

A Blueprint For Independence



THE FAMILY INVESTMENT PROGRAM

A Welfare Reform Proposal
Developed By



Affiliate Member: North Carolina Association of
County Commissioners

EXECUTIVE SUMMARY

With the current interest in welfare reform on all levels of government and the public, the North Carolina Association of County Directors of Social Services has developed a document that outlines how it believes the citizens of the state can best be served by any reform of the present system. The document identifies basic philosophical principles that must underpin any welfare reform effort. These principles include: recognition of the importance of the family unit; recognition of each citizen's worth and dignity; the shared responsibility for the attainment of self-sufficiency between recipients of assistance and government; and the provision of assistance without stigmatization. The principles also address the administrative structure of public assistance programs, citing the need for program rules that are easily understood and consistent among programs with a cost-effective, efficient administrative support system driven by an automated system to assist in the delivery of benefits.

The document places existing public assistance programs under a welfare reform proposal for the Family Investment Program. The program stresses the importance of preventive and supportive services to families. The tenor of an interview for public assistance would change from routine processing of paperwork to family-focused problem identification and goal setting. Specific services cited include those directed toward job training and education, prevention of teenage pregnancy, parenting education, quality day care, and transportation. The child support system must be uniform among the states, with stringent laws that compel absent parents to support their children. Many times the receipt of court ordered child support will prevent the need for government assistance.

Moving citizens from reliance upon government support to independence and self-sufficiency is not the sole responsibility of the local departments of social services; it is a community responsibility. In order for citizens to become independent, economic development is of the utmost importance. There must be a blending of public and private funding. Incentives for private sector employment of recipients must be expanded. Incentives are needed for business and industry to provide health and child care benefits to workers. Tax laws should provide incentives for charitable giving and should expand efforts to assist low income, working families. Foundation funds are needed to pilot projects and for planning and evaluation of these projects that are focused upon citizen self-support and self-sufficiency. The minimum wage must be established at a level adequate enough to provide income at or above the poverty level for an average size family.

Finally, the cumbersome regulations that underpin the current public assistance system must be simplified and streamlined by eliminating federal and/or state regulations that require duplicative, inefficient administrative procedures. In other words, welfare reform efforts must focus on the desired outcomes for families and the needed resources to achieve these outcomes rather than an unwieldy eligibility process which becomes a barrier, rather than a vehicle, for attaining self-sufficiency for our citizens and their families.

WELFARE REFORM STEERING COMMITTEE



**JEAN BIGGS, DIRECTOR, MARTIN COUNTY
CHAIRMAN**

**JOHN BLAIR, DIRECTOR, GASTON COUNTY
PAT CAPEHART, DIRECTOR, BEAUFORT COUNTY
JAMES F. COOK, DIRECTOR, CABARRUS COUNTY
LARRY L. DEYTON, DIRECTOR, MITCHELL COUNTY
ROBERT D. EASON, DIRECTOR, CARTERET COUNTY
HENRY HAYES, DIRECTOR, WARREN COUNTY
DANIEL C. HUDGINS, DIRECTOR, DURHAM COUNTY
E. C. MODLIN, DIRECTOR, CUMBERLAND COUNTY**



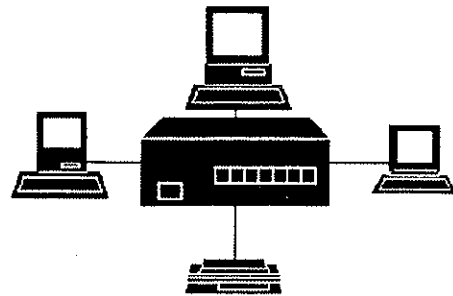
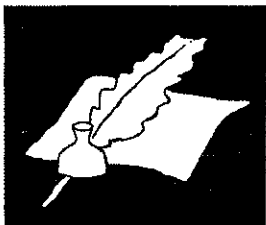
For additional copies, please contact
Sharon Hirsch, Executive Director, NCACDSS
215-D Glenwood Avenue
Raleigh, N. C. 27603
Telephone: 919-833-8020

