required number of hours of participation in "core" or "additional" work related activities based upon the client's medical condition. In addition, to the extent that program slots or supportive services necessary for a client to work are unavailable, he or she should be granted good cause for failure to participate.

Recipients should also be allowed to request in-depth assessments voluntarily. Within a short time of initial intake and throughout the client's receipt of TAFDC, the client should be given the opportunity to volunteer for a more in-depth screening or assessment on particular issues, as DTA currently does for domestic violence and disability, and as DTA plans to do for learning disabilities. Clients should be given information about these more formal screening and assessment opportunities, encouraged to participate, and advised about the advantages. It should be made clear to the parent that the further screening and assessment are voluntary and that her benefits will not be stopped or lowered if she does not participate. The Department should also consider exploring feasibly ways in which more formal and/or in-depth screening can be conducted by experts who are not DTA eligibility staff, because it is oftentimes difficult for recipients to establish trusting relationships with them, and it may create confusion about the consequences to benefits.¹⁹

¹⁹ See Thompson, *et al.*, at 30 (difficult for eligibility workers to establish trusting relationship necessary to explore problems in depth).

- (iv) *When families are at risk of sanction, the Department should ensure that an appropriate in-depth assessment has been performed before implementing such sanction.*
- (k) Before a full family sanction is imposed on a client who has failed to meet her participation requirements, the client should be reminded of the opportunity for a full, in-depth assessment, if one has not been provided recently. This will ensure that any barriers to participation have been appropriately identified and the client has been given ample opportunity to address them. If the program slots or supportive services necessary for a client to work are unavailable, he or she should be granted good cause for failure to participate.

C. Additional Considerations for Administrative or Regulatory Changes

- (1) The state should use federal participation rates to advance positive welfare reform goals, improve programs and promote beneficial outcomes for recipients. As such, the state should be encouraged to experiment with pilot programs which will test the most efficient and effective approaches for increasing participation, addressing barriers to self-sufficiency, and “making work pay” for clients.**

PRWORA strengthened requirements for participation in work-related activities. These participation requirements have played a major role in welfare reform by giving federal direction to state activities, orienting welfare systems toward work-focused policies and services, fostering organizational culture change, and influencing the behavior of recipients.²⁰ However, as discussed previously, under current federal law, states can easily meet work participation rates because the caseload reduction credit reduces the net required participation standard to zero. When TANF is reauthorized, the required standard will increase and the state will be eligible for less credit against the rate. Consequently, Massachusetts needs to be prepared to increase the number of recipients in countable work activities. With the current focus on participation rates and the potential for stronger participation requirements following TANF reauthorization, the state should review its participation rates and policies with an eye toward increasing them while at the same time furthering positive welfare goals, improving programs, and promoting beneficial outcomes for recipients. Examples of potential pilot programs include the following.

- (a) Explore whether portions of Maine’s Parents as Scholars program could be incorporated into Massachusetts’ welfare program for a specified number of recipients, including requirements that recipients meet performance standards and progress toward a credential or degree leading to a job outcome with higher earning potential.**

Chapter 5 does not allow post-secondary education to count toward the work requirement, thus current DTA regulations do not permit education beyond an associate’s degree, which

²⁰ Nanette Relave, “Using Participation to Promote Welfare Reform Goals,” Welfare Information Network Issue Note, Vol. 7, No. 9, June 2003.

must be completed within three years.²¹

Most other states allow post-secondary education to count toward recipients' work requirement, even though it generally does not count toward work participation rates under current federal law.²² The federal definition of "work" is broad enough to cover some aspects of higher education, such as "vocational educational training," and "job skills training directly related to employment." While the federal House bill did not include post-secondary education as a countable activity, the Senate Finance Committee bill included a provision allowing states to establish programs modeled after Maine's successful Parents as Scholars (PaS) program. The PaS program provides cash benefits and support services for up to 2,000 recipients who enroll in a two- or four-year degree program. Enrollees have strict participation requirements, such as involvement in approved activities (e.g., class time, study time, work study or work) for a specified number of hours.

Maine's PaS program has produced extremely positive outcomes for its graduates. Graduates earn a median wage of nearly \$12.00 per hour compared to the median hourly wage of welfare leavers in Maine (\$7.50) who have not obtained a post-secondary degree.²³ Perhaps the most powerful example of the value of Maine's PaS program is that 90 percent of graduates leave the welfare rolls permanently.²⁴ Education provides protection against recession, and better equips graduates for jobs in the new economy. In terms of cost, the potential returns on investment in a program such as PaS are indisputable. Census data indicate that earnings are higher at each progressively higher level of education.²⁵ If a goal of the welfare program is to move people off of welfare permanently and into self-generated economic independence, it is clear that a program such as PaS should be explored for Massachusetts.

(b) Increase outreach and marketing efforts to vigorously promote earnings disregards, the state and federal earned income tax credit (EITC) and other work supports. The earned income disregard could also be simplified, made consistent across populations, and to the extent resources allow and evidence indicates that it will promote participation, increase the disregard as well.

In order for earnings disregards, the EITC, and other work supports to have maximum effect in increasing paid work among welfare recipients, the recipients need to understand these

²¹ See, generally, 106 CMR 207.

²² Mark Greenberg, Julie Strawn and Lisa Plimpton, "State Opportunities to Provide Access to Postsecondary Education under TANF," Center for Law and Social Policy, February 2000.

²³ Rebekah J. Smith, Suisa S. Deprez and Sandra S. Butler, "Parents as Scholars: Education Works," a publication of Maine Equal Justice Partners, 2002.

²⁴ Ibid.

²⁵ U.S. Census Bureau, "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings," July 2002.

incentives.²⁶ The improved disregards in Chapter 5 were intended to help “make work pay” and provide incentives and rewards to recipients who participated in paid employment. Chapter 5's earnings disregards are a substantial improvement over the old AFDC rules, but there are important lessons to be learned from our nine years of experience with them.

In particular, the earnings disregards in Chapter 5 are complicated. The effectiveness of the disregards as a work incentive is undermined by the fact that many recipients do not understand that they may be eligible for supplemental TAFDC if they have earnings. DTA should be given the flexibility to modify the earned income disregard to not only provide greater incentives for clients to work (and thus promote full engagement), but also to make it simpler for clients to understand, and be consistent across populations. The Committee agreed that the entire benefits package, from work incentives, to activity options, to good cause relief and sanction policies should be explained as simply as possible, especially for people with disabilities.

In addition to receiving an oral and written explanation of the disregards and other benefits at application, each recipient should also be given the opportunity to meet with a worker to receive a preliminary calculation of the amount of cash assistance, food stamps, and earned income credits for which her family would qualify based on the recipient's estimate of how many hours she might be able to work and the wage she might receive. DTA should also provide information about benefits that will continue after assistance ends, including MassHealth, child care, food stamps and housing subsidies. Provision of such information would contribute toward encouraging paid work and would help the state meet the state work participation rate.

