Income Support and Social Services for Low-Income People in Mississippi

Gretchen G. Kirby
Child Trends, Inc.

L. Jerome Gallagher
LaDonna Pavetti
Milda Saunders
Tennille Smith
The Urban Institute

State Reports
This report is part of the Urban Institute’s Assessing the New Federalism project, a multi-year effort to monitor and assess the devolution of social programs from the federal to the state and local levels. Alan Weil is the project director. The project analyzes changes in income support, social services, and health programs and their effects. In collaboration with Child Trends, Inc., the project studies child and family well-being.


The nonpartisan Urban Institute publishes studies, reports, and books on timely topics worthy of public consideration. The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or funders.

The authors would like to thank the many representatives from the legislature, state and local government agencies, the city of Jackson, the city of Vicksburg, and the nonprofit sector who gave generously of their time to participate in interviews. We owe special thanks to our local collaborator, the Mississippi Forum on Children and Families, especially Alma Ellis and Jane Boykin, who prepared a background paper for us and helped identify respondents for our site visit.
About the Series

Assessing the New Federalism is a multi-year Urban Institute project designed to analyze the devolution of responsibility from the federal government to the states for health care, income security, employment and training programs, and social services. Researchers monitor program changes and fiscal developments. In collaboration with Child Trends, Inc., the project studies changes in family well-being. The project aims to provide timely, nonpartisan information to inform public debate and to help state and local decisionmakers carry out their new responsibilities more effectively.

Key components of the project include a household survey, studies of policies in 13 states, and a database with information on all states and the District of Columbia, available at the Urban Institute’s Web site. This paper is one in a series of reports on the case studies conducted in the 13 states, home to half of the nation’s population. The 13 states are Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin. Two case studies were conducted in each state, one focusing on income support and social services, including employment and training programs, and the other on health programs. These 26 reports describe the policies and programs in place in the base year of this project, 1996. A second set of case studies will be conducted to examine how states reshape programs and policies in response to increased freedom to design social welfare and health programs to fit the needs of their low-income populations.

The income support and social services studies look at three broad areas. Basic income support for low-income families, which includes cash and near-cash programs such as Aid to Families with Dependent Children and Food Stamps, is one. The second area includes programs designed to lessen the
dependence of families on government-funded income support, such as education and training programs, child care, and child support enforcement. Finally, the reports describe what might be called the last-resort safety net, which includes child welfare, homeless programs, and other emergency services.

The health reports describe the entire context of health care provision for the low-income population. They cover Medicaid and similar programs, state policies regarding insurance, and the role of public hospitals and public health programs.

In a study of the effects of shifting responsibilities from the federal to state governments, one must start with an understanding of where states stand. States have made highly varied decisions about how to structure their programs. In addition, each state is working within its own context of private-sector choices and political attitudes toward the role of government. Future components of Assessing the New Federalism will include studies of the variation in policy choices made by different states.
Contents

Methodological Note vii

Highlights of the Report  1

Introduction  11

Mississippi: A Brief Overview  13
  The Population  13
  The Economic Environment  15
  The Political Environment  16

Setting the Social Policy Context  19
  Mississippi’s Agenda for Serving Low-Income Families  19
  Organization of Services and Administrative Structure  21
  Social Welfare Spending and Coverage  22

Basic Income Support Programs  25
  Aid to Families with Dependent Children  26

Programs That Promote Financial Independence  31
  Employment and Training Services  32
  Child Care  34
  Child Support  38
  Medicaid and Other Health Insurance  39
This case study of income support and social service programs for low-income people in Mississippi is based on interviews conducted in April 1997 and on our review of reports and other written documents. Before beginning, we must acknowledge an unavoidable gap in our methodology for this study of Mississippi. After we requested interviews with key officials in the Office of the Governor and the Department of Human Services, Governor Kirk Fordice responded that they would be unable to meet with us during our visit. Since many executive branch officials did not meet with us, we are limited in our ability to understand state policy options and choices. State officials from the Department of Human Services did, however, review and comment on a draft of this report. Their comments were used to clarify information on the baseline status of policies and programs where applicable. Officials in other agencies, including the Departments of Health and Education, were able to meet with us, as were legislative officials, local service providers, advocates, and other stakeholders.
Highlights of the Report

This report focuses on the baseline conditions of cash assistance and social services in the state of Mississippi as it embarks on the new welfare reforms specified in the federal Personal Responsibility and Work Opportunity Act of 1996 (PRWORA), in particular the replacement of Aid to Families with Dependent Children (AFDC) with Temporary Assistance for Needy Families (TANF).

