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WELFARE REFORM AND CHILD SUPPORT IMPACTS

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

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CONTENTS

	Page
Advisory of August 17, 1998, announcing the hearing	2

WITNESSES

Del Papa, Hon. Frankie Sue, Nevada Attorney General	32
Evans, Hon. Jan, Assemblywoman, Nevada State Assembly	26
Gibbons, Hon. Jim, a Representative in Congress from the State of Nevada	22
Halterman, Lonnie, Sparks, NV	53
Leeds, Thomas L., Eighth Judicial District Court of Nevada	112
Miller, Hon. Robert J., Governor, State of Nevada; as presented by Charlotte Crawford, Nevada Department of Human Resources	22
Nevada Partners, Inc., Mujahid Ramadan	94
Nevada State Welfare Division:	
Nikki Firpo	89
Myla C. Florence	58, 117
Michael J. Willden	82
Washington, Hon. Maurice, Nevada State Senator	24
Wilcox, Dorothy, Reno, NV	100

SUBMISSIONS FOR THE RECORD

Bryan, Hon. Richard H., a U.S. Senator from the State of Nevada, statement	19
Reid, Hon. Harry, a U.S. Senator from the State of Nevada, statement	16

WELFARE REFORM AND CHILD SUPPORT IMPACTS

MONDAY, AUGUST 24, 1998

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON HUMAN RESOURCES,
Washington, DC.

The Subcommittee met, pursuant to call, at 10 a.m., in the Nevada State Capitol, room 2134 of the Legislative Building, Carson City, Nevada, Hon. E. Clay Shaw (Chairman of the Subcommittee) presiding.

[The advisory announcing the hearing follows:]

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON HUMAN RESOURCES

FOR IMMEDIATE RELEASE
August 17, 1998
No. HR-18

CONTACT: (202) 225-1025

Shaw Announces Field Hearing on Welfare Reform and Child Support Impacts

Congressman E. Clay Shaw, Jr., (R-FL), Chairman, Subcommittee on Human Resources of the Committee on Ways and Means, today announced that the Subcommittee will hold a field hearing on welfare reform and child support impacts. **The hearing will take place on Monday, August 24, 1998, in the Nevada State Capitol, Room 2134 of the Legislative Building, Carson City, Nevada, beginning at 10:00 a.m.**

Oral testimony at this hearing will be from invited witnesses only. Witnesses will include State legislators, local welfare program administrators, and private sector social service providers. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

BACKGROUND:

The field hearing is part of a series of hearings the Subcommittee has been conducting to study the impacts of the 1996 welfare reform law. Conducting a hearing in Nevada will provide the Subcommittee with the opportunity to study the implementation of welfare and child support changes in a State that has a strong record in welfare reform and child support enforcement and also faces several important hurdles in implementing reform, most notably rapid population growth.

In announcing the hearing, Chairman Shaw stated: "Our Subcommittee has closely monitored welfare reform impacts across the country, and this hearing allows us to examine specific effects in a State that faces special challenges under both the new TANF block grant program and the child support program."

FOCUS OF HEARING:

The field hearing will focus on the impact of the new Temporary Assistance for Needy Families (TANF) program and child support changes made in the 1996 welfare reform law (P.L. 104-193) on low-income families in Nevada.

The Subcommittee is interested in learning about cash welfare and child support policies adopted by State officials. The hearing will provide an opportunity for the Subcommittee to hear directly from legislators who designed the programs, administrators who are implementing the programs, and parents who are participating in or benefitting from the programs.

(MORE)

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Any person or organization wishing to submit a written statement for the printed record of the hearing should *submit six (6) single-spaced copies of their statement, along with an IBM compatible 3.5-inch diskette in WordPerfect 5.1 format, with their name, address, and hearing date noted on a label*, by the close of business, Tuesday, September 8, 1998, to A.L. Singleton, Chief of Staff, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. If those filing written statements wish to have their statements distributed to the press and interested public at the hearing, they may deliver 100 additional copies for this purpose to the Nevada State Capitol, Room 2134 of the Legislative Building, 401 S. Carson Street, Carson City, Nevada, at least one hour before the hearing begins.

FORMATTING REQUIREMENTS:

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All statements and any accompanying exhibits for printing must be submitted on an IBM compatible 3.5-inch diskette WordPerfect 5.1 format, typed in single space and may not exceed a total of 10 pages including attachments. **Witnesses are advised that the Committee will rely on electronic submissions for printing the official hearing record.**

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. A witness appearing at a public hearing, or submitting a statement for the record of a public hearing, or submitting written comments in response to a published request for comments by the Committee, must include on his statement or submission a list of all clients, persons, or organizations on whose behalf the witness appears.

4. A supplemental sheet must accompany each statement listing the name, company, address, telephone and fax numbers where the witness or the designated representative may be reached. This supplemental sheet will not be included in the printed record.

The above restrictions and limitations apply only to material being submitted for printing. Statements and exhibits or supplementary material submitted solely for distribution to the Members, the press, and the public during the course of a public hearing may be submitted in other forms.

Note: All Committee advisories and news releases are available on the World Wide Web at "http://www.house.gov/ways_means/".

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

*****

Chairman SHAW. I will call the meeting of the Subcommittee to order.

It is a great privilege for me to be out here in Nevada with a dedicated Member of our Subcommittee and a coauthor of the welfare reform legislation, Congressman Ensign.

I would like to also welcome our guests and witnesses who will be testifying today.

More appropriately, thank you all, and especially Myla Florence, Senator Washington, who we hope will be here later today, Assemblywoman Evans, for welcoming the subcommittee here to learn firsthand how welfare reform is working in the States.

Today's witnesses will discuss how the historic 1996 welfare reform law has helped move former welfare beneficiaries to work.

We will also hear about the tougher child support enforcement provisions we passed to help mothers and their children.

These and other changes have resulted in a virtual revolution in the way poor families get help in welfare reform offices all around this country. In fact, it is not quite right to call them welfare offices anymore.

A recent United States General Accounting Office report found that "States are moving away from a welfare system focused on entitlements to assistance. Welfare offices are generally being transformed into job placement centers, and in some instances, applicants are expected to engage in job search activities as soon as they apply for assistance."

In Nevada, where welfare caseloads have dropped dramatically—in my statement here it said 25 percent, but I found, on listening to Channel 8 this morning, it is 40 percent.

Since the welfare law passed, record numbers of parents are now finding work. What is more, as shown in the document prepared for this hearing by the Congressional Research Service, fixed block grants and declining caseloads have meant dramatically more resources.

[The information follows:]

TANF in Nevada

FY1998 funding: $44.9 million. $44.0 million state family assistance grant and $0.9 million supplemental funding for high population growth.

Caseload: June 1998 caseload of 9,862 families. Down 40% from a caseload peak of 16,305 in March 1995. The average monthly caseload for the first 9 months of FY1998 is 32% below the average monthly caseload for FY1995.

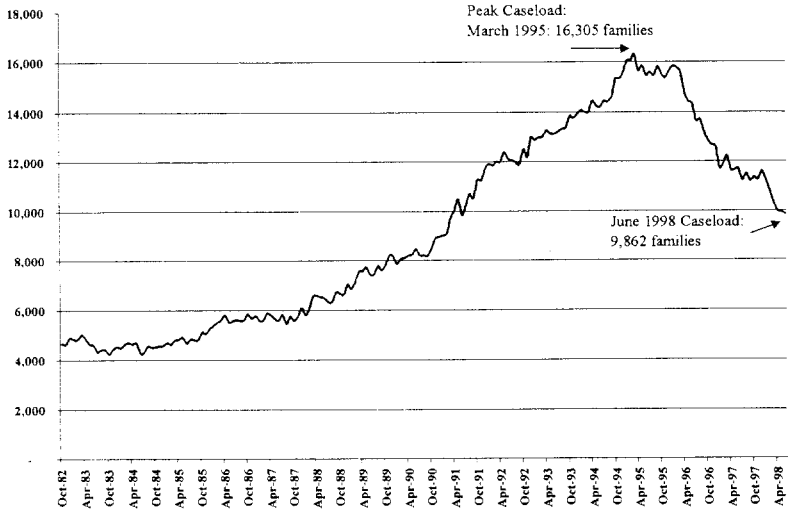
FY1998 funding per case: Estimated FY1998 funding of $4,194 per case. This is an increase of 47% from FY1995 funding per case.

Nevada: Federal Funding, Families, and Available Federal Funding Per Family

	1995	1997	1998 (est)*	Percent change: 1995-1998
AFDC federal share/TANF grant (thousands $)	44,739	43,977	44,876	0.3%
Average Monthly Caseload (thousands of families)*	15.7	11.9	10.7	-31.8%
Available Federal funds per case ($)	2,850	3,696	4,194	47.2%

*Caseload data for FY1998 are for the 9 months October 1997-June 1998. FY1998 available federal funds per case assume that the average caseload for the whole fiscal year will be 10.7 thousand families (same as the average for the first 9 months of the fiscal year). Source: Data from the U.S. Department of Health and Human Services (DHHS).

AFDC/TANF Families: October 1982-June 1998



Listen to this: Almost 50 percent more Federal support per family on welfare in Nevada today than in 1995. That is not because we are throwing more money at the problem. It is because we are solving the problem.

Contributing to this is special assistance we added for growing States like Nevada.

Congressman Ensign was a pivotal figure in getting this additional money for the growing States, such as Nevada, in the final legislation.

And I might also say, that during the period of time we were putting this together was a very controversial, very political process that we were going through.

Congressman Ensign and Congressman Kemp got signatures of 100 members of the Republican side, testing our leadership, that they did not want the money under the issue of welfare reform.

They wanted to separate it out from some other issues, such as Medicaid, which had gotten extremely controversial, and because of their action, I think that we were able to get a straight vote, and eventually get a signature from the President.

After he had vetoed it two times, he came aboard, and we as a team, in a bipartisan effort, passed welfare reform. I think it is tremendously important.

So contrary to those who predicted a race to the bottom in welfare, we are seeing a race to the top in terms of more Federal resources available to help especially parents with real difficulties find and keep jobs.

Child support collections are following the same upward track, helping trim the welfare rolls even more.

The story does not end there, and some families still on welfare and many who left need continuing support for themselves and their children.

That is why we provided generous child care, Medicare, and earned income employment tax credit, all to encourage work instead of welfare.

So we seem to be headed in the right direction in Nevada and elsewhere.

Still, the reasons we reformed welfare were to help those who were trapped in the old failed system, and we are committed both to understanding how reform is working and keeping our minds open about further improvements.

That is the reason for this hearing and many others that we have held and continue to hold in Washington and elsewhere.

So I certainly thank the good people of Nevada for welcoming us for this hearing. I also thank the State and its legislature and its governor for making our faith in them pay off.

We put our faith in the States, and States such as Nevada are proving that we were absolutely correct in doing so.

I am going to ask Congressman Ensign if he would chair this hearing, and I look forward to hearing from the witnesses who will be before us today.

[The opening statement follows:]

Opening Statement of Chairman Clay Shaw
Nevada Field Hearing on Welfare Reform and Child Support
August 24, 1998

I too welcome all of our guests and witnesses who are testifying today. Or more appropriately, thank you all, and especially Governor Miller and Myla Florence, Senator Washington, and Assemblywoman Evans, for welcoming the subcommittee here to learn first hand how welfare reform is working.

Today's witnesses will discuss how the historic 1996 welfare reform law has helped move former welfare beneficiaries to work. We will also hear about the tougher child support enforcement provisions we passed to help mothers and children. These and other changes have resulted in a virtual revolution in the way poor families get help in welfare offices around the country. In fact, it's not quite right to call them welfare offices any more. A recent U.S. General Accounting Office report found that "States are moving away from a welfare system focused on entitlement to assistance....welfare offices are generally being transformed into job placement centers, and in some instances applicants are expected to engage in job search activities as soon as they apply for assistance."

In Nevada, where welfare caseloads have dropped about 25 percent since the welfare law passed, record numbers of parents are finding work. What's more, as shown in a document prepared for this hearing by the Congressional Research Service, fixed block grants and declining caseloads have meant dramatically more resources -- almost 50 percent more federal support per family on welfare in Nevada today than in 1995. Contributing to this is special assistance we added for growing states like Nevada. So contrary to those who predicted a race to the bottom, we are seeing a race to the top in terms of more federal resources available to help especially parents with real difficulties find and keep jobs. Child support collections are following the same upward track, helping trim the welfare rolls even more.

The story doesn't end here, and some families still on welfare and many who left need continuing support for themselves and their children. That's why we provided generous child care, Medicaid, and earned income and employer tax credits, all to encourage work instead of welfare. So we seem to be heading in the right direction in Nevada and elsewhere. Still, the reason we reformed welfare was to help those who were trapped in the old failed system, and we're committed both to understanding how reform is working and keeping our minds open about further improvements. That's the reason for this hearing and the many others we have held and will continue to hold in Washington and elsewhere.

So thank you again for welcoming us here today. I look forward to hearing the testimony from our distinguished guests.

Mr. ENSIGN [presiding]. Thank you, Mr. Chairman.

I want to welcome you and my colleague on the Ways and Means Committee on the Subcommittee on Human Resources, Congressman Christensen from Nebraska.

I want to welcome you both to Nevada, especially this wonderful weather that we are having here in northern Nevada. I know you are probably enjoying that as well.

This is, I think, a very exciting time. This is the two-year anniversary for the signing into law of the welfare reform bill.

A welfare reform bill, that I might add, was quite hot politically, and was fought at practically every step of the way. There were those people who demonized us as we set about to craft the most significant policy change in 60 years.

While it was not always easy to press, it makes days like today even more powerful, knowing these changes have helped lift people out of the web of dependency and moving towards self-sufficiency. Nevada has led many States in this regard.

And the State should be proud to boast of its successes today, while remaining to continue to move people from welfare into work.

In 1995, Chairman Shaw and a handful of Congressmen sat down and drafted a bill designed to eliminate the entitlement to welfare and responsibly move individuals to work.

Do we remember what welfare was like before 1995?

Before reforms, almost no one on welfare worked. Lengthy stays on welfare were common. Of the families on the rolls at any given time, the average length of stay was 13 years.

Families could receive welfare benefits forever, as long as they promised not to work, marry or save for their children's future.

By 1994, a record five and a half percent of the American people, 5.1 million families, were on welfare.

Between 1965 and 1994, welfare spending totaled over $5 trillion while actually more children were in poverty than before.

And even though prisoners were disqualified from SSI and Social Security disability benefits, prisoners who did not self-report their incarceration, continued to receive these benefits in jail.

The average payment per prisoner receiving illegal taxpayer-funded benefits was $1700.

Drug addiction and alcoholism qualified for disabling conditions for SSI and Social Security disability benefits, as well.

Despite sponsorship agreements from Americans who promised to be responsible for noncitizens if they fell on hard times, by 1993, well over one million noncitizens were receiving welfare payments.

Welfare and illegitimacy became synonymous.

Finally, Congress proposed to end welfare as we know it. In 1993 welfare was estimated to cost more than $30 billion.

Since the reforms, since welfare reform has started, welfare rolls are now down 37 percent nationwide, and a little over 40 percent in our State. The welfare culture has truly been transformed.

Now, welfare provides temporary help and requires work, breaking down the web of dependency before it is all-consuming.

Addicts and alcoholics no longer get disability checks, saving somewhere around $6 billion.

Noncitizens must work or rely on families or sponsors for support, saving billions of dollars.

Thousands of prisoners are now being denied welfare, and just from prisoners, we are saving an estimated $3.5 billion over seven years.

Child support is at an all-time high, up $13.4 billion.

By taking the correct approach, the current welfare reform will save more than $40 billion by 2002. A little different than costing $30 billion as was proposed before.

Some have argued the decline in the welfare rolls have been the result of the economy, not Congressional action.

Since the inception of welfare in 1935, America has often had hot economies, yet the welfare rolls seldom declined. More to the point, consider the last two economic expansions.

The Reagan expansion of 1982 to 1990 was one of the greatest in our history.

But even though we added 20 million jobs, the welfare rolls actually grew by 13 percent.

And let's just look back at the State of Nevada. The early 1990s, our economy was booming. We had mega resorts opening in this State. We had northern Nevada diversifying its economy.

But yet, March, 1995, as you can see by the chart over here, was the highest welfare rolls ever in the State of Nevada.

That was at the same time that we started all this welfare reform talk, and people knew that it was coming to an end.

And that is the reason you have seen such a drastic drop in the welfare rolls in this State, as well as around the country.

There are two sets of winners here. First, there are those who are no longer trapped in a seemingly endless cycle of dependency.

People are now planning for their future, and there are more people who can now give their children an opportunity they once thought was impossible. This is truly a gift.

The other group of winners here are the taxpayers.

The drain of welfare payments on the Federal and State budgets has substantially decreased.

With the block grants in place, as welfare rolls decrease, there are more resources available to work with the people who have been dependent on welfare for the long-term, or to shift to other areas, such as child care or health care transition.

I was very proud to have offered an amendment to the bill that made Medicaid health care more available to those transitioning from welfare to work.

That, along with the vast child care resources that were included, are critical to keeping former welfare recipients in the work force.

Also, in terms of the block grant approach, Nevada's funding will increase each year, providing millions more to this State because of the drastic effect of our population growth.

I spent a great deal of time trying to explain to other members of Congress, whose States are not growing quite as fast as us, why we needed this growth formula.

And with the combination of a few States like Texas, Florida, where the chairman is from, and Washington State, we were able to get this growth formula into the welfare reform bill.

And this year alone, that is added about $1 million to our welfare budget for this State.

And lastly, as an indication of how small acts can change completely the larger picture, in the summer of 1996, when the President had vowed to veto the welfare reform bill, it was just a couple of us that got together.

As Chairman Shaw and we went up against the leadership of the Republican party, and we said, we do need to separate welfare reform from Medicaid.

And that act, going up against some very strong political forces, was the act that, in fact, determined that welfare reform would be signed into law.

Mr. Chairman, I know it is a long journey that we have been on. I am so proud to have served on our subcommittee and the wonderful job that not only you, but your staff, including Dr. Ron Haskins, who is with us today, has done on welfare reform.

It is not just about saving the taxpayers' money, but it truly is about changing lives for the people that were trapped into welfare.

[The opening statement follows:]

Statement of Congressman John Ensign
Nevada Field Hearing on Welfare Reform and Child Support
August 24th, 1998

I am proud to host my Chairman and the Committee that wrote the Welfare Reform law. By choosing Nevada as the place to celebrate the two-year anniversary of welfare reform, you place us in the national spotlight, and I believe we deserve to be there.

There were many who demonized us and fought us when we set out to craft the most significant social policy change in 60 years. And while it wasn't always easy to press on, it makes days like today more powerful, knowing that these changes have helped lift people out of the web of dependency and moving toward self-sufficiency.

Nevada has led many states in this regard, and the state should be proud to boast of the successes to date, while remaining committed to continue to move people from welfare to work.

In 1995, Chairman Shaw and a handful of congressmen sat down and drafted a bill designed to eliminate the entitlement to welfare and responsibly move individuals to work. Do we remember what the welfare system was like before 1995:

Before Reforms:

- Almost no one on welfare worked
- Lengthy stays on welfare were common; of the families on the roles at any given time, the average length of stay was 13 years.
- Families could receive welfare benefits forever -- as long as they promised not to work, marry, or save for their children's future.
- By 1994, a record 5.5 percent of the American people -- 5.1 million families -- were on welfare.
- Between 1965 and 1994, welfare spending totaled over *$5 trillion*; over this period the rate of child poverty actually grew.
- Even though prisoners were disqualified from SSI and Social Security Disability benefits, prisoners who did not self report their incarceration continued to receive these benefits in jail -- the average payment per prisoner receiving illegal, taxpayer-funded benefits was $1,700

- Drug addiction and alcoholism qualified as disabling conditions for SSI and Social Security Disability benefits to the tune of $5,000 per year and Medicaid coverage.
- Despite sponsorship agreements from Americans who promised to be responsible for non-citizens if they fell on hard times, by 1993, well over a million non-citizens were receiving welfare payments.
- Welfare and illegitimacy became synonymous. As an example, children born to married couples spent an average of 3 percent of childhood on AFDC; children born to unmarried couples averaged *50 percent* of their childhood on AFDC -- 17 times longer!
- Finally, congressional proposals to "end welfare as we know it" actually were estimated to **cost more than $30 billion.**

After Reforms:

- Welfare rolls are down 37 percent nationwide and a whopping 42 percent in Nevada.
- The welfare culture has been transformed. Now welfare provides temporary help and requires work, breaking down the web of dependency before it is all-consuming.
- Addicts and alcoholics no longer get disability checks, saving $5.8 billion. Now, we focus on getting them help.
- Non-citizens must work or rely on families or sponsors for support, saving billions of dollars.
- Thousands of prisoners are being denied welfare, saving an estimated $3.5 billion.
- Child support is at an all-time high of $13.4 billion, up 25 percent since 1995.
- By taking the correct approach, the current reform will **save more than $40 billion** by 2002.

Some have argued that the decline in the welfare rolls has been a result of the economy, not congressional action. Since the inception of cash welfare in 1935, America has often had hot economies. Yet, the welfare roles seldom declined. More to the point, consider the last two economic expansions. The Reagan expansion of 1982-1990 was one of the greatest in our history. But even though we added 20 million jobs, the welfare roles actually grew by 13 percent.

Between 1991 and 1994, 7 million new jobs were added, but the welfare roles grew by an astonishing 14 percent!

There are two sets of winners here:

The first are those who are no longer trapped in a seemingly endless cycle of dependency. People who now are planning for the future. And most importantly, people who now can give their children an opportunity that they once thought impossible. That is truly a gift.

The other group of winners here are the taxpayers. The drain of welfare payments on the federal and state budget has substantially decreased. With the block grants in place, as welfare rolls decrease, there are more resources available to work with the people who have been dependent on welfare for the long term or to shift to other areas such as child care or health care transition.

I was very proud to have offered an amendment to the bill that made (Medicaid) health care more available to those transitioning from welfare to work. That along with the vast child care resources we included are critical to keeping former welfare recipients in the work force.

Also, in terms of the block grant approach, Nevada's funding will increase each year providing millions more to the state because of the drastic effect of our population growth. I spent a great deal of time trying to explain how fast we are growing in our state to legislators (both House and Senate) I order to ensure that our plan included a separate population growth formula. Nevada has, and will continue, to qualify for this formula that added about a million dollars this year to our available funds.

And lastly, as an indication of how small acts can change completely change the larger picture. In the summer of 1996, the President had vowed to veto the welfare reform bill for a third time because it included a separate Medicaid reform proposal as well. There were many Republicans eager to force the President to veto welfare reform to introduce a hot issue into election year politics. Rep. Dave Camp and I drafted a letter to the Speaker and Majority Leader demanding that the two issues be separated so welfare reform could go the White House alone and be signed. We sent the letter with more than 100 signatures from other Republicans, and days later the decision to separate the reforms was made in our favor.

Mr. Chairman, it has been a long journey and it is by no means over yet, but on behalf of Nevada families and taxpayers I want to thank you for highlighting our state on this historical occasion. Working with you to craft the reform, push it through both houses of Congress, and oversee its implementation has been a journey I will not soon forget. Thank you for your leadership, vision and political persistence. Welcome to Nevada.

Mr. ENSIGN. And now, I want to ask Charlotte Crawford and Jan Evans to come to the witness table, please.

Chairman SHAW. While the witnesses are getting seated, Mr. Ensign, Senator Reid was asked to participate, but declined doing so, but submitted a statement, which I ask you now for unanimous consent to be made part of the record in this hearing.

[The statement of Senator Reid follows:]

HARRY REID
NEVADA

United States Senate
WASHINGTON, DC 20510-2803

Statement of U.S. Senator Harry Reid
House Ways & Means Committee
Welfare Hearing, Carson City, Nevada
August 24, 1998

Growing up in a two room house in rural Nevada, I know about the hardships of being poor, the need to take responsibility for your life, and the desire to strive for something greater. I learned early that hope and progress does not come through government handouts, but through hard work, good values, and education.

I am proud to live in a country in which your prospects for success are limited only by the size of your imagination. And I was proud to be a principal architect of the welfare reform legislation, which has provided hundreds of thousands of families a more promising path to achieving the American Dream.

Today, this nation has the fewest number of citizens on public assistance in the last twenty five years. This is terrific news, not just to those who now know the pride of self-sufficiency, but to all taxpayers who realize the economic benefits of an America that truly works.

Here in Nevada, we've been on the cutting edge of one of the most successful aspects of welfare reform: transitioning people from welfare to work. The service sector has been heavily involved, especially in the field of travel and tourism. In northern Nevada, where cities like Reno light the night sky, and resorts like Lake Tahoe refresh our spirits, the hard working Nevadans in the travel and tourism industry are the backbone of our workforce. I continue to consult with leaders in this industry, the Administration, as well as the Senate tourism caucus, to ensure that this industry becomes an even stronger partner in the implementation of welfare to work policies. In fact, the enthusiasm and cooperative spirit of Nevada business leaders in all fields should be held up as a model for others to follow.

According to business groups, one reform program that has been tremendously successful is the Work Opportunity Tax Credit (WOTC). In 1997, the program was renewed for nine months with changes designed to make it even more business-friendly. The program provides companies a 25% reimbursement after welfare to work employees have logged 120 hours. In addition, the rate of reimbursement on employees who work more than 400 hours was increased to 40%. These reimbursements have served as strong incentives, and, for many companies, have actually enabled the expansion of hiring by defraying previously prohibitive recruitment and training costs.

If there is any doubt among the committee about this issue, consider a letter I received from Tim Anderson, a Field Service Manager for the McDonald's Corporation in Las Vegas. Mr. Anderson

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stresses that the WOTC has become an "important component in the hiring process of many of us in the lodging and food serve industries." He emphasizes that it has helped his industry "play a leading role in the national effort to move people from the welfare rolls to the payrolls." Mr. Anderson is just one of innumerable managers and workers throughout the nation who have implored the Congress to stay on top of this issue.

Despite these pleas, the WOTC program has regrettably expired due to this committee's inaction on reauthorization. Knowing as I do the distinguished members of this panel, I am confident you will choose sound policy over politics and will act swiftly to address this issue.

Indeed, this matter reminds us that revamping welfare entails not just a single piece of legislation but an ongoing commitment to taking welfare recipients off the public dole. In that vein, I was pleased that welfare reform was followed by a Democrat-led minimum wage increase, which also was peppered with numerous protections for small businesses. The long overdue minimum wage increase has made a real difference in moving Americans off welfare and to becoming productive taxpayers who are earning their own way. Moreover, contrary to the predictions of doomsayers, economists from across the political spectrum have agreed that updating the minimum wage (which was previously at a 40-year inflation-adjusted low) has not discouraged hiring.

Another smart approach to getting people off welfare is strengthening child care programs. I worked hard to add solid child care provisions to the original welfare reform bill. These initiatives have resulted in even more people leaving the welfare rolls, especially in Nevada where such a high percentage of welfare recipients are single mothers. In fact, according to one set of recent statistics, of the 28,000 Nevadans on welfare, there were only 200 two-parent households receiving assistance. Moreover, importantly, for every dollar we invest in child care, taxpayers save several more, as they are relieved from paying for more costly welfare programs.