(c) Offer different program activities that promote employability and self-sufficiency for various populations, including hard-to-serve recipients.

While it is difficult to establish uniform policy that attempts to take into account the composition of the caseload and the various barriers that individual recipients face, lessons from the past decade indicate that a “one size fits all” approach has limitations with this population. We now have the benefit of evaluative research as well as shared knowledge about what characteristics, approaches and principles have been successful for programs in assisting welfare recipients to obtain high-quality jobs, increase their earnings, retain their employment, and advance their careers.

(i) *“Barrier-removal” activities.* The Department should consider providing proven “barrier removal” activities and specialized strategies for specific populations such as substance

²⁶ Illinois credits the success of its earnings disregard and “stop the clock” policies in part to aggressive marketing of these and other work supports. John M. Bouman, Margaret Stapleton, and Deb McKee, *“Time Limits, Employment, and State Flexibility in TANF Programming: How States Can Use Time Limits and Earnings Disregards to Support Employment Goals, Preserve Flexibility, and Meet Stricter Federal Participation Requirements,”* Clearinghouse REVIEW Journal of Poverty Law and Policy, September – October 2003; Dan Lewis, et al., Univ. Consortium on Welfare Reform, Illinois Families Study Third Annual Report, *Preserving the Gains, Rethinking the Losses: Welfare in Illinois Five Years After Reform* 64-65 (2003); <http://www.northwestern.edu/ipr/publications/papers/ifsyar3.pdf>.

abuse treatment, mental health counseling, programming for linguistic minorities, and basic education services alone, or in conjunction with work-related activities. Such activities will likely increase participation and eventually employment, even though some barrier removal activities may not count toward federal participation rates for part of the time.

(ii) *Use of “Integrated Model.”* DTA should also examine the development of more programs that use an integrated model – ones that combine job search, education, job training, and work – since these have proven more successful than those that focus solely on basic education or on quick employment strategies (e.g., job search).²⁷ Approaches that teach basic skills or English language instruction in a vocational context are generally more successful.²⁸ Already, the bringing together of members of the Welfare Reform Advisory Committee has resulted in increased collaboration between state agencies to achieve this goal. Since the Department of Education (DOE) is only able to offer English for Speakers of Other Language (ESOL) courses for approximately 9-12 hours per week, DOE and DTA have begun working together to create programs that would include a vocational component to such ESOL courses in order to create successful integrated programs that would fulfill the weekly hourly work requirement for recipients.

(iii) *Involving local employers.* The Department should also be encouraged to continue involving local employers in order to link job training closely to local labor market needs and the specific skills needed to carry out those jobs that are in demand. Participation in the workforce development system among TANF clients is thought to be more effective where training services are appropriate to local labor markets for low-income and entry-level workers.²⁹ While the state workforce development system has been developing such programs for many years now, the welfare population has been largely divorced from these efforts. Training programs can be designed and administered in conjunction with local employers, which can then allow the state to count participants toward the federal participation rate, so long as these programs lead directly to employment.³⁰ Developing training programs to meet local market needs assists not only welfare recipients in obtaining jobs, but also private sector employers who may be experience labor shortages.

²⁷ Julie Strawn, “*Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform*,” Center for Law and Social Policy, April 1998; Stephen Freedman et al., “*National Evaluation of Welfare-to-Work Strategies, Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs*,” Manpower Demonstration Research Corporation, June 2000.

²⁸ Garrett Murphy and Alice Johnson, “*What Works: Integrating Basic Skills Training into Welfare-to-Work*,” National Institute for Literacy, September 1998; Julie Strawn and Karin Martinson, “*Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce*,” Manpower Demonstration Research Corporation, June 2000.

²⁹ Alan Werner and Kendra Lodewick, “*Serving TANF and Low-Income Populations Through WIA One-Stop Centers*,” prepared for the Office of the Assistant Secretary for Planning and Evaluation of the U.S. Department of Health and Human Services by Abt Associates, January 2004.

³⁰ Murphy and Johnson et al.; Strawn and Martinson, et al; Anthony P. Carnevale and Kathleen Reich, “*A Piece of the Puzzle: How States Can Use Education to Make Work Pay for Welfare Recipients*,” Educational Testing Service, 2000.

(d) Continue to encourage co-location of both DTA and support services.

Within the constraints of the current fiscal situation, the state should consider improving recipients' access to multiple services as much as possible. By creating such "one-stop shopping" where appropriate, recipients will be less likely to miss work or training programs and will thus be more likely to participate fully.

Research indicates that participation in intensive training services by TANF clients is higher when front-line employment services and TANF eligibility services are co-located, as well as when education and training services are on site at the one-stop career centers.³¹ Currently, there is a mix of co-location of services at local DTA offices. Some offices utilize, for example, representatives from career centers, Office for Child Care Services (OCCS) providers, Massachusetts Rehabilitation Commission (MRC), or other specialized staff, but there are no standard practices. By continuing its push to improve access to multiple services, the Department, along with other state agencies, can assist recipients in meeting their primary obligation, which is fulfilling their work activity requirements toward family self-sufficiency.

(2) The Department should review the education/training provider reimbursement structure to introduce incentives for job retention and advancement in addition to job placement.

DTA employs a performance-based reimbursement system, under which training providers are reimbursed for their services when recipients are placed in jobs.³² In order to receive their full reimbursement, vendors must place recipients in minimum wage, part-time jobs for 30 days. As such, there is no financial incentive for them to steer recipients into higher quality jobs or to assist them with retention or advancement. In contrast, other states provide bonus payments for vendors to include components in their programs that will lead to career retention or advancement.

In addition to the current performance-based contract payments for enrollments and job placements, DTA might want to explore offering bonus payments for various accomplishments that encourage and improve initial job wages, job retention, and career advancement. Suggested accomplishments could include:

- Client's starting salary is 30 percent above the current minimum wage;³³
- Client has retained a job for three months;

³¹ Alan Werner and Kendra Lodewick, "Serving TANF and Low-Income Populations Through WIA One-Stop Centers," prepared for the Office of the Assistant Secretary for Planning and Evaluation of the U.S. Department of Health and Human Services by Abt Associates, January 2004.

³² Providers are partially reimbursed when recipients are enrolled in their programs and then reimbursed for the rest of their services when recipients obtain jobs.

³³ Recent research indicates that low-wage earners are most likely to advance in the labor market when they have initial access to higher-wage employers. Harry J. Holzer, "Encouraging Job Advancement Among Low-Wage Workers: A New Approach," the Brookings Institution, May 2004.

- Client has retained a job for six months;
- Client’s wage has increased 15 percent above the starting wage; and/or
- Client’s work hours have increased by 15 percent.