State Overview

Mississippi is a predominantly rural state: Approximately three-quarters of its 2.6 million residents live in nonmetropolitan areas. The racial composition of Mississippians is mixed, with the largest portion (nearly 40 percent) of black residents among all the states. The Hispanic and noncitizen immigrant populations are very small but growing. Poverty levels for the state as a whole and for children are 60 percent higher than national averages. Also, a greater percentage of children are born to mothers out of wedlock and live in one-parent families than in the nation as a whole. The rate of births to teen mothers is the highest in the nation. Although the childhood immunization rate is one of the highest among the states, in 1995 Mississippi had the highest percentage of low birth-weight babies, the highest infant mortality and child death rates, and the highest rate of teen deaths by accident, homicide, and suicide. Economically, Mississippi is in a stronger position than at the beginning of the 1990s, but the state’s fiscal capacity is limited by a resource base of a population whose per capita income is nearly 30 percent below the national average. Overall, the governor is not an activist on issues regarding dependent populations or children. The legislature often takes the lead on policy in the areas of child care, child welfare, and child support.
Setting the Social Policy Context

Although Mississippi’s economy has boomed in recent years, particularly with the introduction of dockside gambling, state expenditures on social programs remain controlled by budgetary measures to limit government spending and by a political system that does not rank social programs as a high priority. Thus, Mississippi does not have a cogent, coordinated agenda for serving low-income families and children. However, specific issues have attracted attention. For example, the initial debate over the WorkFirst demonstration project in 1993 and more recent controversy over the privatization of social services were important policy concerns for both the governor and the legislature. Education, corrections, and economic development and job creation have ranked high on the governor’s agenda in recent years.

The shift in 1992 of the Department of Human Services from an independent to an executive agency gave the governor greater authority over the department than his predecessors had. Governor Fordice has used this authority to reorient the agency perspective on social services toward one focused on limited, temporary assistance and work.

The state has made recent strides in the areas of child health and education. The infant mortality rate declined in Mississippi between 1992 and 1995, from 11.9 per 1,000 births to 10.5 per 1,000 births. In addition, the state now has a rate of immunization among preschoolers that, at 83 percent, is the sixth highest in the nation. In education, a 1 percent tax increase in 1992 created the Education Enhancement Fund, which eventually will provide an additional $130 million in state money per year for education. Many in the state view the legislation to implement this fund as a progressive, proactive step that may not have been possible in the state even a few years earlier.

Mississippi is still at the beginning of reforming its safety net for low-income families and children who are dependent on cash assistance. Some early decisions indicate that the governor will continue to set the overarching tone of job creation and quick labor force attachment as methods to increase personal responsibility and decrease dependency.

Administrative Structure

Policy control over social services in Mississippi remains at the state level, and employees in local offices are state employees. The Department of Human Services and the Department of Economic and Community Development are responsible for general administration and oversight of programs to support low-income families and their children. The former agency houses welfare, child welfare, emergency services, and child care, while the latter administers the funding of the Job Training and Partnership Act (JTPA) and plays a large role in emergency shelter and homeless programs.
Devolution of control from the state to local governments does not occur in social service delivery in Mississippi, but there is a great deal of devolution of administration to district or local intermediary entities. With the exception of welfare and child welfare services (which are generally provided by the local offices of the Department of Human Services), the state relies heavily on a district/local level infrastructure to support many social programs. This infrastructure includes 10 Planning and Development Districts (PDDs) that have assumed expanded functions since their creation in the late 1960s, including the new case management duties of the Job Opportunities and Basic Skills (JOBS) program and the required voucher program of the Child Care Development Block Grant. In addition to PDDs, Community Action Agencies (CAAs) are also now more heavily involved in the local administration of social programs, most heavily in the areas of child care and emergency services. Reliance on PDDs and CAAs means that direct service administration is often moved out of state departments. With employment and training, child care, and emergency services, there is little but a policy role for the state’s Departments of Human Services and Economic and Community Development.