The bottom line is that I believe those individuals who require public assistance during rough times should not be allowed to become so dependent on the system that they are unable to leave the government safety net. Welfare should be a system of tools which help Americans move forward to a better future. I believe that the reforms I have helped launch are making a real difference in Nevada and throughout the country. Welfare reform is about fairness, taxpayer protections, and emphasizing the value of hard work, but it must also be about crafting sound policies that enable this country to remain a place of unending promise for all Americans.

Mr. ENSIGN. Without objection.
Chairman SHAW. Senator Bryan——
Mr. ENSIGN. Without objection.
[The statement of Senator Bryan follows:]

RICHARD BRYAN
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STATEMENT OF
U.S. Senator Richard H. Bryan
Before House Ways and Means Subcommittee on Human Resources
Field Hearing - Carson City, Nevada

MR. CHAIRMAN:

I regret I am unable to personally attend this field hearing on the impacts of welfare reform and child support enforcement efforts in Nevada. I appreciate the opportunity to provide this statement to the Committee.

Yesterday was the second anniversary of the enactment of the landmark 1996 welfare reform. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ended the 61-year old guaranteed entitlement of providing federal welfare assistance, and created the Temporary Assistance for Needy Families program [TANF]. The welfare reform law has a strong work requirement, provides for child care, and recognizes that there must be a limit on the length of time welfare benefits can be received.

I supported the 1996 welfare reform proposal because the welfare system as it existed was too wasteful, too costly, and did too little to help recipients move into work. I supported this important law, but I, along with many of my colleagues, were very concerned that the most vulnerable of our citizens, the children, not be harmed by this fundamental change -- and that concern continues.

One of the major initiatives in this new law is the comprehensive work requirement for welfare recipients. States were given the flexibility they sought to design their own programs to get people needing temporary financial assistance back out on their own. A major shift in philosophy for state welfare assistance programs. From determining a person's eligibility for cash assistance, to helping ensure a person gets into the work force as soon as possible, has the skills to develop an employment career, and becomes self-supporting.

Since March 1995, when Nevada experienced its highest welfare assistance caseload ever, its caseloads have declined by 42%. In anyone's book, that is a significant reduction. It is obvious the extraordinary economy has played a major role in this reduction. The decline in welfare caseloads throughout this country, and here in Nevada in large part reflects the economy's ability to provide jobs for these people.

In Nevada, the service economy provides many people trying to begin an employment career with entry-level jobs. Nevada's Welfare Division and the Department of Employment, Training and Rehabilitation have done an excellent job creating partnerships with the business community. These partnerships are essential to assisting people who may never have held a job in their adult lives, and who need some initial understanding and direction to get them on the right track to successful employment.

Nevada is investing the savings realized from the caseload decline in providing client services to ensure that those who leave the TANF program, leave with the skills to not only find a job, but to begin and develop an employment career. This investment in the future of these individuals should return dividends as they become self-supporting taxpaying citizens. We must not be naive in thinking that people who have not participated in the workforce will always be successful initially. To ensure their success requires significant support efforts including affordable and accessible child care, which is vital for low-income families to be able to continue to work.

In 1964, as a new Deputy District Attorney in Las Vegas, I began working under the Uniform Recovery Enforcement Support Act - URESA - to try to hold non-custodial parents responsible for their children. Throughout my service to Nevada as its Attorney General and Governor, I continued to work to strengthen state laws to ensure irresponsible parents were held accountable for their children's welfare. As a Senator, I have continued that commitment. Under welfare reform we have strengthened the ability of states individually and in cooperative efforts to track down scoff support parents, and make them face up to the need to help with their childrens' futures.

Too many single parent families continue to struggle to make financial ends meet without child support from the other parent. For even those single parents who have support court orders, too often, the support payments are not paid or are not paid in full. Without adequate financial support, the children of these single parent families are themselves condemned to grow up in an environment of continuing struggle. No one who shares the responsibility for bringing children into this world should later be allowed to shirk that responsibility by refusing to admit paternity or by failing to pay child support.

It is all too true that many single parents must seek public welfare assistance in order to be able to support their children. When we taxpayers are asked to lend a helping hand to these children, we should be assured every effort is being made to require absent "deadbeat" parents meet their financial responsibilities to those same children. Public assistance should not be the escape valve relied upon by those parents who want to walk away from their children.

I fully support the increased efforts to hold non-custodial parents responsible for the financial support of their children. That is a central feature of the TANF program. All of us agree that parenthood brings with it a lifetime commitment to our children with enormous responsibilities.

As you will hear today from the Nevada Welfare Administrator and the Nevada Attorney General, Nevada has undertaken strong initiatives to ensure our state's children living in single-parent families will receive the child support they are entitled to receive. The non-custodial parent work training program particularly emphasizes that the support of children is the duty of both parents involved, and that the excuse that the non-custodial parent cannot find work will no longer be accepted. I applaud these efforts.

For any program of the magnitude of welfare reform, two years is not a very long time to look back and determine ultimate success. The initial results of welfare reform indicate we choose the right track. I am heartened by the reduction in caseloads in Nevada and throughout the country. But I also am concerned about how well this reform will work when our economy is not as good as it is today.

The work requirement and the strengthened child support enforcement efforts under this reform is focusing people on the fact that the role of the federal and state governments on welfare assistance has changed. Individuals are going to be held accountable to take care of themselves, and their children, and to learn how to become self-supporting citizens. We need to continue to recognize that to help individuals achieve those goals requires funds to provide job training, child care services, and affordable health care coverage.

But first and foremost, we must remember that our goal is to ensure the care of children who are in situations not of their own making. If welfare reform can result in these children being raised in families who are enabled to get back on their own feet, and support themselves, we will hopefully break the cycle of welfare dependance. And the children we all worry about will hopefully grow up with family role models who show by their own work ethic that poverty and diversity can be overcome. Those children are an important part of this country's future, and we need them all to be self-supporting, tax paying and contributing citizens.

Mr. ENSIGN. First thing I want to do is recognize the representative for Governor Miller.

Charlotte, I know you want to make a statement for the Governor.

STATEMENT OF HON. ROBERT J. MILLER, GOVERNOR OF NEVADA; AS PRESENTED BY CHARLOTTE CRAWFORD, DIRECTOR, NEVADA DEPARTMENT OF HUMAN RESOURCES

Ms. CRAWFORD. Good morning.

I am Charlotte Crawford. I am the director of the Nevada Department of Human Resources that houses our welfare program.

On the part of Governor Miller, I want to extend you, Chairman Shaw, and your committee members a warm welcome to Nevada.

Unfortunately, Governor Miller could not be with you this morning because he had an unavoidable conflict in his schedule.

Governor Miller has long been an advocate for better lives of all families.

Governor Miller has been involved in multiple legislation in his State to promote the betterment of families at the community level and the State level.

He initiated the first phase of his welfare reform project in the mid-1990s. In 1995, as the chart here shows you see that we started seeing the falling of our rolls.

As the immediate past chairman of the National Governors Association, and prior to that, the vice chair, he was actively involved with your committee in crafting the welfare reform legislation.

He supported the legislation when it was separated out from Medicaid, which was, indeed, a very controversial issue, especially for fast-growing States like Nevada.

You recognized the need for child care, which was very important to Governor Miller and to many of the governors.

You extended the type of supports which we believe enhanced dramatically our ability to implement welfare reform in our State.

On behalf of Governor Miller, again, we are very proud to have you in Nevada to see what we have accomplished with our welfare reform change.

Thank you, and please have a nice stay.

Mr. ENSIGN. Thank you very much, Charlotte.

Now I want to recognize my colleague from the State of Nevada, and it has been a pleasure serving with you, Jim, and we look forward to your testimony.

STATEMENT OF THE HON. JIM GIBBONS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Mr. GIBBONS. Thank you very much, Mr. Chairman.

And first, I want to ask unanimous consent to have a written copy of my remarks be entered into the record.

Mr. ENSIGN. Without objection.

Mr. GIBBONS. Secondly, I would like to welcome each of you to the Second Congressional District of Nevada, a very large area of Nevada, indeed. It covers 99.8 percent of the State, and has a majority of the population within it.

And so I think it is very important that we have this hearing today, and I am glad to see the members, and especially the Chair-

man, bringing this issue before us here in Carson City, which is the capital of the State of Nevada.

As Congressman Ensign stated just briefly, it was two days ago that we celebrated the second anniversary of the welfare reform act as it was signed into law.

Although I was not a part of Congress at that time, I have been able to see and watch this reform and the success of this reform take place across America, and especially here in the State of Nevada, as well.

I believe strongly that more Americans today are waking up, feeling a sense of pride, pride that they now have a job, pride that they will get a paycheck at the end of the week or at the end of the pay period.

And pride that they no longer rely on a handout, but, rather, they rely on their own self-determination for their own future.

So today, our goal continues to be helping people move from poverty to prosperity by moving from welfare to work.

Because there was so much talk about reforming welfare, people began to hear it on the radio, on television, in the news media.

And welfare recipients around the world—or excuse me, across the Nation, began voluntarily to come into welfare offices asking for job training opportunities.

That case happened here in Nevada, as well. And because Congress block granted the monies, States were given a greater degree of flexibility.

They were given a set amount of money that allows them to have more money per actual welfare family.

As a matter of fact, it is estimated that about 56 percent more money will be available for those families remaining on welfare to help with such important activities as child care, retraining, and especially job placement.

Reforming welfare was important, not—and I want to emphasize this—not because it let us get the poor off welfare so we didn't have to pay for it.

But rather, and, more importantly, it helped the poor become prosperous.

Our goal in dealing with welfare reform is now to make sure that every citizen has an opportunity to pursue happiness.

As stated in our Declaration of Independence, it says that we are endowed by our creator with certain unalienable rights, among which are life, liberty and pursuit of happiness.

So we are trying to get that unalienable right to the welfare recipients so they can get in the habit of going to work, get in the habit of saving on their paycheck and begin to acquire private property, and to pursue happiness.

By enacting welfare reform, Congress took a substantial step forward in establishing a commonsense welfare policy.

This new welfare law enacted by Congress in '96 was the first step in, I believe, a very long process of reform, a process that continues today with your help.

As we look to new reform efforts, these efforts must be based on what I think are three things.

Leveling the growth of welfare, which steps can be taken to help legislators, policymakers, administrators, and the public under-

stand the vast size of the welfare system and attempt to secure its future growth.

Secondly, reducing illegitimacy and restoring marriage and the value of marriage.

Restoring this valuable part of our heritage and our culture, that being marriage, must be the paramount social goal for policymakers.

The new welfare law, for the first time, makes reducing illegitimacy a formal national objective. Now, States must adopt effective programs to deal with this very same issue.

And finally, Mr. Chairman, to reduce dependence and require work and responsible behavior, the work and dependence reduction standards of the new welfare law must be preserved and strengthened.

By applying these three goals, we can and we will continue and, like I said, help move people from poverty to prosperity by moving them from welfare to work.

Again, thank you, and welcome to Nevada.

Mr. ENSIGN. Thank you, Jim. Just as a reminder, and you did a very good job, by the way, of staying under the 5-minute rule. I appreciate that.

He is trained, because this is what we do in Washington.

For those witnesses today, we would like you to, if you could, summarize your comments within 5 minutes.

And then we will at the end of each panel, have questions and answers for that panel.

Your full statements will be made a part of the record.

I would like to recognize State Senator Maurice Washington, we worked very closely with your office, had a great relationship working back and forth.

When you were working on welfare reform here in the State, and we were working on it in Washington, one of the things we had to do is make sure what we were doing was not going to mess up what you are doing and vice versa.

So, really enjoyed working with you during that time, Maurice, and look forward to your comments.

STATEMENT OF THE HON. MAURICE WASHINGTON, NEVADA STATE SENATOR

Mr. WASHINGTON. Thank you, Chairman. To the members of the panel, it is a pleasure to be here this morning.

I would like to say, before I start on my comments, it was a tedious road, and it was a mind-set that when we first came into the senate that we were going to work on this issue.

Was not a popular issue. It was an issue that most of constituency were quite aware of, and the rapidly growing rolls of the welfare recipients, for the most part, they were concerned that not only was it being pushed upon them, but they were also concerned about the children that were caught up in the welfare rolls and the mothers and, per se, the fathers also.

And as a Nation, what kind of trend or what kind of policy were we setting for future generations?

So we made a promise to them that we were going to endeavor to work on this issue.

And I would like to say proudly in '95 we introduced the bill, with the help of the majority leader, Senator Raggio, and, of course, your office also.

It was a task that we thought, that many had thought wouldn't be able to be accomplished, but we did accomplish it.

We set some meaningful provisions in the bill that we thought would be helpful to those recipients that are on welfare and to their families.

To begin with, I am very ecstatic and excited about the fact that since March 1995, the welfare rolls have been reduced and have been going down tremendously.

But there is an area of concern, and I know that you mentioned it, and that concern is to make sure we don't augment our cash assistance into other types of assistance, and that trend is very important.

I think the important thing is that we make sure that we are setting a policy, a mind-set and a trend that self-sufficiency is important, not only for the individual, but for the Nation as a whole.

Congressman Gibbons already mentioned the fact that there are certain areas of importance in welfare and reforming welfare that need to definitely be taken a look at.

The first one, of course, I have written down is the illegitimacy rate.

I know in our legislation and the legislation that was passed and signed into law by President Clinton, illegitimacy was very important.

Teenage pregnancy, making sure we reduce the rolls of teenage pregnancy, and, in turn, enhancing marriage, and the sanction and the institution of marriage.

And the third thing—the second thing that I think is very important, as we continue to work on this welfare reform issue is the responsibility of the individual to either succeed or fail on their own merits.

Not that we are looking for failure, but also that if there is a $6 an hour job going up to $10 an hour, that they have the opportunity to succeed or fail because of their efforts and because of their initiatives.

And the last one, of course, is the family unit. I think the missing element in the welfare reform issue has always been the male and how we deal with that male.

I know we have been going after them for child support, but I have been finding out lately, especially in the past six months, there are some issues that have arisen concerning the male.

Most times, the males are still young males, between the ages of 16 and 25. They have their own form of welfare, and we call it the prison system.

We are going after those males for child support, and coming to find out that they have very poor job skills themselves.

They don't understand the responsibility of marriage or raising children, and so there is another factor in dealing with the family unit.

In the family unit, of course, we set the values and the morals of the family, we set work ethics, and we set the traditions that this country has so well been founded upon.

And I think those are areas that are important as we continue this road of success in welfare reform, and we are going to address those issues and look at them very intently, Mr. Chair.

Mr. ENSIGN. Thank you, State Senator.

Honorable Jan Evans, Assemblywoman, we welcome you here and look forward to your testimony.

Myla Florence spoke highly of your involvement in the welfare reform bill, so we look forward to your testimony.

STATEMENT OF THE HONORABLE JAN EVANS, NEVADA STATE ASSEMBLYWOMAN

Ms. EVANS. Chairman Shaw, and committee members, as chair of the Assembly's Ways and Means Subcommittee on Human Services, I thank you for taking time to listen to Nevada's experience and concerns regarding welfare reform.

It is especially important to discuss welfare reform in Nevada because our legislature enacted welfare reform prior to Federal legislation.

In 1993, my subcommittee asked our welfare division to convene a statewide task force that would include a broad spectrum of citizens and community-based organizations, with the goal to design a plan that would bring about fundamental change in the State's welfare system.

Under the capable leadership of Myla Florence, our State Welfare Director, work was completed in time for Governor Miller to examine the proposal and include many of the changes in the executive budget presented to the 1995 Legislature.

Ultimately, it was adopted with an effective date of January 1996.

If you compare the Nevada plan with subsequent Federal legislation, you will find many similarities.

One of the key elements was the requirement for a work first strategy that included 10 up-front job searches per week.

You will see there is a notable caseload decline in Nevada, and as you mentioned, our caseloads have dropped over 40 percent.

Governor Miller also recognized the importance of the child care component and increased the budget in '97.

Even with the additional $11 million that the State of Nevada added to the Federal child care dollars, we still see a shortfall of available money for families at risk of going on welfare, as well as for those already in the welfare system.

Another pivotal issue concerning the availability of jobs, paying a livable wage. In our booming southern Nevada economy, this is not an immediate problem, albeit we know it could change.

A very different story is true in northern and rural Nevada. Wages are lower, the average being $6.30 an hour, compared to $9.25 per hour in southern Nevada.

This makes it difficult for a single parent to get a livable wage job and support a family.

I would like to see a greater effort on the part of the Congress to reach out to the private sector and encourage their participation in putting people to work.

Additionally, affordable housing is a problem statewide.

I would like to emphasize in all this, the results of a recent research conducted by the Food Bank of Northern Nevada.

They have come out with a troubling report showing that over 24 percent of those receiving foodstuffs are employed, and 55 percent of those who are employed full-time are still unable to make ends meet.

Thus, we ask ourselves, what will happen to those single-parent households dropped from the assistance programs? Will they simply become part of a growing underclass, cut off from Federal and State assistance?

Do we expect community nonprofit agencies, the cities and counties to pick up the tab?

We must also ask whether we have solved the problems of welfare or merely established a system of cost shifting to local entities.

I urge you to study the food bank report.

Chairman Ensign, if your committee needs copies, we can make these available.

Mr. ENSIGN. We would like that.

Ms. EVANS. Finally, there is a concern about dealing with those persons who are the hardest to serve, those with multiple impediments to employability. That question will hit Nevada when the two-year limit begins.

We all know that over 50 percent of clients get off welfare well before the two-year limit, but what about clients with greater obstacles, obstacles that impede getting off the system entirely?

We must face the reality that a percentage will require some type of assistance for a long period.

We applaud the efforts of Congress to make the changes in the welfare system. However, your request that we tell you about the impact of welfare reform in Nevada is premature. The numbers don't tell the entire story.

We have just begun this uncertain journey, and we do not have the data to support the program's ultimate goals.

We hope that Congress will keep an open mind and work with the States in continuing efforts to find the best approach to assisting low-income families.

Thank you.

[The prepared statement follows:]

Nevada Legislature

SIXTY-NINTH SESSION

JAN EVANS
ASSEMBLYWOMAN
District No. 30
SPEAKER PRO TEMPORE

COMMITTEES:
Vice Chairman
Ways and Means
Chairman
Subcommittee on K-12 Education
Subcommittee on Human Resources
Member
Commerce

August 21, 1998

The Honorable F. Clay Shaw, Jr., Chairman
Subcommittee on Human Resources
U. S. House of Representatives
Washington, D.C. 20515

Chairman Shaw and Committee Members:

I appreciate the opportunity to say a few words to the Human Resources Subcommittee. As Chairman of the Assembly's Ways and Means Subcommittee on Human Services, I thank you for making time to listen to Nevada's experience and concerns regarding welfare reform.

It is especially important to discuss welfare reform in Nevada because our legislature was proactive on this issue. In 1993, my subcommittee asked our Welfare division to convene a statewide task force on welfare reform that would include a broad spectrum of citizens and community-based organizations. The goal would be to design a plan that would bring about fundamental change in the state's welfare system. Under the capable leadership of Myla Florence, State Welfare Director, work was completed in time for Governor Miller to examine the proposal and include many of the changes in The Executive Budget presented to the 1995 Legislature. Ultimately, it was adopted with an effective date of January 1996, for welfare reform.

If you compare Nevada's plan with subsequent federal legislation, you will find many similarities. One of the key elements was the requirement for a "work first" strategy that included ten up-front job searches per week. Notable caseload decline in Nevada began in January 1996, coinciding with that policy implementation. Since that date, our caseloads have declined 39 percent.

Governor Miller also recognized the importance of a childcare component and increased the budget in 1997. Even with the additional $11 million that the State of Nevada added to the federal child care dollars, we are still seeing a shortfall in the available money for families at risk of going on welfare and those already in the welfare system.

Another pivotal issue concerns the availability of jobs paying a livable wage. In our booming southern Nevada economy, this is not an immediate problem, albeit, we know that could change. A very different story is true in northern and rural Nevada. Wages are lower, with the average wage being $6.30 per hour compared with $9.25 per hour in southern Nevada. This makes it difficult for a single parent to get a livable wage job and support a family. I would like to see a greater effort on

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the part of Congress to reach out to the private sector and encourage their participation inputting people to work. Additionally, affordable housing is a problem statewide.

The point I would like to emphasize in all this comes as a result of recent research conducted by the Food Bank of Northern Nevada. While the Food Bank's report shows 24 percent of those receiving foodstuffs are employed, it is troubling to note that of those individuals who are employed, 55 percent are employed full time and are still unable to make ends meet. Thus, we ask ourselves, what will happen to those single-parent households dropped from assistance programs? Will they simply become part of a growing class of working poor? Cut off from federal and state assistance, do we expect community non-profit agencies, the cities and counties to pick up the tab? We must also ask whether we have solved the problems of welfare or merely established a system of cost shifting to local entities. I urge you to study the Food Bank's report.

Finally, there is a concern about dealing with those persons who are the hardest to serve -- those with multiple impediments to employability. That question will hit Nevada when our two-year limit begins. We all know that over 50 percent of the clients get off welfare well before the two-year limit, but what about clients with greater obstacles -- obstacles that impede getting off the system entirely. We must face the reality that a percentage will require some type of assistance for a longer period.

We applaud the efforts of Congress to make needed changes in the welfare system, and we appreciate your coming to Nevada to hear our concerns. However, your request for "an evaluation of welfare reform" is premature. We have just begun this uncertain journey and do not have data to support the program's ultimate goals. We hope that Congress will keep an open mind and work with the states in a continuing effort to find the best approach to assisting low-income families.

Thank you.

Sincerely,

Jan Evans

Assemblywoman Jan Evans
Nevada State Assembly

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Mr. ENSIGN. I want to thank the panel for their testimony.

I have a couple questions before I turn it over to the Chairman for his questions.

First of all, I want to, Assemblywoman Evans, I want to just talk to you briefly. You mentioned affordable housing. That is something that I actually have been very involved with in several different areas.

I don't know how aware you are or familiar you are with the low-income housing tax credit and the way that that fits into the whole welfare reform.

To date, public housing, as we know, has pretty much been a disaster in this country.

The crime rates in public housing, I mean, we have just housed the poor in units where they grow up with a certain mentality that just fosters, all kinds of bad behavior.

Whereas, the low-income housing tax credit gets people in decent neighborhoods, in mixed income-type places, where they have mentors. They have other role models around them.

And I have a bill in Congress, actually, to dramatically increase the low-income housing tax credit, because in States like Nevada that are growing so rapidly have a shortage of affordable housing.

That is one of the areas that, because the old formula never indexed the tax credit for inflation, we were very much in a shortage situation, and especially in the sunbelt, and no place more than we are here in the State of Nevada.

So I don't know if you have worked with low-income housing tax credits or some of the Federal home funds or any of those types of programs.

But it is something that I am trying to, from the Federal level, to get that much more funding for our State, as well as I know there is some things you can do with the State level.

You want to comment on that?

Ms. EVANS. Well, I thank you for that. The more that can be done the better.

I think we—I think we see that as something that is going to help, perhaps, over a longer period of time.

But what we know is that in the short run, there simply are not enough units available that people can—and the waiting lists, that is what we have to look at are the present-day waiting lists, and what is the quickest, most effective, cost-effective way of providing housing for people before these other things can kick in.

Because even tax credits and so forth, you have to be at a certain stage in terms of having a stable work and income so that you can get ready for that.

We need units right now across the State. It just is not there. So I think you are moving in the right direction.

I think that I would also like to see more effort in engaging the private sector, because public/private partnerships we know work.

In fact, the most effective program for TANF in getting people trained and in jobs is in southern Nevada today. If you have not visited the job training site that the culinary union has put together, and works with the casinos, I mean, you have to have—like I said, you have to have someplace for these folks to go. You can't train them for nothing. They have to have someplace.

They have worked out a beautiful system, a model program that was just recently demonstrated to members of the National Conference of State Legislators.

We had our annual program in Las Vegas. People from all over the country came and were just dazzled by what is happening.

That is one program. It is a model program. And we salute that because it really does help train people for real jobs, and when they complete that training, they go to a real job, and that is what we want.

So, you know, it is sort of an organic whole. Trying to make all of the pieces fit.

So what you are suggesting for the low-income tax credit for housing, great. Keep going in that direction.

But as I said, you will see a greater need to engage and be creative. The private sector is creative. I know. I have passed legislation myself on public/private partnerships for things. And I think we are not tapping them as a resource.

Mr. ENSIGN. Before I go to our Senator Washington, I want to invite—our attorney general to join us.

And if you would like to come up and join the panel, although I know you are supposed to be on a different panel.

If you would like to come up and make your statement now, we—that is one of the traditions we have is allowing elected officials to come as part of the first panel.

We have this five-minute rule. So if you could summarize your opening statement to around five minutes, and then we will continue with the questioning.

Chairman SHAW. Before we do that, if I might inject this, because I am very impressed with the testimony that we have received.

But I don't want anybody to leave here thinking that we are turning our backs on the poor in what we are spending, and I would particularly like to direct this to Assemblywoman Evans as to what we are spending.

This last year, we spent over $50 billion on the earned income tax credit, Medicare, child care, employer credit, food stamps, plus another $29 billion on housing.

Plus, I think it is important to note, and I think that this really brings about the creativity of the State legislature and what they can do, because now you have got over 40 percent more to spend on the families that are on TANF.

This is tremendously important. I think it is important to realize that what this Congress has done is joined together in a partnership with the States in putting together the legislation that has really done so much to get people off of welfare.

You brought up the fact that the State of Nevada was one of the early, early States involved, as the representative of the Governor did.

And I think it is very important to realize that the first act that I did as Chairman of this subcommittee, was get together with Mr. Ensign and the other members of our subcommittee and meet with the governors.

We said, what can we do to make this legislation work?

So the days have ended in Washington, hopefully, they are over forever, where we sent down directives.

We are in partnership with the States, and I think we have certainly been vindicated by placement of our faith in the States, because you have done a wonderful job in working together.

But I just wanted to be sure that the record was very clear that we are not, we are not cutting back. What we are doing is putting the money where people can learn to work their way out of these terrible situations that had been put in place and left in place for 60 years, and have actually even saved people from a corrupt system which paid them not to work, to have kids, and not to get married.

That is the worst thing you can possibly do. If you subsidize something, you are going to get more of it, and we certainly did.

We got more people having kids out of wedlock and living in poverty and growing up in a life of poverty, and, thank the Good Lord, we have turned that around.

Thank you, and I apologize for interrupting.

Mr. ENSIGN. That is okay.

STATEMENT OF THE HON. FRANKIE SUE DEL PAPA, ATTORNEY GENERAL, STATE OF NEVADA

Ms. DEL PAPA. Chairman Shaw, members of the subcommittee, I am Frankie Sue Del Papa, Nevada's Attorney General.

The Nevada Attorney General's Office provides legal assistance to the Nevada State Welfare Reform Division, as well as representation on child support cases handled by regional Welfare Child Support Program area offices in Las Vegas, Reno and Elko.

My office assisted in the reviewing, drafting and passage of State legislation that incorporated the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 into Nevada's Revised Statutes.

This piece of State legislation consisted of two separate bills that affected 95 chapters of the Nevada Revised Statutes, and was the result of many hours of efforts by my office on many fronts.