Another suggestion includes having a pool of funds that providers would be eligible for if they place more participants than their contracts require. For example, if a provider’s contract requires that 75 percent of her participants must be placed in jobs, the provider could be eligible to receive *extra* funds if more participants are placed over and above the 75 percent. This would encourage providers to exceed their contract goals, while recognizing that some recipients (and therefore providers) will not be able to obtain reimbursable placements. A final suggestion might be to reimburse providers on predetermined tiers of placement. For example, while providers are currently reimbursed for placing recipients in part-time (20 hours per week) jobs, this could instead be the first (although fully reimbursed) tier of placement. A second tier might be a full-time job with benefits, while a third tier could be a full-time job with benefits that also includes a higher wage benchmark.

Furthermore, DTA and DOE should collaborate, as they have already begun to do, to develop performance standards for programs that are strictly educational or include an educational component. The way that DTA and DOE reimburse providers is vastly different. DTA uses the aforementioned yearly performance-based structure that focuses on the number of individuals who get placed in jobs, while DOE funds providers through a five-year grant system and does not make payments on a per-person basis. DOE requires documentation of skill gain for individuals, but allows other goals, such as paid work or obtaining citizenship, as well. Now is an opportune time for DTA and DOE to collaborate, since DOE has recently proposed policy changes for a new recommended program design that integrates adult basic education and workforce development: “In order to assist the many adult learners that identify employment related goals (e.g., get a job, get better job, increase earnings, advance in current job) the integration of ABE and workforce development will be a priority use of funding. Workforce development partners include but are not limited to: Career Centers; businesses; unions; Local Workforce Investment Boards; the Department of Transitional Assistance; and skills training programs.”³⁴ While the relevant state agencies will need to collaborate to address the reimbursement system on the whole, one suggestion for bonus payments to providers (similar to those suggested above) that would take into account the educational component of a training program would be if a client was 15 percent below a pre-determined grade level in math and/or reading, but met the minimum job placement requirements.

The Committee discussed at length the need to create a reimbursement structure for the program that we will be creating. The state will need to consider offering more or different programs and performance standards for recipients with lower skill levels, as well as recipients with disabilities. A provider reimbursement structure that encourages better jobs, job retention and career advancement for all populations will only help the state increase participation rates, improve the program offerings, and clearly benefit the recipient.

³⁴ Massachusetts Department of Education, “*ABE Overview and Proposed Policy Changes*,” Adult and Community Learning Services; available at http://www.doe.mass.edu/acls/rfp/overview_policy/default.html?printscreen=yes§ion=IV.

Dissenting Comments

As agreed to by the members of the Committee, each member could elect to file dissenting comments if he or she could not support the report as a whole, or could not support a particular recommendation or finding.

The following comments have been submitted and have not been edited by anyone except the author of the comments. They do not necessarily reflect the opinions of any other member of the committee nor are they guaranteed to be correct in their facts or analysis.

I support many of the recommendations in the report but as a community-based provider of education & training services who has seen the hardship, hunger and family dislocation created by sanctions on families with multiple barriers to work and DTA compliance, and given the severe lack of support services available to these families, I do not support the elimination of exemptions as proposed in the report. I believe this matter deserves further consideration beyond the scope of the committee's work and urge DTA to reconsider the necessity and efficacy of the recommended strategy.

Elsa Bengel
Vice President/Executive Director
YMCA Education & Training

I was impressed with the extra work that you and folks at DTA put into this final draft. I support the final draft report and want to thank the staff at DTA and United Way for all their efforts, and for patiently working through the many divergent views expressed by members of the committee.

Toni Gustus
Department of Public Health

Great job!!!

Judith Selesnick
WIA Association

An outstanding job synthesizing the discussion last week into recommendations...

Gina Spaziani
MA Executive Office of Community Colleges



Comments to the Welfare Reform Advisory Council Report November 4, 2004

The MIRA Coalition is a statewide advocacy coalition dedicated to serving the immigrant communities in Massachusetts. With almost 100 member organizations, we advocate on both the state and federal levels for policies that affect immigrants and refugees in the Commonwealth. We also focus on administrative advocacy with state and federal agencies that administer immigration laws and also provide benefits for immigrants and refugees. The MIRA Coalition works closely with leaders from the religious, labor, legal, healthcare, business and academic communities to successfully achieve our common goals of positive social and economic policies for immigrants.

The MIRA Coalition submits these comments on behalf of our membership organizations that serve the nearly 800,000 immigrants and refugees of the Commonwealth.

We wholeheartedly support the recommendation concerning the restoration of eligibility for lawful immigrants to receive supplemental TAFDC benefits which would be funded by utilizing state resources. As we had commented previously, restoring state cash assistance is fiscally responsible for the government. When the program was cut in FY 2002 almost 1000 families were terminated or had their benefits reduced. This deeply affected the immigrant community and the ability of these families to be productive and engaged. Restoring cash assistance to these families is projected to cost \$2million dollars yet it would provide numerous opportunities for families to have greater access to services such as ESOL and Adult Basic Education which would facilitate their engagement and productivity to the Massachusetts economy. Likewise it would also help in ending the cycle of poverty that many immigrants find themselves in as a result of their immigration status. Including this recommendation in the report is crucial in showing that the Department has an understanding of the unique challenges faced by immigrants, especially those that are trying to access safety net benefits.

Despite our happiness that restoration for legal immigrants was included in the report, we must express dissent on another issue that will implicitly affect immigrants who are already TAFDC recipients. We disagree strongly with the major recommendation in the report that would cease allowing exemptions from work requirements for TAFDC recipients that are severely disabled, in a late-stage pregnancy, recipients older than age 60 and, recipients caring for a disabled family member. Along these lines, MIRA supports the comments of MLRI in this area.

While we appreciate the spirit of full engagement and ensuring that recipients who want to participate/work are given the opportunity, disallowing exemptions is the wrong way in which to go about achieving that end. It puts a mandate on a population that already faces many barriers to engagement. Furthermore without substantial increases in funding to improve and enhance DTA's current assessment process, accurate and meaningful assessments will be difficult to achieve. As a result, creating an environment of appropriate full engagement for all TAFDC recipients will be almost impossible. Likewise without increases in resources toward already existing and new support programs and services, requiring full engagement of this vulnerable group of recipients is an inhumane proposition. Obviously disallowing exemptions will be damaging to any member of this group, but to an immigrant who is disabled or elderly, it can be even more destructive. Immigrants must cope with

a number of additional barriers to work/engagement that would make it very difficult for them to be able to participate fully without having to deal with sanctions.

Dealing with the barriers of limited English proficiency and lack of basic education alone makes it far more difficult for immigrants to be able to utilize the proposed support services that would allow them full engagement. The report is not specific about how the Department will develop enhanced assessment procedures nor does it go into any detail about the creation of new programs for this population. Even if new programs and services are created, immigrants with multiple barriers to employment will not be able to participate in a countable work activity for the required number of hours and will be unable to fully support their families and be economically stable after two years.

