

Recent Changes in Alabama Welfare and Work, Child Care, and Child Welfare Systems

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Introduction

Alabama has a long history of providing a modest safety net for low-income families and children, supplying more limited income support than almost any other state. The state's policies toward low-income families have been closely linked to federal policy, with little state funding beyond that required to draw down available federal funds. Since the first round of site visits, a large influx of federal and tobacco settlement funding has allowed the state to expand services in ways that can strengthen its historically weak safety net.

Many of the changes in the state's safety net in the past two years have been in response to the federal welfare reforms of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), the continued presence of a federal consent decree for the child welfare system, and the investment of newly available financial resources from the nearly \$200 million tobacco settlement which has been earmarked for initiatives in the areas of child care, child welfare, the Children's Health Insurance Program, education, and other social services.

In addition, until 2000, Alabama had not taken advantage of the larger than originally anticipated availability of federal TANF funding. However, in March 2000, Governor Siegelman approved spending

the state's accumulated TANF surplus on a number of initiatives that went beyond the minimum necessary to meet federal TANF mandates. Over half of these funds were targeted to subsidized child care. Surplus TANF funds were also approved to support fatherhood initiatives, kinship care provider demonstration pilots, transportation initiatives for welfare and low-income individuals, substance abuse screening and treatment for welfare recipients, and specialized assessment and planning services for TANF recipients in domestic violence situations.

This report focuses on Alabama's cash assistance, workforce development, child care, and child welfare systems for low-income families with children. Information presented in this report comes primarily from in-person interviews with managers and front-line workers. Most local interviews were conducted in Jefferson County (Birmingham), the state's largest urban area. Additionally, the child care team conducted focus groups with parents and child care providers in Birmingham; and the child welfare team carried out telephone interviews with child welfare administrators in four other counties.¹ State-level officials responsible for TANF, child care, and child welfare were also interviewed to obtain a statewide overview of the system and to learn about new policy directions and initiatives. Interview

Alabama's social safety net has become stronger in some areas—including children's health insurance coverage—since 1997.

information is supplemented with reports produced by other research organizations and by Alabama state agencies.

Urban Institute researchers visited Alabama three times: July 1999 (child care interviews), June 1999 (child welfare interviews), and May 2000 (TANF Assistance and workforce development interviews). The telephone interviews with county child welfare administrators took place in February 2000. Although researchers had continually monitored policy and program developments since their first visit to the state (December 1996), monitoring efforts intensified in the months prior to the 1999 site visit.

This brief begins with a short profile of Alabama's demographic, economic, and political conditions and then presents a brief overview of the state's income support and social services systems, including caseload statistics. The remainder of the brief is divided into three sections, each of which offer greater detail on specific programs and services, the administrative structure of the key programs, general service delivery, and important policies affecting each program and its client. Alabama's TANF program, called the Family Assistance Program (FA), is described first, including the state's work-related component for TANF recipients (Job Opportunities and Basic Skills Training Program, or JOBS), followed by a summary of the overall workforce development system. Next, we cover the state's system for providing child care for both FA and nonwelfare families. The third program area described is the child welfare system, with particular attention paid to the interaction between child welfare and welfare reform. Finally, the key changes in Alabama's programs and delivery systems are summarized.

Social and Political Context

Social and Economic Conditions

We start with an overview of Alabama's characteristics using a number of social and economic indicators, showing how those figures compare to national averages (table 1). Alabama has historically been a poor state, but the state's economy has improved in recent years as a result of the national economic expansion. The poverty rate among children declined by 14.7 percent between 1996 and 1998, which was about the same rate of decline as in the nation as a whole. The poverty rate among adults declined by 16.5 percent, more quickly than the U.S. average. In the past, Alabama has generally been a low-tax state; but the state's tax burden on the poor is currently the highest in the country.²

Recent changes in the economy have led to changes in the industrial mix of jobs. The manufacturing sector still comprises a larger share of Alabama jobs (19.8 percent) than the national average (14.8 percent). However, the percent of jobs in manufacturing has declined slightly since 1995, when 22.2 percent of Alabama's workers were in manufacturing jobs. The service sector and the public sector have both grown since 1995. The proportion of jobs in the service sector increased from 18.8 percent to 23.4 percent, and the percent of jobs in the public sector increased from 15.1 percent to 18.3 percent.

The racial makeup of Alabama's population differs significantly from that of the United States as a whole. Twenty-six percent of the state's population is non-Hispanic black, which is double the U.S. rate overall (12.8 percent). Hispanics account for only 1 percent of Alabama's population, and non-citizen immigrants for only 1.3 percent—much smaller than the U.S. averages of 11.5 percent and 6.3 percent, respectively.

There are differences in the characteristics of Alabama's families that have important implications for social welfare programs in the state. Among younger women, those 15 to 19 years old, the birth rate in Alabama exceeds that of the United States (65.5 versus 51.1 births per 1,000 women), although the birth rate in Alabama among that age group has declined from 72 per 1,000 women in 1994. The proportion of children living in one-parent families is 31 percent, higher than the national average of 24.8 percent.

Investing in education and social programs for children has been high on the agenda of Alabama's Democratic Governor Donald Siegelman, who replaced Republican Fob James Jr. in 1999. A new source of revenue, Alabama's share of the tobacco settlement

TABLE 1. Alabama State Characteristics, 1999

	Alabama	United States
Population Characteristics		
Population (1999) ^a (in thousands)	4,369	272,690
Percent under age 18 (1999) ^b	24.4%	25.7%
Percent Hispanic (1999) ^c	1.0%	11.5%
Percent Black (1999) ^d	26.1%	12.8%
Percent non-citizen immigrant (1998) ^e	1.3%	6.3%
Percent non-metropolitan (1996) ^f	32.3%	20.1%
Percent change in population (1990-1999) ^g	8.2%	9.6%
Percent births to unmarried women 15-44 (1998) ^h	34.1%	32.8%
Percent births to unmarried teens 15-19 (1997) ⁱ	12.4%	9.7%
Birth rates (births per 1,000) females age 15-44 (1998) ^h	14.3	14.6
Birth rates (births per 1,000) females age 15-19 (1998) ^h	65.5	51.1
State Economic Characteristics		
Per capita income (1999) ^j	\$22,987	\$28,542
Percent change per capita income (1995-1999) ^j	6.8%	10.8%
Unemployment rate (1999) ^k	4.8%	4.2%
Employment rate (1999) ^l	79.6%	81.5%
Percent jobs in manufacturing (1998) ^m	19.8%	14.8%
Percent jobs in service sector (1998) ^m	23.4%	29.9%
Percent jobs in public sector (1998) ^m	18.3%	15.8%
Family Profile		
Percent children living in two-parent families (1999) ⁿ	50.2%	63.6%
Percent children living in one-parent families (1999) ⁿ	31.0%	24.8%
Percent children in poverty (1998) ^{o*}	23.3%	17.5%
Percent change in child poverty rate (1996-1998) ^{o*}	-14.7%	-15.0%
Percent adults in poverty (1998) ^{o*}	14.2%	11.2%
Percent change in adults in poverty (1996-1998) ^{o*}	-16.5%	-10.4%
Political		
Governor's affiliation (1999) ^p	Democrat	
Party composition of Senate (1999) ^q	24D-11R	
Party composition of House (1999) ^q	69D-36R	