### Basic Income Support

Mississippi ranks low among the states in percentage of poor persons in families with children who receive AFDC, and it ranks lowest among all the states in level of monthly payments for families on welfare. In 1995, only 29.9 percent of the total number of poor persons in families with children in Mississippi received AFDC, compared with about 47 percent nationwide. Only seven states had lower percentages of AFDC receipt among poor persons in families with children. The maximum monthly benefit for a family of three in the state has remained unchanged since 1985, at $120—the lowest of the 50 states and the District of Columbia. As a result, food stamp benefits are the major source of income for most AFDC recipients. A family of three that receives the maximum AFDC benefit of $120 a month is likely to receive, in addition, about $315 a month in food stamp benefits.

The state is one of six that does not provide an optional state supplement to recipients of the federal Supplemental Security Income (SSI) program for elderly and disabled individuals. Mississippi also does not operate a General Assistance program, nor do any of its counties. Therefore, income assistance for families in need of support in the state consists primarily of food stamps and AFDC (now TANF), both of which are substantially federally funded.

Since 1993, Mississippi has enacted a series of welfare reforms resulting in changes to the AFDC program that focus on increasing parental responsibility and work participation and decreasing caseloads. Mississippi’s waiver program, “A New Direction Demonstration Program,” was implemented between October 1995 and January 1996. WorkFirst, the centerpiece of the waiver demonstration, served as the model for the state’s TANF program. WorkFirst sought to increase work participation through strict work requirements, the toughest sanctions in
the country (the penalty for not complying with work requirements was loss of the entire AFDC and food stamp benefit for the entire family), subsidized job placements, and less restricted transitional services. At the same time that the state introduced WorkFirst in six counties, it also created a “one-stop shop” of integrated welfare and job placement services to support the emphasis placed on immediate job search.

The WorkFirst program has received considerable support from the governor. Independent evaluators of the waiver demonstration found that caseloads in the six WorkFirst counties declined 34.3 percent compared with caseload declines of 22.3 percent in counties that did not implement WorkFirst. The evaluation also reported a high number of sanctions resulting in benefit termination in the six WorkFirst counties. After the first six quarters of WorkFirst, about 19 percent of the total number of WorkFirst clients had received at least one sanction. Mississippi’s TANF program is based on WorkFirst, with slight modifications, including a reduction in the severity of sanctions for adult recipients who don’t comply with work requirements.

Programs That Promote Financial Independence

To help promote self-sufficiency, cash assistance programs often need to be supplemented with employment and training, subsidized child care, child support collection efforts, and health insurance coverage.

Employment and Training

Under welfare reform, Mississippi has increasingly moved away from assistance with education or training for welfare recipients toward the goal of quick labor force attachment, as evidenced in the WorkFirst approach. In contrast, education and training programs are more widely available to the lower income population not necessarily on welfare, through JTPA funding and One-Stop Career Centers. These differing approaches stem from different goals. Employment services for the welfare population (through JOBS/WorkFirst) are predominantly led by the goal of increasing personal responsibility through work and decreasing dependency on public aid. For the nonwelfare low-income population, the JTPA programs and One-Stop Career Centers focus on economic development through strengthening the state’s workforce in high-demand occupations that are determined by the state.