While the report does acknowledge that there was disagreement on this issue of exemptions, it only provides that the Department will use its “good cause” procedure or another assessment procedure to ensure that sanctions will not be placed on any individual that is not able to fulfill the rules of “full engagement”. Yet the language is very weak on how “good cause” will be operationalized and how it will be determined whether the assessment procedures were adequate or not. We fear that in an effort to reduce the rolls, there may be a great number of sanctions put on this population that is already quite vulnerable. “Good cause” rules are not a substitute for the safeguards that are currently provided through exemptions for this population.

Additionally, the language of the report is not strong enough to provide real clear recommendations and mandates about how the Department can do better in serving the poor of Massachusetts and trying to stem the tide of poverty. Only once does the report cite a model program in another state that would be beneficial for the Department to investigate and adopt. Likewise the language concerning this recommendation only requires that the Department explore whether the Maine Parents as Scholars program would work in Massachusetts. This program is unique and progressive in that it provides for higher education for recipients of cash assistance. This would be very important to immigrants who on the whole make less money than native recipients of TAFDC. According to studies in California and Minnesota, immigrant TANF recipients have lower employment levels and earnings than citizen recipients.³⁵ Providing an avenue for greater access to education is critical for the immigrant community and for increasing the average salary of those recipients that are non-citizens. Though the report does a good job of explaining the benefits of this program, it does not wholeheartedly recommend that DTA adopt this program and put it into place for Massachusetts.

One specific idea that could strengthen the recommendations of the report would be for the Department to increase staff trainings around issues of immigration and working with non-citizen clients. This could include cultural competency trainings. These would help strengthen the worker’s ability to understand how immigration status and culture might affect one’s ability to become fully engaged. Likewise, we would encourage that the Department enhance the assessment process so that it will capture not only English proficiency but also work history both in the non-citizen’s native country and here in the US.

We appreciated having the opportunity to participate in the Welfare Reform Advisory Committee. We also hope that this committee will remain intact to further provide council and also to evaluate the changes that DTA implements as a result of these recommendations.

³⁵ Fremstad, Shawn. *Immigrants, Persons with Limited Proficiency in English, and the TANF Program: What do We Know?* Published by the Center on Budget and Policy Priorities. (March 18, 2003).

Massachusetts Law Reform Institute

99 Chauncy Street, Suite 500, Boston, MA 02111-1722

PHONE 617-357-0700 # FAX 617-357-0777

November 4, 2004

Comments on the Welfare Reform Advisory Committee Report and Alternative Recommendations for Responsible TAFDC Changes

**Deborah Harris
Massachusetts Law Reform Institute**

Massachusetts Law Reform Institute (MLRI) is a statewide advocacy and support center, founded in 1968. Our mission is to represent low-income people, elders, and persons with disabilities working for basic human needs, to defend against policies and actions that harm and marginalize people living in poverty, and to advocate for systemic reforms that achieve social and economic justice. MLRI is the lead organization in Massachusetts engaged in policy analysis, technical assistance, and administrative and legislative advocacy on welfare, Medicaid, food stamps, low-income housing, and other poverty issues. As part of our work, we assist community-based advocates throughout Massachusetts who are working with individual low-income clients, including advocates at the eleven local civil legal services programs in Massachusetts, which collectively handle nearly 100,000 cases annually.

We submit these comments on behalf of our clients and the clients of the community groups and legal services programs we work with across the state.

We strongly dissent from the key recommendation in the report to cease allowing exemptions from work requirements and time limits for TAFDC recipients with severe disabilities, pregnant women in the last trimester, recipients caring for a disabled family member, and parents and other caregivers 60 years of age and older.

We dissent from this recommendation primarily for two reasons:

- **The recommendation is fiscally irresponsible because it creates a serious risk that the state will incur federal penalties of more than \$20 million a year.**
- **The recommendation is socially irresponsible because it will cause great harm to children in families headed by a parent or caregiver with severe barriers to employment who will not be able to meet strict work requirements or support their families without assistance after two years.**

I. Fiscal irresponsibility – the recommendation creates a strong likelihood of massive financial penalties.

A. Massachusetts would not be able to meet federal work participation rates under the proposal.

The central task of the Welfare Reform Advisory Committee was to make recommendations as to how Massachusetts should restructure or revise the state's Transitional Aid to Families with Dependent Children (TAFDC) program to insure that the state would continue to be eligible for the full federal Temporary Assistance for Needy Families (TANF) block grant of \$459.4 million per year when the state's current welfare waivers expire on Sept. 30, 2005 and when TANF is reauthorized. The report utterly fails to accomplish this critical task.

Under current federal law and under Congressional proposals for TANF reauthorization, states are subject to huge fiscal penalties if they do not meet federal work participation rates in the state's TANF-funded cash assistance program. Generally speaking, the work participation rate is the percentage of recipients receiving benefits in a TANF-funded program who are participating in federally countable work activities. As discussed in the Background section of the report, because of the state's welfare waivers and the caseload reduction credit in current federal law, Massachusetts will have no difficulty meeting the work participation rate before October 1, 2005 or the effective date of TANF reauthorization, whichever occurs later. However, after the waivers expire and TANF is reauthorized, Massachusetts will be subject to stringent work participation rates and will be subject to massive penalties if it fails to meet those work participation rates in a TANF-funded cash assistance program. The state could lose up to 5 percent of the block grant in the first year (\$23 million) and more in subsequent years.

The report never addresses how Massachusetts will meet the federal work participation rates when the waivers expire and TANF is reauthorized. In fact, the recommendations in the report would make it much harder for Massachusetts to meet federal work rates and would aggravate the risk that the state will suffer severe fiscal penalties.

Because of the state's federal waivers, the work participation rate for Massachusetts is currently calculated by dividing the number of recipients subject to state work activities requirements (about 13,200)¹ by the number of recipients who are participating in countable activities for the requisite number of weekly hours. This gives Massachusetts a work participation rate of over 60 percent, which easily meets federal requirements. Once the waivers expire and TANF is reauthorized, however, all recipients (other than child-only cases,² cases with a child under age 1, and recipients in the first month of benefits), will have to be counted in the denominator for the work rate, *if the recipient is receiving cash benefits in a program funded in part with TANF funds.*

Under the report, the denominator for the work participation rate would *double* to more than 26,000 because the denominator would include about 5,600 recipients with severe disabilities, about 2,000 pregnant women in the last trimester, 2,400 recipients needed in the

home to care for a disabled family member,³ 2,700 parents of a child between the ages of 1 and 2,⁴ and about 350 others currently exempt from work requirements for other reasons.

It is entirely unrealistic to expect that any significant percentage of the families headed by parents with the most severe barriers to employment will be able to engage in 34 to 40 hours per week of work activities while simultaneously caring for their children.⁵ These families include many headed by mothers with serious mental health issues (including those resulting from domestic violence), cognitive limitations, and serious physical disabilities. They include caregivers struggling to care for family members with severe disabilities, women in their last trimester of pregnancy, and parents, grandparents and other relatives who are 60 years of age and older. Although some may be able to engage in some amount of gainful activity – and should be supported and assisted by DTA to do so – it is unreasonable to expect that they will regularly be able to engage in work-related activities for 34 to 40 hours each week, which is more hours than any Massachusetts TAFDC parents without such barriers have ever before been expected to work. It is also unrealistic to expect that imposing a strict work requirement on these families will miraculously overcome employer reluctance to hire people with disabilities, pregnant women who will be giving birth shortly, older persons, and caregivers with family responsibilities that require attention during the work day. Adopting such unrealistic expectations would not only hurt the children in these families and their caregivers, because they would inevitably lose benefits due to sanctions and the time limit, but it would also undermine the state's ability to meet the federal work participation rate.