*1998 national and state, adult and child poverty estimates show statistically significant decreases from the 1996 estimates at the 0.10 confidence level, calculated by the *Assessing the New Federalism* project, The Urban Institute.

Table 1 notes begin on page 16.

money, has allowed the governor and state legislature to provide additional funds to education and social services. A 1999 law established the Children's First Trust Fund, and allocated up to \$60 million of tobacco revenues to the fund in 2000, established additional allocations of up to \$65 million in 2001 and up to \$70 million in 2002. Among the largest allocations of the fund: 10 percent of the funds to the Department of Public Health (DPH) for the Children's Health Insurance Program, care for the medically indigent, and other health programs; 22 percent to the Department of Education for a variety of programs; and 20 percent to the Department of Human Resources (DHR) for foster care, child care subsidies, and other programs.³

In addition, the state has allocated further funds to education. The 1999 state budget included an 8.5 percent pay raise for public school and junior college employees, their first raise in several years. Also in 1999, a bond issue was approved to replace portable classrooms in public schools with permanent classrooms. Spending on higher education was increased in 1999 as well, after cutbacks in the past three years.⁴

The governor sponsored a failed 1999 ballot initiative that would have created a lottery to fund a universal state prekindergarten program. The ballot initiative was approved by the state legislature, but it was resoundingly rejected by the state's electorate.

Alabama's Social Safety Net

Although Alabama's social safety net is historically weak compared to other states, it has become stronger in some areas since our 1997 site visit. In at least one critical area—children's health insurance coverage—Alabama has recently improved its generosity (table 2). Between 1996 and 1998, the percent of all children without health insurance declined from 14.6 percent to 9.0 percent. As a result, Alabama now has a lower percentage of children without health insurance than the national average (12.5 percent). In fact, between 1997 and 1999 Alabama had one of the largest increases in health care coverage for children, as well as for low-income adults, of all the states in this study.

The improvement in the children's health insurance coverage rate was likely due in part to an increase in the generosity of Alabama's Medicaid and Children's Health Insurance Program. In 1996, the family income cutoff for children's eligibility for Medicaid was 88.1 percent of the federal poverty level (FPL), less than the U.S. average of 123.8 percent. By 1998, Alabama's income cutoff had increased to 200 percent of FPL, which was more generous than the national average of 178.4 percent. Alabama's income cutoff for Medicaid remained constant between 1998 and 2000, but lagged behind the national average because many other states improved the generosity of their Medicaid programs.

Alabama's TANF cash assistance grants, however, are the lowest in the nation. The maximum monthly benefit for a family of three with no other source of income was \$164 per month in 2000, and has remained constant in nominal terms since 1993. The TANF benefit level in Alabama is 39 percent of the national median of \$421. In addition, Alabama ranks the lowest among the 13 states in this study in terms of the ratio of children receiving welfare to all poor children, which is a rough measure of welfare coverage. In 1998, 17.3 percent of Alabama's poor children were covered by TANF compared to 49.9 percent nationwide. Although TANF benefits are low in Alabama, the state has had one of the largest increases in income among low-income adults in the study states, driven largely by increases in the percentage who are working. The percent of adults living in poverty declined from 14.2 percent to 11.2 percent.

Alabama's child care subsidy program also has one of the lowest income eligibility cutoffs in the nation. In June 1999, Alabama's initial income cutoff for children's eligibility for a child care subsidy was 46 percent of the state median income, whereas the national average was 59 percent. Among the 50 states, only seven have lower initial income eligibility cutoffs as a percent of state median income. In addition to these low eligibility levels, Alabama continues to have a waiting list for child care subsidies of nonwelfare low-income working families. However, the state has seen large increases in spending in recent years, which has helped reduce the length of the waiting list.

TABLE 2. *The Safety Net in Alabama, in National Context*

	Alabama	United States
Welfare Benefits - Maximum Monthly Benefit (Family of Three, No Income)		
1996 (AFDC) ^a	\$164	Median: \$415
1998 (TANF) ^a	\$164	Median: \$421
2000 (TANF) ^a	\$164	Median: \$421
Percent of Poor Children Covered by Welfare		
1996 (AFDC) ^b	25.7%	59.3%
1998 (TANF) ^b	17.3%	49.9%
Percent of All Children Without Health Insurance		
1997 ^c	14.6%	12.2%
1999 ^c	9.0%	12.5%
Income Cutoff for Children's Eligibility for Medicaid/State Children's Health Insurance Program (Percent of Federal Poverty Level)		
1996 ^{d,e}	88.1%	123.8%
1998 ^{d,f}	200.0%	178.4%
2000 ^{d,g}	200.0%	205.1%
Income Cutoff for Children's Eligibility for Child Care Subsidy (Percent of State Median Income/Federal Poverty Level)		
1998 (January) ^h	48% / 130%	57% / 182%
1999 (June) ^h	46% / 125%	59% / 178%

Table 2 endnotes begin on page 16.

Caseload Dynamics

Alabama's TANF caseload has decreased sharply since the enactment of PRWORA. Between September 1996 and June 2000, Alabama's overall caseload declined from 40,635 to 18,731 families—a 54 percent reduction. This caseload reduction is more than triple the 16 percent reduction that characterized the previous three years (January 1993–January 1996). Jefferson County's caseload reduction mirrored the state's overall, dropping from 7,224 families in September 1996 to 3,596 families in June 2000—a 50 percent reduction.