NORTH CAROLINA ASSOCIATION OF COUNTY DIRECTORS OF SOCIAL SERVICES WELFARE REFORM PROPOSAL

INTRODUCTION

For more than twenty years, county social services directors in North Carolina have been fighting the proliferation of red tape and paperwork in the administration of the state's assistance programs and have been concerned that programs do not always achieve their intended outcomes. In 1987 and 1989, the North Carolina Association of County Directors of Social Services (NCACDSS) convened policy conferences on these problems. The outgrowth of these conferences were position papers entitled "A Blueprint for the Future" and "People vs Paper." In 1990 a follow-up of those conferences and position papers was issued delineating the quagmire of paperwork in which counties found themselves in attempting to deliver benefits to public assistance recipients. It is now 1994; the quagmire has deepened and unless steps are taken to reform the present assistance delivery system, the entire system will surely collapse of its own weight; either because it has drowned in a sea of paper or because system administration has not kept pace with basic technological simplification or because public support has withered for social programs.

With the present commitment for welfare reform in the White House and Congress, on the federal level, and the Governor of North Carolina and the General Assembly, we, as an association of administrators who have the most contact with the citizens served by these programs and who must implement any reform measures propose the following principles as the basis for any reform legislation and outline specific components that we feel should be included.



PHILOSOPHICAL PRINCIPLES

- ◇ Each citizen in need of assistance is recognized as having worth and dignity and deserves an opportunity to assume an active role toward becoming self-sufficient, self-supporting, and responsible.
- ◇ Receipt of assistance assumes a mutual responsibility of citizen and agency for the citizen to become self-supporting and self-sufficient. Education, training, child care, and other supportive services must be provided to assure each citizen has an opportunity to become self-supporting.
- ◇ Assistance programs should be time limited while the citizen is gaining the skills to become self-sufficient.
- ◇ The receipt of assistance should not stigmatize the citizen, nor blame victims of economic and social adversity for problems they did not create. Honesty is presumed until otherwise proven.
- ◇ Assistance program rules, i.e., AFDC, Food Stamps, Medicaid, should promote the greatest efficiency and most cost-effective methods of providing benefits to citizens in need. All programs should have uniform and consistent rules and regulations, among themselves, i.e., reserve limits, count income the same in all programs, etc. Priority should be given to simplification which would generate enormous savings to invest in families' efforts to become self-supporting and self-sufficient.
- ◇ Program rules and regulations should be easily understood by the general public, policy makers, recipients, and providers. Rules and regulations should be consistently applied among the programs. Rules and regulations therefore, should be user-friendly, jargon-free, fair, equitable, simple, and outcome oriented.
- ◇ Program rules and regulations should recognize the importance of the family unit by encouraging families to stay together and parents to assume financial and parental responsibility of children.
- ◇ Policies for assistance programs must reward responsible behaviors and achievements on the part of individuals and families.



A BLUEPRINT FOR INDEPENDENCE

THE FAMILY INVESTMENT PROGRAM

As Social Services Directors, we believe very strongly that citizens would rather be independent than dependent upon the government. At the same time, we recognize our responsibility as professionals and the greater responsibility of society to provide citizens with the education, training, and job opportunities necessary to enable them to reach the goals of increased self-sufficiency, reduction of dependence on the government, and improved social functioning.

We recommend that the state implement the Family Investment Program which blends work programs with adequate benefit levels, and ensures a strong incentive to work while not blaming victims of economic change for problems they did not create. Especially we want to assure that children, who have no control over their circumstances, benefit from program changes and improvements. The Family Investment Program will target families responsible for the care of a minor child whose members reside in a single dwelling and are related by blood, marriage, or maintain a common law arrangement.

The Family Investment Program is seen as expanding upon the JOBS Program, which has shown significant success in moving citizens from dependency to independence. Adequate funding for the JOBS Program to serve all citizens in need of education, training, and employment assistance is imperative. To this end, we suggest the following program initiatives.

I. THE WORK-EDUCATION/TRAINING GOAL

A. The Program Elements:

1. Establish a comprehensive program that includes a wide range of educational training and work experience for parents. The program should include:
 - a. A contract to require a customized plan of work, training, or education for the parents. The plan would take full advantage of available education resources. Minor parents would be required to stay in school.
 - b. An individualized assessment to identify needs and goals of parents.
 - c. Educational opportunities ranging from basic literacy to college level.
 - d. Job training based on community job market.
 - e. Supportive services including counseling, day care, transportation, job preparation and orientation.
 - f. Work experience.
 - g. Job Search services



2. Target the program to new applicants for assistance and those that have received assistance for less than two years.
3. Provide linkage between private sectors/industry, economic development, and educational resources that can provide specific and appropriate job training.
4. Overall responsibility for the design of the work programs must rest with human services agencies at the federal and state levels; however, the design should be flexible to allow for local innovations.