B. Massachusetts can avoid the risk of fiscal penalties by continuing to fund families who are not subject to work requirements under current state law from state-only funds if they would otherwise negatively affect the state's work participation rate.

To draw down the federal TANF block grant, Massachusetts is required to spend at least \$358.9 million in state funds on programs and services reasonably calculated to accomplish the purposes of the block grant. This is called the state “maintenance-of-effort” or MOE requirement. Massachusetts currently covers more than half of TAFDC spending with state funds that count towards the state's MOE obligation. Less than half of TAFDC spending is covered with TANF. In particular, Massachusetts generally covers recipients who are exempt from the Massachusetts 24-month time limit with state funds, because if they were covered with federal funds they would be subject to the federal time limit.

Under federal TANF law, Massachusetts has the flexibility to continue to fund recipients with state MOE funds. Recipients who are covered with state-only funds do not have to be counted in the work participation rate calculation. Thus, the state can assure itself that it will not be subject to fiscal penalties by continuing to use state-only funds to cover recipients with major barriers to employment.

The report recognizes that the state can avoid federal penalties by funding benefits for some recipients with state-only funds. In particular, the report in section (B)(2)(b) recommends that persons participating in education and training activities that are not

countable towards federal work participation rates be funded with state-only funds so they do not impair the state's work participation rate.⁶

Despite this recognition, the report fails to recommend that state-only funds be used for other persons with serious barriers to employment, including persons with severe disabilities, persons needed in the home to care for a disabled family member, and pregnant women in the third trimester. Indeed, the report recommends that parents whose youngest child is between the ages of 1 and 2 continue to be exempt,⁷ but does not specify that they should be funded with state-only funds. Consequently, these 2,700 parents will count against the state's work rate. In addition, the report would end exemptions for persons caring for a disabled family member, so these 2,400 recipients would also count against the state's work participation rate.⁸ Further, the report recommends that recipients with disabilities be granted good cause on an ad hoc basis (rather than the current system of exemptions), without addressing the fact that such recipients would count against the state's work participation rate unless they are funded with state-only funds.⁹

The state's current system of exempting recipients with major barriers to employment from work requirements and time limits is a tried and tested method of identifying recipients who should be funded with state-only funds to assure that they do not count against the state's work participation rate. **Any other course of action risks incurring millions of dollars in federal penalties and is fiscally irresponsible.**¹⁰

II. Social irresponsibility—the recommendation will harm children whose parents have disabilities or other severe barriers to employment and will be unable to meet strict work requirements or support their families without assistance after two years.

A. The report confuses “full engagement” with mandates on recipients.

All members of the Committee supported the concept of “universal” or “full” engagement, by which Committee members meant that DTA and other state agencies should be subject to an affirmative duty to develop and provide programs and services for persons with major barriers to employment so that they can achieve their maximum potential. Support for full engagement is consistent with retaining exemptions from strict work requirements and time limits for vulnerable populations who rely on subsistence benefits for themselves and their children. In the view of most members of the Committee, the goal of equal opportunity is not best achieved by imposing work mandates and a two-year time limit on persons with major barriers to employment. Rather, the goal of equal opportunity is best met by retaining exemptions for these families, but simultaneously providing them with services and supports to assist them in addressing their substantial barriers to employment. This approach was recently adopted by Nebraska, which approved a policy of exemptions from work requirements and time limits coupled with access to appropriate services.¹¹

DTA, however, had a preconceived agenda to eliminate exemptions before the Committee even began meeting. This agenda was pressed vigorously by DTA staff persons present at the meetings, including DTA staff who were not members of the Committee. It was

evident throughout the process, that DTA sought a report that would make recommendations to DTA that DTA wanted to have made.

The Committee recognized that appropriate programs and supports for persons with disabilities and others who are now exempt do not now exist in Massachusetts. Certainly, such programs do not exist on the scale necessary to serve the 13,000 individuals who would become subject to work requirements and time limits under the report's recommendation. One organization participating on the Committee took the position that exempting recipients with disabilities from work requirements allows DTA to ignore those recipients. But that member made clear that the responsibility for assuring that persons with disabilities participate in work activities should be fully shared by DTA and other state agencies and should not be placed primarily on the recipient. DTA seized upon the argument that exemptions allow it to ignore recipients with disabilities to insist that exemptions should be eliminated even though only one other member of the Committee took that position, and that member did so with a very different emphasis than DTA's.

The report cites no evidence that removal of exemptions will indeed lead to real opportunity for persons with disabilities and other major barriers to employment. Indeed, the Committee was unable to identify any states with model programs to serve persons with disabilities, including those states that do not have exemptions. The evidence from other states is that persons with disabilities are disproportionately sanctioned for noncompliance and suffer greater hardships than other recipients after the loss of their benefits.¹² Once recipients are cut off assistance, it is even easier for the state to ignore their need for services. And once recipients are cut off assistance, they will have lost the one most critical service the state currently provides to persons with disabilities – subsistence benefits for vulnerable families with children.

DTA's recent history on the issue of exemptions is instructive. In January 2004, in his proposed budget for state fiscal year 2005, the Governor proposed substantially tightening the standard for disability exemptions for TAFDC recipients. Then, later in January, DTA announced its intention to implement the heightened standard effective March 2004. DTA projected that nearly half of the recipients determined disabled by the state's Disability Evaluation Service would not meet the heightened standard and would lose their exemptions. DTA's stated reason for implementing the heightened standard in March of 2004 was a projected shortfall in the TAFDC appropriation, not a desire to take on the challenge of providing necessary services to this population. DTA dropped its plan to heighten the disability standard when the Legislature appropriated the funds that were projected to be necessary to cover the TAFDC account, and the Legislature rejected the heightened standard in the FY 2005 state budget.

DTA made no effort to "engage" disabled recipients who would have lost benefits under the heightened standard, even though DTA was prepared to subject them to work requirements and time limits. Taking an even more extreme position than the one the Administration proposed and the Legislature rejected last year, DTA is now seeking to eliminate exemptions on the basis of disability altogether. Having made virtually no effort to provide to address the needs of recipients with disabilities and other major employment barriers, DTA seeks to subject them to work requirements and time limits, rather than

shoulder its duty to provide appropriate opportunities and services. “Full engagement” should mean equal opportunity, not unrealistic mandates on vulnerable families, who will inevitably be even less “engaged” once they lose their subsistence benefits.