Welfare and Work

Prior to 1996, Alabama's pre-TANF policies were characterized by minimal welfare reform experimentation relative to the other ANF states. The main exception was the Avenues to Self-Sufficiency Through Employment and Training and Services (ASSETS) pilot, an early, three-county waiver demonstration program in effect between 1991 and 1994 that focused on reducing administrative complexity between the AFDC and Food Stamp programs. Most of the changes implemented under the ASSETS waiver were not continued when the demonstration ended, partly because they were deemed too costly. Subsequent welfare reform changes were driven largely by PRWORA.

In response to PRWORA, the most notable change Alabama made to its JOBS program was adopting a “work first” program strategy. This approach replaced education activities with job search as the primary required activity for those unable to obtain unsubsidized employment, required a larger share of the case load to participate in JOBS activities, and strengthened sanctions for noncompliance. The state has a 60-month time limit on the receipt of cash assistance as mandated by federal law.

Family Assistance Policy and Program Emphasis

Alabama’s FA program has followed a “work first” strategy since the state’s TANF program was implemented in 1996. This strategy emphasizes job search and job readiness assistance as a means to quickly move as many recipients as possible into unsubsidized employment. PRWORA promotes, but does not mandate, a “work first” approach. It defines the types of “allowable” recipient activities that states can count toward the federal TANF work participation rate, and these activities tend to be strictly work-oriented (e.g., job search, community service). States may more broadly define recipients’ participation requirements to include a wider range of activities (e.g., substance abuse counseling, parenting courses) even though these cannot count toward the federal participation rate. Like many other states, Alabama initially limited the types of activities available to clients in order to fulfill their participation requirement only to those that could be counted toward the federal TANF work participation rate. Overall, Alabama’s post-TANF “work first” approach represents a departure from the extended participation in education that previously characterized the state’s JOBS program.

Under Alabama’s “work first” approach, most adult recipients of cash assistance are required to participate in JOBS for 32–35 hours a week. Statewide, the most common activities are working in unsubsidized employment or participating in a job search. In Jefferson County, job-ready recipients attend a two-week job readiness/motivational program, followed by an individualized job search. Teenaged parents, however, continue to be placed in educational activities designed to lead to a high school degree or its equivalent.

It is also noteworthy that a large proportion of Alabama’s TANF caseload consists of TANF families in which benefits are provided only to the child or children and not the adult caretaker. Slightly over half of all TANF families in federal fiscal year 1999 were “child-only” cases. Under federal law, these types of cases are not subject to work participation requirements and therefore are exempt from Alabama’s JOBS program.

Since implementing its TANF program in 1996, Alabama’s JOBS program has shifted from a strict “work first” approach that is heavily focused on providing job search assistance to one that incorporates a somewhat more flexible service strategy for hard-to-employ clients. Beginning in 1998, the state allowed literacy education and counseling to count as work activities for participation purposes. In 2000, state policy on the range of activities in which TANF clients may engage when fulfilling the hours of required participation was further clarified, allowing recipients to engage in this broader array of activities as deemed appropriate and not simply as a last resort. The need to make this shift was motivated, at least in part, by concern that relying too heavily on job readiness and job search assistance was not an adequate strategy for helping what appeared to be increasingly difficult to employ clients.

In addition to implementing these policy changes, the Department of Human Resources (DHR) office in Jefferson County has sought to better respond to the need for additional supports and services of difficult to employ clients by taking advantage of state-allocated TANF discretionary funding. The state DHR agency has made this additional funding available specifically for the purpose of supporting county-initiated and county-specific TANF needs or projects. These funds have reportedly allowed Jefferson County DHR staff to exercise more creativity when considering service possibilities for clients, as they can now pay for a wider range of individualized work-related services. They can also be used to assist former TANF clients who are currently employed and in need or at risk of returning to TANF. In addition to providing current and former clients

with these expanded supportive services, Jefferson County DHR was involved in a multi-county substance abuse assessment pilot; a family mentoring program for interested JOBS recipients; and encouraging JOBS staff to conduct home visits in order to improve client-staff relationships and identify less readily apparent barriers to employment. There are implementation challenges and difficulties associated with all of these initiatives. Taken together, however, they do point to the emergence of a somewhat broader and more flexible service approach to TANF clients' individual barriers and needs.

Eligibility. Eligibility requirements for cash assistance in Alabama have remained largely unchanged since the state implemented its TANF program, with a few important exceptions. One noteworthy change is that all cash assistance applicants are required to conduct a limited job search consisting of registration at the Employment Service Office and two job contacts with employers. Policies regarding limits on the allowable value of an automobile for eligibility determination purposes were also liberalized. As of 1997, the value of one vehicle per licensed driver was excluded when determining eligibility; and as of mid-2001, the value of all vehicles was excluded. In addition, Alabama increased its TANF earned income disregard, although not as extensively as many other states.

Work-Related Sanctions. Alabama strengthened its work sanction penalties and enforcement procedures when it first implemented TANF. More recently, the penalty for noncompliance was further increased for recipients who have received assistance for two or more years and for recipients who voluntarily quit a job or refuse an offer of employment. At the same time, conciliation procedures were put into place that gave noncompliant TANF recipients an opportunity to come into compliance or establish good cause before the imposition of a sanction.

For clients receiving TANF for less than 24 months, the family's cash assistance grant is reduced by 25 percent for the first three months of program noncompliance. If the sanctioned client remains noncompliant for longer than three months, the family's grant is terminated for one month. For subsequent incidences of noncompliance in excess of three months, the family's grant is terminated for six months.⁵ Once disqualified from assistance after the end of the sanction period for noncompliance, the grant cannot be reinstated if the recipient desires to come into compliance. Instead, the family must reapply for cash assistance. In addition to imposing a full-family sanction under certain circumstances, Alabama's sanction policy is particularly severe because noncompliance also affects the family's food stamp benefits and the adult's Medicaid benefits. If the child of the noncompliant parent is over six years old, then the Food Stamp case for the family is also closed for one month at the first instance of noncompliance, three months at the second instance of noncompliance, and for six months at the third instance of noncompliance.

As of April 2000, the sanction policies are stricter for clients who have received TANF for 24 months or more. If noncompliant without good cause, these clients skip the three-month, 25 percent reduction period and the entire family grant is disqualified immediately for one month (for the first incidence of noncompliance) or six months (for any subsequent incidences of noncompliance). Designed largely in response to the two-year work trigger required under PRWORA, the intent of this policy change was to heighten the pressure on individuals still receiving welfare at the two-year mark to comply with work requirements or face denial of further cash assistance.