B. Incentives for the Parents - - - Making Work Pay

1. Parents who comply with their contract would receive a cash incentive as a reward. This in lieu of the penalty for not complying. The cash incentive should be sufficient to compensate the client for all costs associated with participation.
2. Parents who successfully become employed will be allowed a total disregard of earned income for three months and a graduated reduction of disregard over the following nine months. No disregard is allowed to the parent who voluntarily quits a job or who is dismissed for good cause. Medical coverage would be assured for one year for employed parents with no limitations on income.

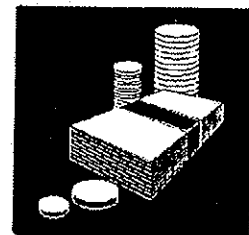
C. Case Management

1. Case management services should be continued at the discretion of the case manager to follow-up and help the client with any problems that arise and could otherwise cause a return to welfare.
2. Case management is defined as the following:
 "Case management is essentially a coordinating process which may include therapeutic intervention. A case manager's sole interest is in securing the best possible service for the client. Often he or she is the only person familiar with the client's total situation. The case manager acts a broker, liaison, counselor, watch dog, advocate and enable." (from Dorothy Harris, NASW President).
3. Recognize that some public assistance clients are not ready for education, training, or employment and provide socialization skills and other specific services to address the problems that inhibit self-sufficiency.

II.A CONTINUED COMMITMENT TO ADEQUATE BENEFIT LEVELS

A. The Benefit Level

1. Establish a Family Living Standard (FLS) based on nationally-set methodology which allows each state's market basket to determine basic living costs.
2. Payment levels should be determined on the basis of the family's actual needs.



3. Assistance would be time limited in accordance with the contract and the employability plan.
4. Benefits provided would be coordinated and provided in conjunction with the expanded Federal Earned Income Credit.

B. Simplifying the System - - - Decategorize Public Assistance Programs

1. With the full implementation of the payment at the federal poverty level, there should be one payment to include all federal assistance, Aid to Families with Dependent Children, Low Income Energy Assistance Program, Food Stamps, nutrition assistance, and housing, e.g.
2. There should be one single automated application simplifying the system for citizens and eliminating wasteful administrative procedures.
3. There should be "one-stop shopping" through the use of common eligibility criteria utilizing the experience of the Food Stamp Simplification Project and the one worker, case manager concept.
4. Client, family outcome goals such as employment, crisis resolution and family stability should be the focus of the Family Investment Program enhanced by support services provided within the program time frame, i.e., two years.



III. OVERALL DESIGN ISSUES

A. Non-Stigmatizing Method of Delivery of Benefits

Benefits to parents should be provided to parents in such a way as not to stigmatize these citizens and mainstream them into existing community programs/systems such as HMO's, child care referral systems, etc.

B. Flexibility

Emphasize local flexibility in program design to recognize local job markets, rural vs. urban nature of counties, and level of available support services and resources.

C. Administration

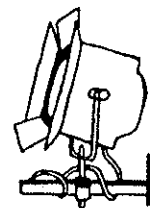
Broader issues of the social services system need to be examined, such as the effect of state and county administration and the problems resulting from complex guidelines and criteria. Automation and uniformity of rules and regulations must be accomplished.

D. Equity Within the State

Adequate resources must be made available to each county in an equitable manner. The availability of services and uniformity of employee workloads throughout the state are issues which must be addressed.

E. Accountability

Program integrity will be assured through any and all technology that can be used to identify applicants and recipients and cross-reference between and among counties and states.



CHILD SUPPORT PROGRAM

It is the obligation of every parent to support his or her children. It is also the basic right of all children to be supported by their parents. When parents fail to meet their financial obligation to children, child support should be pursued and obtained through a unified program for all children that is legally enforceable.