- B. It is unrealistic to suppose that programs and services for vulnerable recipients will materialize when exemptions are eliminated, in light of the report’s failure even to describe what programs and services would be needed for these recipients and the failure to give any indication whatsoever as to how much these programs and services will cost.**

Committee members were concerned that Massachusetts’ spending on work supports, including education, training, and transportation services for current and former TAFDC recipients is woefully inadequate. Massachusetts spends far less of its TANF and MOE funds on work supports than do other states, and state spending on work supports dropped dramatically between state fiscal year 2002 and state fiscal year 2005.¹³ Members of the Committee agreed that sufficient funds have not been appropriated to provide necessary programs and services even for those recipients who have not been identified as having major barriers to employment. Members of the Committee also agreed that programs to serve persons with disabilities would be more costly than programs for recipients who do not have identified barriers to employment.

Faced with DTA’s insistence on eliminating exemptions, a majority of Committee members agreed to the elimination of exemptions but only on condition that exemptions not be eliminated unless and until programs and systems were developed and funded for persons with disabilities. With the exception of DTA and one other member, Committee members who took this position did so in the interests of reaching consensus and not because of any view by the majority of members that eliminating exemptions was wise or necessary.¹⁴

The report pays lip service to this reluctant consensus, but does not describe in any detail the types or amount of programs and services that would be required and does not attempt to calculate the cost of providing the necessary programs and services. In the section on “legislative recommendations,” the report states that “universal or full engagement,” which the report conflates with elimination of exemptions, “challenges the Department to develop programs, which meet parents where they are, and tailor self-sufficiency plans so that all parents can be engaged in activities that promote their highest potential.” However, absent tested programs and a massive increase in funds, there is no prospect that the Department will meet that challenge. Instead of challenging the Department to provide needed services, the elimination of exemptions will subject vulnerable recipients to sanctions and the end of all cash assistance after 24 months due to the time limit.¹⁵

- C. Because many if not most parents with severe disabilities will not be able to meet a work activities requirement of 34 to 40 hours a week and will not be able to support their families after two years of assistance, elimination of exemptions will lead to extreme hardship for vulnerable families.**

Experience in other states that have tried to impose rigid hourly work requirements is that those requirements are not workable even for families that do not have severe disabilities.¹⁶

Families who would lose their exemptions under the report's recommendations are even less likely to be able to comply with strict work requirements. Federal data on state TANF programs confirm that persons with disabilities are less likely to have positive employment outcomes than otherwise similar adults and they are less likely to meet work participation requirements.¹⁷

Members of the Committee other than DTA unanimously agreed that strict work requirements and time limits are not appropriate for this population. Nevertheless, the report recommends elimination of exemptions and the consequent imposition of rigid hourly work requirements of 34 to 40 hours a week, depending on which version of TANF reauthorization passes Congress.

DTA cuts off all benefits to nearly 500 families a month who are subject to work requirements under current law, and imposes about 400 partial sanctions a month.¹⁸ DTA itself has projected that if recipients with disabilities and other major barriers to employment are also subject to work requirements, they will be sanctioned at an even higher rate. In February 2004, when it was planning to phase in a heightened disability standard, DTA estimated that 25 percent of the recipients who would lose their exemptions under the heightened standard would be sanctioned and would lose some or all of their benefits.¹⁹ Eliminating exemptions altogether, including exemptions for persons determined to have very severe impairments that interfere with work, will inevitably result in even more sanctions.²⁰

Moreover, DTA predicted the 25 percent sanction rate for persons losing exemptions when it was still operating under the waivers. Once the waivers expire and TANF is reauthorized, DTA will be under heavy fiscal pressure to sanction nonexempt recipients paid for in the state's TANF-funded program, because otherwise they will count against the state's work rate.²¹

Thus, sanctions can be expected to increase dramatically: first, because many more recipients will be subject to sanctions; second, because recipients with more severe barriers to employment will be subject to sanctions and those recipients tend to be sanctioned at higher rates; and third, because DTA will have an incentive to remove nonexempt recipients from the rolls to avoid having them count against the state's work participation rate. It is disingenuous to claim otherwise.

Sanctioned families suffer real hardship when they lose their subsistence benefits. A national survey found that mothers who left welfare after being sanctioned were more than three times as likely to have experienced material hardship (homelessness or eviction, hunger, or moving in with others) as mothers who stayed on welfare. Sanctioned mothers were more than six times as likely to have experienced hunger. Overall levels of hardship among sanctioned leavers were high.²²

In addition to the likelihood of hardship from sanctions, those families who manage to retain their assistance for 24 months will face the loss of all assistance when they reach the time limit. DTA's study of recipients who lost benefits because of the time limit found that nearly 30 percent were not working at the time of the interview. Unlike the recipients who would lose benefits under the report's recommendations, these were all recipients who had not been identified as having disabilities or other major barriers to employment. One-third of those who were not working had not worked at all since leaving welfare. Of those who were working, more than half were working fewer than 35 hours a week. In most cases, this was because full-time work was not available, they could not get appropriate child care, they did not have job skills, they had transportation issues, or the parent or child had health problems. In light of the average weekly wage of \$8.21, even full-time year round work would not yield enough to provide adequate support. For the majority, full-time work was not a realistic option. Food insecurity, other hardships, and debt levels increased.²³

DTA's time limit study represents a best case scenario for recipients who do not have major identified barriers to employment and who reach the 24-month time limit when the economy in Massachusetts is booming.²⁴ For recipients with major barriers to employment who will reach the time limit during what may well be a less favorable job market, the prospects are much bleaker. These recipients will be even less able than the recipients in DTA's study to support their families solely through work after only two years.

Instead of assuring greater access to necessary services, eliminating exemptions will make TAFDC cash assistance less accessible to families with a disabled parent or a disabled family member who needs care. Sanctions and time limits will cause vulnerable families in Massachusetts to fall deeper into poverty, will add to the state's ranks of homeless families, and will undermine the ability of the children in these families to succeed in school and in life. Not only is the report flawed in assuming that some unspecified and as yet undeveloped services will magically appear if exemptions are eliminated, it is also flawed in assuming that provision of these services will mean that most of these families can support themselves through work.

D. Stating that “clear safeguards” should be in place and that extensions of the time limit could be granted if services are not available is no substitute for the protections in current law.

Recipients who are not protected by exemptions are subjected to the draconian operation of DTA's computer system. That system is programmed to sanction nonexempt recipients automatically if the worker fails to input data showing that the recipient is either in compliance or has good cause for not complying.²⁵ The report states that if “necessary support services” are not available, “clear safeguards” should be in place to protect recipients from sanctions. But instead of specifying how these “clear safeguards” are to be assured, the report only says that DTA should grant “good cause” if necessary services are not available.