While the more recent sanction policy changes eliminate the graduated sanction policy in favor of a pure, full-family sanction for some noncompliant families, there were other concurrent policy changes which required staff to provide recipients more opportunities to avoid sanctions as well as potentially decrease the length of time a person is noncompliant. For example, JOBS case managers are now required to initiate contact with the client before benefits are actually decreased or terminated in order to give them an opportunity to explain why they are not compliant, and to give them a second chance to become compliant. In addition, recipients who are employed while in sanctioned status can receive supportive services such as child care or transportation.

Work Requirement Exemptions. Like most other states, an exemption (referred to as a “deferral” in Alabama) from work requirements based on the age of a recipient’s child has become stricter in Alabama since the passage of PRWORA. Alabama first lowered the age threshold for the youngest child from age three to age one (i.e., adults with a youngest child over one year old were required to participate in the states’ pre-TANF JOBS program). This type of deferral policy was further narrowed in 2000, and currently applies only to those with a child under 12 weeks of age. Additional criteria for granting work deferrals include but are not limited to those who are suffering from a professionally certified illness, injury, or incapacity, or those who are needed in the home to care for a sick or disabled child or other household member. Recipients may also obtain temporary deferrals from employment activities for emergency situations out of their control such as illness, transportation problems, domestic violence, substance abuse treatment, lack of child care, or living in a remote area.

Organization of Welfare and Work Programs

The Alabama Department of Human Resources (DHR) administers Alabama’s Family Assistance Program, which includes both the TANF cash assistance and TANF employment programs (table 3). DHR also administers child care assistance, the Food Stamps program, child welfare, and Medicaid for Low Income Families (MLIF). Family Assistance services are delivered through 67 local DHR agencies that house state employees and operate according to state guidelines. Key TANF policy and funding decisions are made at the state level. Although Alabama generally exercises tight control over its welfare system, local agencies are still given some discretion with respect to certain elements of policy implementation and local agency organization.

TABLE 3. Administration of Income Support and Social Services in Alabama

Federal or generic program name	What the program is called in Alabama	Which agency administers the program in Alabama
TANF	Family Assistance (FA)	Department of Human Resources (DHR)
Employment Component of TANF program	JOBS	DHR
Child Care Development Block Grant	Child Care Subsidy Program	DHR
Food Stamps	Food Stamps	DHR
Child Welfare	Child Welfare	DHR
Medicaid	Medicaid for Low Income Families (MLIF)	DHR for MLIF; Alabama Medicaid Agency for SOBRA (e.g., pregnant women)
Workforce Investment Act (WIA)		Alabama Department of Economic and Community Affairs (ADECA)
Welfare-to-Work Grants Program		ADECA
Employment Services (ES)		Department of Industrial Relations (DIR)

Workforce development services in Alabama are administered primarily by four state departments: the Department of Economic and Community Affairs (ADECA), the Department of Industrial Relations (DIR), the Department of Education (DOE), and the Department of Human Resources. ADECA is responsible for administering the Workforce Investment Act (WIA, previously the Job Training Partnership Act [JTPA]) and the Welfare-to-Work Grants Program, as well as for overseeing implementation of One-Stop Centers under WIA. DIR administers the Employment Service (ES), which provides job search assistance. DIR also administers WIA services, including training, under a contract with ADECA. DOE provides DHR-contracted job readiness classes in many counties as well as education and training through the community college system. As noted above, the DHR administers the employment component of the TANF program.

The administration of JTPA/WIA workforce development services is geographically divided into three service delivery areas (SDAs): the Birmingham/Jefferson County SDA; the Mobile SDA; and the 65-county Governor's Training Area, which is referred to as the ASDA. Within Jefferson County, the entity responsible for administering JTPA/WIA and Department of Labor (DOL) Welfare-to-Work formula funds shifted from the city to the county with the arrival of WIA. Prior to WIA, administrative responsibility for JTPA and DOL Welfare-to-Work fell under the auspices of the Birmingham City Department of Community Development. Under WIA, these services became the responsibility of the Jefferson County Department of Community Development in July 2000. It was anticipated that this shift, in conjunction with other changes under WIA, would affect workforce development services and delivery.

There have been few organizational changes in the structure of the TANF program—including the TANF employment program (JOBS)—since the 1997 baseline study. At the time of the last site visit in 2000, DHR was operating under a hiring freeze that had lasted for several years, so staff attrition had not been offset with replacement staff. For the most part, significant declines in the TANF caseload lessened the potential magnitude of the impact of the hiring freeze on staff workload and program operations, although stretching staff resources to cover the existing caseloads for other DHR programs was reportedly a difficult administrative challenge. More recently, the freeze has been lifted, and hiring is taking place on a limited basis.

Family Assistance and Workforce Development Service Delivery and Linkages

There are two DHR Family Assistance offices in Jefferson County: one in the city of Birmingham, and one in the city of Bessemer. As in most of the state, TANF eligibility and JOBS case management functions in Jefferson County are carried out by separate units and different staff within DHR. Primary responsibility for JOBS case management, including individual case planning, linking clients with services, and monitoring clients' job search efforts, is assigned to DHR in-house staff. Overall, JOBS services are rarely contracted out, although the Jefferson County DHR does contract through the state DHR for a 10-day job readiness course that almost all JOBS participants are required to attend. County DHR agencies can enter into agreements with outside service providers as needed for specific JOBS services, many on a vendor payment basis. In addition, the DHR in Jefferson County relies heavily on Birmingham Works, a Welfare to Work (WtW) program administered by the United Way to provide enhanced services for its hard-to-employ JOBS participants. Created in 1999 and funded through a U.S. DOL WtW Competitive Grant, Birmingham Works offers a "work first" model that emphasizes job readiness, job development, job search, and job retention, along with a combination of intensive case management, short-term training, job coaching, and support services.

Jefferson County's one-stop career center officially opened its doors in 1999. Administered and managed by the Employment Service, the career center offers job seekers a centralized point of access to various workforce development services and programs. In addition to providing standard ES services such as labor market information, unemployment insurance, veterans' programs, and Job Corps, vocational rehabilitation and

WIA intake and case management staff are also available at the ES career center. Though some changes were anticipated in order to meet the criteria for one-stop career centers outlined under WIA, it was envisioned that this ES-operated career center would remain the central one-stop in the Jefferson County Workforce Investment Area. In addition, plans were underway to establish three additional satellite one-stops located at community colleges, with the goal that each of these would ultimately become a full-service one-stop.