I am here today to share with you firsthand some of the efforts of my office and the State of Nevada to increase the collection efforts in the area of child support enforcement.

The District Attorney's offices across our State, the Child Support Enforcement Unit of the Nevada State Welfare Division, as well as the Office of the Attorney General are all committed to ensuring that every child is financially able to participate in the opportunities available to him and/or her, to assist in ensuring that each child has the opportunity to develop a meaningful relationship with their parents.

You will see the chart. Basically, we have chronicled for you the Nevada Attorney General's Office involvement.

Although primary responsibility for child support enforcement rests with the individual District Attorney's offices, who have done a fantastic job throughout the State of Nevada with very limited resources, the Nevada Attorney General's office has always been involved in some extent of the actual child support and Child Support Program.

Our office has, and will, continue to participate in negotiations for the release of liens on real property in the State of Nevada and out of State.

However, my office has taken a more active role in the Nevada Child Support Program in recent years. Our office took over representation of the Child Support Program in two smaller counties in this State.

Those particular counties, the majority of the day-to-day casework is being handled by the caseworkers out of the Nevada Welfare Child Support Program Offices.

However, when there is a special legal issue, or they need an attorney to be involved, raising specific questions, our office represents the case in court.

Our office is also working on assistance cases where there is an issue of paternity.

This office is taking over these duties to assist the Child Support Program in shortening the time frame to secure orders establishing paternity and support obligations for those children on welfare.

This represents approximately 175 cases a month for the Reno and Las Vegas Attorney General offices.

Our office was also assisting the welfare division in the Reno and Las Vegas offices in recovering birthing costs paid out as medical benefits under the welfare program.

Our office has initiated and worked with the Child Support Enforcement Program.

The first, of course, is the most wanted poster, which features information and photographs about deadbeat parents. The poster highlights 10 notable deadbeat parents whose whereabouts are unknown.

This is the fifth poster in what has become a very successful campaign to help locate men and women wanted in Nevada for failure to pay child support.

The first poster was released in May of 1996 and has been released to coincide with Mother's Day.

The office worked with the Child Support Enforcement Program, developed the criteria for the creation and submission of names to local District Attorneys, and especially the response by the media and citizens of this State achieved results beyond our expectations.

The most wanted poster has resulted in at least two criminal convictions and located 19 out of the 28 deadbeat parents.

The resulting collections received as a direct result of this project is in excess of $50,000. These were noncustodial parents who had dropped out of sight and owed at least $10,000 in back child support.

By the way, the most wanted poster is on our web site, the Attorney General's web site, which is one of the most frequently visited web sites in the State.

Likewise, our office wanted to promote positive aspects of the Child Support Program.

In order to accomplish this, prior to Father's Day, we sent out letters to the District Attorney's offices and asked them to submit names of committed noncustodial parents.

The noncustodial parents who were recognized showed involvement in their child's life which not only reflected a financial com-

mitment, but also a physical commitment as well by maintaining a relationship with their children.

We also—as you can see, we do the brochures, how to collect child support. We have Spanish language copies of everything, basically. The way we do most consumer education information, everything is produced in Spanish, as well.

Because of the welfare reform act requirement that tied payment of child support to the ability to obtain or maintain a professional, occupational or recreational license or certificate, I knew there would be questions with reference to that issue.

We formed a task force. We have tried to address ongoing public education in that regard. We provide an interface with a number of other entities.

Our office also perceived a lack of understanding among the private bar as to how the welfare requirements would affect private businesses and employers.

A deputy has coordinated with the Nevada State Bar Association, putting together continuing legal education classes on the legal developments of welfare reform.

In all, the new tools and changes made by welfare reform, I think, have dramatically increased the ability to collect child support for the children of our State.

For instance, in Washoe County alone, there were 651 wage withholding hits in the last 30 days thanks to the new-hire reporting information being captured.

However, various District Attorneys have expressed their concern about certain welfare reform requirements. One concern is that some of these tools would not be effectively implemented because of their cost in dollars and caseworker time, ultimately making the effectiveness of these new tools depend on the resources made available to the Child Support Program.

Second, the District Attorneys have expressed concern about the central disbursement unit requirements imposed on State child support programs.

The District Attorneys feel that this disrupts some State systems which had already been very efficiently and properly processing payments, potentially replacing them with an unknown central disbursement unit which will, in a State of our size, extend the mailing times for checks to be delivered.

They understand the necessity of keeping track of payments in a central location, but according to the District Attorneys, this information can be shared without the disbursing of the checks being centralized.

There are other State initiatives—I haven't seen a red stop going up, but I am probably reaching my time.

Obviously, this is something that attorneys general around the country are concerned with.

Indiana, Rhode Island, Maine, Delaware and Iowa have all been at the forefront, and I have left those initiatives in my testimony to share with you as to what those other States are doing.

Finally, I look forward to working with Congress and the Federal Office of Child Support Enforcement to make any changes that could possibly improve the effectiveness of our Child Support Program.

Your willingness to have these hearings, I think, is a step in that direction.

Obviously, this is an issue that is very important to all of us. We know the impacts on the families that are not able to collect the child support.

And so anything we can do, we are committed to enhancing the State's ability in cooperating and coordinating with our State's District Attorney's offices to enhance their ability to collect child support.

Mr. ENSIGN. Thank you. Excellent testimony. Your full statement will be made a part of the record.

[The prepared statement follows:]

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Statement of Frankie Sue Del Papa

Nevada Attorney General

Testimony Before the Subcommittee on Human Resources

of the House Committee on Ways and Means

Hearing on Welfare Reform and Child Support Enforcement

INTRODUCTION:

Chairman Shaw and members of the Subcommittee, I am Frankie Sue Del Papa, Nevada's Attorney General. The Nevada Attorney General's Office provides legal assistance to the Nevada State Welfare Division, as well as legal representation on child support cases handled by the regional Welfare Child Support Program area offices in Las Vegas, Reno, and Elko. My office assisted in the reviewing, drafting, and passage of state legislation that incorporated the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) into Nevada's Revised Statutes. This piece of state legislation consisted of two separate bills that affected 95 chapters of the Nevada Revised Statutes, and was the result of many hours of efforts by my office, the State Welfare Division, and the staff from the legislative counsel bureau.

I wish to thank you for this opportunity to share with you firsthand the efforts of my office and the State of Nevada to increase the collection efforts in the area of child support enforcement. The District Attorneys' offices across our state, the Child Support Enforcement Unit of the Nevada State Welfare Division, as well as the Office of the Attorney General are committed to ensuring that every child is financially able to participate in the opportunities available to him or her, and to assist in ensuring that each child has the opportunity to develop a meaningful relationship with their parents. I am honored to have the privilege of addressing you on this matter and look forward to any suggestions you may have to improve our efforts.

NEVADA ATTORNEY GENERAL'S OFFICE INVOLVEMENT

Although primary responsibility for child support enforcement rests with the individual District Attorneys' Offices who have done a fantastic job with very limited resources, the Nevada Attorney General's Office has always been involved to some extent in the actual collection of child support for the Child Support Program. Our office has, and will, continue to participate in negotiations for the release of liens on real property in this state and out of state. However, my office has taken a more active role in the Nevada Child Support Program in recent years. Our office took over representation of the Child Support Program in two smaller counties in this state. In those particular counties the majority of the day to day case work is being handled by the caseworkers based out of the Welfare Child Support Program Offices. However, when there is a special legal issue involved or the parties have obtained an attorney raising specific legal questions, our office presents the case in court. Our office is also working on assistance cases where there is an issue of paternity. This office is taking over these duties to assist the Child Support Program in shortening the time frame to secure orders establishing paternity and support obligations for those children on welfare. This represents approximately 175 cases a month for the Reno and Las Vegas Attorney General offices. Our office is also assisting the Welfare Division in the Las Vegas and Reno offices in recovering birthing costs paid out as medical benefits under the Welfare program.

Our Office has also initiated or worked with the Child Support Enforcement Program on other projects. The first project, The Most Wanted Poster, features information and photographs about deadbeat parents. The poster highlights ten notable deadbeat parents whose whereabouts are unknown. This is the fifth poster in what has been a very successful campaign to help locate men and women wanted in Nevada for failure to pay child support. The first poster was released in May of 1996 and has been released to coincide with Mother's Day. The office worked with the Child Support Enforcement Program to develop criteria for the creation of the Most Wanted Poster. The submission of names by the local District Attorneys and especially the response by the media and citizens of this state achieved results beyond our expectations. The Most Wanted Poster has resulted in at least two criminal convictions and located 19 out of 28 deadbeat parents. The resulting collections received as a direct result of this project is in excess of $50,000. These were non-custodial parents who had dropped out of sight and who owed at least $10,000 in back child support to the children of this state. Likewise, this office wanted to promote the positive aspects of the Child Support Program, and in order to accomplish this, on this past Father's Day our office sent out letters to all the District Attorney's offices and asked them to submit names of committed non-custodial parents. The non-custodial parents who were recognized showed involvement in their children's lives which not only reflected a financial commitment, but a physical commitment as well by maintaining a real relationship with their children. A press release was issued honoring these parents and containing an excerpt of a letter from one of those parents which summed up the purpose for honoring these participating non-custodial parents. I am sure you are aware of the correlation between a participating non-custodial parent and the payment of child support. That one press release, along with the awards sent out by my office, prompted almost as many positive phone calls to my office as the negative phone

calls generated by the press release regarding revoking of professional, occupational and other licenses.

With the release of the Ten Most Wanted Poster and the "Upbeat" parents recognition, our office also announced the availability of its publication ***Tips for Collecting Child Support and Working with the Child Support Enforcement Program.*** The pamphlet offers information to help answer questions such as who receives child support, how to collect child support and how child support is enforced in Nevada. We also have Spanish language copies of this pamphlet available.

Another project was a direct result of PRWORA. Our office is in charge of legally advising numerous licensing boards and commissions. Because of the PRWORA requirement that tied the payment of child support to the ability to obtain or maintain a professional, occupational, and recreational license, certificate, or permit I knew that it would be important to begin a media campaign to inform not only the licensing entities, but also the public of these new requirements. Our office formed a task force to receive input on how to implement the new PRWORA licensing requirement into Nevada Statutes. That task force then followed through with legislative testimony concerning the implementation and structure of this PRWORA requirement. Secondly, once the bill was finalized, the office coordinated media releases to the public and informational memorandums to all the licensing entities. This was done to educate the public as much as it made the licensing entities aware of the new law. My deputies serving on the task force received numerous referrals and calls of concern from the public and other public entities about the new requirements. These deputies then provided assistance directly to the City of North Las Vegas, Clark County, Washoe County, and Boulder City regarding questions about the new requirements and the new forms that went along with them. When the new requirements began to be enforced, my office fielded hundreds of calls asking questions about the new licensing requirements and concerns regarding the appropriateness of this new law.

Our office also perceived a lack of understanding among the private bar about how the new PRWORA requirements would affect private businesses and employers. A deputy from my office coordinated with the Nevada State Bar in putting together Continuing Legal Education classes on the legal developments of PRWORA which would affect the private bar and their clients. Secondly, wanting to carry this important information directly to the employers of this state, our office participated in various employer presentations put on by the Nevada Child Support Program to inform them of New Hire Reporting, Interstate Wage Withholdings ,and other PRWORA requirements. All this was done to bring attention to the important changes in the law, and increase the effectiveness of these changes by increasing the awareness of the child support provisions in PRWORA.

In all, the new tools and changes made by PRWORA have increased dramatically the effectiveness of collecting child support for the children of this state. For instance, in Washoe County alone there were 651 wage withholding hits in the last 30 days thanks to the new hire reporting information being captured as a result of PRWORA requirements. However, various District Attorneys have expressed their concerns about certain

PRWORA requirements. One concern is that some of these tools will not be effectively implemented because of their cost in dollars and caseworker time, ultimately making the effectiveness of these new tools dependent upon the resources made available to the Child Support Program. Second, the District Attorneys have expressed concern about the Central Disbursement Unit requirements imposed on the state child support programs. The District Attorneys feel this disrupts some state systems which are already very efficient and properly processing payments, and potentially replacing them with an unknown central disbursement unit which will, in a state of our size, extend the mailing times for these checks to be delivered. They understand the necessity of keeping track of payments in a central location, but according to the District Attorneys, the information can still be shared without the disbursing of checks being centralized.

OTHER STATE ATTORNEY GENERAL OFFICE INITIATIVES

Indiana - Has established a cooperative effort with the Indiana Support Alliance, a bipartisan group of child support prosecutors, whose focus is on intercepts, license suspensions, liens and extraditions. This initiative includes the interception of tax refunds, lottery winnings and unemployment compensation, as well as the establishment of more effective ways to enforce liens placed against the property of deadbeats. As a final resort, the Indiana AG's office encourages the filing of criminal nonsupport charges against deadbeats who are capable but unwilling to fulfill their obligations to their children.

Rhode Island - In 1995, the Rhode Island legislature passed a bill which allows the Rhode Island Attorney General to prosecute deadbeat parents who are either three years or $30,000 in arrears in payment of support. Since that time, that office has prosecuted approximately 40 cases under the new statute. The Rhode Island AG has also been involved in deadbeat "sweeps" in cooperation with local sheriffs and police which, in two such "sweeps" resulted in the apprehension of 49 offenders who were then brought before a family court magistrate.

Maine - New developments in the collection of support orders include automatic withholding for support obligations from unemployment compensation checks; mandatory provision for the withholding of income on all support and alimony orders issued or modified by the Maine courts; authorization for the Department to issue withholding orders for payment of health insurance; publication of obligors' names; and the revocation of professional and drivers' licenses (any state issued license) of an obligor who owes unpaid child support. Although this latter provision has generated much controversy, it appears to be an effective tool. In fact, the Department has not gone forward with very many of these revocation actions because the threat of the loss of a license seems to be a sufficient catalyst for the responsible parent to begin making payments on support arrearages.

Delaware - The Delaware Attorney General wrote the state's tough, comprehensive law to deny and suspend certain licenses of delinquent child support obligors. The Delaware AG rewrote the state's criminal nonsupport laws to craft a comprehensive new criminal law that complements the civil child support system, as well as amended laws to assure that bail forfeited for an obligor's nonappearance in a child support case be paid over to the

payee of the child support obligation. Civil contempt is a primary enforcement mechanism against delinquent obligors. The Rhode Island AG has also made very effective use of liens to attach lawsuit proceeds. Public education is also a priority with the Rhode Island AG.

Iowa - Iowa Attorney General Initiatives include public service announcements, a teen educational video, wanted poster, and tollfree number for child support questions.

I look forward to my office working with Congress and the Federal Office of Child Support Enforcement to make any changes that will improve the effectiveness of our Child Support Program here in Nevada. I thank the Subcommittee for allowing the representatives of the people of the State of Nevada a chance to speak directly to you on these important issues. Your willingness to have these hearings and everyone's cooperation with any initiatives coming out of these hearings will go a long way to helping solve the problems of child poverty, not just in this state, but across this nation.

LAS VEGAS 1998

	AVERAGE WAGE	CURRENT OBLIG	ARREARS OBLIG	OBLIG COLLECTED	ARREARS COLLECTED	COLLECTION CASES
JAN	$6.93			$15,776.77	$20,803.45	177
FEB	$7.03			$17,630.68	$20,748.67	211
MAR	$6.77			$20,559.21	$31,558.65	205
APR	$7.38			$28,403.75	$34,554.73	232
MAY	$7.29			$22,786.70	$48,029.12	231
JUN						
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						

COLLECTION CASES = number of cases collection received in report month

RENO

NCP EMPLOYMENT TRACKING

1998

	TOTAL CASELOAD	NEW TO PROGRAM	CLOSED	W I W	MALE	FEMALE	ETHNIC CODE C	N A	BL	A	HIS	EDUCATION HS	GED	SUBSTANCE ABUSE YES	NO
JAN	53	24	10		48	5	46	2	3		3	10	31	48	5
FEB	75	30	8		68	7	63	2	3		7	12	35	49	26
MAR	87	14	2		80	7	73	2	3		9	13	38	56	31
APR	102	29	14	17	95	7	84	4	3		11	20	41	71	31
MAY	112	31	21		103	9	93	5	3		11	23	45	73	39
JUN															
JUL															
AUG															
SEP															
OCT															
NOV															
DEC															

ETHNIC CODE TABLE

ETHNIC CODE TABLE

C = caucasian
NA = native american
BL = african american
A = asian
HIS = hispanic

RENO STATISTICS BEGAN 11/97

NEW TO PROGRAM = number of new NCPs assigned
CLOSED = no show, drop out or non-cooperation for any reason
W I W = number of welfare to work certified
EDUCATION = number of NCPs that completed high school or obtained GED

RENO 1998

	AVERAGE WAGE	CURRENT OBLIG	ARREARS OBLIG	OBLIG COLLECTED	ARREARS COLLECTED	COLLECTION CASES
JAN	$7.64	$4,505	$1,313	$1,748.00	$585.00	41
FEB	$8.11	$1,994	$1,363	$1,792.25	$8,423.05	24
MAR	$7.42	$7,944	$2,398	$6,404.00	$4,991.00	48
APR	$6.78	$10,874	$2,569	$10,174	$9,340	60
MAY	$6.90	$11,313	$2,097	$8,700	$2,537	72
JUN						
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						

COLLECTION CASES = number of cases collection received in report month

LAS VEGAS

NCP EMPLOYMENT TRACKING

1998

	TOTAL CASELOAD	NEW TO PROGRAM	CLOSED	W t W	MALE	FEMALE	ETHNIC CODE C	N A	BL	A	HIS	EDUCATION HS	GED	SUBSTANCE ABUSE YES	NO
JAN	222	71	56		63	8	13		35	2	4	23	8	8	38
FEB	208	53	61		72	9	9		55		4	25	14	13	45
MAR	289	50	8		61	9	10		40		1	20	7	10	33
APR	293	56	19		50	6	7		27	1	2	15	10	6	
MAY		59	18		55	4	12	3	26		3	21	5	9	31
JUN															
JUL															
AUG															
SEP															
OCT															
NOV															
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Mr. ENSIGN. We were talking earlier about affordable housing.

And, Senator Washington, you wanted to make a comment about that?

Mr. WASHINGTON. Thank you, Mr. Chair, yes, I did.

I think the affordable housing tax credit that you just alluded to, we have kind of been following it and just watching the progress of it, initially, and the reason being, is because it relates to a couple of our situations that I found myself in.

After I finished school, my wife and I were in subsidized housing, and the State of Nevada at that time had low-interest loans that they were providing for first-time home buyers, which were actually kind of subsidized by the State.

We took advantage of that situation and bought a home for ourselves, and after that, we sold a home, but we were able to move up the progression due to the fact that we had an opportunity to purchase a home, based on the availability of these loans.

And the reason I want to speak to it is because there are a number of initiatives and great ideas that are being put forth, I know at the northern part of this State by Dave Morton, who runs the Reno Housing Authority, creating opportunities for individuals to purchase homes or move into homes for the first time.

I think that the housing tax credit will give that opportunity to those individuals for ownership, and ownership is the most important thing, and it is one of the main planks of the constitution, to be able to own property, because it gives you a sense of pride, a sense of belonging, a sense of self-worth, a sense of self-sufficiency.

And that tax credit will help those that are trying to become self-sufficient to own property for themselves.

Not only for themselves, but for their children and their children to look at their parents to say, something definitely positive is happening in our family.

So I think it is a positive move. I think it is only one plank, and there are many other things that are going on, but it will definitely have an impact.

Mr. ENSIGN. Thank you. I want to make a couple of comments on a few of the things that I have heard.

First thing was that—Jan, you made some comments about, and so did you, Maurice, about the people that are very difficult now to get off.

You know, we get through those, the, quote, easy ones or easier people that have a little more motivation to get off.

I have a story about, I am in the Big Brother, Big Sister program and I am a Big Brother.

And Rhonda Butler, who is the mother of the child that I am a Big Brother to, was on welfare down in California for a long time, was one of those, quote, difficult ones to get off.

And it was, with welfare reform and the whole aspect of welfare reform just being mentioned, just being talked about, that started, I think, people looking at, the time limit coming.

Looks like Congress is now serious about this. Looks like the State is serious about doing welfare reform, and it gave people like Rhonda the motivation to take a look at what she was doing.

All of the men that she knew were either in prison or on drugs. The women she knew were all on welfare. She had just been caught up in the same dependency cycle.

And she saw the future for her four small boys and decides to move to the State of Nevada and get a job. The reason I bring her up as an example, she is one of those, quote, difficult ones to place.

But knowing that there is a time limit, knowing that they cannot be on this for a lifetime was the key.

We talk about job training. That is very important. Life skills, and we will have some testimony later today about some of those types of things.

Those are all important, but there is nothing more important than the actual job itself.

And, you know, we talk about that their having a job out there. You mentioned that, we have to make sure those jobs are out here.

If you look at the Sunday papers, every single Sunday, southern, northern Nevada, I don't care where it is, there is job after job after job, people having to advertise to get these jobs filled now.

And if people want to get a job, if they have the motivation, they can get out there and get the job.

But without the time limit, without us saying, we are not going to pick you up for the rest of your life, without that, ending entitlements, nothing, none of this would be happening.

I read some statements in the press, and some people make these statements: We don't know whether this is a success or not, just because we decreased the, welfare rolls by 40 percent.

We don't know what is happening to these people. We don't know if it is a success yet.

That is just, in my opinion, is pure, utter nonsense.

We have story after story after story from these people. Yes, they may be getting some extra help from someplace else.

But the fact is, their lives are being changed in a positive direction because they are getting into the work force.

And as a person who grew up with a deadbeat dad, who grew up with a mom that was a single parent in Reno with three children that made less money even in those days than if she would have been on welfare, the work ethic she taught me, that has stayed with me today, is the same kind of work ethic now that welfare parents are going to be teaching their children.

And if we don't think that is a positive success story, I don't know what is in this country.

And that is why I don't think that after two years of this thing passing, for us to be evaluating and be saying that it is too early, I just have trouble, I guess, understanding that statement.

So if any of you would like to comment on what I just said, it is fine.

But I will turn it over to Chairman Shaw.

Ms. EVANS. Thank you for that.

However, I am not talking about people who are motivated, and clearly with a ticking clock hanging over one's head, or if you are unmotivated, that would clearly get you moving.

But I am talking about those individuals with learning disabilities, various types of physical handicaps and so forth that need—

there are multiple reasons why some people are what we call the hard-core unemployed.

That is the group I am referring to, not the bulk. As they said, we know that the majority of people either have some skills that they can just polish up, or they are teachable. They can learn a skill.

But there is, nevertheless—we talked to folks who are doing this on a daily basis. There is a percentage out there that we have to make some provision for where there is, as I said, some kind of an extended time, helping them with job mentors, a variety of approaches to this.

That there are folks that are going to need some additional time and attention. Those are the ones I was referring, those with multiple problems and obstacles.

Mr. WASHINGTON. Mr. Chair, if I might add, in the '95 provision of the welfare reform bill and the '97, there are provisions in the current statute that will exempt those type of people from the time limits, so those people are taken care of: The mentally ill, those that have physical handicaps. So we are not talking about those people.

The people that you are talking about are the ones that are incorrigible, unmotivated and hard-core, that have been on the rolls for an extended period of time.

Oregon has a program that they have been doing for quite a while, and it is kind of what they call a sink and swim.

You either get out and get a job, and you either swim, or you sink. And sometimes I think what we have done is we have developed this job training mentality. Say we are going to train you for certain jobs.

When, in essence, some people, all they need is the motivation, or sometimes we should say to them, you just have to get out and get a job. You are either going to sink, or you are going to swim.

And Oregon has been very successful at this program, and I know State welfare has looked at this program extensively, and they have come in and provided information on it.

Can it work? I think it can. Because now you are dealing with the fact that there is a determinate time line that you have to go to work, and assistance, cash assistance, is going to be cut off. That is the motivator.

Whether you have got a $6 an hour job, or whether you have got a $10 an hour job, and whether you can continue to further your own education, the motivation is yours. Not the State's, not anybody else's, but it is yours.

Mr. ENSIGN. Chairman Shaw.

Chairman SHAW. I am glad, Senator Washington, that you brought that up because the welfare reform bill was very careful to leave, I think it is about a 20 percent recognition by the States, that there is going to be a certain amount of people that just are not going to be employable, plus we have got—for the disability people, we have got SSI, which is another type of support.

So we have tried awfully hard not to leave anybody behind. And I might say, that despite some of the abuse that we took in the Congress, those of us who were working, being called mean-spirited.

I heard that word over and over and, again, how mean-spirited. But we weren't. We were viewing what we were doing as a rescue mission, and we have been proven correct. That is simply what we have done.

I would like to, in just a couple minutes—I see the time is getting—is moving along very quickly here.

So, most interesting panel, and most interesting discussion.

But I do want to point out to you, Senator Washington, something that you brought attention to, which is something that we are recognizing as one of our next challenges in Washington.

That is the question of the fatherhood initiative program that we have filed, which I think both Congressmen Christensen and Ensign are cosponsors of in the Ways and Means Committee.

We are recognizing that one of the problems in the growth of illegitimacy is, quite frankly, we just don't have enough qualified males that females really want to marry.

And that, I mean, I don't want to hear any women saying that. But as a man, I can say that.

And there is a real problem out there, and there is a huge problem.

And one of the problems is that these males are growing up in a family where there was no male for them to be able to use as a role model.

And we have found a few successful programs around the country, just as we were finding successful programs among the States in welfare reform. We were finding some programs that are out there.

And we are hopeful to be able to allocate sufficient funds for the States, or allow the States to use some of their existing fundings to get into the fatherhood programs to teach these males exactly the importance of a job, and really what it is to be a father.

And not only the financial responsibilities, but also the spiritual responsibilities of providing love and caring and being able themselves to at least start being a model for these kids.

And, hopefully, we can stop the problem that we have out there.

And I think that the whole image of the male has been tremendously diminished, even if you look on television as what is up there right now.

The joke of every family program now is the male. It is the father, who is always a bungling idiot, that everything he does goes wrong.

So I think what we need to do, and we need to really show that being a father and being a partner is a tremendous responsibility, and carries with it not only the need that they earn the respect, but also that they have something to work with.

In doing that, we have put together in the legislation that the majority of this effects, 75 percent of it would be required by the State to be contracted out to organizations, some of them faith-based organizations. Some of them not.

But we have got to do something. We just can't sit here and let the thing just get worse and worse.

Ms. DEL PAPA. Mr. Chairman, let me just take what you have said one step further.

Nevada, unfortunately, has one of the highest teen pregnancy rates in the country.

One of the challenges that we have seen, and this is documented obviously in the book called Fatherless America, some of which obviously you have alluded to and are familiar with.

However, one of the challenges that we have to face is 70 percent of the over-20 males are engaged with adolescent females, who are, in fact, under 20.

So you have got the phenomena of an older man being involved with a younger woman. You have also got—but, again, there is no one solution that is going to fit every circumstance, and you have got to have a broad base of programs.

I, for one, would like to see us consider, as a country, what we have done for the domestic violence task force, requiring a State action plan, and, indeed, letting the States go forward and do those programs that are appropriate for them.