Unfortunately, recent experience with DTA's implementation of “good cause” provisions in the FY 2005 budget shows that DTA does not have the staff – or perhaps does

not have the will – to give serious consideration on a case-by-case basis to recipients’ individual circumstances. The FY 2005 budget mandated that DTA review good cause criteria *with* the recipient before imposing a sanction. St. 2005, c. 149, § 218. DTA’s instructions for implementing this provision, however, provide that to obtain review of good cause the recipient must return a computer generated good cause notice with a specified good cause reason circled within 10 days of the mailing date of the notice. No provision is made for recipients who have limited English proficiency or recipients who cannot read an English or Spanish notice. No provision is made for recipients with cognitive impairments or those who do not have telephone service. No provision is made for recipients who get only a busy signal, a full voice mail box, or a vacation message when they try to call their worker for an explanation of the notice – all common occurrences in light of DTA workers’ caseloads. If the worker does not receive and input the request for good cause by the 10th day after the notice was mailed, the sanction issues automatically. The “good cause” procedure adopted by DTA is not workable for persons who cannot manage a paper process or cannot advocate successfully for themselves. Like the recommendation for funding and programs, the recommendation of “clear safeguards” is based on wishful thinking rather than reality.

The report also states that time limit “extensions would continue to be available to those who are satisfying work participation requirements, but have been unable to obtain employment through no fault of their own.” Current DTA extension policy grants extensions of the time limit based primarily on DTA’s determination of whether the person has participated and is participating in work activities. In some cases, extensions are granted for a limited time to complete an education or training program. 106 C.M.R. § 203.210. The regulations also provide for extensions if there are no appropriate job opportunities locally, but DTA never grants extensions for that reason. The parsimony of DTA’s practice and policy regarding extensions is evidenced by the fact that in a sample month, only 82 TAFDC recipients were receiving benefits pursuant to a time limit extension, even though hundreds of recipients reach the end of their time limit every month.²⁶ There is no provision in the DTA regulations for extensions because of barriers to employment, such as disability or the need to care for a disabled family member. Nothing in the regulations would allow an extension for a pregnant woman in the third trimester for whom it does not make sense to start an education or training program and whom employers will not hire because they expect her to give birth shortly. And nothing in the report would require DTA to alter its current extension practice and policy.

Chapter 5 established exemptions to reduce the risk that the most vulnerable families would suffer these hardships. That mechanism is the clearest “safeguard” DTA has yet implemented to assure that vulnerable families do lose their subsistence benefits. The report fails to make a case as to why the exemptions should be removed.

Conclusion

In sum, the recommendation to eliminate exemptions for parents with severe disabilities, parents needed in the home to care for a disabled family member, pregnant women in their last trimester, and parents and other caregivers age 60 or older will create a grave risk of federal penalties and cause great harm to the most vulnerable families in the

Commonwealth. The recommendation to eliminate exemptions should be rejected. Instead, the Legislature should retain exemptions, should continue to cover exempt families with state maintenance of effort funds, should provide the resources for the programs and services needed to provide real opportunities for parents with severe barriers to employment, and should direct DTA to meet its responsibility to ensure that every family is provided the resources it needs to meet its full potential.

Endnotes – MLRI Comments

¹ As of June 2004, there were 12,272 recipients subject to the work requirement in Massachusetts and 913 teen parents subject to school attendance requirements.

² Cases in which there is no adult receiving assistance do not have to be included the work participation rate calculation. In Massachusetts, parents do not have a choice not to receive assistance for themselves

³ The report would allow caring for a disabled family member to count towards the work requirement. Caring for a disabled family member would be federally countable in the Senate Finance Committee bill because the Committee accepted a Democratic amendment to that effect. The House version of TANF reauthorization would not allow caring for a disabled family member to count towards the federal work participation rate. Most observers expect that the Conference Committee on TANF reauthorization will not permit caring for a disabled family member to be a federally countable core work activity, and it may not even be allowed by the final Senate bill. If, as expected, caring for a disabled family member is not federally countable, these families would count in the denominator for the work rate under the report, but would not count in the numerator. They would therefore lower the state's work participation rate. In addition, as discussed below, if caring for a disabled family member is allowed as a state work activity but does not qualify the family for an exemption, these families would be ineligible after two years even if the parent were still needed to care for the disabled family member.

⁴ The report would continue exemptions from the Massachusetts work requirement for parents of children under the age of 2, but parents with a child between the ages of 1 and 2 would be countable in the denominator for the federal work participation rate, and would therefore lower the state's work participation rate.

⁵ The report states that the hourly work requirement "should be modified to align with anticipated federal requirements," and then says that all non-exempt individuals should be required to participate in core work activities for 24 hours a week and "up to an additional 10 hours per week in 'other qualified activities'." Section (B)(2)(a). The Senate Finance Committee TANF reauthorization bill would require 24 hours a week in core activities plus other activities for a total of 136 hours a month for single parents whose youngest child is school age. The House bill would require 24 hours in direct work activities plus other activities for a total of 160 hours a month. Republicans in Congress and the White House are strongly pushing for a 40-hour per week work requirement and are more likely to be successful in light of the recent elections. Therefore, the report's recommendation that the weekly hours requirement be "align[ed] with anticipated federal requirements" could mean that the report is calling for a weekly requirement of 40 hours.

⁶ The report also recognizes in section (B)(4) that federally ineligible lawful immigrants can be covered with state-only funds, as Massachusetts did until August 2002, and that these funds count towards the state's maintenance of effort requirement. We fully support the report's recommendation to restore cash assistance benefits to federally ineligible lawful immigrants. We also endorse the comments of the Massachusetts Immigrant and Refugee Advocacy (MIRA) Coalition in support of restoring benefits for lawful immigrants, as well as MIRA's other comments.

⁷ Chapter 5 exempts parents of children under the age of two provided that the child is not excluded from assistance by the state's family cap rule.

⁸ DTA stated at the Committee meeting on October 22, 2004 ** check date? that the report would recommend that recipients caring for a disabled family member would continue to be exempt. Nevertheless, the report eliminates their exemptions, and instead would allow caring for a disabled family member to be a countable activity in Massachusetts. Caring for a disabled family member is not currently countable towards the federal work participation rate, and it is not likely that it will be federally countable when TANF is reauthorized. See note 3, above. These families will therefore most likely count against the state's federal work participation rate unless they are covered with state funds.

⁹ In contrast, other states are recognizing the advantage of establishing exemptions and paying for exempt recipients from state-only funds. Nebraska, for example, has recently amended its state TANF plan to provide that exempt recipients are covered in a separate state program. The Nebraska TANF plan states, "This separate state program allows Nebraska to exempt from work requirements and state and federal time limits those single-parent families where the adult or minor parent is incapacitated and with a medically determinable impairment or who has significant barriers to participation in approved work activities. Nebraska will provide the services necessary to help these individuals overcome and/or remove the barriers preventing them from effectively engaging in approved work activities and attaining the maximum level of economic independence possible for their families through work." Exemptions in Nebraska include persons with serious disabilities, persons needed in the home to care for a disabled family member, pregnant women in the third trimester, and persons 60

years of age and older. Amendment to the 2003 Nebraska State Plan for the Temporary Assistance for Needy Families (TANF) Program, effective Nov. 1, 2003; <http://hhs.state.ne.us/wer/TANFPlan03.doc>.