Although the state makes some effort to coordinate planning and service administration for the workforce development and TANF systems, little coordination exists between the two at the service delivery level in Jefferson County. Apart from requiring JOBS-mandatory TANF clients to register at the ES office, the ES appeared to have no other role in the local JOBS program. Limited efforts to promote greater interaction or coordination have yet to meet with success. At the time of the site visit, WtW Grants Program formula funds, a source of funding which has helped to stimulate increased interaction between the workforce development and TANF systems in some parts of the country, still lay unused in Jefferson County. Since then, however, the county has begun to take advantage of its WtW formula fund allocation.

Program Innovations and Challenges

One notable outgrowth of welfare reform in Jefferson County is the active community-planning role assumed by service providers from the larger community. In particular, the United Way of Central Alabama (in Birmingham) and the Jefferson County DHR have played key roles in the Central Alabama Task Force for Self-Sufficiency (CATSS). Created in 1994, CATSS was originally intended to be a forum for community partners to discuss the county's early implementation plans for welfare reform. From these discussions, CATSS engaged in a longer-term strategic planning process to assess community resources and develop a more comprehensive system of services to assist community members in becoming self-sufficient. Several programs and initiatives designed to fill existing gaps in services have grown out of this planning process, including bringing new resources into the community through obtaining federally funded grants (e.g., the WtW Competitive Grant and, in partnership with several agencies, a Youth Opportunity Grant—both multi-million-dollar grants funded by the U.S. Department of Labor—and, more recently, a large Job Access and Reverse Commute Grant funded by the U.S. Department of Transportation). Overall, the collaborative work of United Way, public agencies, and non-profit community providers has given rise to a more comprehensive vision for the types of services and coordinated efforts needed to improve services for families in Jefferson County.

Child Care

As welfare programs have shifted dramatically toward requiring recipients to work or engage in activities leading to work, child care is now a cornerstone of state efforts to support these activities. People leaving TANF because they have found employment, often referred to as transitional (for the period of transition off of welfare), also often need child care to make their transition a success. Though PRWORA eliminated the requirement that states provide child care assistance to these families—by eliminating any entitlement to child care for them—most states continue to give these families a high priority for child care subsidies. This study examined the ways in which TANF and post-TANF families gain access to child care subsidies. We did the same for nonwelfare working families, since they also need child care but often cannot afford it; and many of the states in this study find themselves in the situation of having to make choices between providing subsidies to TANF clients or to nonwelfare working families.

Child Care Eligibility and Assistance

Central to the goal of moving families into employment and out of poverty is the provision of child care subsidies for working families. Alabama has one subsidy program called

the Child Care Subsidy Program for low-income families. As noted earlier, Alabama has one of the lowest eligibility cutoffs for child care subsidies in the nation. In order to qualify for subsidies, in June 1999 a family of three had to have a maximum monthly income of \$1,444 (or \$17,328 per year) to enter the program, which is equivalent to 125 percent of the 1999 federal poverty level (or 46 percent of the 1999 state median income).⁶ Once in the program, a family could continue to receive a subsidy until its monthly income reached \$2,222 (or \$26,664 per year). In October 1999 the initial eligibility level was raised to \$1,504 per month, and eligibility continues until a monthly income of \$2,313 is reached.

Alabama has not committed funding adequate to serve all eligible families who apply for child care assistance. The state gives first priority to families on TANF, transitional families moving from welfare to work, families whose children are in protective services, foster care children, and minor parents who are not on TANF. Families on welfare and transitioning off welfare are automatically eligible for assistance if they meet income requirements.

Families leaving cash assistance and remaining income eligible are qualified to receive one year of transitional child care. As in many of the states in this study, however, respondents noted that families may not always know about these transitional benefits. Alabama requires families transitioning off welfare to come in within the first 12 months of leaving welfare to have their eligibility redetermined, or they lose their priority status and go on a waiting list as do other, low-income working families who have not been on welfare. At the end of this transitional period, families can continue to receive subsidies and are not placed on waiting lists, as was the case in some other states in this study. Generally, families are allowed to keep on receiving subsidies unless they stop working, become ineligible on the basis of income, or fail to follow program rules.

Low-income working families are not automatically eligible for child care, and are placed on a waiting list for services. The state has historically had a waiting list of low-income working families. Due to increased funds in recent years, the statewide list is significantly shorter now—it had been as high as 9,000 children at one point, but had decreased to 300 by April 1999. In Jefferson County, for example, families had waited as long as two or three years in the past, but were now waiting an average of 1.5 months before receiving subsidies. Respondents suggested that some families are discouraged by the list and do not apply, and that other eligible families do not know about the program.

Between 1996 and 1999 Alabama operated the Preschool Collaboration Project, a small pilot preschool program. The program targeted at-risk children up to five years old. The total state funding was \$690,000 in 1998-99; the program served an estimated 1,000 children. Local school systems were the recipients and administrators of the funding. Efforts were made to promote collaboration between Head Start and the Preschool Collaboration Project.⁷

Administrative Structure and Funding

At the time of our visit, Alabama's child care subsidies were administered at the state level by the Office of Child Care Subsidy in the Welfare Reform Division of the Alabama Department of Human Services. A new division called the Child Day Care Partnership was created in January 2001 to administer the subsidy program. Before welfare reform, child care subsidies were administered by the Family Services Division of DHR, though reportedly this change did not result in any significant changes to the program or services.

The state agency sets all key child care policies, but administers the program at the local level through 12 Child Management Agencies (CMAs). CMAs are nongovernmental organizations, and include child care resource and referral agencies and other nonprofit organizations. There has been little change in this approach in recent years, with the exception that some planning functions have moved from the CMAs to the state level. The elimination of separate federal child care funding streams under PRWORA and their merger into the Child Care and Development Fund (CCDF) allowed the state to pool most of its child care funds into a single funding stream.

Alabama took advantage of the decision in PRWORA to allow states to use TANF funds for child care subsidies, and allocated about \$30 million of TANF funds to child care in 1999—some through transferring and some without a formal transfer. The increased federal funds available for child care through the CCDF and the decision to allocate TANF funds to child care resulted in a significant increase in funds for child care subsidies in Alabama in recent years. An additional \$24 million of the state's accumulated TANF surplus is to be spent on child care between March 2000 and December 2002. The child care funds are given to the CMAs to administer at the local level.