Because of the complexity of the Child Support Program in North Carolina and nationwide, we recommend and promote the following as a means to provide enhancement and consistency in all matters involving the financial support of children:

1. There should be one uniform child support system in North Carolina and nationwide that provides all child support services.
2. In North Carolina there should be mandatory staffing patterns and levels of service that are enforceable by the state and federal governments.
3. Child support services must be available to all children regardless of economic standing, and child support agencies should recognize that public cost avoidance is as positive as public cost recovery.
4. Paternity for children should be established at birth through hospitals or as soon as feasible through the quickest legal remedy available.
5. All legal separations should address the financial and medical support and care of children.
6. The State of North Carolina should immediately pursue creating, financing and implementing a comprehensive automated child support computer system at all levels that is involved in child support activities.
7. The federal government should require states to provide the same priority to interstate child support proceedings as states give to their own proceedings.
8. There should be services available to non-custodial parents to assist them in obtaining the necessary education and training to secure employment with which to support their children. Federal and state training programs, such as JTPA, should be required to serve this population.

PREVENTIVE AND SUPPORTIVE SERVICES

The Directors recognize the family as the best structure for the growth, development and protection of its individual members. At the same time, prevention and support are seen as the key ways to help our families reach self-sufficiency. Rather than undermining families' coping skills, preventive and supportive services assist families with employment in order to provide for their families, and eliminate small problems before they get beyond their control. Communities with strong services, both public and private, create a positive environment for all their citizens and are better able to attract business and industry to provide jobs for their people.

We believe that most families seeking help from the Department of Social Services can and want to improve their situation. Because their presenting problem is frequently a cry for help that reaches beyond the spoken request, timely screening, accurate problem identification, and planful intervention is needed. The intervention should be accomplished with maximum participation of and full respect for the family's needs and goals. In this way, families become partners in the helping process and have responsibility for their own behaviors and well-being.

The utilization of social work skills through one-on-one contact or in groups has been shown to be effective in helping families. Examples of positive results are found in innovative teen pregnancy projects, preventive services programs, permanency planning, and in work and training programs. We have the moral and professional responsibility to provide adequate and cost-effective preventive services to families seeking our help and to the community at large.

We recommend the following:

1. A concentration on teen pregnancy and parenting:

Emphasize prevention of teenage pregnancy and encourage services to adolescent parents by doing the following:

- a. Expand adolescent parenting programs to all counties and add seventeen and eighteen year olds and other children at risk (such as siblings) to the program.
- b. Support national, state and local consortia to plan, design and evaluate teen pregnancy initiatives aimed at prevention and support of services. Create a Center for State Action on Adolescent Pregnancy.
- c. Expand the role of the Departments of Social Services to include community organizing and advocacy in the area of teen pregnancy.
- d. Work to keep teenage mothers in school and to delay second pregnancies.



2. An emphasis on public education:

Strengthen public education for low-income children and support the work of the schools with parents including preparing children for school and assuring they make maximum academic progress, and at a minimum, complete high school.

3. Support for day care:

Increase access to and availability of affordable, quality day care to meet the developmental needs of children and to assist families working toward self-sufficiency.

4. Support for transportation:

Provide access to affordable public transportation, when possible, and work with government authorities to solve the problems of transportation in our rural communities, thus allowing our citizens the ability to maintain gainful employment.

5. Funding for case management:

a. Shift public assistance program emphasis from routine processing of cases to family problem identification and problem solving. There is a need to teach family problem-solving skills to clients.

b. Utilize screening and assessment at intake for the purpose of diversion and prevention to avoid the need for long-term public assistance. Refer to appropriate services and establish negotiated contracts with clients to aim for achievable goals.

6. Adequate support services which are:

a. Delivered privately, where appropriate, for all social and income levels;

b. Administrated under community oversight to assure all groups are adequately served; such as Smart Start Partnerships Boards for children 0-5 years of age.

c. Built in as a necessary part of any primary program or activity and accessible in one location such as Community Based Family Resource Centers.

ECONOMIC DEVELOPMENT

It is consistent with the belief in self-sufficiency that County Directors of Social Services should be involved in economic development. We believe in the goal of full employment and that it is consistent with the goal of self-sufficiency. An investment in economic development includes an investment in education, transportation, and supportive services. Welfare reform and economic development are inextricably linked and welfare reform cannot be achieved without concurrent economic development and consumer participation in that process.

We recommend the following:

1. There must be a coordinated effort at both the local and state level to:

a. Share information between and among agencies concerning the services and resources available for purposes of economic development.

b. Share resources at the multi-county level and to oppose feelings of turfism, in an effort to help those counties whose resources are limited.