Because what is going to work in Washington DC or Carson City is not going to be the same thing that is going to work in Las Vegas or Pahrump or some other small town. You have really got to get back to the sense of the community.

But another side thing that I will tell you, you are probably already aware of it, that juvenile delinquency and teen pregnancy occurs between three to six p.m.

I mean, those are the most vulnerable times for the family. Those are the most vulnerable times for the communities. Where is everybody from three to six p.m.?

And if you don't have—if you don't have activities, if you don't have alternatives—and, again, I see a lot of these things very much interrelated.

That is why so much of our time in the Attorney General's Office was put on domestic violence prevention, trying to do whatever to assist our clients.

With reference to teenage pregnancy, it will take a concerted effort, and I would, for one, would like to see, and you can't just do it with abstinence-based messages. I think abstinence-based messages are very important for the nine- to 13-year-old group.

But once they get beyond 13, you have got to have alternatives. You have got to have access to other programs and other organizations.

But it is quite complicated. One of the things I would like to see us do is address that issue the way we have addressed domestic violence prevention.

Chairman SHAW. I think the legislation that we have been drafting would allow you to become very much involved in that, in putting these various programs together.

And before I surrender the microphone to Mr. Christensen, I would like to compliment you. I mean, I really know I am in the Wild West when I see wanted posters.

I think that is a great idea. I don't know if other States are doing that. But——

Ms. DEL PAPA. They are.

Chairman SHAW. But that is the first one I have seen, and it certainly, I think, is quite appropriate.

Ms. DEL PAPA. Again, you are looking for innovative ways, because how can you reach the public if you don't have access to the media?

And these are the types of things. I mean, in our State, we have enjoyed good cooperative efforts with Nevada's media, but you do have to have ideas, and you have to have programs that can capture the imagination as well.

Otherwise, you can't have access, because, again, like even thinking in terms of adolescents in our State, in the age group from 9 to 18 years old, 220,000 adolescents in that age group.

How do you reach them if you don't have some sort of media component or some sort of public education campaign?

So no matter what you do, you have got to be very cognizant of that. This program, as I had said, has been very effective. We have even had two criminal convictions, which are virtually unheard of, almost.

And we have had 18, I think, out of the 24 people captured, and a large amount of money raised. But, again, part of it is it helps raise public awareness, which is something we are always concerned about doing in any of these programs, and at the same time recognize the upbeat.

Because you don't always want to be ragging on the deadbeat parents. You also want to do some things as far as recognizing those people that are fulfilling their obligations.

Mr. WASHINGTON. If I can just interject one thing.

I think what is important is, whether at the State level or at the Federal level, we implement policies also that enhance and encourage the family unit to stay together.

And what we are trying, what you are trying, or what I am gathering what you are trying to say is that we want to encourage the sanctity of marriage.

The importance of marriage and the responsibility of a male and a female, and raising their family and raising those children and what that encompasses.

And I would just add to the Attorney General, I think they are doing a great job on the child support end of it, and I applaud them for it, but here is my concern.

My concern is if the—between the hours of three to five, if their parents are not at home, or something else is going on, or illegitimacy is increased at that hour or juvenile delinquency, let's ask the question: Why is it that—why is it at that hour that there is nobody at home?

Well, I think there is a tremendous tax burden on people, also, because now in two-parent households, for instance, my household, my wife and I have to both work.

Now, it is not to say that we excuse or neglect our responsibility in raising of our children.

But you have got to understand when you have got two-parent households that we are both working, trying to keep the ends meeting. Because if the tax burden is too high upon them, something is going to give way.

And the old adage, the hand that rocks the cradle rules the world, somebody is rocking that cradle, and nine times out of ten, it isn't the mother or father that is at home.

So we have got to look at other means by which we can support the family unit, so the family unit can set those morals and those values and those traditions that are inherited in families.

I am afraid, Chairman, it is not the village that raises the child. It is the family that raises the child.

And any time you destroy the family unit with welfare or any other subsidies, or any other give-away programs or entitlement programs, you are going to make a detriment to this country and to the very fabric that holds this country together.

Whether it is a village, whether it is a community, or whether it is this Nation as a whole, I think the policies have to be so that they encourage the family, the male, the female and those children that they have spawned, to help them raise those children in a safe environment.

Chairman SHAW. Thank you. I will yield to Mr. Christensen, who I think probably will want to say something about the marriage penalty tax.

Mr. CHRISTENSEN. Yeah, I know we are running late. Just going to make a few comments. Then I want to really applaud this panel. It has been an impressive panel.

Madam Attorney General, what States are using this 10 most wanted?

Ms. DEL PAPA. Probably are about seven or eight. I think it originated—we stole the idea. I believe it was from Rhode Island.

There is a tremendous amount of collaboration that goes on between the Nation's attorney generals. Everything we do, we share. Likewise, they share with us.

Many of the programs in the other States were in my testimony. I—due to time constraints, I didn't—these are some of the highlights of what other States are doing.

Mr. CHRISTENSEN. If possible, I would like to get your home page. I saw you had a copy of a page. I could always pull it up, but if you have got it right there, I would like it.

If a foundation or private organization were to take on this 10 most wanted idea, if a State, like, say, Nebraska, it was not doing it, what kind of liability have you seen in this kind of public display of the 10 most wanted?

Do you know of any?

Ms. DEL PAPA. I am not aware of any liability.

Again, we have worked very closely with the agencies, and I mean, there is a threshold of $10,000 you have to be in arrears there. I think the highest amount that was in arrears was over $80,000.

Mr. CHRISTENSEN. Where have you found the most, the most successful places, where you have posted these posters to see the best returns?

Ms. DEL PAPA. For instance, I was in a—there is a wide distributive network for them. We also do a press conference when they are issued. It is that initial press conference that really helps call attention to it.

You are always looking for ways to try to——

Mr. CHRISTENSEN. Grocery stores?

Ms. DEL PAPA. We haven't gone to many in the private sector stores. Mainly in the DA offices and State facilities, but it is interesting.

The number of—as I said, these were people who were previously unlocatable, and yet you can see of the worst, you know, top 24 cases, we have managed to get—I think capture 18 of them, and also two criminal convictions out of this.

Mr. CHRISTENSEN. I applaud your work. I am going to take it back to the attorney general in Nebraska. I think this is a phenomenal program. If they don't do it, I have a foundation that would like to do it.

So I applaud your efforts. Excellent testimony.

Senator Washington, I like what you say. That is awesome.

We need to get those words out around this country because those are the words that are making a difference in people's lives.

My fatherhood initiative, that we are talking about some of the programs, boy, continue to talk about that, because that is what is going to make a difference.

You know, as Chairman Shaw talked about the marriage penalty, we are on the verge of, hopefully, getting that through this year.

Basically you are penalized about $1400 for a married couple filing jointly versus living together.

And if that isn't a backwards approach to encouraging marriage, hopefully, we will get that done.

Jan, Assemblywoman Evans, I want to just tell you, when I got to Congress in '94, the low-income housing tax credit was being considered to be abolished.

I don't want to toot his horn too much, but John was the one that really worked to get that thing back on, and get it fully funded and increased.

And so the low-income housing tax credit is a tremendous public/private partnership that works very, very well.

And I think we have got it in a place now where it is going to continue to be there for a very long time.

Jim, I tell you what. I will trade the second district of Nebraska for the second district of Nevada in terms of scenery. You have got a beautiful, beautiful district, and, Mr. Chairman, thank you for the opportunity.

Chairman SHAW. Thank you.

And I want to thank you, I want to thank this panel.

I think we can certainly see, from the quality of elected officials that they have here in Nevada, why things are working, and we congratulate you and thank you for being with us this morning.

I am going to talk out of turn. Being a grandfather of eight kids, I can tell what this young mother is going through right now, trying to keep this youngster, beautiful youngster, settled down.

So you are on the last panel, but I am going to take you out of turn right now.

Lonnie Halterman, will you come to the table with Devin Cramer as noncustodial parents from Sparks.

Do you have copies of their testimony? We have a copy of Devin's testimony, which will be made a part of the record. We invite you to say what you see fit.

Mr. HALTERMAN. Good morning, Chairman Shaw, and members of the senate committee. I would like to thank you for having us here today.

Mr. CHRISTENSEN. Mr. Halterman, could you pull yourself up a little bit to the microphone and turn it on? Thank you.

STATEMENT OF LONNIE HALTERMAN, NONCUSTODIAL PARENT, SPARKS, NEVADA

Mr. HALTERMAN. My name is Lonnie Halterman, and I am 20 years old. Devin and I met in high school.

During that time, I had problems with drinking and drug abuse, and I did some time in jail for this.

I tried to better my life by going to Oklahoma. Devin came there to visit and see if we wanted to start a family there.

But not long after she went home, she informed me that she was pregnant.

My daughter was born August of 1997. During that time, Devin and I received—Devin was receiving—well, I moved back to Nevada, in December 1997, to take care of my responsibilities.

And I still—I was still not doing well at that and ended up in court. The court referred me to the Employment Assistance program in January of 1998 and helped me get a job.

With the help of my counselor, I was able to get interview clothes, write up resumes, receive referral for employment, and obtain bus tokens to get around town and look for work.

I was also referred to Job Corps.

After some testing, evaluations, I am happy to say that I have been accepted in Job Corps, and I will start in September, 1998, and I have planned to get my GED and my job training as an electrician.

While I was waiting for acceptance in Job Corps, I applied in April 1998, and I have been working steadily ever since.

Devin also received help from my counselor. She helped with resumes, job referrals, and in emotional support, and I was employed.

Once I was employed and able to support my daughter, Devin and I was able to talk and put our family unit back together.

We have been stable as a family unit since then, and I am proud to say, we are looking to the future as a family.

And I am glad the court referred me to the Employment Assistance Program.

Through the program, and with the assistance of my counselor, both Devin and myself, we have been able to make positive changes in our lives and provide for us a stable, dependable home life for the family.

Thank you for your time. I would like to answer any questions you may have.

Mr. ENSIGN. Well, thank you. Thank you both for being here, and bringing your pretty little girl there.

Chairman SHAW. She is pretty.

Mr. ENSIGN. How old is she?

Mr. HALTERMAN. She will be a year the end of this month.

Mr. ENSIGN. First thing I want to do is I want to commend you. You should be an example now of, other people that have been in your position who are now taking responsibility.

I mean, you have fathered a child, and too often that is not the case these days.

And I applaud you for now taking responsibility and trying to improve yourself, to be able to provide a good stable home for your family, and it is good to see you taking that responsibility.

I guess one of the things—I want to just try to get into your brain a little bit, just because we have heard so much about, welfare reform. Is it working? Is it not working?

What kind of an effect, did it have on you?

Mr. HALTERMAN. Like I said, there was—it was a time to where I could not get around.

There was parts to where there was jobs where I could go, but I could not get around to do—I could not afford bus fare to go to the job interviews. I could not afford the clothes for the job interviews, stuff like that.

It is kind of hard for a person that, you know, just like in my condition, which—which was on the streets, go to a job interview, if they don't have anything like this.

Because, you know, you do got to be presentable to a job. You do got to have money to go to the job. Like I know you said, there is a lot of jobs out there.

But it is the problem, as most the people do not have the benefits, like I did, that was able to get out there and do. Find the job. I was not able to get out there and do the things I was able.

So if it was not for this, I wouldn't have had the clothes or be able to get around to get to the jobs.

And that is what I—and resumes. I never knew how to do resumes. And my resumes helped, because I would be able to remember the dates and everything that I have work for.

Mr. ENSIGN. I just want to, first of all, say that not only do I commend you, but I also think that you are an example of the difference between true compassion and just sending a welfare check every month.

That welfare check would have trapped Devin and your daughter here, into a cycle of dependency. You may never have had to take responsibility, and now with some of this assistance, be able to transition.

You know, you can give some hope to your child there and to your family. So I applaud you. I am glad that system is working for you.

Mr. Chairman?

Chairman SHAW. I just want to briefly, briefly add, this is what our fatherhood program is about. This is what we are trying to accomplish, and your looking forward to a family, I think is a wonderful thing.

My wife and I had, who is with me today, she is back there in the second row. We just celebrated, day before yesterday our 38th anniversary. I tell you, after you get over the first 30 years, it is easy.

I am going to pay for that remark. But we are delighted, it is wonderful to see the two of you together.

And realizing what a joy it is to be a father, not only just a mother, but to be a father to a child and watch them grow up and share in that life, it is a great gift, and I congratulate you for seeing it.

Mr. ENSIGN. I want to thank you both, and you can tell that Mrs. Shaw must be one heck of a woman to be able to put up with him for 38 years.

But I want to thank you both for being here, and sharing your story because the reason it is important for people like you to testify is because you will give hope to those others.

You may be, Lonnie, you may be the inspiration to another father, where maybe some of them weren't going to take the responsibility for their children.

And you may be the inspiration that they needed to actually say, you know what? I did father that child, and I am going to take responsibility at that point.

And so I just want to congratulate both of you for what you are doing, and to wish you the best.

Thank you for being here.

Mr. HALTERMAN. Thank you.

[The proposed statement follows:]

Statement of Lonnie Halterman

Testimony Before the Subcommittee on Human Resources
of the House Committee on Ways and Means

Hearing on
Welfare Reform and Child Support Enforcement

Good Morning, Chairman Shaw and members of the Subcommittee, I want to thank you for having us here today.

My name is Lonnie Halterman and I am 20 yrs old. Devin and I met in high school and during that time I had problems with drinking and drug abuse and have done some time in jail for this. I tried to better my life by going to Oklahoma. Devin came there to visit and see if we wanted to start a family there. Not long after she went back home, she informed me that she was pregnant. My daughter was born in August of 1997 and during that time Devin was receiving Welfare. I moved back to Nevada in December 1997 to take care of my responsibilities. I was still not doing well at that and ended up in court . The court referred me to the Employment Assistance Program in January 1998 to help me get a job.

With the help of my counselor, I was able to get interview clothes, write up a resume, receive referrals for employment, obtain bus tokens to get around town and look for work. I was also referred to Job Corps. After some testing and evaluations, I am happy to say that I have been accepted into Job Corps and will start September 1998. I plan to get my GED and job training as an electrician.

While I was waiting for acceptance to Job Corps, I became employed in April 1998 and have been working steadily ever since.

Devin also received help from my counselor. She helped her with resumes, job referrals and emotional support.

Once I was employed and able to support my daughter, Devin and I were able to talk and put our family unit back together. We have been stable as a family unit since then and I am proud to say, we are looking to the future as a family.

I am glad the court referred me to the Employment Assistance Program. Through this program and with the assistance my counselor gave both Devin and myself, we have been able to make positive changes in our lives and provide for a stable, dependable home life for my family.

Thank you for your time, I would be happy to answer any questions you may have.

Mr. ENSIGN. I want to call the next panel up.

Myla Florence, Administrator, Nevada State Welfare Division; Michael J. Willden, Deputy Administrator of Field Operations; Nikki Firpo, Social Welfare Manager, Nevada State Welfare Division, Reno District Office.

Mujahid Ramadan, Executive Director, Nevada Partners, Inc., North Las Vegas; and Dorothy Wilcox, employee, office of Dr. Leonard Shapiro, Reno Medical Plaza.

We will hear first from Myla Florence, Administrator, State of Nevada State Welfare.

STATEMENT OF MYLA C. FLORENCE, ADMINISTRATOR, NEVADA STATE WELFARE DIVISION

Ms. FLORENCE. Thank you, Mr. Ensign, and members.

Mr. ENSIGN. If you would just remember about the five-minute rule. We have a five-minute time, and we don't want to give you the hook.

Ms. FLORENCE. Thank you. Again, I am Myla Florence, administrator of the Nevada State Welfare Division.

The welfare division is the State agency responsible for administering the Temporary Assistance for Needy Families or TANF program.

Child support enforcement, Nevada's employment and training program, called New Employees Of Nevada or NEON, and the Welfare-to-Work Formula Grant, Child Care Development Fund and other low-income programs.

Our mission is to provide quality, timely and temporary services enabling Nevada's families, the disabled and the elderly to achieve their highest level of self-sufficiency, a mission we have been pursuing since the early to mid-'90s.

I would like to thank the committee for coming here so close to the second anniversary of welfare reform. It is an honor and a pleasure to be here with you today.

Welfare reform, as you have heard, actually began in Nevada in 1993 when a welfare reform task force was convened.

And this group laid the foundation for Nevada's make work pay system introduced by Governor Miller and passed by the 1995 legislature.

Nevada has reached out to the private sector to secure jobs for our clientele as new resorts have opened.

Among the many accomplishments in the agency's efforts to partner with Nevada employers is the MGM Grand Hotel and Casino's 1994, 1995, hiring of approximately 900 recipients.

Notable is the fact that 70 percent were still employed in a two-year follow-up conducted on this population.

Today we continue as some of the newer properties have opened and plan to open.

Properties being developed by Steven Wynn in Las Vegas have committed to hiring four to eight hundred recipients in 1998, and we are also working with the Venetian in Las Vegas to train recipients for that resort.

Nevada experienced a drop in the aid to families with dependent children caseload prior to the inception of the national welfare reform legislation.

The AFDC program reached its highest peak in March, 1995, with 42,700 recipients.

By December, 1996, only four months after PRWORA was signed into law, Nevada's AFDC Temporary Assistance for Needy Families caseload had dropped 27 percent.

We attribute this caseload decrease to a strong State and national economy, talk of the national welfare reform legislation, and the aggressive employment focus, such as applicant job search which we implemented in January 1996.

You can see this slide depicts some of the significant events which have influenced the welfare caseload.

As of July 1998, Nevada experienced a 42-percent decline in the AFDC/TANF population since March 1995.

Noteworthy, as mentioned earlier, this is in the face of the fact that our caseload declines are occurring in a State with the fastest growing population in the Nation.

For persons approved for TANF assistance, the complete screening assessment of their employment skills, work experience, training and child care needs are conducted.

Every person undergoes a strength-based assessment where barriers to employment and potential for issues such as domestic violence and substance abuse may be discovered.

Welfare recipients are also referred to vocational rehabilitation services, health and mental health services, adult basic education, and others within the government or nonprofit agency systems as needed.

Every possible step is taken to link the client with the help they need to become self-sufficient.

If our clientele comes to us job ready, we help get them a job. If they come to us with barriers, we provide the needed services to assist them.

What kind of jobs do they get? As you can see from this slide, sales, food services and clerical positions comprise about 60 percent of the jobs obtained.

The welfare to work program made possible by the balanced budget act of 1997 was perfect timing for Nevada, and we took advantage of it, becoming one of the first five States to receive approval of its welfare to work State plan in January of 1998.

Nevada is unique in the Governor's designation of the TANF agency as the agency to administer welfare to work funds.

Mr. ENSIGN. If you could summarize.

Ms. FLORENCE. I would just make one point about child care. We appreciate the enhanced funding provided by Congress for child care. Needless to say, the demand already exceeds the available funding for child care.

Like to summarize just with some quick recommendations.

We believe TANF block grant fundings must be maintained. We would like consideration for work participation calculations to consider some supportive services, such as English as a second language, parenting, and other kinds of programs that enable people to maintain work, maintaining the welfare to work funding beyond the year 2000, and, of course, increased child care funding.

Thank you.

[The prepared statement and attachments follow:]

Statement of Myla C. Florence, Administrator
Nevada State Welfare Division

Testimony Before the Subcommittee on Human Resources
of the House Committee on Ways and Means

Hearing on Welfare Reform
to include
Temporary Assistance for Needy Families (TANF)
Welfare to Work (WtW)
and
Child Care

Introduction:

Chairman Shaw and members of the subcommittee. I am Myla Florence, Administrator of the Nevada State Welfare Division. The Welfare Division is the state agency responsible for administering the Temporary Assistance for Needy Families or TANF Program, Child Support Enforcement, Nevada's employment and training program which we call New Employees of Nevada or NEON, the Welfare-to-Work Formula Grant, the Child Care Development Fund, Medicaid eligibility for Nevadans requiring help with their medical needs, the Food Stamp Program, Low Income Home Energy Assistance (LIHEA), and Homeless Grants Assistance Program. Our mission is to provide quality, timely and temporary services enabling Nevada families, the disabled and the elderly to achieve their highest levels of self-sufficiency---a mission we've been pursuing since the early to mid-90s.

First, I'd like to thank you Chairman Shaw and the members of your subcommittee for selecting Nevada as the site for this oversight hearing so close to the second anniversary of Welfare Reform. It's an honor and a pleasure to be here with you today.

Early Progress:

Nevada positioned itself for the inevitability of welfare reform long before the national legislation was signed in 1996. In 1993 a Welfare Reform Task Force was convened and this group laid the foundation for Nevada's "Make Work Pay" system introduced by Governor Miller and passed by the 1995 Legislature. Today, as a result of these efforts some years ago, when a welfare recipient goes to work, they are allowed to keep their

wages *and* cash benefits for three months. For the next nine months, only 50% of their wages are budgeted in determining their cash grant. The logic was to enable low-income households to establish a resource base and, of course, underscore the fact welfare is temporary and people are "better off" working.

In 1995, we renamed the Job Opportunities and Basic Skills Training Program to NEON to better capture the nature of Nevada's major employer, the hotel, gaming and recreation industry. Concurrently, the STARS (Supporting Teens Achieving Real-Life Success) Program was initiated in partnership with the state universities in Las Vegas and Reno. The "children having children" dilemma was an issue Nevada wished to pursue as a state. STARS brings social worker interns from the Schools of Social Work into the agency to provide services to pregnant and parenting teens to help break the cycle of dependency. STARS continues today enabling young mothers to better parent their children and get a high school diploma or their GED. Intervention early on in the life of a young parent is necessary to prevent long term welfare dependencies and connect this population to the workforce. As of July 1998, the division's social workers and interns were working with 145 pregnant and/or parenting teens of which almost 100% are in school----the program's major goal. To illustrate a little further, the importance of this program is underscored by the fact there are twelve (12) eighth graders in Las Vegas today who are in school with the help of STARS staff with at least one child.

In January 1996, each applicant for cash assistance was required to complete (and still is) an intensive job search requirement as a condition of eligibility for aid. This particular initiative has had a significant impact on reducing the welfare rolls and getting people to work. Prior to January 1996, there was no requirement to look for work prior to becoming what we term "connected" to the welfare system. Through this requirement, approximately 300 applicants are entering the workforce.

Nevada reached out to the private sector to secure jobs for our clientele as new hotel/casinos opened. Noted among many accomplishments in the agency's efforts to partner with Nevada employers is the MGM Grand Hotel and Casino's 1994-95 hiring of approximately 900 recipients. Also notable, is the fact 70% were still employed in a two-year follow-up conducted on this population. The public-private relationship

continued with the opening of the Stratosphere and New York, New York in 1996. In Reno, a working relationship was established with the Silver Legacy and Eldorado properties. Today, we continue as some of the newer properties have opened and plan to open. Properties being developed by Steven Wynn in Las Vegas have committed to hiring 400-800 recipients in 1998. From 1995 forward, the agency has continued working with public and private entities to secure blocks of jobs for low-income Nevadans.

Our NEON employment and training staff also worked with the local employers and the Community College of Southern Nevada to prepare customized training whereby a pool of trained individuals is work ready---one example was training some clients for employment at a travel agency. Nevada's customized training programs have been used for employers as large as Vons grocery stores. The numbers indicate approximately 80% of those trained by the community college system get a job with benefits and are paid a salary well above minimum wage.

In early 1996, the Welfare Division looked internally at ways we could better integrate our programs for the clients. Child support services were provided "up front" in the application process to make the program more user friendly and enhance the quality and quantity of information on the non-custodial parent to inevitably increase child support collections.

During this same period, a second Welfare Reform Task Force was convened by Governor Miller to better prepare for the then national welfare reform legislation which was "around the corner" at the time. Nevada is fortunate in that our smallness enables us to bring in many interested parties to the table to prepare for such events. Governor Miller's 1995 initiatives were being implemented at the time and this group was instrumental in making recommendations to fashion what would become Nevada's companion state legislation supplementing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

Cultural change was another issue Nevada addressed early on. We were fortunate enough to be one of eight states to receive a grant from the federal government to plan and develop initiatives for the philosophical shift from "paper processing" to "people

assessment." Mike Willden, Welfare Division Deputy Administrator, is here with me today and will talk more about our cultural change efforts. However, I'd be remiss in not mentioning the enormous changes experienced by the clients and staff with welfare reform. I once read where welfare reform has a *split personality*. It provides states with tremendous flexibility, yet sets extensive and elaborate new behavioral expectations. It's those new behavioral issues being experienced by clients, staff and whole organizations like the Welfare Division that demand change---a "cultural" change. It demands reorganization and considerable training to re-tool the human services staff; it's a process which continues today.

Nevada experienced a drop in the Aid to Families with Dependent Children (AFDC) caseload prior to the inception of national welfare reform legislation. The AFDC program reached its highest peak in March 1995 with 42,703 recipients. By December 1996, only four months after PRWORA was signed into law, Nevada's AFDC caseload had dropped 27%. We attribute this caseload decrease to a strong state and national economy, talk of national welfare reform legislation and the aggressive employment focus including the Applicant Job Search Program the state implemented in January 1996.

As of July 1998 (our most recent statistical month), Nevada has experienced a 42% decline in the AFDC/TANF population using that same March 1995 high water month as the measure. This is the cumulative effort of pre- and post-welfare reform efforts. But noteworthy, is the fact these public assistance caseload declines are occurring in a state with the fastest growing population in the nation. In fact, one of the more poignant current challenges of the Welfare Division is to accurately assess the short- and long-term outcomes of the welfare reform public policies to ensure Nevada families are truly becoming self-sufficient within the prescribed time frames; and, that Nevada children are economically better off than they were in the past. To accomplish this, the Welfare Division is currently working with University of Nevada to conduct a longitudinal study of those families who leave the system to learn what happens to them so public policy can be better designed to alleviate any foreseeable problems they may incur.

Since PRWORA:

Nevada was well-positioned for PRWORA. Prior to national welfare reform, when other states were pursuing waivers concentrating on education, Nevada was focused on a "job first" approach to establish a connectedness to the work force with the necessary support services for our residents. In the 1997 Legislature, Assembly Bill 401 advanced by the Miller Administration, the most notable piece of legislation affecting the Welfare Division in decades, was passed in a bipartisan effort. This legislation changed the welfare system in Nevada by imposing two-year limits on welfare cash assistance within the five year lifetime limit imposed by the federal government. The philosophy behind the two-year limit, followed by a twelve-month sitting out period, then allowing another two years of cash assistance, and so forth, was to promote a work first philosophy and to prevent a TANF family from using their lifetime's worth of benefits at one time. The legislation also addressed skills assessment, personal responsibility plans, an agreement of cooperation, sanctions for non-cooperation, hardship exemptions to the 24-month and 60-month time limits, work requirements and job training, job development, a diversion program (Nevada opted for a "diversion" program to provide a payment equal to up to three months of the TANF payment to provide for an immediate need; however, we've had difficulty implementing the program due to its impact on our automated system still in development. Our intent is to have the program operational by October 1998), domestic violence screening, childhood immunizations, school attendance, transitional assistance and more. Like most states, Nevada is extending an array of services to public assistance families and in return asking for a personal commitment from each household.