Child Care Fees and Reimbursement Rates

Families pay for child care based on a sliding fee scale. Generally, families on welfare are not charged fees because their incomes are so low, while families transitioning off welfare and low-income working families pay fees that increase as their incomes rise.⁸ For example, a family of three earning \$700 a month would pay \$5 a week, and family of three earning \$1400 a month would pay \$20 a week.

At the time of our site visit, Alabama was paying rates at the 75th percentile of the 1996 market rate. This translated into a maximum rate of \$81 a week for infants and \$75 a week for three-year-olds in full-time center-based care in Jefferson County. A new market rate survey was completed in March 1999, and new market rates went into effect in October 1999. The state relies on a voucher system and pays the provider directly as a reimbursement. In Jefferson County, providers were usually paid by the 15th of the month following that in which services were rendered if they had submitted their bill by the 5th of that month.

Alabama had recently phased out “contracts” with some child care providers at the time of our visit. In some states, contracted providers are traditionally paid not through the voucher system, but through a separate payment system. In contrast, the payment mechanism for contracts in Alabama had been similar to the system for vouchers until this change. The key difference between contracts and vouchers had been that contracted providers had agreed to meet additional standards and had been provided some additional training and technical assistance. The elimination of contracted providers was not perceived as being related to welfare reform.

Program Innovations and Challenges

Jefferson County and rural areas in Alabama faced challenges with adequate numbers of child care providers. In Jefferson County, the amount of child care for school-aged children was not adequate to meet some families' needs. In some rural areas, there appeared to be inadequate numbers of child care centers and family day care homes, and of weekend and evening care providers in particular.⁹

Child care quality appears to be a challenge in Jefferson County. Although there seemed to be an adequate number of providers for preschool children, several respondents voiced concerns that many children were in low-quality care. In addition, some respondents reported that Jefferson County faced some administrative challenges in handling the large influx of families into the child care subsidy system. When a family reached the top of the child care subsidy waiting list and the agency found adequate funding for that family, the family could still experience significant delays in meeting with a child care caseworker.

Child Welfare

Child welfare agencies seek to protect children from abuse and neglect. They may intervene in families in which such behavior is suspected; offer services to such families or require that families complete service programs; and remove children from their homes and place them in state-supervised care if they face imminent or ongoing risk of abuse or neglect in the home. Nationally, many policymakers, researchers, and advocates have expressed concern that families that did not fare well under the new welfare requirements

might be referred to child welfare agencies for child abuse or neglect. Thus far, however, welfare reform does not appear to have had a significant impact on child welfare caseloads in Alabama. Since welfare reform, administrators have discussed the need for collaboration between child welfare and welfare staff, but these discussions have not yet led to policy or practice changes.

In Alabama, child welfare services are state-administered by the Family Services Partnership of the Department of Human Resources (DHR). Services are delivered through 67 local DHR agencies. This means that many budget, policy, and personnel decisions are made at the state level. Welfare reform has taken a back seat to other more pressing issues for the state's child welfare agency, most notably the R.C. Consent Decree. The Consent Decree was the result of a federal lawsuit in 1988 that showed that removals appeared more preventable if stronger services were provided quickly and appropriately to families in crisis. The state settled the case in 1991 and agreed to reform its child welfare system under the consent decree. Reforms emphasize individualized services based on family strengths and increased efforts to keep families intact. In addition, the decree required the state to substantially decrease the number of child welfare cases handled by each of its social workers and to provide consistent training for social workers. The R.C. Consent Decree is the driving force behind changes in the child welfare system in Alabama and has resulted in increased funding and staffing for child welfare.

A change in leadership since the first round of site visits in 1996 has yielded a shift in Alabama's philosophy regarding child welfare, and the R.C. Consent Decree specifically. The commissioner of the Department of Human Resources at the time opposed the consent decree because she felt it kept children in dangerous homes. A new commissioner was appointed in 1997, and the current administration has been working toward compliance with the goals of the consent decree.

The original deadline for the changes was October 1, 1999, but the U.S. District Judge extended the deadline to October 1, 2002 after it became evident that Alabama could not meet the requirements by the original deadline. As of February 12, 1999, only 17 of Alabama's 67 counties had complied with all of the standards in the court order. Since that site visit, an additional 3 counties have come into compliance.

Child Welfare Caseloads

Despite widespread concerns in the state, thus far child welfare caseloads have not increased significantly following welfare reform. In state FY 1998, Alabama investigated allegations of abuse and neglect involving 35,912 children, an 8 percent decrease since state FY 1996. In 1998, 46 percent of children investigated were found to be victims of maltreatment, a decrease from 48 percent in 1996 but still higher than the national median (30 percent). Alabama's 15.4 victimization rate (incidents of abuse per 1000 children) is also higher than the national median (11.5). Since our visit, the substantiation and victimization rates have declined sharply, at least in part to the elimination of the disposition code of "reason to suspect."

In state FY 1998, 4,834 children were in foster care in Alabama, a 13 percent increase since state FY 1996. Respondents did not attribute this increase to welfare reform. The number of foster children has continued to increase since our visit. Under the previous DHR administration, the number of children placed in care rose significantly. But since the change in administration and resulting shift in philosophy, the number of children removed from the home (as opposed to in foster care) has decreased. State data show a 15 percent decrease in the number of children removed from the home from 1997 to 1998. This decrease has continued at an even greater rate since the site visit.

Financing

Although welfare reform is known for the block granting of federal income assistance, PRWORA also altered federal funding streams that many states have used to pay for child welfare services. The Emergency Assistance program was eliminated and the program's

funds rolled into the TANF block grant. The Social Services Block Grant (SSBG) was cut by 15 percent, and eligibility for Supplemental Security Income was defined more narrowly.¹⁰

Overall funding for child welfare services in Alabama has increased over the past few years, largely due to the consent decree. In state FY 1998, Alabama expended \$101,283,472 on child welfare services, a 13 percent increase from state FY 1996 (not adjusted for inflation).¹¹ Since 1996, the state has more than doubled the amount of “flex funds” made available to the counties for services aimed at keeping families together.¹² These funds allow workers to tailor services to clients’ needs and to provide services that were previously unavailable. Since our site visit, Alabama has more than doubled its overall spending on child welfare and continued to increase the amount of flex funds available.

Although overall funding for child welfare has increased, the amount of state funding actually decreased slightly between 1996 and 1998. During this time the amount of federal funds expended for child welfare increased by 28 percent while the amount of state spending decreased by 2 percent (not adjusted for inflation). Since our visit, however, state and federal funds have increased substantially.