- c. Link economic development and social development through use of minority business organizations and small business loans and services.
2. A Department of Social Services representative should be appointed to serve on each of the Private Industry Councils in the state, as well as on the State Employment Training Council.
3. Economic development should consider the social ramifications for a community along with the economic benefits; a comprehensive community impact statement looking at these issues should be required as a part of any economic development plan.
4. While economic development results in both gainers and losers, the overall benefits accrue to the state. Therefore, a system needs to be developed to share these economic benefits with counties which are the losers in this competitive effort to attract new investment.
5. Economic development is not the primary responsibility of the Social Services system, the systems which are responsible for economic development should be required to coordinate their efforts with the Department of Social Services.
6. Business and industry must be provided expanded financial incentives to create good jobs for low-income families to allow them to participate in the benefits of economic development.
7. Communities must continue to promote access to technical assistance resources for low-income people. They must create a sense of ownership and responsibility with Chambers of Commerce, Private Industry Councils, the Employment Security Commission, and community colleges and strive to coordinate their efforts.
8. Strong support should be given for the efforts of the North Carolina Rural Economic Development Council.
9. The state should encourage the development of small employee-owned businesses through the provision of expanded technical assistance and venture grants.
10. The state should encourage the expansion of implementation of Empowerment Zones and Enterprise Community initiatives financed in the Omnibus Reconciliation Act of 1993.



BLENDING PUBLIC AND PRIVATE FUNDING

The Directors believe that citizens have the right and responsibility to provide their families with the basic needs of food, shelter, health care, and clothing. Such an opportunity should be available through gainful employment that has adequate pay and benefits.

The private sector has an enlightened self-interest in a healthy public sector, as the public sector has an enlightened self-interest in the private sector. The private sector has an interest in insuring adequately trained employees, appropriate day care for the working parent, and other employee benefits that supplement wages. The public sector is interested in job creation for an enhanced tax base, reduced public expenditures and improved economic conditions.

There needs to be a public and private partnership to cause creative and innovative activities to take place in order to enhance services, improve productivity and increase efficiency. Collectively, efforts can be made to move people out of poverty, as it is not a question of national means, rather national commitment.

In order to accomplish this, we recommend the following:

1. A Fair Minimum Wage:

The minimum wage should be established at a level adequate enough to provide the average size family with children an income at the poverty level.

2. Incentives for Private Sector Employment of Welfare Recipients:

Enhance tax credits, grant diversions, and other incentives for private sector employers who hire welfare recipients.

3. Incentives for Businesses to Provide Benefits:

Establish incentives in the private sector for the provision of health and child care benefits to workers. This would encourage welfare recipients to enter the job market, making it possible for them to become self-sufficient.

4. Tax Laws Which Protect Charitable Giving:

Federal and state tax laws should provide incentives to individuals, corporations, and other organizations to participate in charitable giving. This would enhance the possibility of blending public and private funds to care for the needy by encouraging greater participation from the private section.

5. A Recycling of Funds:

Establish federal and state policy to allow public funds saved when recipients become employed to be recycled back into the local agency to be used for supportive services. This would provide incentive for local agencies to move public assistance recipients into gainful employment.

6. Foundation Funding:

Use foundations/corporations as source of funding for unique local needs. Funds could be appropriately utilized for pilot projects, planning and evaluation. Barriers should be removed to allow the use of foundation funds to match federal funding sources.

7. Fair Tax Laws for the Working Poor:

Encourage legislative action at the federal and state level to expand efforts to assist low income, working families through the tax systems, i.e., property taxes, sales taxes, income taxes, etc.

8. Asset Growth and Retention:

Encourage legislative action allowing for assets growth and retention through Individual Development Accounts for citizens not covered by IRA's and 401K's. These assets would be targeted for specific purposes such as, to purchase a home, to obtain education and/or training, to develop a small business, to purchase a reliable vehicle to be used in obtaining education, training, to do job search, and/or assure job retention. This major welfare reform legislation would focus on the long-range benefits of family stability and would be an expansion of the current PASS Program administered by the Social Security Administration for SSI recipients. These Individual Development Accounts should be excluded from the reserve/resource limits that currently apply in AFDC, Medicaid, and Food Stamps.