Getting People to Work:

Nevada is working hard to put low-income families to work. The Welfare Division is by no means doing it alone either. To coin a phrase used so frequently, "we've stepped out of the box" and begun collaboration with many other state, county and local agencies. These coordinated efforts result in 300-400 recipients finding employment each month.

When a client comes to the welfare office, we think of it as coming in for employment services. Every applicant is screened for job readiness and asked to complete job search activities. Should they get a job at this juncture in the "welfare" process,

perhaps a connection to the welfare system can be diverted. In FY 1998, 268 Applicant Job Search (AJS) participants (21 per month) were diverted from TANF cash assistance. Also of interest is the fact in FY98, an additional 432 AJS participants got a job with an average salary of $6.56 per hour working an average of 30 hours per week.

For persons approved for TANF assistance, a complete screening assessment of their employment skills, work experience, training and child care needs is conducted. Every person undergoes a strength-based assessment where barriers to employment and the potential for issues such as domestic violence and substance abuse may be discovered. I think it noteworthy to elaborate on domestic violence and substance abuse for a moment. Nevada has set aside monies in its budgets to pay for services our clients need as a result of being a domestic violence victim or a person with a chemical dependence. These are real barriers to employment and issues low-income women suffer from disproportionately. To make welfare reform a reality for these heads of households and their children necessitated some monies being set aside to truly deal with these issues. Nevada has devised a screening tool which is eliciting self-disclosure numbers for domestic violence that are higher than other states. However, even with this disclosure, only 10% of those who disclose indicate an interference on following through with work or child support requirements. Likewise, the substance abuse protocol the Welfare Division has set up with our sister agency, the Bureau of Alcohol and Drug Abuse, is receiving national attention. Every state is creating new and innovative ways to serve their populations---these are just two Nevada is particularly proud of.

Continuing with my discussion of the self-sufficiency process, welfare recipients are also referred to vocational rehabilitation services, health and mental health services, adult basic education services, and others within the government or non-profit agency systems as needed. Every possible step is taken to link a client with the help they need to become self-sufficient. The Welfare Division offices throughout the state have access to the job banks---employers with openings; employment security specialists "match" our recipients to jobs they can do and be successful at as opposed to the "let your fingers do the walking through the phone book" approach. If our clientele comes to us "job ready," we get them a job: if they come to us with barriers, we provide the

services to remove the barriers. If they come to us with little to no skills, we get them job ready as soon as possible via the personal responsibility plans, our various assessment tools, with the help of our partners (Nevada employers, the Department of Employment, Training and Rehabilitation, Nevada Business Services, Job Opportunities in Nevada, and others too numerous to mention) and the social workers we employ for this express reason. If we find a need, we fill it. That's the whole welfare reform process---the flexibility to do what is required.

The role of social workers in welfare reform is noteworthy. Insofar as the eligibility worker function is now more of a case management role, the need for social worker intervention in the families with employment barriers is critical if those families are to eventually achieve economic independence. Nevada began hiring social workers into the welfare process in 1995. We live in an age where people need help with problem resolution and social workers fill that need. We believe our social workers enable us to truly communicate with some of the harder to serve clients and better service them. In Fiscal Year 1998, 22 social workers served 705 households. Severe domestic violence was present in 17% of the homes, 18% had substance abuse issues, and 37% had mental health issues.

Then came the Welfare-to-Work Program made possible by the Balanced Budget Act of 1997. The timing was perfect for Nevada and we took advantage of it by becoming one of the first five states to receive approval of its Welfare-to-Work state plan in January 1998. Nevada is unique in the Governor's designation of the TANF agency as the agency to administer the WtW funds. The Welfare Division had already experienced a significant drop in the TANF caseload and meeting the challenges of serving the "harder-to-employ" recipients. When the Department of Labor offered WtW formula grants to the states and local communities, Nevada moved fast to develop a state plan and ready itself to serve a more "difficult----non-job ready" client. We invited all the stakeholders to the table to draft the state plan before Christmas. Funds are channeled through the Private Industry Councils composed of elected officials, business representatives, government agencies, and community based organizations. Nevada found this to be the vehicle by which to bring more stakeholders into the process and further the goals of welfare reform. In Nevada, the Department of Employment, Training and Rehabilitation, or DETR, is one of our closest working allies

in ensuring the success of the WtW Program. In fact, the one dollar in state matching funds required for every two federal dollars is met through TANF budgetary transfers and funding provided by DETR programs.

The Private Industry Councils award local contracts via the Request for Proposal (RFP) process. They also conduct ongoing needs assessments locally to identify unmet gaps in community services. For example, the Northern Nevada Private Industry Council requested concept papers from the public on what was needed in the community to help low-income persons become self-sufficient. As a result, very specific requests for services will be solicited by the PIC in the near future. Clearly, the Private Industry Councils are another new and valuable partner and the DOL WtW funds add to the repertoire of resources with which to serve our clientele.

One other comment on getting people to work before discussing child care is Nevada is committed to getting people into the right job for them where possible. Keenly aware of the previous recidivism problem that existed with the old Aid to Families with Dependent Children (AFDC) Program whereby roughly one-third would return to the program when faced with an "employment crisis," we are equally committed to job retention services. With TANF Block Grant funds, one contract has been secured with Job Opportunities in Nevada (JOIN) in northern Nevada to provide job retention services to 100% of the welfare recipients who get a job. JOIN will ensure these people keep their jobs. In the event an individual loses their job, JOIN will help them find another one as soon as possible. Welfare reform time limits do not allow for the "revolving door" recidivism rates of yesteryear; hence, Nevada is committing monies to get out in front of this problem before it becomes a significant issue.

I'm aware of the fact Chairman Shaw that you and the Subcommittee have received extensive testimony in Arizona on the Native American issues as they relate to welfare reform; however, I wanted you to know Nevada has hired a Native American Tribal Liaison to ensure a tribal relationship on TANF and child support issues for the population residing in the Silver State. As you have already heard, there are significant issues to discern about the special needs of sovereign tribal, state and federal relationships.

Child Care

A word about child care---under the old entitlement system of Aid to Families with Dependent Children, always among the top three barriers or reasons for not being employed was "unable to afford child care for my children while I work." Safe, affordable child care is a challenge for all working families, but especially so for low-income families. Hence, child care is an imperative ingredient to the success of welfare reform. In fact, our numbers already illustrate the need for child care exceeds the supply of available funds. And, the day will soon come in Nevada where TANF cash assistance expenditures will be exceeded by child care assistance expenditures. Families can work, they just need the child care safety net to ensure continued and non-interrupted employment.

It's important to note Nevada's governor and the state legislature recognized the importance of child care in the welfare reform challenge. Historically, the amount of state dollars invested in child care had not been significant; but, this changed in 1997. In fiscal year 1998, $18 million was made available for child care aid of which $7 million was a commitment made by the state. In FY 1999, there is $19.3 million with a $7.6 million state commitment. To bring this into perspective for you, Nevada has tripled the child care resources it had in the past. Congress needs to be acknowledged for its role in making these child care dollars available to the states. On behalf of the primary beneficiaries of these monies---Nevada's low-income heads of households---thank you.

As recent as two years ago there were four funding streams of child care. Again, Congress was instrumental in consolidating the child care subsidy programs into one general program called the Child Care Development Fund. The Nevada State Welfare Division administers the block grant, thus streamlining the system for all low-income Nevadans in need of child care.

The Welfare Division contracts with two not-for-profit agencies in the state to provide child care---the Children's Cabinet in Reno and Economic Opportunity Board in Las Vegas. Both agencies have outstationed child care staff in Welfare Division offices so TANF applicants and recipients have direct access to child care workers. These child care workers provide more than just child care subsidies. They have resource and

referral capability which allows the parent to choose from a list of providers. Choices empower parents to make decisions concerning the quality of child care and the location, which may place the child in close proximity to where the parent is working.

Presently, the Welfare Division is providing child care subsidies to over 3,700 families and almost 8,000 children. Many of those families have been diverted from the public assistance rolls simply by helping them with their child care expenses.

The Welfare Division is supporting many quality initiatives in the area of child care such as expanded licensing and monitoring activities, developing new initiatives for infant and toddler care, and working with the University of Nevada to develop a set of video tapes on quality child care and health issues within child care settings. We are also providing scholarships for individuals interested in early childhood education and sponsoring other child care training.

Recommendations:

1. TANF Block Grant Funding Levels Must Be Maintained

   There is a perception that the TANF block grant is a windfall to the states. As you consider the challenges states are faced with in reordering its workforce, processes and information systems as well as serving clients with more significant employment barriers, TANF funding needs to be preserved.

2. Work Participation Calculations Should Include Work Supportive Services To Ensure Clients Are Job Ready

   The services may include literacy classes, substance abuse treatment or counseling sessions, parenting classes and others needed to enable clients to realistically pursue a path towards self-sufficiency. We recommend that a work group which includes the National Governors' Association (NGA), the American Public Human Services Association (APSHA) and the administration, review the issue of "countable work activities" to make recommendations to Congress. This becomes increasingly important as the characteristics of the caseloads change.

Extend WtW Funding Beyond the Year 2000

The availability of WtW funding specifically targets two groups historically underserved by providers - the hard to serve and non-custodial parents. The initiation of this program has forged new relationships and expected outcomes between TANF agencies and the employment community. We urge continued authorization of this program. Job retention services to those who lose TANF eligibility are a particularly important aspect of this program.

4. Consideration For The Impact Of Congressional Changes On States' Automated Systems

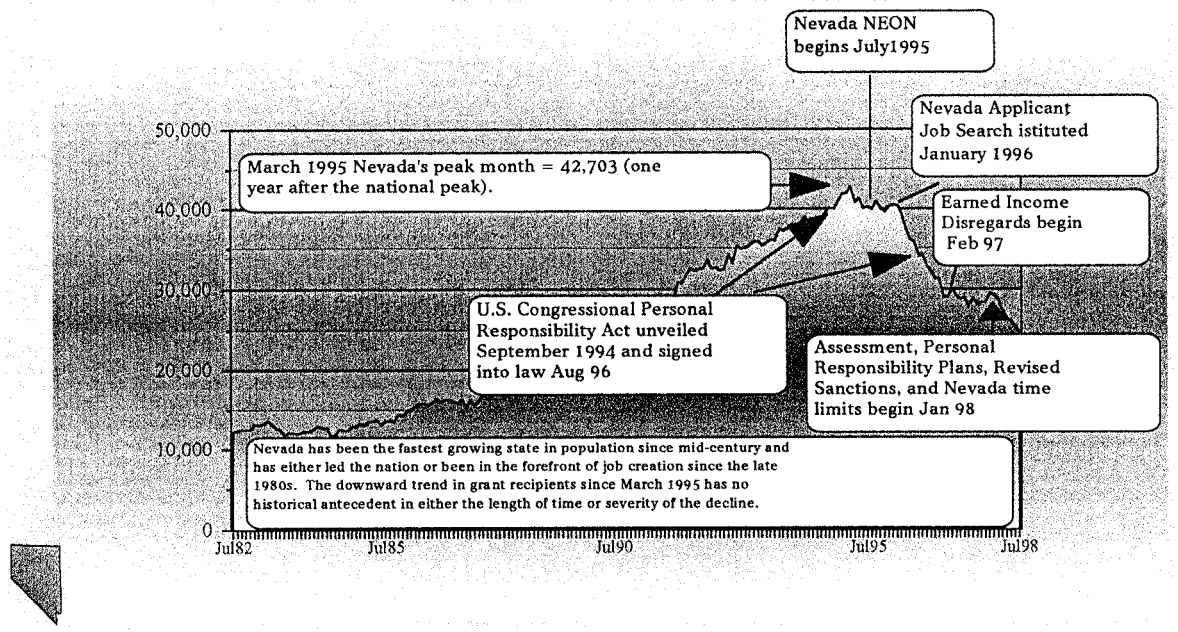
Nevada, like most states. is challenged by the magnitude of state and federal changes which require automated system modifications and support. We are unique in that Nevada chose to develop a fully integrated eligibility (FAMIS) and child support system in 1993. The system design was frozen in 1994 as we were striving to meet the child support certification deadline extended to October 1997. The impact of PRWORA on the eligibility process has significantly impacted our ability to meet the deadline and may further impact our ability to meet the 1996 requirements by the year 2000. We are competing with resources needed by other entities in making their systems Year 2000 Compliant.

5. Increase Child Care Funding

Increase child care funding, especially for the low-income working families. Funding is needed for evening and "sick care" and even more so in a state like Nevada with large segments of the population working "shift hours."

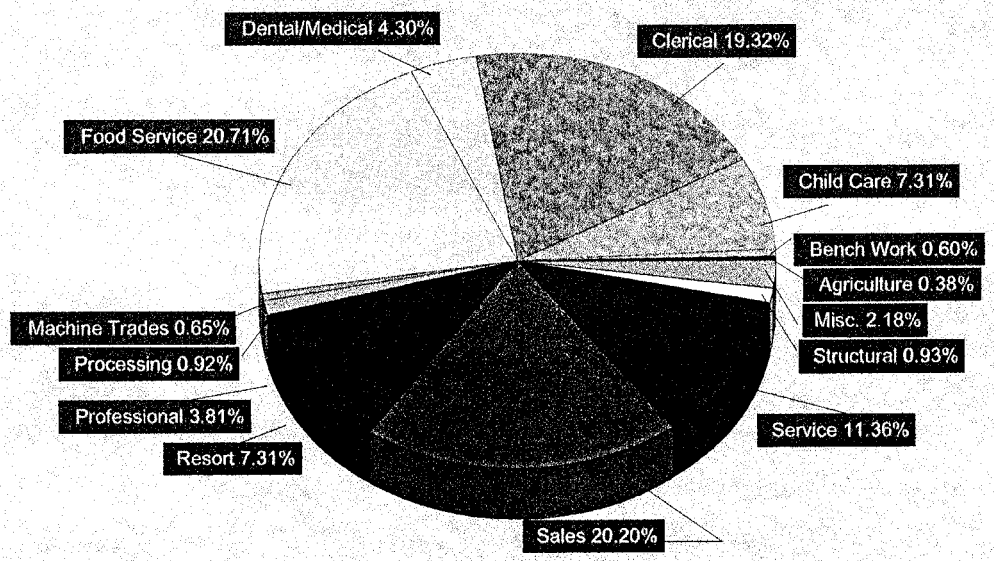
In closing, I wish to thank you for giving me the opportunity to address the Subcommittee. As you can see, I am very proud of the accomplishments of our staff, agency partners and the business community efforts "working for the welfare of *all* Nevadans." That is our agency motto, it really begins with a concern for families, staff and the Nevada taxpayers.

TANF Grant Recipients
Jul 1982 - Jul 1998



FY 98 NEON EMPLOYMENT BY CATEGORY

ONE PARENT HOUSEHOLDS

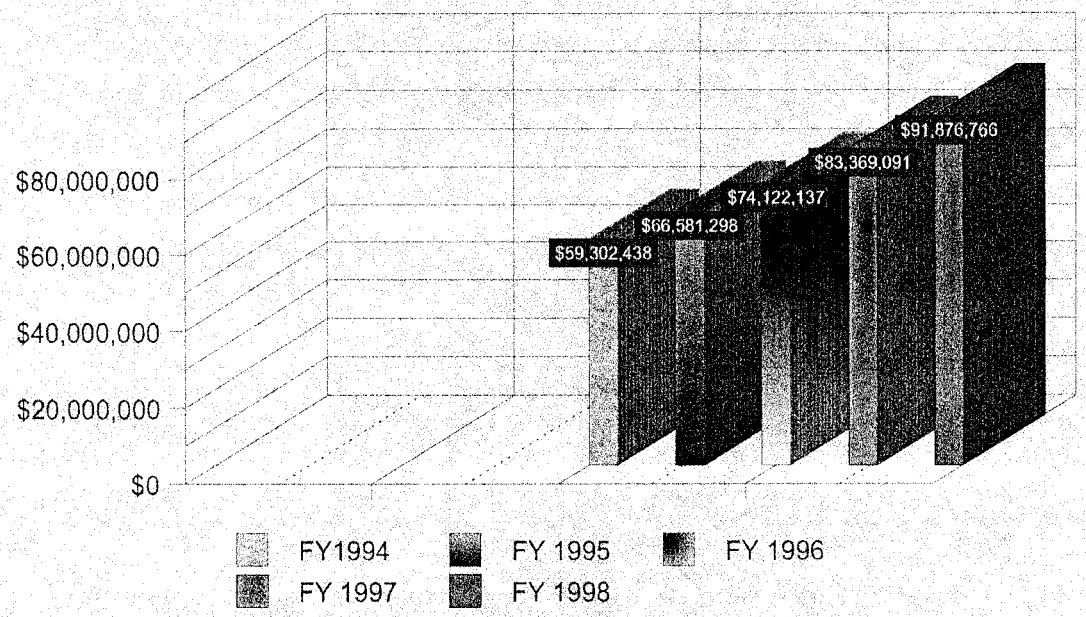


RECOMMENDATIONS

TANF - WtW - CHILD CARE

- ★ TANF BLOCK GRANT FUNDING LEVELS MUST BE MAINTAINED
- ★ WORK PARTICIPATION CALCULATIONS SHOULD INCLUDE WORK SUPPORTIVE SERVICES TO ENSURE CLIENTS ARE JOB READY
- ★ EXTEND WtW FUNDING BEYOND THE YEAR 2000
- ★ CONSIDERATION FOR THE IMPACT OF CONGRESSIONAL CHANGES ON STATES' AUTOMATED SYSTEMS
- ★ INCREASE CHILD CARE FUNDING

TOTAL CHILD SUPPORT COLLECTIONS
FY 94 - FY 98



NON-CUSTODIAL PARENT (NCP) EMPLOYMENT TRACKING FY 1997

	NEW REFERRALS	NO SHOW	DROP OUT	TOTAL CASELOAD	MALE	FEMALE	AVERAGE WAGE	COLLECTION CASES	TOTAL COLLECTED
JUL									
AUG	15	2	5	8	13	2	$5.67	3	$275
SEP	17/32	5/7	7/12	13	17/30	0/2	$5.57	15	$2,173
OCT	34/66	5/12	15/27	27	30/60	4/6	$6.99	29	$5,618
NOV	25/91	4/16	3/30	45	22/82	3/9	$5.39	29	$4,560
DEC	29/120	11/27	0/30	63	26/108	3/12	$6.50	44	$9,374
JAN	53/173	19/46	18/48	79	51/159	2/14	$6.64	55	$9,789
FEB	43/216	9/55	18/66	95	40/199	3/17	$7.16	72	$11,981
MAR	60/276	16/71	19/85	120	53/252	7/24	$6.73	82	$18,898
APR	62/338	20/91	35/120	127	56/308	6/30	$6.12	92	$31,797
MAY	55/393	15/106	25/145	142	52/360	3/33	$6.50	118	$29,371
JUN	53/446	13/119	6/151	176	48/408	5/38	$7.50	123	$33,883
						Y-T-D TOTAL		662	$157,719

NEW REFERRALS = number of new NCPs assigned
NO SHOW = number that failed to show for initial appointment
DROP OUT = number non-cooperative (any reason)
COLLECTION CASES = number of cases collection received in report month
RENO STATISTICS BEGAN 11/97

NON-CUSTODIAL (NCP) EMPLOYMENT TRACKING FY 1998

	NEW REFERRALS	CLOSED	TOTAL CASELOAD	MALE	FEMALE	AVERAGE WAGE	COLLECTION CASES	TOTAL COLLECTED
JUL	62	52	186	32	3	$7.00	134	$24,774.65
AUG	47	47	186	27	3	$9.06	143	$29,654.64
SEP	52	62	176	34	7	$7.64	161	$30,223.38
OCT	59	49	186	47	12	$7.29	85	$18,221.21
NOV	54	83	157	43	5	$7.10	142	$26,282.48
DEC	97	56	246	82	11	$7.20	137	$29,634.94
JAN	95	66	275	111	13	$7.29	218	$38,913.22
FEB	83	69	283	140	16	$7.57	235	$48,594.65
MAR	64	10	376	141	16	$7.10	253	$63,512.86
APR	85	23	391	145	13	$7.08	292	$82,472.48
MAY	90	39	405	158	13	$7.10	303	$87,669.87
JUN	93	117	457	137	17	$7.50	323	$76,446.99

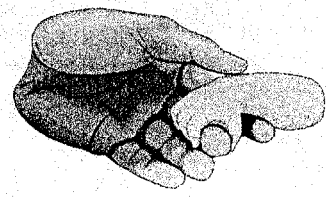
						Y-T-D AVG	Y-T-D TOTALS	
TOTALS FROM INCEPTION	1,327	943	FY 98 AVG	1,505	167	$7.55	2,426	$556,401.37
Y-T-D TOTAL	881	673	277	1,097	129			

NEW REFERRALS = number of new NCPs assigned
NO SHOW = number that failed to show for initial appointment
DROP OUT = number non-cooperative (any reason)
COLLECTION CASES = number of cases collection received in report month
RENO STATISTICS BEGAN 11/97

RECOMMENDATIONS

CHILD SUPPORT

- ★ CONTINUED SUPPORT FOR THE ACCESS AND VISITATION PROGRAM
- ★ MAINTAIN EXISTING CHILD SUPPORT ENFORCEMENT FUNDING

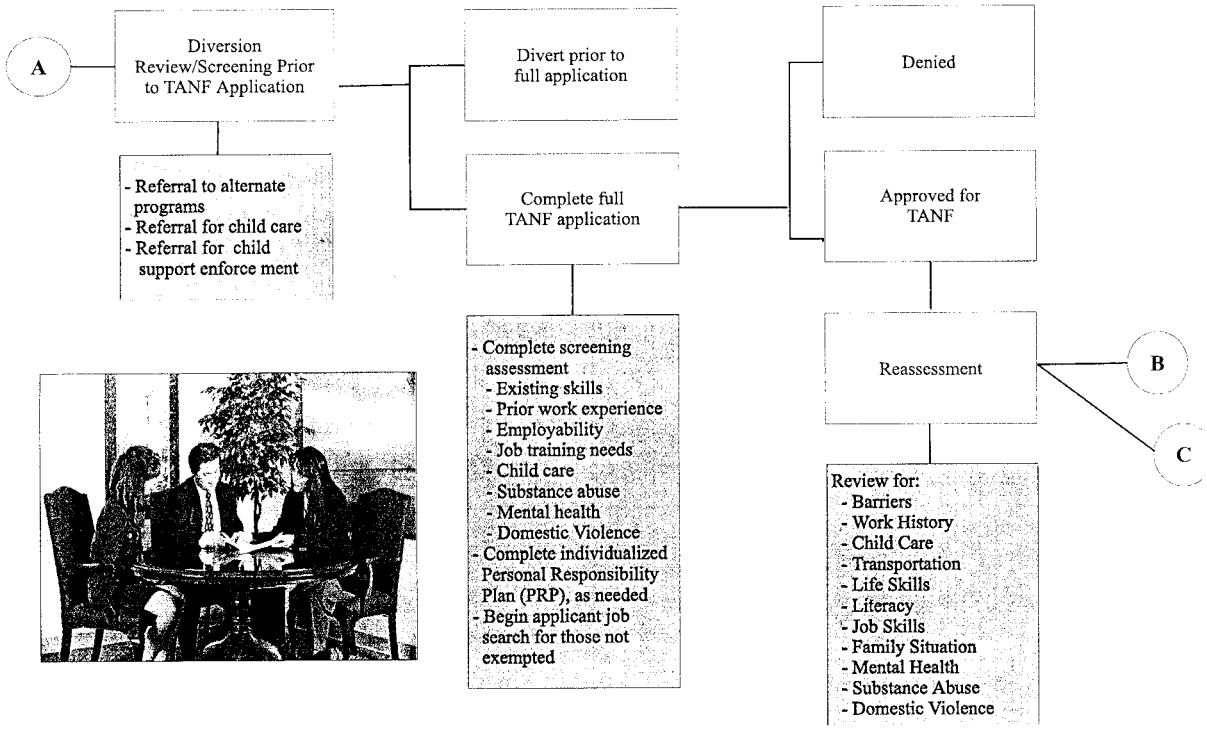


SELF-SUFFICIENCY PROCESS

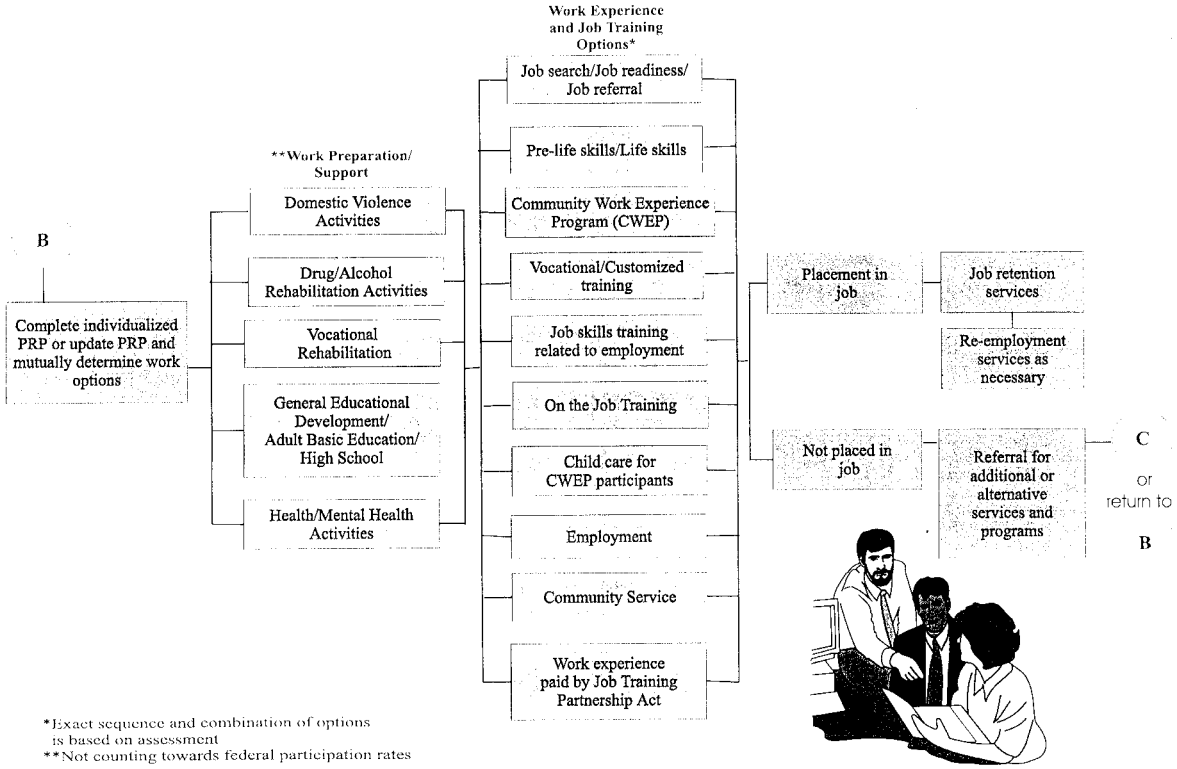
NEVADA STATE WELFARE DIVISION

ELIGIBILITY AND PAYMENTS
BENEFITS AND SUPPORT

OVERVIEW OF THE SELF-SUFFICIENCY PROGRAM

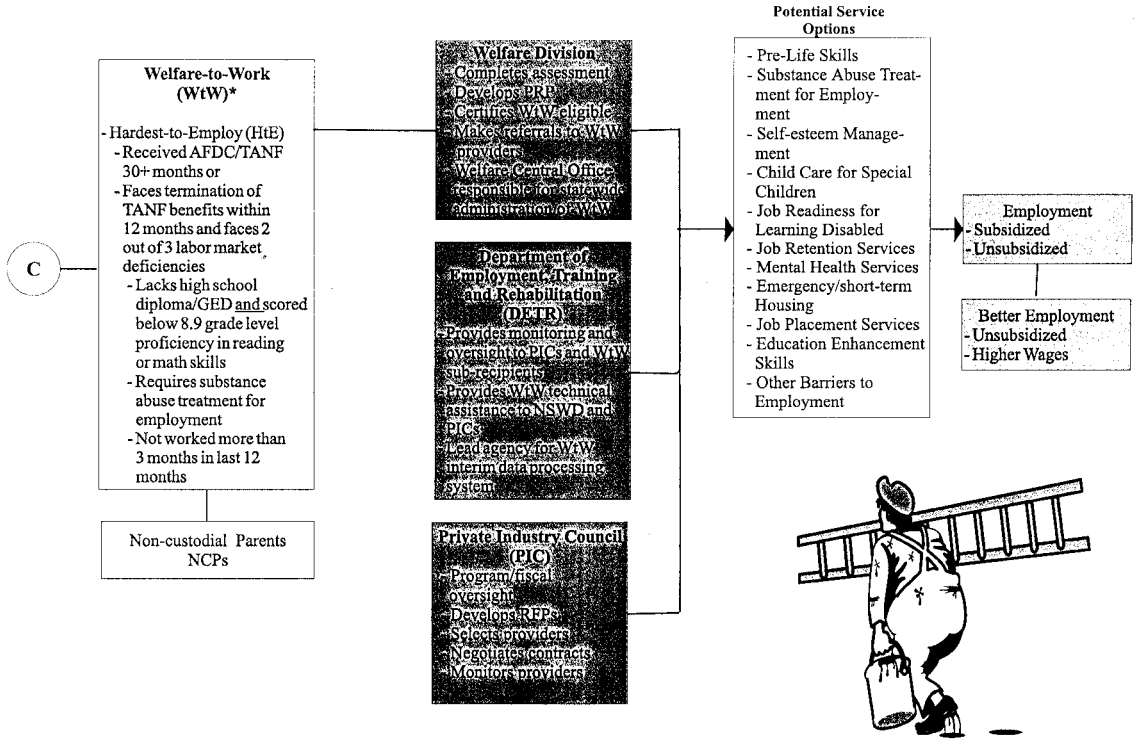


OVERVIEW OF THE SELF-SUFFICIENCY PROGRAM



*Exact sequence and combination of options is based on assessment
**Not counting towards federal participation rates

OVERVIEW OF THE WELFARE-TO-WORK PROGRAM



* Nevada's federal WtW grant is $3.4 million. Nevada's required match is $1.7 million.