Alabama has increased efforts to maximize federal funds and reported significant increases in foster care (IV-E) and child welfare services (IV-B) funds from 1996 to 1998. Alabama has used TANF funds to offset cuts to SSBG and to maintain approximately the same level of funding previously used for Emergency Assistance. State TANF funds for child welfare in 1998 were slightly less than the state expended using Emergency Assistance funds in 1996. However, state child welfare administrators reported that Alabama plans to spend additional TANF funds on child welfare services aimed at keeping families intact. Since the site visit, Alabama’s use of TANF funds for child welfare increased by 39 percent.

Collaboration between TANF and Child Welfare Agencies

Many families receiving services from child welfare agencies also receive welfare assistance. These dual-system families may face competing demands. They must meet the new requirements imposed on welfare recipients in order to receive cash assistance, while at the same time they must meet case plan goals developed by child welfare agencies in order to keep their children or have their children returned to them. Despite the overlap in populations, historically there has been little formal collaboration between child welfare and welfare agencies.

In Alabama, child welfare and welfare workers are not required to collaborate when working with dual-system clients. Based on interviews with child welfare workers in Jefferson County, workers from the two agencies do not work together in determining case plans for their dual-system clients. Most child welfare workers in Jefferson County had received no training about welfare reform, did not know what services were available through the JOBS office, and did not refer clients to welfare agencies. However, child welfare staff in other counties reported that their caseworkers had received some training regarding welfare reform. But TANF workers did not receive any additional training in identifying abuse and neglect beyond the basic training that all mandatory reporters are supposed to receive.

Although still in the planning phases, child welfare and welfare administrators have discussed collaboration regarding families involved with both systems. Officials from both agencies formed a steering committee to examine opportunities for collaboration between child welfare and welfare in the areas of computer linkage, case staffing, resource development, day care, and training.

Welfare reform has also spurred collaboration between the child welfare and welfare agencies around other issues of mutual concern, such as domestic violence and TANF child-only recipients. Child welfare and TANF staff are working together to design a screening instrument for domestic violence to be used at intake, and are discussing which cases should be referred to child welfare. One child welfare worker from each county, as well as many welfare and child support workers, have been trained in identifying domes-

tic violence. Child welfare and TANF staff are also discussing ways in which the two agencies can collaborate to improve services for TANF child-only cases that are not involved with child welfare but may benefit from child welfare services. But while the child welfare and welfare departments are discussing collaboration, they have not yet established any formal policy.

Since our site visit, some progress has been made in promoting collaboration between child welfare and TANF. For example, TANF funds were used recently to develop a kinship care pilot project in Mobile, involving cooperation between the Family Service Partnership and the Family Assistance Partnership. The project, which was operating in six counties by mid-2001, provides more generous support to grandparents raising their grandchildren.

Conclusion

Historically, Alabama's policies toward low-income families have done little beyond what was required to draw down federal funds. Although state funding has not increased, since 1997 the state has seemed to be using its additional federal TANF funding and its tobacco settlement funding to expand services that may ultimately strengthen Alabama's previously weak safety net.

As has happened in many other states, Alabama has begun to expand its "work first" strategy to include additional services and program flexibility that may benefit hard-to-employ TANF clients. In addition, Alabama has used TANF funds to finance child care subsidies for low-income families, which was an option but not a requirement under federal law. Overall, Alabama's child care subsidy expenditures have increased substantially between 1997 and 1999. Some of the increase in expenditures was used to fund child care for low-income working poor families who were not attached to the welfare system. Thus, child care waiting lists for working poor families have declined sharply in Alabama. In addition, Alabama plans to use funds from the tobacco settlement to invest in a broad range of social programs for children, including child care, child welfare, and the Children's Health Insurance Program. The collaboration of child welfare and TANF to serve dual-system families also represents an expansion of services beyond what is required.

While these policy directions and goals are not unusual within the context of other states, they do point to a somewhat broader and more proactive agenda for Alabama's safety net than was evident at the time of the 1997 baseline site visits.

Endnotes

1. Counties included were Etowah and Lawrence (urban), and Marengo and Talladega (rural).
2. Robin DeMonia, "State Taxes Bite Hard," *Birmingham News*, 13 April 1998.
3. Alabama state legislature Act 199-390 HB 455 relating to Children's Trust Fund.
4. *Montgomery Advertiser*, 28 and 29 April 1999.
5. This basic sanction policy applied to all JOBS participants, regardless of length of time on welfare, until April 2000.
6. Blank, Helen, and Nicole Oxendine Poersch. 2000. *State Developments in Child Care and Early Education 1999*. Washington, D.C.: Children's Defense Fund.
7. Blank and Poersch 2000.
8. As of January 2000, families receiving cash assistance do have to make a copayment.
9. Sumter County was visited in August 1999 and Lowndes County was visited in January 2000. These visits were conducted as part of an Urban Institute study of the impact of welfare reform in rural areas.
10. For additional information about these changes see Geen, Rob, Shelley Boots, and Karen Tumlin. 1999. "The Cost of Protecting Vulnerable Children." Washington, D.C.: The Urban Institute. Occasional Paper Number 20.
11. Based on data provided by the state in response to the Urban Institute's 1999 Child Welfare Survey.
12. Per interview with state finance expert.