¹⁰ The report's recommendations will also be costly in many other ways. For instance, when their two-year time limit is up and parents caring for a disabled family are forced to go to work, many disabled family members will have to go into nursing homes or residential placements or need other expensive state services. Many families that lose benefits because of sanctions or because they have reached the time limit will become homeless and will need costly shelter placements, state or local funds will be needed to transport their children to school, their children are more likely to need remedial education services. Families with no means of support are also at much greater risk of illness and will add further strain to the MassHealth budget.

¹¹ See note 9, above.

¹² See notes 2–22, below.

¹³ Massachusetts' appropriations for the Employment Services Program plummeted from \$37.5 million in state fiscal year 2002 to \$11 million in state fiscal year 2004. In state FY 04 Massachusetts also spent an additional \$5.9 million in one time federal funds for job search services for TAFDC recipients. For 2005, the ESP appropriation is \$19 million plus a possible additional \$3 million in retained revenue. In federal fiscal year 2002, Massachusetts spending on work supports and transportation was 4.2 percent of total state TANF and MOE spending; nationally, states spent an average of 10.8 percent of TANF and MOE funds on work supports and services. In federal fiscal year 2003, Massachusetts spending on work supports and services declined to 2.2 percent of total TANF and MOE spending, compared with 10.8 percent nationally. For state FY 05, the appropriation for work supports and services (including the potential retained revenue) is 2.7 percent of TANF and MOE funds, one quarter of the national average in federal FY 03. Federal financial information is available at <http://www.acf.dhhs.gov/programs/ofs/data/index.html>.

¹⁴ Most members of the Committee are either staff of state agencies or work for entities that rely upon contracts with the state. As a result, they could not freely disagree with a position that DTA insisted upon.

¹⁵ In the section on "Additional Considerations for Regulatory or Administrative Changes," the report states that "the Department should consider providing proven 'barrier removal' activities and specialized strategies." In addition to making it clear that DTA need only "consider" providing the services, it is notable that these activities are not even listed in section (B)(2)(b) as allowed activities that would meet the individual's weekly work requirement.

¹⁶ See, e.g., Dietrich, S., *Many Welfare Recipients Could Not Meet TANF Proposals for 40 Hours of Work*, Community Legal Services, Inc., Philadelphia, PA (May 2002).

¹⁷ Jacobson, J., et al., *Steps Toward Self-Sufficiency: A Study of the Characteristics and Work Participation of TANF Recipients in Fiscal Year 1999*, Mathematica Policy Research, Inc. (Dec. 2002); <http://www.mathematica-mpr.com/publications/>.

¹⁸ Sanction data supplied by DTA on July 28, 2004 show that for the period from March 2004 to June 2004 DTA sanctioned and cut off all benefits to an average of 478 families a month and imposed partial sanctions on an average of 403 families a month. DTA imposed more than double this number of sanctions in January and February 2004, when DTA was implementing the extension of the work requirement to parents of pre-school children. These are figures for new sanctions each month; more families are under sanction at any point in time because of sanctions imposed in prior months.

¹⁹ Calculated from data supplied by DTA on February 12, 2004.

²⁰ Research has generally shown that sanctioned families are more likely to face significant barriers to employment as compared to families that avoid sanction. For a review of the literature, see Pavetti, L. et al., *Review of Sanction Policies and Research Studies*, Mathematica Policy Research, Inc. (March 2003), <http://www.mathematica.org/publications/PDFs/sanclit.pdf>. See also Polit, D., et al., *The Health of Poor Urban Women: Findings from the Project on Devolution and Urban Change*, Manpower Demonstration Research Corp. (May 2001), <http://www.mdrc.org/publications/77/execsum.pdf>. This research project studied a sample of low-income women in 3 cities and one county with a large city. The study found that recipients with a larger number of health problems were more likely to be sanctioned than healthier recipients.

²¹ See Greenberg, M. and Rahmanou, H., *Imposing a 40-Hour Requirement Would Hurt State Welfare Reform Efforts*, Center for Law and Social Policy (Feb. 12, 2003), http://www.clasp.org/DMS/Documents/1045149164.99/view_html (individuals who do not meet federal work requirements "will become a 'drag' on the state's ability to meet participation rates, and there

will be increased risk that such families are sanctioned and terminated from assistance rather than provided needed assistance to move towards employment”).

²² Reichman, N., et al., *Variations in Maternal and Child Wellbeing*, Working Paper #03-13-FF (April 2003), <http://crcw.princeton.edu/workingpapers/WP03-03-FF-Reichman.pdf>. This report focused on parents of children age one: the findings are consistent with findings on parents of older children. See, e.g., Children' Sentinel Nutrition Assessment Program, *Impact of Welfare Sanctions on the Health of Infants and Toddlers* (July 2002), <http://dcc2.bumc.bu.edu/csnappublic/C-SNAP%20Report.pdf>; Cook, et al., *Welfare Reform and the Health of Young Children: A Sentinel Survey in Six United States Cities*, *Archives of Pediatric and Adolescent Medicine* (Jul. 2002), Vol. 156, no. 7, summary at <http://archpedi.ama-assn.org/cgi/content/short/156/7/678>. A study conducted in Boston and two other cities found that children in families that had been sanctioned had higher rates of serious behavioral and emotional problems than children in other TANF families. Fifty-six percent of preschoolers in sanctioned families who had left welfare scored in the “range of concern” for serious behavioral and emotional problems. Chase-Landale, P.L., et al, *Welfare Reform: What About the Children?*, *Welfare, Children, and Families: A Three City Study*, Policy Brief 02-01 (January 2002), http://www.jhu.edu/~welfare/19382_Welfare_jan02.pdf.

²³ Mass. Dep’t of Transitional Assistance, *After Time Limits: A Study of Households Leaving Welfare Between December 1998 and April 1999* (Nov. 2000).

²⁴ Recent studies show that families that left welfare in 2000 or later are *less* likely to be working than families that left in the 1990s and that the share of families that leave welfare and are not working and do not have a job or other stable source of income has *increased*. See, e.g., Loprest, P., *Fewer Welfare Leavers Employed in Weak Economy*, Urban Institute (Aug. 2003), <http://www.urban.org/url.cfm?ID=310837>.

²⁵ DTA’s computer system is set to default to a sanction automatically unless the worker takes affirmative steps to stop the sanction. See DTA Field Operations Manual 2004-37A (September 24, 2004) (sanction process prevented only if worker inputs “meets compliance” or a good cause reason). This sanction policy has been described as “sanction first, ask questions later.” Letter of Melanie Malherbe, Greater Boston Legal Services, and others to DTA Comm’r John Wagner (Oct. 5, 2004).

²⁶ DTA June 2004 caseload data.