Mr. ENSIGN. Thank you.

Mr. Michael Willden.

STATEMENT OF MICHAEL J. WILLDEN, DEPUTY ADMINISTRATOR OF PROGRAM AND FIELD OPERATIONS, NEVADA STATE WELFARE DIVISION

Mr. WILLDEN. Mr. Chairman, I am Mike Willden, deputy administrator for the welfare division.

I would also like to thank you for this opportunity to be here and provide a few brief comments about the division's ongoing need to change the way we do business.

Specifically, the training of our frontline workers.

Myla mentioned our mission at the welfare division is to provide quality, timely and temporary services enabling Nevada families to achieve their highest level of self-sufficiency.

If you take a minute to think about that mission statement, four things come to mind.

First, we have to be committed to self-sufficiency.

Second, we must want to help, which deals with our attitude and our contact with the clients we serve.

Third, we must know how to help. We must have the skills and ability to help the people we serve.

Finally we must do our work timely, accurately, and promote the program integrity.

Over this last 25 years, we have trained eligibility workers to simply determine eligibility and the amount of benefits.

Until recently, employability was not integrated into the eligibility process, nor were social workers available to help families with complex social programs.

Welfare reform has demanded a retooling or change in these processes. I would like to quickly talk about three things we have done in Nevada.

First, we are one of eight States to receive a cultural change grant.

We have received approximately $250,000 from the Department of Health and Human Services, office of child and family services.

We are very appreciative of getting these funds, and it has enabled us to do training over the last six months.

Nevada has primarily used our grant to provide a 40-hour training course to all frontline workers and supervisors.

We contracted with Mid-America Consulting Group, to tailor their product to meet Nevada's needs. We trained 30 of our own frontline trainers.

And we then set out to train all frontline workers in the new process, the new culture of welfare. This training emphasizes the change from the old eligibility system to the new emphasis on work and self-sufficiency.

Finally, I would like to indicate, the training will be of no value unless we evaluate whether or not the exchange of information across the worker's desk to the client that we serve is of benefit.

This evaluation will occur this coming month, and we hope that we will be able to come out with future recommendations and areas that we need to make additional change.

Second, we have opened a professional development center in Las Vegas. Mr. Ensign commented about the population modifier.

In the TANF grant, we are using the population modifiers to fund training centers for our frontline workers. We have one open in Las Vegas that opened last February.

This includes an academy for all frontline workers where they learn to do business from A to Z. This is largely different from the way we did business in the past, where we would bring an employee in, buddy them up, give them OJT and expect them to do their job.

The academy will be a huge change in the way we do frontline training.

Also included in the academy are several issues where we marry up with our client training.

The academy houses several lecture rooms, automated system labs, and we use those labs to not only train the clients in work efforts and employment training efforts, but our own staff.

Also included in the professional development center is on-site child care, we are now in the business of remodeling the facility and doing construction there, but this will be a huge cornerstone to the outcome and the product that we have produced there.

Finally, I would like to talk about our workers' certification program.

We have contracted with the University of Nevada Las Vegas to provide additional frontline workers training. When I say frontline worker, this is eligibility workers, employment and training workers, and child support workers.

Each of these individuals will go to 32 hours of core courses, where they will learn the principles of public welfare, program policy and procedures, technical and quantitative skills, communication skills, interpersonal effectiveness and achieving personal excellence and transition to leadership.

In addition to the core courses, staff will be eligible to attend 27 hours of expanded course work. If they complete each of these courses, they will be eligible to receive a certificate in professional development, and it will also improve their knowledge and skills to help families become independent.

In summary, I would like to close with the comment that we are cognizant that doing business now is extremely different than the way we have done it for the last 25 years.

It requires a totally different type of worker to deal with the issues that are involved in welfare reform, and we would like to recommend that Congress and the administration continue to support ways to improve frontline worker training.

We also are recommending formal technical assistance programs where States can share the positive things that other States have put in place.

I would suggest to the committee that the US Department of Agriculture Food and Nutrition Service has an excellent State exchange service that I believe could be modeled for TANF, and it would be an excellent tool.

I thank you for this opportunity, and I am available for questions.

[The prepared statement follows:]

Statement of Mike Willden
Deputy Administrator, Program and Field Operations
Nevada State Welfare Division

Testimony Before the subcommittee on Human Resources
of the House Committee on Ways and Means

Hearing on Welfare Reform

Chairman Shaw and members of the subcommittee, I am Mike Willden, Deputy Administrator of Program and Field Operations for the Nevada State Welfare Division. I also would like to thank you for the opportunity to speak today and provide brief comments regarding the Division's ongoing need to change the way we do business. It has been said and written many times over the past two years, "Welfare Reform can not work unless the exchange of information across the front-line worker's desk carries the message of self-sufficiency and our ability to help."

Myla Florence indicated in her remarks the mission of the Welfare Division is to provide quality, timely and temporary services enabling Nevada families to achieve their highest level of self-sufficiency. When you study the mission statement, four things come to mind. Each of these four items must exist if we are to continue to be successful in our Welfare Reform efforts. They are:

First: We must believe in self-sufficiency. This goes to our commitment to the people we serve;

Second: We must want to help. Our attitude and everyday contact must express our desire;

Third: We must know how to help. We must have staff, supervisors, managers and administrators who have the knowledge, skills and abilities to assist families in need; and

Fourth: We must do our work accurately and maintain program integrity.

For over twenty-five years now we have hired and trained Eligibility Workers to determine eligibility for benefits and amount of payment. Until recently (past three years) employability was not integrated into the eligibility process. There was a referral to an Employment and Training worker after benefit approval. Also, until recently there has not been the ability to involve Social Workers, who have specific skills and training, with families who have special needs not able to be addressed by eligibility workers.

Welfare Reform has demanded a re-tooling or a change to these processes.

CULTURAL CHANGE PROCESS:

Ms. Florence indicated Nevada was one of eight states to receive a "Cultural Change" grant from the Department of Health and Human Services, Office for Children and Families. We are appreciative these funds were made available to states and would recommend Congress and the Administration continue to fund this type of project.

Nevada has primarily used our grant to provide a forty (40) hour training course to all front-line workers and supervisors. We contracted with Mid-America Consulting Group, Inc. to tailor their cultural change model to meet the specific needs of Nevada. We selected thirty (30) of our staff to be developed as trainers so we would maintain in-house expertise. Training has been provided to all front-line staff over the past three months and will be completed in September 1998.

The training emphasizes the need to change from the "old" eligibility focused system to the "new" emphasis on work and self-sufficiency. Staff have been provided tools to assist them in understanding the dynamics of change, marketing mutual responsibility, assessing client's strengths, developing personal responsibility plans and linking families to alternative resources among other things.

Many positive comments have been received regarding the training and the new knowledge gained. Staff wish they had the tools years ago when we began our efforts to implement Welfare Reform legislation, both national and state.

I would like to reiterate, unless cultural change occurs across the worker's desk, our efforts will not be complete. The final phase of our contract with Mid-America will be to evaluate the effectiveness of the training and make recommendations for the future. This evaluation will occur during the month of September 1998.

PROFESSIONAL DEVELOPMENT CENTER:

Because of the need for ongoing training of Division staff and the desire to have comprehensive employment and training services for TANF families, the Division established the Professional Development Center (PDC). The idea was to integrate all training efforts, both employee and client, under one roof. We opened the PDC in Las Vegas, Nevada in February 1998 and have been busy with the volume of activity needed to establish a fully functioning center. We plan to open a second PDC in northern Nevada this coming fall.

The PDC includes an "Academy" for all new front-line workers to attend. The first class will begin October 5, 1998. An extensive curriculum has been developed which will ensure standardized competency training for all new staff. New workers will be given the skills necessary to effectively work with TANF families before being assigned a caseload. This is a drastic change from the old system of assigning new staff to a buddy trainer and putting them right to work. The Academy will include "live" training caseloads for workers to learn and improve their skills. The Academy also models the office environment our eligibility staff work in the local offices.

Also included in the PDC are several lecture rooms to be used for client assessment, training and education, as well as ongoing employee development. Examples of client training include: adult basic education, customized job training, life skills and personal financial management classes. There are also two fully equipped computer labs (25 work stations each). The labs are used for training TANF clients in word processing skills, business applications and other automation needs, as well as doubling to train staff on the Division's automated systems and computer skills.

Finally, what we think will be a real cornerstone to the PDC is onsite child care. The Division has entered a partnership with the City of Las Vegas and a private non-profit day care provider to have on-site child care for sixty (60) children. Clients attending training at the PDC will be able to bring their children to the center, solving transportation and other logistical issues when child care must be provided off-site. Also, while the care is being provided to the children, TANF recipients who have expressed interest in being child care providers themselves will be trained and provide direct care through a training program developed by our partners.

We believe the PDC to be an excellent resource to assist in changing the way we do business and to provide added opportunities to move clients towards self-sufficiency. Having staff and the people we serve interact in a training environment may help each to understand the others needs and foster improved relationships. We believe this site will be a national model for developing staff and client skills.

WORKER CERTIFICATION PROGRAM:

Last but not least, the Welfare Division has entered a partnership with the University of Nevada, Las Vegas (UNLV) to provide front-line workers (Eligibility, Employment and Training and Child Support Enforcement) with a professional development certificate. All staff will be required to attend thirty-two (32) hours of "core" courses and may elect to attend an additional twenty-seven (27) hours of "expanded" courses. The courses include Principles of Public Welfare, Program Policy and Procedures, Technical and Quantitative Skills, Communication Skills, Interpersonal Effectiveness, Achieving Personal Excellence and Transition to Leadership. This will provide workers another opportunity to improve their knowledge and skills to help families become independent.

SUMMARY:

In summary, we believe it is extremely important to continue to re-tool our business. The job we perform now is vastly different from the one in the past. TANF families need many more services than just cash assistance. We must continue to provide workers with the tools they need to assist the families requesting our assistance.

We recommend Congress and the Administration support improving front-line worker training such as the national model for Cultural Change. We also recommend establishing formal technical assistance exchange programs within the Office of Children and Families (ACF). States need to learn the "good practices" developed by other states. United States Department of Agriculture/Food and Nutrition Services (USDA/FNS) has a very good state exchange program which ACF could model.

Thank you for the opportunity to speak here today. I am available to answer any questions the committee may have.

Mr. ENSIGN. Thank you, Nikki.

STATEMENT OF NIKKI FIRPO, SOCIAL WELFARE MANAGER, NEVADA STATE WELFARE DIVISION, RENO DISTRICT OFFICE

Ms. FIRPO. Mr. Chairman, committee members, my name is Nikki Firpo, and I am social welfare manager for the Nevada State Welfare District Office in Reno.

I was asked to provide a view of welfare reform impacts from the local level.

I feel well qualified to do this, as I have been in a field office or representing a field office for the last 20 years in both child support enforcement and eligibility programs.

In the Reno district office, we have processed approximately 475 TANF applications. Each month we have an ongoing TANF caseload of approximately 1750.

I was an eligibility worker years ago when self-sufficiency was not the buzz word. We followed the guidelines to the letter when determining to what programs an applicant was entitled.

We made home visits when appropriate, but we did not delve deeply into the lives of clients. Decisions were based on the application, the interview and collateral contacts.

Case actions were solely related to eligibility criteria. We did not suggest to the clients they should be working.

Welfare was an entitlement program. If someone was eligible, we provided benefits.

We are now in a new world of welfare. Workers reorganizing their workday to spend more time with clients. They help the clients identify issues and become familiar with clients as parents and families.

Their casework is no longer black and white, but filled with multicolors representing strengths, problems, barriers and achievements. They work through the processes, leading clients through training and on to employment.

The workers are the rule books, the cheerleaders, the referral sources and the providers of temporary benefits.

Some workers have adjusted favorably to the new environment. Under the previous rules they felt stifled when they were only dealing with obvious aspects of the clients' lives, the part revealed on our application.

They are now challenged with the problem-solving areas. These areas include how to prepare for employment, how to juggle work and parenting, how to handle emergencies, et cetera.

Because they are part of the clients' successes, the process is more enjoyable. They have pleasure in witnessing the increase in self-esteem of our clients as these people become employed and take charge of their lives.

Other workers have struggled with the change. They have found it difficult to balance the work load with the new emphasis on partnership with the clients.

Some have become unsettled with the amount of information they receive and must process. One worker shared with me the conflicts she felt as she discussed the molestation of a client's grandchildren with them.

She felt unprepared and unworthy to play such an important role in the client's life as to recommend counseling.

She knew she had to develop a plan with the client, but was in tears when the interview was over. The whole process became overwhelming to the worker.

I think we have to recognize all staff will not be comfortable in the new roles.

Another important measurement is the acceptance of welfare reform issues by the clients.

Many of them do not believe some welfare rules apply to them. They have tested the system and have discovered sanctions are really in place, and if they do not comply, it does not take too long to lose their cash grant.

There are many who doubt the certainness of time limits. As I have talked with clients, they believe it might happen to others, but if they are discontinued, there will be another program available.

Those successful clients who have become employed want us to continue to hold firm with the new rules because their friends and neighbors will be better off once they are working.

As the process has worked for them, it will certainly work for others.

In Reno, we have worked hard on our community partnerships, including other agencies and potential employers.

We have job developers and employment and training counselors working with the private sector to create ways for our clients to be interviewed for jobs.

We have recognized the need for our clients to be able to keep their jobs, and we have a new job retention contract in place with our local JTPA agency.

The clients are trained in goal setting, money and time management and workplace norms and expectations. We should be seeing the results in job retention over the next few months.

It is interesting to note, although transition is difficult, the majority of staff and clients want it to work.

This is seen as a turning point in welfare history. As we endeavor to create positive change, the little achievements we have observed keeps all of us motivated.

The clients are proud of themselves and start to believe that the road to success is not so steep and not so rocky. Self-sufficiency is reachable to them and to others.

We appreciate the flexibility Congress has given us which enables us to shape our program and our services as needed.

Thank you.

[The prepared statement follows:]

Statement of Nikki Firpo, Social Welfare Manager
Nevada State Welfare Division

Testimony Before the Subcommittee on Human Resources
of the House Committee on Ways and Means.

Hearing on Welfare Reform
to include
Temporary Assistance for Needy Families (TANF)
Welfare-to-Work (WtW)
and
Child Care

My name is Nikki Firpo and I am a Social Welfare Manager for Nevada State Welfare District Office in Reno. I have been asked to provide a view of welfare reform impacts from the local level. I am well qualified to do this as I have been in a field office, or representing a field office, for the last twenty years in both Child Support Enforcement and eligibility programs. In our Reno office, we handle 475 TANF applications each month. Our staff have an ongoing caseload of 1750 TANF cases.

I was an eligibility worker years ago when self-sufficiency was not the buzz word. We followed the guidelines to the letter when determining to what programs an applicant was entitled. We made home visits when appropriate but did not delve deeply into the lives of the clients. Decisions were based on the application, the interview, and collateral contacts. Case actions were solely related to eligibility criteria. We did not suggest to clients they should be working. Welfare was an entitlement program. If someone was eligible, we provided the benefits.

Now we are in a new world of welfare. Workers are reorganizing their work day to spend more time with clients. They help the clients identify issues and become familiar with the clients as "parents" and "families." Their casework is no longer "black and white" but filled with multicolors representing strengths, problems, barriers, and achievements. They work through the

processes leading the clients through training and on to employment. The workers are the rule books, the cheerleaders, the referral sources, and the providers of temporary benefits.

Some workers have adjusted favorably to the new environment. Under the previous rules they felt stifled when they were only dealing with the obvious aspects of the client's life: the part revealed on our application. They are now challenged with the problem-solving areas. These areas include how to prepare for employment, how to juggle work and parenting, how to handle emergencies, etc. Because they are a part of the clients' successes, the process is more enjoyable. They have pleasure in witnessing the increase in self-esteem of our clients as these clients become employed and take charge of their own lives.

Other workers have struggled with the change. They have found it difficult to balance the workload with the new emphasis on partnership with the clients. Some have become unsettled with the amount of information they receive and must process. One worker shared with me the conflict she felt as she discussed the molestation of a client's grandchildren with her. She felt unprepared and unworthy to play such an important role in the client's life as to recommend counseling. She knew she had to develop a plan with the client, but was in tears when the interview was over. The whole process became overwhelming to the worker. I think we have to recognize all staff will not be comfortable with their new roles.

Another important measurement is the acceptance of the welfare reform issues by the clients. Many of them truly do not believe some welfare reform rules apply to them. They have tested the system and have discovered sanctions are really in place and if they do not comply it doesn't take too long to lose their cash grant. There are many who doubt the certainness of time limits. As I have talked with clients, they believe it might happen to others, but if they are discontinued, there will be another program available for them. Those successful clients who have become employed want us to continue to hold firm on the new rules because their friends and neighbors will be better off once they are working. As the process has now worked for them, they know it can work for others.

In Reno we have worked hard on our community partnerships, including other agencies and potential employers. We have job developers and employment & training counselors working with the private sector to create ways for our clients to be interviewed for jobs. We have recognized the need for our clients being able to keep their jobs and we have a new job retention contract in place with our local JTPA agency. The clients are trained in goal setting, money and time management and workplace norms and expectations. We should be seeing the results in job retention over the next few months.

It is interesting to note that although this transition is difficult, the majority of staff and clients want it to work. This is seen as a turning point in welfare history. As we endeavor to create positive change, the little achievements we observe keeps all of us motivated. The clients are proud of themselves and start to believe the road to success is not so steep, not so rocky. Self-sufficiency is reachable to them and for others. We appreciate the flexibility Congress has given us which enables us to shape our programs and services as needed.

Mr. ENSIGN. Thank you.

And I would like to state a word about Nevada Partners.

Right during the whole welfare reform debate we were doing there in Congress, I visited Nevada Partners. There was a class called the women in transition class, and there were 30 to 40 women in that class.

And that was at a time when we were being called all kinds of evil things, throwing women and children into the street, and accused of just being hard-hearted, mean-spirited, whatever other things that you can describe us as.

There were cartoons and editorials across the country that really lambasted us for what we were doing.

And yet in that class, I never will forget, several of the women actually thanked us just for discussing welfare reform and saying that there was going to be an end to entitlement.

Because that is what got them to come to that class, and they were so excited about what they were going to be doing. They were going to be changing their lives, and the lives for their children, and I never will forget that day.

I brought that testimony back to the Chairman at that time and shared with him, because we were being beat up so badly, that we kind of needed the encouragement to go on, as well.

So I thank you for being here.

STATEMENT OF MUJAHID RAMADAN, EXECUTIVE DIRECTOR, NEVADA PARTNERS, INC., NORTH LAS VEGAS

Mr. RAMADAN. Thank you, Congressman.

Mr. Chairman, Congressman Christensen, on behalf of Governor Bob Miller, the chairman of the board of Nevada Partners, and founder of it back in 1992, we were spawned out of social unrest in southern Nevada.

Since that time, it has become part of the big component of what was identified as an organic whole of getting people to transition successfully from welfare and into the work force.

To date, through the private sector, Nevada Partners has invested over $9.5 million in Nevada Partners, and we placed well over 4,500 people to work, about 40 percent of which happened to be on welfare.

Of course, it was noted earlier that the people who were placed at the MGM, the 900 came through Nevada Partners life skills preemployment, postemployment preparation.

And that is largely where Nevada Partners gives a focus to, is how to shift the paradigm of the unemployed, always on welfare, successfully into the work force.

So in discussion of welfare reform, it has become necessary to encompass some of the things that you already know and put them into a context of welfare reform, so we can take the actions that will truly make an impact on the lives of the individuals.

As Congressman Ensign has made note, these individuals were really encouraged by the fact they were going to have to now go into the work force.

Human behavior, as we realize, is based on three levels of components.

The base level has to be physical reaction to our desires, and that is where we reside.

This is where most of the information regarding our physical senses, taste, touch, smell, sight and hearing, take place.

Above this level is our emotional or implicate level, where emotional responses and desires are experienced.

The upper level contains the working knowledge of what is needed to be done, how to accomplish it.

This is what our life skills and pre-employment and post employment preparation focuses on.

Within the welfare culture, there is a group that had been created. There are circumstances we would like to change, and we have been successful in doing so.

It becomes necessary to realize that a forced change in behavior is simply that: Forced change in behavior. It is possible through the changes in the systems of effect to effect temporary change on the behavior of people.

But until such time as an impact is made on that emotional level, we cannot truly expect the change of paradigm and thus lasting difference to be made.

In making a change in an individual's paradigm or how they experience life, it is crucial to understand their origin.

Most of us are pretty much aware that a change in perception is what it takes to make a change in a person's reality. That makes a difference between someone who is dependent upon a system, as opposed to someone who makes his or her own way out.

The question that is often raised, or the issue most misunderstood, is how to penetrate the misconceptions and clear away the baggage to create a positive result.

I would like to bring to your consideration the effects of establishing a human response pattern.

In recognition or processing of a stimuli, certain areas of our human behavior are activated, and a series of reactions occur in the human personality due to the firing of how our brain functions.

An experiment at the University of California, San Francisco, revealed some pertinent fact about the brain and habituation.

In the study, primates were used to illustrate the point, as they tend to provide the best model for studying human behaviors.

Subjects were told to use one finger to press a button and reap food as reward. This continued to produce a learned response: Press the button with this finger and get the food.

The subjects learned this behavior sequence and related it to the pleasurable outcome of gaining rewards.

The part of the brain stimulated in this response was also studied. It was found, through habitual stimulation, this part of the brain developed deeper pathways or patterns in the brain's response.

Thus, in the absence of food as a reward, the subject continued to use the same finger to press the button, having associated it with a pleasurable event.

Human beings behave in much the same way when it comes to association. We develop brain response patterns that dictate much of our behavior.

This is exemplified in the phantom limb syndrome.

These continued behaviors that have been developed over a period of time we can see often in the welfare population.

These neural pathways can be forged that are particularly difficult for this population to overcome.

In the case of welfare, brain response patterns have often been created over periods of generations. To simply remove the financial compensation will not extinguish the paradigm. It then becomes necessary to impact the perceptions that lead to a voluntary change in behavior.

A new human response pattern can be developed into a complete new way of seeing life. Only in this process will we truly impact many individuals' lives.

Oftentimes, it takes a discontinuance of habitual behavior to see the involved thought process for what it really is.

It is difficult to recognize this behavior response pattern while we are directly involved in it. As with many people on welfare, it is difficult to see the damaging effects of welfare.

Consider our adolescent paradigms and how we now see it from the adult point of view.

In my summation, the Nevada Partners' effort is to be able to bring people new life skills and to help alter how they experience and how they view life.

We have a mirror inside of our facility, which is about 20,000 square feet, 14,000 which is dedicated to life skills, pre-employment, postemployment preparation.

And above the mirror there is a sign that says: Would you hire this person? And the mirror really speaks back to you itself. If you can't say you would hire the person, no employer would.

We also look at that, and the fact we have the luxury in southern Nevada of having a rich, growing economy in our efforts to help people work gainfully in the private sector, get people into the work force.

But the deal is we have to send them good, sound people. We work with Nevada State welfare, and the culinary people have to go through partnership, pre-employment, postemployment preparation prior to going into training to go to success into the work force.

So on behalf of our board and the private sector participation, all of those who have participated with Nevada Partners, we appreciate your allowing this testimony.

Congressman Ensign was very involved in Nevada Partners.

[The prepared statement follows:]

Statement of Mujahid Ramadan

Testimony Before the Subcommittee on Human Resources of the House Committee on Ways and Means

Hearing on the Impacts of Welfare Reform August 24, 1998

Welfare Reform: Changing the Paradigm

In discussions of welfare reform it has become necessary to uncover some things that you already know and put them into the context of welfare reform so that we can take actions that will truly make an impact on the lives of individuals.

Human behavior is made up of three components or levels. The base level is that on which physical reactions or desires reside. This is where we process information regarding our physical senses: taste, touch, smell, sight and hearing. Above this level is our emotional or implicate level, where emotional responses and desires are experienced. The upper level contains a working knowledge of what needs to be done and how to accomplish it.