Table 1 Notes

- a. U.S. Bureau of the Census. "State Population Estimates: Annual Time Series, July 1, 1990, to July 1, 1999." <http://www.census.gov/population/estimates/state/st-99-3.txt>. [date accessed: October 2000.]
- b. U.S. Bureau of the Census. "State and County Quick Facts." <http://quickfacts.census.gov/qfd/states/01000.html>. [date accessed: October 2000.]
- c. U.S. Bureau of the Census, Population Estimates Program, Population Division. "States Ranked by Hispanic Population, July 1, 1999." <http://www.census.gov/population/estimates/state/rank/hisp.txt>. [date accessed: October 2000.]
- d. U.S. Bureau of the Census, Population Estimates Program, Population Division. "States Ranked by Black Population, July 1, 1999." <http://www.census.gov/population/estimates/state/rank/black.txt>. [date accessed: October 2000.] National population percentages are as of July 1, 1999, from U.S. Census Bureau. "Resident Population Estimates of the United States by Sex, Race, and Hispanic Origin." <http://www.census.gov/population/estimates/nation/intfile3-1.txt>. [date accessed: October 2000.]
- e. Urban Institute estimates based on a three-year average of data in the 1997, 1998, and 1999 March Supplements to the Current Population Survey. A Joint Project Between the Bureau of Labor Statistics and the Bureau of the Census.
- f. U.S. Bureau of the Census. 1999. *Statistical Abstract of the United States: 1999* (119th edition). Table 42. Washington, D.C.: U.S. Government Printing Office.
- g. U.S. Bureau of the Census, Population Estimates Program, Population Division. "Percent Change in Population for U.S. States: 1990 to 1999." <http://www.census.gov/population/www/estimates/stmap03.html>. [date accessed: February 2001.]
- h. U.S. National Center for Health Statistics. March 28, 2000. *National Vital Statistics Report*. Vol. 48, No. 3. Tables B, 10, and 19.
- i. Urban Institute estimates based on two sources: (1) U.S. National Center for Health Statistics. April 29, 1999. *National Vital Statistics Report*. Vol. 47 No. 18. Table 10 (showing total number of births in each state and the U.S. in 1997). (2) Child Trends. 1999. *CTS. Facts At A Glance*. Table 1 (showing number of births to mothers age 15-19 and percentage of teen births to unmarried mothers). Washington, D.C.: Child Trends. December.
- j. U.S. Department of Commerce, Bureau of Economic Analysis, News Release September 12, 2000: *1999 State Per Capita Personal Income Revised*. Table 1: Per Capita Personal Income, by State and Region, 1995-1999 [Dollars]. <http://www.bea.doc.gov/bea/newsrel/spi0900.htm>. [accessed: February 2001.] Note: Percent change calculated in inflation-adjusted dollars by the Urban Institute based on the CPI-U as published in the *Economic Report of the President*. 2000. Table B-60. Washington, D.C.: U.S. Government Printing Office. February.
- k. U.S. Department of Labor, Bureau of Labor Statistics. 2000. "State and Regional Unemployment, 1999 Averages." Released February 2000. <http://stats.bls.gov/newsrels.htm>. [date accessed: February 2001.]
- l. Zedlewski, Sheila. 2000. "Family Economic Well-Being" *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families*. Washington, D.C.: The Urban Institute.
- m. U.S. Department of Labor, Bureau of Labor Statistics. 1999. Current Population Survey. Data extracted February 10.
- n. Vandivere, Sharon, Kristin Anderson Moore, and Martha Zaslow. 2000. "Children's Family Environment." *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families*. Washington, D.C.: The Urban Institute.
- o. Zedlewski, Sheila. 2000. "Family Economic Well-Being." *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families*. Washington, D.C.: The Urban Institute. Percent change in poverty rates (1996-1998) calculated by the Labor and Social Policy Center, The Urban Institute.
- p. The National Governors' Association. 2000. "The Governors, Political Affiliations, and Terms of Office 2000." <http://www.nga.org/Governor/GovMasterList.htm>. [date accessed: February 2001.]
- q. National Conference of State Legislatures. 1999. "Directory of State Legislatures, Online. Partisan Composition of State Legislatures House and Senate." D indicates Democrat; R indicates Republican; I indicates Independent; O indicates Other; and V indicates Vacant. <http://www.ncsl.org>. [date accessed February 2001.]

Table 2 Notes

- a. U.S. Congress, House Committee on Ways and Means. 2000. *2000 Green Book*. Table 7-7: Maximum Combined AFDC/TANF Benefits for a Family of Three (Parent with Two Children), July 1994-January 2000. Washington, D.C.: U.S. Government Printing Office. January.
- b. Two Urban Institute calculations: (1) Average monthly number of AFDC 1996 recipient children divided by number of children in poverty 1996: U.S. Department of Health and Human Services. Administration for Children and Families. 1997. *Characteristics and Financial Circumstances of AFDC Recipients FY 1996*. Table 18.

"Percent Distribution of AFDC Recipient Children by Age (October 1995-September 1996)"; and (2) Average Monthly Number of TANF 1998 Recipient Children divided by Number of Children in Poverty 1998: U.S. Department of Health and Human Services. Administration for Children and Families. 1999. *Second Annual Report to Congress August 1999*. Table 9:22. "Percent Distribution of TANF Recipient Children by Age Group (October 1997-September 1998)." The numbers of children in poverty in 1996 and 1998 are Urban Institute calculations from the *National Survey of America's Families II*.

c. Kenney, Genevieve, Lisa Dubay, and Jennifer Haley. 2000. "Health Insurance, Access, and Health Status of Children: Findings from the National Survey of American Families." *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families*. Washington, D.C.: The Urban Institute.

d. Based on three sources: (1) Urban Institute's TRIM [Transfer Income Model]; (2) Vernon K. Smith. 1999. "Enrollment Increases in State CHIP Programs: December 1998 to June 1999": Health Management Associates, July; (3) Urban Institute analysis of 1999 SCHIP [State Children's Health Insurance Program] Annual Report. Rules for 1996 and 1998 are policies in place the majority of the year. Rules for 2000 represent plans approved as of January 1, 2000.

e. In 1996, the thresholds represent the state Medicaid thresholds for poverty-related eligibility or AFDC-related eligibility. Higher thresholds for separate state-financed programs (such as in New York) are not represented here.

f. In 1998, some states' thresholds represent Medicaid eligibility, and others are either Medicaid expansions or stand-alone programs enacted under the SCHIP legislation.

g. In 2000, all states covered at least some children through SCHIP; certain groups in some states are eligible only through Medicaid.

h. Data for 1998 are from January 1, 1998, compared with 1997 federal poverty level (FPL). Adams, Gina, Karen Schulman, and Nancy Ebb. 1998. *Locked Doors: States Struggling to Meet the Child Care Needs of Low-Income Working Families*. Table A1. Washington, D.C.: Children's Defense Fund, March. Data for 1999 are from June 1999, compared with 1999 FPL. The 1999 data are calculated using state agency information and information from Blank, Helen, and Nicole Oxedine Poersch. 1999. *State Developments in Child Care and Early Education*. Table 1. Washington, D.C.: Children's Defense Fund. The Urban Institute calculated 1998 and 1999 U.S. median income eligibility level as a percentage of state median income (SMI) and FPL.

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In 1996 and 1997, the Urban Institute conducted case studies in 13 states that provided a baseline for understanding changes emerging from welfare reform. This set of state updates describes changes occurring between 1996-97 and 1999-2000 based on a second set of case studies completed in 1999 and 2000. Programs covered include income support through the Temporary Assistance for Needy Families program, employment and training supports for low-income welfare and non-welfare families, child care, and child welfare. It also looks at interactions among these programs.

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