Within the welfare culture, a group has been created whose circumstances we would like to change. It becomes necessary to realize that a forced change in behavior is simply that. It is possible, through changes in the system to effect temporary change on the behavior of people but not until such time as an impact is made on that middle emotional level, can you truly change paradigms and thus make a lasting difference.

In making a change in individual paradigms, it is crucial to understand their origins. Most of us are pretty much aware that a change in perception is what it takes to make a change in a person's reality that makes the difference between someone who is dependant upon the system as opposed to someone who makes his/her own way. The question that is often raised (or the issue most misunderstood), is how to penetrate the misconceptions and clear away the baggage to create that positive result.

I would like to bring to your consideration the effect of establishing human response patterns. In the recognition or processing of a stimulus, certain areas of the brain are activated and a series of reactions occur in the brain due to the firing of different brain cells. An experiment at a California university reveals some pertinent facts about the brain and habituation. In the study, primates were used to illustrate the point as they tend to provide the best model for studying human behavior. Subjects were taught to

use one finger to press a button and reap a food reward. This conditioning produced a learned response: press the button with this finger and get the food. The subjects learned this behavior sequence and related it to a pleasurable outcome. The part of the brain stimulated in this response was also studied. It was found that through habitual stimulation, this part of the brain developed deeper pathways or patterns of brain responses. Thus in the absence of a food reward, the subjects tended to use that same finger to press the button, having associated it with a pleasurable event.

Human beings behave in much the same way when it comes to association. We develop brain response patterns that dictate much of our behavior. This is exemplified by the phantom pains of amputees or when a particularly tall person unconsciously ducks even when there is a high enough doorway to enter without doing so. Neural pathways/behavior patterns can be created even in a short span of time. Over many years and many generations, neural pathways can be forged that are particularly difficult to overcome.

To further illustrate this point, let us consider the long-time prisoner. Statistics show that after two or more years in prison, it is less likely that an inmate will be rehabilitated and become a productive member of society. The brain response patterns have been made over time and created a stronghold that is much more difficult to change.

In the case of welfare, brain response patterns have often been created over generations. To simply remove the financial compensation will not extinguish the paradigm. It then becomes necessary to impact the perceptions that will then lead to a voluntary change in behavior. A new brain response pattern can be developed into a completely new paradigm. Only in this process will we truly impact many individual lives.

Oftentimes, it takes the cessation of a habitual behavior to see the involved thought process for what it really is. It is difficult to recognize these brain response patterns while we are directly involved in them. Consider our adolescent paradigms and how we can now see the error in them.

According to Joseph Chilton Pearce in his book, *Evolution's End*, the climate that exists on the implicate emotional level will continue to exist and perpetuate effortlessly unless some modifying influence intervenes. Many of our causal forces are inherent and "our lives spin out of an infinitely interweaving web of such forces".

At Nevada Partners, we seek to impact individuals by identifying and more importantly helping them to identify their intrinsic value. Identifying this worth is the beginning of a more productive self-image. What it takes to make a true change comes from within. We often find that the welfare recipient is capable of becoming a self-sustaining member of the community.

"Only through faith in yourself and in your own life can you respond to a new life given

you (either your offspring or your own lost self) according to the needs of that new life." (From Joseph Chilton Pearce, Magical Child)

We too should consider the individual and what he or she has to offer our collective body. The potential contribution of the underserved is something too precious to be overlooked. While we're trying to help the individual understand his or her worth, we need to examine each person's worth to the community and to the nation. The energies of those groups with unmet needs will be largely lost to our nation until those groups are accommodated and their reasonable needs are satisfied.

People are encountered within the welfare-to-work situation who have deeply-rooted personal issues that manifest themselves in the form of drug use, illiteracy and depression. The roots of these problems are often negative behavioral patterns that come from years of forging neural pathways that lead to destructive results.

It is our challenge to create new brain response patterns in order to change the perceptions and ultimately the behaviors. Only in so doing will effective changes be manifested with the concomitant reduction in the number of individuals who display those attributes which result in chronic unemployment.

The approach towards a solution will be found in strengthening families and communities, ensuring that the individual has the appropriate rights to coincide with their responsibilities, encouraging contribution to the communities and providing training and workforce readiness skills.

Mr. ENSIGN. Thank you.

Now, I really think one of the stars of the day, Dorothy Wilcox, who is a former welfare recipient and who is truly the personification of what the welfare reform bill was supposed to do, both on the State and Federal level.

And we invited you here to tell your story because we also want you to be an encouragement to others who are on welfare currently, and we want you to be an inspiration for people to be off. Look forward to your testimony.

STATEMENT OF DOROTHY WILCOX, EMPLOYEE, OFFICE OF DR. LEONARD SHAPIRO, RENO MEDICAL PLAZA

Ms. WILCOX. My name is Dorothy Wilcox. I have been on welfare, on and off on since 1992.

I would get off welfare, when I could support myself by providing child care for other people's children. But I would get very depressed and not be able to continue. Then I would reapply for welfare.

Have three children, two boys and a girl, ages four, nine and thirteen. My youngest son goes to daycare each day, and my daughter is in year-round school. My oldest son is mature enough to stay home during the day.

I last came on welfare in June 1997. I went to an employment and training orientation in August 1997.

The employment and training worker saw I had some skills, and placed me in a community work experience program at Catholic Community Services.

I stayed there for three months. I would walk my youngest child to daycare each morning and ride the bus to work, to my work site. After a while, my worker and I decided I needed to get more skills training.

I enrolled in a Medi-soft program at my local community college. This course taught me how to do medical billings, set up appointments for doctors and the technical language of the medical field.

I walked to school each day for six weeks. The classes were concentrated, and I was in school from eight to five.

Once I had graduated from the program, I applied for two jobs and was not hired. The employment and training worker and the counselor encouraged me a lot.

They would not let me doubt myself. One of the companies that had not hired me called back because the person they hired did not work out.

So I went to work at the Reno Medical Plaza as a patient coordinator on July 7th of 1998.

I make 7.50 an hour and work full-time. I still walk my son to daycare every day and spend 45 minutes, one way, including transfers, taking the bus to work.

I tell my friends who don't have cars that you don't need a car to get a job because I have done it. I have a lot of self-esteem now.

I know I can support my children. While I was on welfare, the support enforcement workers were able to get me a court order for child support.

When my cash grant stops next month, I will start getting my child support directly, which is over $200 a month. I also will begin

receiving Social Security survivors benefits of $524 for one of my children.

With this income, in addition to my job earnings, I believe I can provide for my family.

I have gained a lot because of welfare reform. I now have self-esteem, training and skills I can use on the job.

Before I thought no one cared. There were very few training opportunities. Now I have been able to get just about anything to get me going.

My workers pushed me and made me believe in myself. They kept me going when I didn't think I would get a job. Now I am almost there.

Thank you.

[The prepared statement follows:]

Statement of Dorothy Wilcox

Testimony Before the Subcommittee on Human Resources
of the House Committee on Ways and Means.

Hearing on Welfare Reform
to include
Temporary Assistance for Needy Families (TANF)
Welfare-to-Work
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My name is Dorothy Wilcox. I have been on and off Welfare since 1992. I would go off welfare when I could support myself by providing child care for other people's children. But I would get very depressed and not be able to continue. Then I would re-apply for welfare.

I have three children: two boys and a girl, ages 4, 9, and 13. My youngest son goes to daycare each day and my daughter is in year round school. My oldest child is mature enough to stay home during the day.

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After awhile my worker and I decided I needed to get more skills training. I enrolled in a Medi-soft program at my local community college. This course taught me how to do medical billings, set up appointments for doctors, and the technical language of the medical field. I walked to school each day for six weeks. The classes were very concentrated and I was in school from 8 to 5.

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I have a lot of self -esteem now. I know I can support my children. While I have been on welfare, the support enforcement workers were able to get me a court order for child support. When my cash grant stops next month, I will start getting my child support directly, which is over $200 per month. I also will begin receiving social security survivors benefits of $524.00 for one of my children. With this income, in addition to my job earnings, I believe I can provide for my family.

I have gained a lot because of welfare reform. I now have self esteem, training and skills I can use on the job. Before I thought no one cared. There were very few training opportunities. Now I have been able to get just about anything to get me going. My workers pushed me and they made me believe in myself. They kept me going when I didn't think I would get a job. Now I'm almost there!

Mr. ENSIGN. Thank you very much, Dorothy.

I enjoyed spending time with you at your workplace. I also want to thank your employer for allowing you to be here today, but also for believing in you.

And, by the way, I talked to him this morning. He said you are doing a great job, so that is very encouraging.

I have a few questions for various members of the panel.

First of all, I do want to start with you, Dorothy.

You mentioned this morning, when you were being interviewed by one of the news stations, you mentioned that, when they asked you about the welfare reform bill, and your comments, I just maybe want to share what your comment was about whether or not this welfare reform bill should have been enacted.

If it was not, where would you find yourself? And should we ease up on people, I guess.

Ms. WILCOX. I don't think you should ease up on people. I would not be here today if it was not for them. I would still be sitting at home depressed. They made me believe in myself and know that I can do it.

They need to be tough on these people because they think they can sit at home collecting this money, which is not doing anything.

Mr. ENSIGN. You know, your comment was, also, about transportation. That is one of the big things that people talk about is transportation, and they don't have a car. They can't get to work.

And you travel 45 minutes on a bus doing various transfers, and you have got to walk to child care. You have got all the obstacles that everybody else used for excuses.

And all the people that would criticize us for doing this welfare reform bill, you are overcoming those obstacles.

And I thought it was interesting, your comments that if we ease up on them, then they are not going to use these excuses forever.

Ms. WILCOX. Right.

Chairman SHAW. I wanted to pursue one side that we really haven't touched on.

How old are your children, Dorothy?

Ms. WILCOX. Four, nine and thirteen.

Chairman SHAW. How has your going to work affected their attitude towards life and towards you?

Ms. WILCOX. Before, when they were on welfare, they didn't get out much. They weren't happy, and they knew I was not happy.

Now that I am working, they are—I see their attitudes have changed towards life. They are really happy now, and they get out and do stuff. I can take them places every weekend, to the movies and do more things with them.

Chairman SHAW. At one of our hearings in Washington, I remember—I think it was Eloise Anderson, who is the welfare director of California. I think she is the one that said this. But it was somebody of equal position, if it was not her.

She was talking about how the children would tend to go to school and brag, saying, "My mama went to work today," which is really a wonderful thing to see.

So I think the role model that you are now, is infinitely higher than the role model you were when you were home depressed, watching the reruns.

So I congratulate you. Thank you.

Mr. ENSIGN. Thank you. I have a couple other questions.

First of all, Mujahid, could you just do me a favor and comment on this population because it seems like you deal with a lot of different populations.

Not just the ones like Dorothy who was in and out. She, motivated herself to get out. Therefore, we have given her the tools to get off welfare.

But can you comment on what we talk about, that 50 percent or whatever of the welfare rolls that are going to be, on there for a long, long time, do you deal with those?

Mr. RAMADAN. Yes, we do. It is going to be—actually, it has been mentioned this morning, but to reinforce that fact, going to be a more challenging population.

Two years and beyond, you are going to find a great deal of difficulty because it becomes a pattern of behavior, not only physical behavior, but an emotional makeup, and that paradigm has to be shifted.

And so that is the population we are now going to begin to engage, and it is going to be a population we are going to have to go through the more intensive life skills and employment preparation to help break the way the individual is seeing life.

But the key is helping them to see that the resistance that you are getting, the opposition that this young lady has talked about, really, there is that help to help them reinterpret their life experiences.

So it takes a series of life skills, and, of course, it takes building into that a support base of case management, through welfare. It takes building in mentoring.

And in the employment arena, we have a luxury in southern Nevada where the business community, with the new opening of the Bellagio, the upcoming Venetian, all of those properties are working with Nevada Partners, welfare and others, to help put in the type of components we need in order to make that successful transition. It is a hope.

But when you are dealing with a challenged population, you also find that population will generally suffer from greater domestic violence, greater emotional abuse.

Sometimes you are going to find drug and alcohol problems, have greater difficulties in managing, dealing with child care, and just managing their day-to-day life, in terms of time management, money management, communications skills, not only interpersonal communication skills, but intrapersonal communication skills as far as they communicate with themselves.

So there is a whole host of things that we have to encounter in their life skills, if we are going to be, I think, we are going to be successful in helping them to make that transition.

Mr. ENSIGN. I just have one question for Myla.

You mentioned child care funding, needing more of it.

You have 42 percent fewer families now on the welfare rolls, and we fixed—1995 is the year that was our highest year ever, and we fixed that as our formula year.

And one of the reasons we did that, we didn't want to penalize States that were going to make—as they went forward and de-

creased, we didn't want to say to a State, as you get better, we are going to take your money away.

We knew, first of all, that a lot of these difficult families were going to take more time.

As a matter of fact, meeting in your local offices, you know, I had a lot of meetings down in southern Nevada with the local welfare workers themselves and listened to them.

And that was one of the things they brought up to me was, fine, when you get through these initial people, like the Dorothys, you can get them off.

When you get these challenging cases each individual is going to have to take more time to work with them.

And the training centers, Michael, that you mentioned, and getting these people, trained to deal with these tougher people.

So we know there is more money there, but we also put a huge amount of money in for the block grants for child care.

But also, you can transfer from block grant to block grant. It just seems with 42 percent fewer people, that there should be enough money to do all of the things that you need to do.

I guess I am having trouble understanding why you were asking now for more money.

Ms. FLORENCE. Well, we will be transferring TANF funds into child care, but, again, it is not only child care for families that are on public assistance or formerly have been on public assistance.

But there is that growing low-income group that were previously subsidized, but now with the focus on the public assistance population, child care is just one of those things that, I think, we will struggle with for some time to come.

There is an extraordinary demand. It is very expensive.

This is another area where I do think the private sector needs to step up. They will find they will be more productive.

Mr. ENSIGN. So you are not talking about TANF, within the welfare reform?

Ms. FLORENCE. Talking child care as a whole.

Mr. ENSIGN. Within welfare reform there is plenty of money for these people coming off.

Ms. FLORENCE. For people on assistance and currently for people coming off.

Mr. ENSIGN. Correct.

Ms. FLORENCE. But that population will grow.

Mr. ENSIGN. That is a separate problem, and I think that we need to keep them separate.

I mean, it is all in child care, but it is a separate problem than the welfare reform.

Because the people that are coming off, what we try to do is provide that revenue source to be able to get them off and provide the child care, like, Dorothy, and that is adequate, from what we understand.

Ms. FLORENCE. For that population, yes, but generally, still a problem.

Mr. ENSIGN. Okay.

Mr. Chairman or——

Mr. CHRISTENSEN. Nikki, on the apologists and naysayers on the welfare reforms over the last two years, what do you say to those people?

We have made such giant strides, so many things are happening that are positive, the Dorothy story and what Nevada Partners have been doing, how do you counter the naysayers?

Ms. FIRPO. I am surprised that there are so many naysayers still because to me it is success after success after success.

Truly, the workers do see these difficult clients, and it becomes a challenge, but they spend more time, and they reach a little deeper, and they get a little further.

I just think our successes will prove out.

Mr. CHRISTENSEN. Also, I have a question from the last panel, three to six o'clock syndrome.

Whether it is Mujahid, or Dorothy or Myla, or Nikki, what suggestions might you have for us on the three o'clock to six o'clock problem with increased juvenile problems, as well as the whole situation with teenage pregnancy increases?

Anything that we should be doing there, federally or statewide or on a private basis?

Mr. RAMADAN. Well, on a statewide basis, obviously, we can look at expanding the operation and/or the utilization of schools into those hours while parents are working.

Obviously, we need to become more involved in getting the private sector to do more things, like mentoring programs, not only for boys, but for the girls.

We have the luxury of Nevada Partners, the 7,000 square foot building, or portion of the building is dedicated to Nevada Partners, Sugar Ray Leonard boxing gym, this becomes a delinquency prevention program that is managed by an international boxing referee, Richard Steel.

We probably occupied some 60 boys per day in that program, but it is expanding those type of programs. It is introducing more Boy Scout/Girl Scout programs into low-income, at-risk communities, expanding YMCA programs, outreach, these type of communities.

I think we have to look more to those communities. I think it is engaging the religious community to do more in after-school tutoring programs to occupy the time of these students, and in doing so, you can provide the type of developmental programs.

It talks about parenting, talks about being a husband, talks about the responsibility of being a husband, and what the positive and long-term outcome happens to be.

Of course, the negative side in this is if you are involved in teen pregnancy and immoral and illicit sexual behavior, I think you are talking about looking at getting communities to be more involved, engaging churches, engaging programs like YMCA, like Boys and Girls Clubs, expanding these into communities and getting those traditionally more based outside of those communities that have been challenged, expanding those programs within these communities.

Mr. CHRISTENSEN. Thank you.

Mr. ENSIGN. I just want to point out one thing before I turn it over to the Chairman here.

Want to ask unanimous consent that this be made part of the record. The Church of Jesus Christ of Latter-day Saints has truly a remarkable program with their own church. They have their own welfare program that is completely faith-based.

And, Mujahid, you even mentioned getting faith-based organizations involved in the mentoring program. This is, truly something. There is a lot of accountability there, as well.

And as part of their efforts, I want to submit an article that was in the Wall Street Journal, June 26, 1998, called Help in Hard Times, by H. David Burton.

I just want to make that part of the record, Mr. Chairman.

[The information follows:]

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS

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July 17, 1998

The Honorable John Ensign
U.S. House of Representatives
414 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Ensign:

As a member of the Committee on Ways and Means, which has jurisdiction over the nation's welfare programs, I wanted to draw your attention to the following article printed in the Wall Street Journal last month.

Bishop David H. Burton, the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, describes in detail the principles of the Church's successful welfare system. Enclosed is a copy.

If you would like more information or have any questions about the Church or its welfare programs, please don't hesitate to contact me.

Sincerely,

T. LaMar Sleight
Director, International and Government Affairs

Help in Hard Times

Houses of Worship

By H. David Burton

In the talk about welfare reform, it is often said that the institutions of civil society—notably, the churches—will have to do more to help the poor and troubled, now that government programs are being scaled back. But how, exactly? What do the churches know about providing the moral and material equivalent of "welfare assistance"?

As it happens, The Church of Jesus Christ of Latter-day Saints (sometimes referred to as Mormons) has some experience with hard times. For the first 17 years of our existence, in the early 19th century, our people were driven from place to place, eventually fleeing the borders of the U.S. to seek refuge in the Rocky Mountains. Along the way, thousands lost their homes, belongings and loved ones—individuals who were often the primary breadwinner. Thus among the foundational principles of our community in the West were service, sacrifice and self-reliance.

In 1936, during the Great Depression, we made a formal plan for helping Latter-day Saints cope with tough economic conditions. For simplicity it was called the Welfare Plan, and it still exists today. Here are its components, somewhat refined now in practice but the same in principle as when the plan was first articulated.

When an individual or family has done all they can to provide for themselves, but still come up short, the Church stands ready to assist. In each case, the local lay minister and women's auxiliary leader—individuals closely associated with the person or family in need—talk with the needy to determine the most effective route to recovery. At their disposal today are 106 Church-owned commodities storehouses, 87 canneries, more than 100 farms and 100 employment centers. Each of these facilities is staffed by a small crew of professionals assisted by a staff of volunteers, among them the recipients of aid themselves, each of whom—importantly—is asked to give back to the system to the extent of his or her ability.

If the recipient's need is for life-sustaining goods, the commodities storehouses serve as a grocery store without cash registers—no money is exchanged. Fruits, vegetables, breads, dairy products and meats, produced and processed at Church-owned farms and canneries, are available, as well as other Church-produced necessities, including bath soap, laundry detergent and clothing. If a lack of work is the cause of welfare need, employment centers assist with job searches, the drafting of résumés and job-interview preparation. Temporary assistance may also come in the form of shelter, medical assistance, financial aid or disaster relief.

All around us we see the erosion of family values and disintegration of marriages and families. Out-of-wedlock pregnancies and the young single-parent families that often result create some of the most significant welfare problems we face in our country. The Church recently issued a proclamation to the world reiterating its concern and emphasizing the importance of the family in our society. To help strengthen families and to help them resolve social and emotional problems, we have also established 60 social-services offices that provide professional counseling and adoption services.

From the beginning, the purpose of the Welfare Plan was to set up a system under which the curse of idleness would be done away with, the inequities and deficiencies of a dole abolished, and independence, industry, thrift and self-respect established firmly in the hearts and minds of the people. The aim of the Church, then and now, is to build people, to make them able, to instill self-respect. Thus the average length of time a recipient of Church assistance remains on the "welfare roll" is only about four months.

One of the framers of that original Welfare Plan, J. Reuben Clark Jr., wrote that, "from the beginning, the real long term objective of the Welfare Plan is the building of character in the members of the Church, givers and receivers, rescuing all that is finest deep down inside of them, and bringing to flower and fruitage the latent richness of the spirit." Thus the real objective of temporary assistance is to get the individual back to a point where he or she can be self-sustaining.

How do we pay for all this? The members of the Church themselves fast one Sunday a month, forgoing two meals, and donate an amount of money equal to or exceeding the cost of that forgone food to the welfare program of the Church. These voluntary fast offerings have enabled us to provide for hundreds of thousands of people in need, both those of our faith and those outside it. As taught by the founding prophet of the Church, Joseph Smith, Latter-day Saints are "to feed the hungry, to clothe the naked, to provide for the widow, to dry up the tear of the orphan, to comfort the afflicted, whether in this church, or in any other, or in no church at all, wherever [one] finds them."

A prophet in The Book of Mormon put it succinctly: "When ye are in the service of your fellow beings ye are only in the service of your God." From the perspective of a Christian, certainly that of a member of The Church of Jesus Christ of Latter-day Saints, welfare is not an adjunct ministry of the gospel, to be parceled out according to statute and code. Welfare is the very essence of the gospel. It is the gospel in action. It is the crowning principle of a Christian life.

Bishop Burton is the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

Wall Street Journal . June 26, 1998

Mr. ENSIGN. Do you care to inquire?

Chairman SHAW. Yes, sir.

Ms. Florence, your testimony describes how your agency is providing services to pregnant and parenting teens.

We heard from the one of the witnesses, the first panel, that Nevada is in a very bad position with regard to the statistical data on out-of-wedlock births.

What exactly is your agency doing on this, and have you seen any results that you would care to share with this community?

Ms. FLORENCE. The STARS program, which began in 1996, STARS, is a partnership with University of Nevada Reno and University of Nevada Las Vegas, where social work students, both at the master's and bachelor's level, work with these teens, teen parents, kids having kids.

They have followed the families through a semester, and letters that I have received from both the students and clients indicate that there is a real meaningful connection between these parties.

Noteworthy, I think, mentioned in the testimony, eight of those teens have had second children, but overall, the purpose of the program is to help a person go through either high school or complete their GED, link them with various job training programs, and essentially give them a good step on life.

Chairman SHAW. I would like to underscore something that both Michael and Nikki made reference to.

And that is the question of how the job description has changed from welfare.

Dr. Haskins was telling me about a welfare worker that he met in Wisconsin, that said, "Now I can do the thing I really went to school for."

Today, when you go into a welfare office, they don't just sit you down and try to describe to you all the benefits that you are quote, entitled, end quote, to.

But they come, and I assume, and I am sure this is true in Nevada because of just listening to the two of you and what you do, that you say you need a job, and I am here to help you.

We saw where the young man that was with his child, sitting before this committee a few moments ago, was talking about the needs for clothes, making resumes and things like that.

And it is really wonderful what you people are doing, and I certainly want to congratulate all of you for it.

Mr. ENSIGN. Thank you.

Before we dismiss the panel, the last comment I would like to make was, as a matter of fact, I heard this so often when I visited the welfare offices.

That there was, the paradigm that you talk about, it was almost built in—that there was an encouragement of people to stay on welfare.

I never will forget this one lady who worked for me. She came to me, and she was a single mom with a small child, and she had just gotten off welfare, and you know how Dorothy was getting some of the transitional help.

And she had gone in there and said she had already got her job, but she needed some help, like in child care.

And what they told her at the welfare office was, "Well, why are you getting a job? You can have all these other things, and you are crazy to get a job."

You know, we have all these other types of—and I never will forget her telling me that. That really stuck with me.

The whole incentive had become part of the paradigm, really, of working in the welfare office. It is an entitlement. It is easy.

You know, "I can help you by getting whatever I can get you there, but you can't go to work."

And that is why I am so excited about the welfare reform effort at all levels, and you can really see it at your levels, and the local offices, they are excited about it.

I mean, the people that are staffing, they like their jobs better now because they actually feel like they were helping people instead of destroying people now.

Mr. RAMADAN. Congressman, I believe this is the auxiliary benefits that we are going to begin to encounter in the years to come.

That is, young men are going to become more sexually responsible with their behavior and become more engaging in terms of taking on their responsibilities because no one is going to take care of this responsibility that you have actually brought about yourself.

I think this is going to bring about a great deal of discipline within the fabric of many communities and shift the entire paradigm as to what individual responsibility is.

And what family responsibility happens to be, I think, is going to be challenging. But I think there are auxiliary benefits that, as a community and as a Nation, as a whole, we are going to benefit from.

Mr. ENSIGN. Well said.

I want to dismiss this panel, and call up Thomas Leeds, who is the Child Support/Paternity Hearing Master, Eighth Judicial District Court of Nevada in the Nevada Division, Las Vegas.

And, Myla, you are staying for this panel, as well, right?

STATEMENT OF THOMAS L. LEEDS, ESQ., CHILD SUPPORT/PATERNITY HEARING MASTER, EIGHTH JUDICIAL DISTRICT COURT OF NEVADA, FAMILY DIVISION

Mr. LEEDS. Mr. Chairman, esteemed members of the Committee, my name is Thomas Leeds.

Appointed in 1994 as the first hearing master in Nevada devoting full-time to the Child Support Enforcement Program, I became a student of child support issues.

As one who since that time has heard an average of over 200 child support cases each week, I also consider myself a frontline caseworker in the effort to obtain financial support for our Nation's children.

Without any question, the most significant event impacting the collection of child support was passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly known as welfare reform.

The first and most immediate effect of welfare reform on the court system was to make routine enforcement more efficient.

Before passage, simple tasks such as withholding wages to pay support, adding a payment for arrears, or ordering genetic tests in a paternity case required a motion and a hearing in court.

Due to section 325 of Welfare Reform, those measures can now be taken administratively. As a result, time is available in court to concentrate on problem cases, including parents who claim to be unable to pay support due to unemployment.

They may be unable, they may be trying to avoid the obligation to pay.

For such a case, first in Clark County, and then also in Washoe County, we developed the Employment Assistance Program to help parents with children who have received welfare assistance find jobs.

With the help of grant funds from section 391 of Welfare Reform, we have expanded the program to include access and visitation programs for noncustodial parents.

This has resulted in two very important developments which have increased the payment of support.

The first development has been to find jobs for unemployed noncustodial parents, and you have heard a lot about that today.

In our court program alone, an average of 260 cases per month now receive payments as a result of that program. Money collected helps families that would not otherwise receive support.

A second important development of the program, however, is described by the term smoke out.

That is, by providing employment assistance, we have been able to smoke out parents who say they are unemployed, but really have income.

A parent, when given an appointment with an employment counselor, suddenly admits to working, perhaps, quote, under the table, close quote.

Or a parent never shows up for an appointment with a counselor, but suddenly begins paying support. Smoke outs increase collections just as unemployed parents who obtain jobs.

I expect similar results from our access and visitation program made possible by funds received through section 391 of the Welfare Reform Act.

Many parents complain that they would have paid child support, but they weren't able to see their children.

The access program will help the sincere parent by providing a way to sit down with the custodian and discuss the barriers and logistics of visitation.

Availability of mediation, however, will also smoke out the parent using failure to see the children as an excuse to avoid paying support.

In either event, more child support will be paid. The parent who spends time with the child will be more willing and more likely to pay.

The parents who are smoked out will not be able to fool themselves and also be more likely to pay.

In closing, the Personal Responsibility and Work Opportunity Reconciliation Act is a long, but I believe, accurate and appropriate title, as it relates to child support enforcement.

In Nevada, by utilizing administrative procedures, and combining our existing employment assistance program with the grant money for child access and visitation, more parents are finding work opportunities, and more parents are assuming personal responsibility for their children.

Thank you.

[The prepared statement follows:]

TESTIMONY BEFORE THE HOUSE SUBCOMMITTEE ON HUMAN RESOURCES: THE IMPACT OF WELFARE REFORM ON CHILD SUPPORT ENFORCEMENT

Presented August 24, 1998
Carson City, Nevada
Field Hearing

by

THOMAS L. LEEDS, ESQ.
CHILD SUPPORT/PATERNITY HEARING MASTER
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Mister Chairman, esteemed members of the Committee, my name is Thomas Leeds. Appointed in 1994 as the first hearing master in Nevada devoting full time to the child support enforcement program, I became a student of child support issues. As one who since that time has heard an average of over two hundred child support cases per week, I also consider myself a front line caseworker in the effort to obtain financial support for our nation's children. Without any question, the most significant event impacting the collection of child support was passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly known as Welfare Reform.

The first and most immediate effect of Welfare Reform was to make routine enforcement more efficient. Before passage, simple tasks such as withholding wages to pay support, adding a payment for arrears, or ordering genetic tests required a motion and a hearing in court. Due to section 325 of Welfare Reform, those measures can now be taken administratively. As a result, time is available to concentrate on problem cases, including parents who claim to be unable to pay due to unemployment. They may be unable; they may be trying to avoid the obligation to pay.

For such a case, first in Clark County then also in Washoe County, we developed the Employment Assistance Program to help parents with children who have received welfare assistance find jobs. With the help of grant funds from section 391 of Welfare Reform, we have expanded the program to include child

access and visitation programs. This has resulted in two very important developments both of which have increased the payment of support.

The first development has been to find jobs for unemployed non-custodial parents. Since 1996, the year Welfare Reform was passed in Congress, 1234 parents have been referred to the Employment Assistance Program. To date $479,954.00 has been collected from these parents. An average of 260 cases per month receive payments. I have attached informal statistics about the program to my written testimony.

Due to the healthy economy, most of those referred have few job skills, little education, and barriers to employment such as criminal histories, poor work records, and/or substance abuse problems. Successful collections indicate our employment counselors have been able to provide tangible assistance to this problem population. Money collected helps families that would not otherwise receive support.

A second important development of the program is described by the term, "smoke-out". That is, by providing employment assistance, we have been able to "smoke out" parents who say they are unemployed but really have income. A parent, when given an appointment with an employment counselor, suddenly admits to working, perhaps, quote, "under the table" close quote, or a parent never shows up for the appointment but suddenly begins paying support. "Smoke-outs" increase collections just as unemployed parents who obtain jobs.

I expect similar results from our access and visitation program made possible by funds received through section 391 of the Welfare Reform Act. Many parents complain they would have paid if only they could see the children. The access program will help the sincere parent by providing a way to sit down with the custodian and discuss the barriers and logistics of visitation. Availability of mediation, however, will also "smoke out" the parent using failure to see the children as an excuse to avoid paying support. In either event, more child support will be paid: the parent who spends time will be more willing and likely to pay, the parent who is "smoked-out" will not be able to fool himself and also be more likely to pay.

In closing, the Personal Responsibility and Work Opportunity Reconciliation Act is a long but accurate and appropriate title as it relates to child support enforcement. In Nevada, by utilizing administrative procedures and combining our existing Employment Assistance Program with the grant money for child access and visitation, more parents are finding work opportunities, and more parents are assuming personal responsibility for their children.

Thank you very much for your time; I will be happy to answer any questions.

STATEMENT OF MYLA C. FLORENCE, ADMINISTRATOR, NEVADA STATE WELFARE DIVISION

Mr. ENSIGN. Myla?

Ms. FLORENCE. Thank you, Mr. Chairman.

Again, Myla Florence, Administrator of the State Welfare Division.

I think the hour is growing long, so I will just quickly highlight a couple of things that the Child Support Enforcement Program has been, is doing.

This slide, you can see the continuing escalation of child support collections in fiscal year 1998. Nevada collected nearly $92 million in child support payments, and this represents a 55 percent increase over fiscal year 1994.

One notable issue is the caseload mix is changing significantly.

Our nonassistance cases are growing, and as a result of that, county child support offices have had to add staff to meet that growing new population.

So we urge Congress to continue the financial support to the child and support program, and recommend that no changes be made in the funding methodology until we have had some time to sort out some of the new requirements under PRWORA, such as the case registry, central disbursement unit and others.

One initiative Nevada has undertaken is doing up-front orientations of TANF applicants, where we station a child support worker in our welfare office to inform the custodial parent of the benefit of child support, eliminating the need for the person to move from office to office, and make multiple applications.

I am unaware of any other State that has initiated this process.

As Hearing Master Leeds has mentioned, our noncustodial employment and training program, implemented in 1997, we collected $158,000 in child support payments, serving 662 individuals during the first year of that program.

We will see, in fiscal year 1998, $556,000 was collected on approximately 2400 cases.

This is a program that benefited that first family that testified here today, where the noncustodial father was referred by the court into the employment and training program.

As Hearing Master Leeds mentioned, the mediation grant provided in fiscal year 1998, has served to assist individuals who have children out of wedlock and custody issues are unresolved.

This is not only important in bringing child support to the child, but having the noncustodial parent again involved with that child, which is even as important as collecting the child support.

New-hire reporting was a strong enforcement tool provided by Congress. In Clark County over a three-month period, employment was identified in approximately 5,000 cases, resulting in over $2 million in child support collections.

So you are to be commended for that initiative, as well.

Finally, our recommendations with regard to child support, continued support for the access and visitation program, and as I mentioned earlier, to maintain the existing Federal participation in the Child Support Enforcement Program funding.

[The prepared statement follows:]

Statement of Myla C. Florence, Administrator
Nevada State Welfare Division

Testimony Before the Subcommittee on Human Resources
of the House Committee on Ways and Means

Hearing on
Welfare Reform and Child Support Enforcement

Introduction:

Chairman Shaw and members of the Subcommittee, I am Myla Florence, Administrator of the Nevada State Welfare Division. The Welfare Division is the state agency responsible for administering the Temporary Assistance for Needy Families or TANF Program, Child Support Enforcement, Nevada's employment and training program which we call New Employees of Nevada or NEON, the Welfare-to-Work Formula Grant, the Child Care Development Fund, Medicaid eligibility for Nevadans requiring help with their medical needs, the Food Stamp Program, Low Income Home Energy Assistance (LIHEA), and the Homeless Grants Assistance Program.

Thank you Chairman Shaw and the members of the Subcommittee for convening this oversight hearing on Nevada's Child Support Enforcement Program. I and the panelists are happy to apprise you of our achievements and the challenges in helping to strengthen families and reduce welfare dependency by ensuring parents live up to their responsibility to support their children. It's an honor and a pleasure to be here with you today.

Nevada's Structure/Collections/Cases:

The success of Nevada's Child Support Enforcement (CSE) Program is a collaborative and cooperative effort of the CSE central administrative office located here in Carson City, four (4) state program area offices located in Las Vegas, Reno, Carson City and Elko, and, of course, the district attorneys' offices. Nevada has 17 counties and 15 of the county district attorney offices have a cooperative agreement with the state to provide Child Support Enforcement (IV-D) services. The residents of the two counties which do not participate via a cooperative agreement are served by the Reno and Elko

state office and payments are processed through the Washoe and White Pine district attorney offices.

In 1994 the Nevada Child Support Enforcement Program entered into cooperative agreements with the judicial districts to hire hearing masters to establish child support orders, establish paternity, modify child support obligations, and to enforce those obligations. Today, there are six (6) hearing masters; two in Clark County (where roughly 70% of the population resides), one part-time in Elko, one full-time in Washoe County (Reno), and two roving masters to handle the balance of the state. The Nevada law authorizing the hearing masters enacts a quasi-judicial process to expedite the processing of child support cases through the judicial system and better serve the needs of Nevada and out-of-state children. The CSE Program pays 100% of the costs for the hearing master; however, the masters are hired by the district court judges. The hearing masters recommend to the district court judges who in turn sign the orders.

Nevada is fortunate in that it enjoys a fruitful working relationship among the various entities providing services. The state staff located in the Welfare Division program area offices work closely with the local district attorneys' offices to provide services to public assistance custodial and non-custodial parents in the community. The district attorney's offices serve non-public assistance clients. The hearing masters provide an invaluable service in terms of communicating with the district court judges. Nevada's hearing masters are also very active in policy development, communicating issues of interest and concern, serving on state and federal panels (Hearing Master Tom Leeds is here today), and generally acting as a conduit between the program and the district court judges.

Nevada's goals are not unlike other states. We strive to provide the five basic services of locating parents, establishing paternity, establishing financial and medical support orders, enforcing those orders, and collecting and distributing support payments. We strongly believe in the CSE program, especially as a means of enabling low-income custodial parents to become self-sufficient, and want it to be responsive to anyone requesting our services, efficient and user-friendly.

We're proud of our collection figures, the initiatives Nevada piloted before national

welfare reform, and our progress in implementing the strong enforcement tools provided us by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). In FY 1998, Nevada collected nearly $92 million in child support payments. This represents a 55% increase over the collections of FY 1994---only four years ago.

Like the collections, our customers have increased as well; however, the notable thing here is the *mix* of those customers. Six years ago Nevada served 59,000 cases; today we have 82,000; for that same period there were 15,000 non-assistance cases---today there are nearly 27,000 non-assistance cases representing an increase of 80%. Staffing has been increased in the county child support offices to provide services to the non-assistance cases. This increase in administrative costs has been absorbed by the counties and the federal government. As the non-assistance caseload continues to grow, we urge Congress to continue the financial support to service these families.

Nevada's successful welfare reform efforts are evident in the state Child Support Enforcement Program TANF numbers. Six years ago, the program served 33,000 active and former Aid to Families with Dependent Children (AFDC); today that caseload totals only 36,500. Six years ago if we projected such a small increase, 3,500 cases in this population, no one would have believed us! To further illustrate this point and the underscore the success of welfare reform, *Nevada's TANF active child support caseload dropped 2,100 cases between May 1997 and May 1998.* This decrease in cases along with the new PRWORA requirement to pay the families past due support before payments are applied to past due support owed the state has created a decrease in the state and federal share of collections.

Our interstate cases increased 47% between FY 92 and FY 98 and today represent 30% of the child support dollars collected in Nevada. The Nevada program has led the nation in child support collections going to families in other states; the national average has been less than 15%.

Nevada's new customers, the non-IV-D cases or those who have not requested child support services, are coming to us in two short months---October 1998. PRWORA requires the state child support program to collect information from the courts for any child support order issued or modified after October 1, 1998. It also requires any wage

withholding payments be processed by the state central collection and disbursement unit. The child support program, county clerks and the judges are collaborating to design the processes to meet the case registry requirements.

I don't want to go straight to the recommendations at this time; however, I make these comparisons on the caseload for you and indicate Nevada is experiencing the same case mix change as are other states. The old funding methodology worked well for "cost recovery" designed programs. With the advent of PRWORA, states are no longer "cost recovery" but rather expanding in two ways: first, to serve larger populations like the households *requesting services* and the "new non-assistance" caseload *not requesting services;* and, secondly, expanding in terms of tools and ability to collect support. On paper it may appear the old methodology is fiscally advantageous to the states; however, when county costs, the costs of implementing the processes mandated by PRWORA such as the New Hire Directory, State Disbursement Unit, Case Registry, etc., and the cost of updating data systems are added in, the state is in need of maintenance of federal funding.

The professional efforts of the Nevada county and state staff have resulted in continuing increases in child support collections for the former TANF households. Every year since Fiscal Year 1996 the collections have augmented by a minimum of a million dollars. In FY 96, $4 million was collected, in FY 97 $6 million collected, and $7 million was collected in FY 98. Keeping in mind Nevada is a small state, these are significant amounts of monies going into the budgets of families no longer receiving public assistance. Another way to view this is, these are the same families who in the past would have remained on the AFDC entitlement program. Under PRWORA Congress eliminated federal participation for disregard and pass-on payments. Nevada elected to continue these payments for low-income heads of households receiving public assistance to ensure as much money as possible streamed into the home where someone was trying to sever their ties to the public assistance system. In Fiscal Year 1998, the disregard and pass-on payments amounted to another $755,000 which was funded out of the state share of collections to help women leave the welfare rolls.

The success of welfare reform is evident in increased collections for low-income heads of household and decreasing TANF caseloads. The good news is the program is

working as envisioned. And, it is the state's intention to continue that child support income stream into the home to *maintain* financial independence for these families. The new enforcement tools provided with PRWORA enable the states, in my opinion, to actually *prevent* families from ever coming on to the welfare system by virtue of the fact collecting child support is so much more expedient than it was in the past with administrative processes and the technology available today to locate non-supporting parents and their assets. Thus, the goals of the national CSE Program are and continue to bear fruit. However, states must deal with the added populations of new customers---the non-IV-D cases. States must deal with the inherent training issues that come with program growth and expansion. Not that these are consequences of the new welfare reform focus, they're simply a reality.

Nevada Initiatives:

The CSE Program has always been an important aspect of the Welfare Division. Staff have long been aware of the fact single heads of households with children cannot successfully sever his or her ties to the welfare system without adequate amounts of child support coming into the home to supplement the income from employment on a regular basis. Recognizing child support is an integral part of the success of welfare reform, Nevada took advantage of every available tool to secure that child support income. I previously mentioned initiating the use of hearing masters in 1994.

Also in 1994, the CSE Program entered into a contract with a private collection agency to collect child support monies on specific types of cases. In FY 1995, less than $122,000 was collected using this vehicle; in FY 1998 $1.4 million was collected representing an increase of 1066%. The more difficult cases were given to the collection agency and the cost-benefit ratio result is very advantageous to children, the state and the collection agency---a "win win" situation for all.

Since 1996, when the Nevada Legislature elected to suspend driver's licenses for those who failed to pay their child support obligations, $3.1 million has been collected ($838,000 in FY 97 and $2.3 million in FY 98). Of the 914 licenses which have been suspended, 159 or 17% have been reinstated. The Clark County District Attorney's Office has used this tool to collect over $2 million in that county alone. Clearly,

Nevada's goal was not to suspend driver's licenses, but rather to collect dollars for kids. This initiative has proven fruitful as well.

Congress has placed emphasis on establishing paternity for children born out of wedlock. In Clark County, where the majority of the paternity cases are located, the district attorney's office is working closely with the state program area office to launch an improved hospital-based paternity establishment process. The staff have produced and amended videotapes, made initial contacts with the local hospitals, and are having paternity establishment forms translated into Spanish. When fully instituted, this will prove to be a very cost effective and efficient program.

Paramount among Nevada's initiatives are the following five I'll briefly review for you. They are the Orientation for TANF Cases, the Investigations and Recovery Paternity Project, the Non-Custodial Parent Employment and Training Project (now called Employment Assistance Program), the Access and Visitation Project and Caseworker Presentations Before the Hearing Master.

Orientations for TANF Applicants: In an effort to help clients view the CSE Program in a more positive light, state program area office staff began doing "upfront" orientations with TANF applicants. The goals were to improve the quality of information gathered on the non-custodial parent, inform the caretaker of the benefits of child support, eliminate the need for a client having to complete a new application every time they apply for assistance, and move those cases ineligible for TANF benefits to the district attorney's office faster. I'm unaware of any other state having this process. Rather than the eligibility worker conducting the child support interview, child support staff are present in the same office to answer any questions and help eliminate that tendency to be non-cooperative with the process out of fear or lack of knowledge. This project has been very successful and helpful to clients in terms of getting them the services they need given the fact they face time limits.

Investigations and Recovery Paternity Project: To reverse the consequences of a young mother claiming she had little or no information on the father of her unborn or child out of misguided loyalty to the dad, the state enlisted the help of its investigative staff to develop and pursue information the CSE worker could not obtain. The goal was to

increase the number of paternities established, increase collections and naturally, better serve children born outside of marriage. Each staffer was asked to complete 50 investigations a month. The project was so successful, the 1997 state legislature funded three staff for FY 1998 for this express purpose. Since the program's inception, 104 cases have been investigated of which one-third resulted in a district attorney referral to establish paternity and pursue collections on. Again, Nevada believes this initiative better serves mothers faced with time limits, enhances the father's connection to the child and promotes self-sufficiency.

Non-Custodial Parent (NCP) Employment and Training (E&T)Program: To underscore the importance of a non-custodial parent and their connectiveness to the family, what initially started out as a six-month pilot in 1996 has since turned into an ongoing service. The NCP E&T Program assists "non-custodial" parents, with children on or formerly on cash assistance, in need of employment and training so they can get a job and provide support for their children. In Fiscal Year 97, $158,000 was collected after having served 662 individuals. In Fiscal Year 98, $556,000 was collected on 2,426 cases. Incidentally the average wage of employment was $6.43 for FY 97 and $7.41 for FY 98. You will hear more about this program from Hearing Master Tom Leeds and a family served.

Access and Visitation Program: The Welfare Division received a $50,000 in FY 1998 to provide mediation services to parents with access and visitation issues because their mutual child was born out of wedlock. It's difficult for a parent to pay child support when they have no access to their child(ren). Mediation services are provided at no cost in both the Second (Washoe/Reno) and Eighth (Clark/Las Vegas) Judicial Districts. Washoe County implemented their program and have provided mediation services for 30 mothers and fathers. In several cases, contact has been established between father and child which had been non-existent prior to them entering the program. Clark County's program is being implemented in September 1998. Parent visitation plans are developed and participation in other necessary services such as parenting classes, problem resolution, peer groups, etc. is encouraged.

Caseworker Presentations Before the Hearing Master: Caseworker presentations are informal, cost effective and reduce processing time frames. The caseworkers are

knowledgeable on the cases and provide information the hearing master needs to make an informed decision. This process has been in effect for a number of years in the majority of the smaller county offices and the Elko and Reno state offices; the Las Vegas state office began the process in April 1998. Utilizing caseworkers is less confrontational and more user friendly for custodial and non-custodial parent alike. Again, client access to the judicial process is expedited with this process.

Like other states, Nevada is busy implementing the tenants of welfare reform and grateful our efforts will be enhanced as a result. Nevada applauds Congress for the Full Faith and Credit of child support orders which requires "one order--one time--one place" which eliminate the confusion and error prone multiple orders of the past; states having to give full faith and credit to another state's order was necessary. The Uniform Interstate Family Support Act (UIFSA) objectives will aid Nevada's ability to collect more child support via direct wage withholding and interstate liens. Nevada's CSE staff and the state Department of Employment, Training and Rehabilitation have been hard at work to facilitate the national new hire reporting requirements. New Hire Reporting is the strongest enforcement tool Congress provided. In Clark County over a three-month period, employment was identified in approximately 5,000 cases resulting in over $2 million in child support collections. The suspension of professional licenses mandated by PRWORA I've already mentioned; and the State Case Registry is a reality for us with the National Case Registry coming up in October 1998. The one other provision of PRWORA I'd like to mention is the Administrative Process. Nevada supports every opportunity to expedite the services of the CSE Program---it's the only way to be timely with genetic testing, subpoenas, liens, license suspensions and arrears payment orders. With these tools coupled with the fact the non-custodial parent still has his or her interests protected with the hearing process, Nevada can work collectively with other states and jurisdictions to collect support for American children being denied this right.

At this time I would like to acknowledge the dedicated and hard working state and county child support staff who have made Nevada's Child Support Enforcement Program successful. The staff are aware of the many challenges facing them and are ready to implement the new systems and tools to improve the program and obtain child support for our children.

Recommendations:

1. Continued Support for the Access and Visitation Program

   Nevada strongly concurs with the latest research which indicates the absence of a father in the life of a child has adverse consequences for the child's school achievement, labor force attachment, early childbearing, and risk-taking behaviors. Research that separates father involvement from mother involvement indicates fathers have an independent effect on child well-being. The growing body of research shows financial support and positive involvement of the father, including cooperation between the parents, increases positive outcomes for children who do not live with both parents.

2. Maintain Existing Child Support Enforcement Program Funding

   Nevada requests Congress not make any changes to the existing child support funding until the requirements of PRWORA have been implemented and the impact to the states and federal government are understood. The new distribution requirements for post arrears which was effective October 1997 and the other distribution changes effective October 2000 along with the new process of distributions incentives to the states beginning October 1999 will have a significant impact on funding to the states. Along with these impacts are the increased costs to the states of servicing an increasing caseload, system development and maintenance, new hire directory, and case registry.

In closing, Nevada looks forward to staying in the forefront of CSE improvements. Thank you for the opportunity to address the Subcommittee. Our success in this area is essential to family self-sufficiency.

Mr. ENSIGN. Thank you both.

I just have a quick question. As a matter of fact, this goes back to one of the first meetings Myla and I had when I was first running for office.

Before I was ever elected, we talked about this computer system that was—your big nightmare.

And I know that the computer is a big part of this interstate problem with child support enforcement, and I know we did provide some funding for that in the welfare reform bill.

But can you just address where we are with, your computer system, and second of all, with how that is going to affect the whole child support enforcement, interstate child support enforcement?

Ms. FLORENCE. Well, my testimony didn't touch on this subject at all.

It has been a very difficult situation for us in that Nevada was extremely aggressive in, if you recall when we had this conversation, developing a fully integrated system that not only includes child support functionality, but eligibility for all of our other public assistance programs, and developed that all as one system.

Next weekend we will be moving into our first phase one pilot, so we are reaching a very important milestone in the completion of this project.

The impact of welfare reform on that system as it was designed in 1993, has been considerable.

So that essentially delayed the ability to roll out the child support components of that system while modifications needed to be made to the eligibility components of the system.

At this point, our target is phase two pilot in April of 1999, and hopefully have the entire system implemented by October 1999.

Some of the new requirements we are looking to build outside of that system so that we can meet the new time frames that we will be facing.

Mr. ENSIGN. Is Nevada going to be facing penalties like California is?

Ms. FLORENCE. Unfortunately, we are.

Mr. ENSIGN. Okay. Do you have any questions?

Chairman SHAW. Yeah. I wanted to go into another area.

With regard to the collection and recovery of child support payments, as you know, the States, all the States have in the past really profited from recovering some of the TANF payments, or before that, the AFDC payments.

Now because of the drop and the plummeting of the caseload, those recoveries are falling off considerably.

What has been your experience here in Nevada with that?

Ms. FLORENCE. We had, I believe, in the written testimony, we have had a drop of about 3500 active TANF cases just in the past year.

So as I mentioned earlier, the nonassistance caseload is growing in our State, as well as other States, and the public assistance caseload has dropped dramatically.

Again, that is why I recommend that we not change the funding structure for child support until all of these issues are better discerned.

Particularly in October of 1998, when individuals not even requesting services will be referred to the 4D program through orders.

So we are seeing reduced collections or retained collections by the State, not only due to the dropping caseload, but by returning a greater portion of those collections to families first, as well.

Chairman SHAW. Thank you.

Mr. ENSIGN. Mr. Leeds, you know, the parents that are, quote, unemployed, unquote, some of them not, and they are coming in, what percentage are you actually getting jobs?

Mr. LEEDS. Well, just using very rough statistics, because I don't have access to the official statistics, it looks like, of the people that I referred to the program, about a quarter or more start having paying cases.

And I look on that as quite a success because there are a certain percentage, again, with the robust economy in Las Vegas, we are dealing with the very problem population.

There are some people that just are not going to get motivated the first time they are referred. So there is that amount.

But then if you look at it positively, that is because of the problem population. When I said 260 cases per month, really and in a very literal sense there are 260 families that would not be receiving money but for the program, either because they have been able to find a job, or because of being brought out of the closet, and starting to pay when faced with referral to the program.

Mr. ENSIGN. Okay. Can you, we have had—I had a meeting, I think last week in my office in Reno, the interstate is still a big frustration.

I guess, where do we see that going, you know? How long before States are actually able to communicate with each other?

Mr. LEEDS. I was telling Mr. Hoskins that since January, when all States passed the Uniform Interstate Family Support Act which was a requirement of welfare reform, I have seen a very smooth transition.

I have conducted myself a number of tribunal to tribunal communications, and one of the big differences is when a hearing master calls another State, you have a better chance of getting the phone call returned.

And so we have been able to help people through the maze of systems to get problems solved.

Mr. ENSIGN. So when I have people call my office here, I now know who to call, okay? Call this person. You will have a better chance of getting it done, because we get a lot of those calls.

Mr. LEEDS. Believe me, I think a little personal service, customer service from my office, goes a long way, and we are also, by every time I talk to a tribunal, they realize there are human beings on the other side of their phone line, as well. So I think that has been very successful.

The second thing I think, which we haven't seen yet, but hopefully will see in the near future is this Federal case registry.

As the States come on board and start reporting the new-hire reports from their State's registries to the Federal registry, I am hoping that that is going to increase our interstate efficiency.

Mr. ENSIGN. Well, I want to thank you, you and the rest of the panelists.

It has been an excellent morning of testimony, and I certainly have learned a lot, and I hope that the Chairman has enjoyed his stay here in Nevada.

He got to stay up at Lake Tahoe the last couple of days with his wife celebrating their anniversary, so I know you have enjoyed that, and I want to thank you.

And my colleague, Congressman Christensen, thanks for coming out here to our State to actually hear some real testimony from people that are actually on the front lines, and especially those whose lives have been changed by our welfare reform bill.

Ms. FLORENCE. Thank you.

Mr. LEEDS. Thank you.

Chairman SHAW. John, I want to thank you for suggesting that we come out here.

I can tell you we have many hearings in Washington. A lot of times I think we have too many hearings, but I can tell you that when you get out into the people and talk to the people and get into States such as Nevada and find out exactly the people that are really doing the heavy lifting and the work making these programs work, it really makes you very proud.

And I can tell you, John, this is one of the best hearings that I think we have ever had. I have certainly learned a lot, and it really buoys me to find that welfare reform is working the way it is.

And when you see the people that are making it work, you understand why it is working.

Mr. CHRISTENSEN. I would concur with the Chairman. I enjoyed my stay last night at the Best Western across the street.

Mr. ENSIGN. You can see when you get a little seniority what happens.

We take care of the Chairman, I guess, a little better around here. Thank you all for attending.

[Whereupon, at 12:26 p.m., the hearing was adjourned.]

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