Three pillars of administration govern employment and training services in the state. At one end is the Department of Human Services, which administers JOBS/WorkFirst funding exclusively for the welfare population. At the other end is the State Workforce Development Advisory Board and the District Boards that oversee the 15 One-Stop Career Centers that cater largely to the blue-collar population. In between, the Department of Economic and Community Development administers JTPA funding, serving both the welfare and nonwelfare low-income population.
The One-Stop Career Centers, created through the Workforce Education Act of 1994, are supported through state and corporate funding and are largely independent from JTPA and JOBS/WorkFirst activities. A State Workforce Development Advisory Council sets the agendas for the career centers, which are staffed and organized locally by community colleges. Center services include recruitment, skills assessment, counseling, and referral services to training or job placements; preemployment training for those with no experience in the private enterprise system; basic literacy skills training and high school equivalency education; vocational and technical training; and short-term skills training for JTPA participants. Although the centers are available to all, 75 percent of training services are provided to blue-collar workers. Welfare recipients are not directed to the centers for services but do at times end up finding them or seeking them out on their own.

**Child Care**

Mississippi serves a very small percentage of the children in families eligible for child care assistance. Estimates by the Mississippi Forum for Children and Families suggest that if the child care system functioned at its most efficient level, it could still meet the needs of only 10 percent of the total eligible population. The subsidized child care system in Mississippi is heavily reliant on federal funding and has been structured according to the various federal funding sources available. This structure has created a complex system with various avenues for entry and no assurance of assistance as a family’s eligibility changes, particularly from welfare recipient to working poor. The limited state resources devoted to child care further restrict the state’s ability to provide assistance as an important support to work or as an avenue for the low-income population to access child development programs. Child care for working AFDC recipients, JOBS/WorkFirst participants, and Transitional Child Care (TCC) flows through the Division of Economic Assistance of the Department of Human Services, with an emphasis on child care as a support to work. The Child Care Development Block Grant (CCDBG), the Social Services Block Grant, and At-Risk funding flow through the Office for Children and Youth of the Department of Human Services.

Across this system, subsidy levels, family copayments, and provider reimbursement rates are universal. However, the system is not seamless administratively nor for families as they make transitions in their child care eligibility status. The vouchers themselves and the applications for subsidies are similar, but a different application must be made depending on the funding stream accessed, and these applications are found at different locations within an area.

Although there is no direct competition between the welfare and non-welfare populations to receive subsidies, there is heavy competition among all families to access assistance. Every provider, advocate, and child care management agency respondent agreed that there are waiting lists at both the provider and the management agency levels.

In 1995, the state passed legislation that authorized a 25 percent tax credit for employers providing dependent care during working hours; this was
expanded to a 50 percent tax credit during the 1997 legislative session. Businesses can use the credit to establish on-site child care or to build alliances with networks of providers for which the employer will subsidize care for the children of its employees. There is a sense that this is the last major option available in the state to help address the need for child care.

**Child Support**

The Division of Child Support Enforcement was established in the state in 1990 and manages the state-run program, with 84 offices under the purview of the state’s Department of Human Services. The efficiency of child support collections in Mississippi is low relative to many states, and, in most regards, the child support program meets but does not exceed federal requirements. In recent years, however, child support enforcement has made progress as a result of several innovations. These include an automated system that has improved the state’s ability to locate absent parents and make child support collections, a state paternity program begun in 1994 that is an in-hospital acknowledgment of paternity required by the federal government, and a license suspension program that preceded federal law requiring that states authorize such programs. These innovations appear to have paid off. Total collections in FY 1996 reached $84.6 million, up from $62 million the previous year. Paternities and obligations established have also increased substantially.

**Medicaid and Other Health Insurance**

Medicaid currently is the only health insurance program for low-income families in Mississippi. A relatively high proportion (16 percent) of all state residents rely on Medicaid for health coverage. Spending per Medicaid enrollee in 1995—at $2,377—was about 26 percent less than the national average. However, the state has extended its coverage for pregnant women and infants up to 185 percent of the federal poverty level (FPL), which is more generous than the federal requirement of 133 percent of the FPL. In 1997, legislation was passed calling for statewide implementation of HealthMACS, a managed care plan. Beyond Medicaid, community health centers are important for the delivery of health care to the low-income and uninsured populations in Mississippi. These centers provide a health care safety net in this rural state, which has a substantial shortage of health professionals. The proportion of state residents seen at community health centers is three times higher than the national average. The state has the opportunity to expand health care coverage to the uninsured, especially children. It is eligible for $58 billion in federal funding through the State Children’s Health Insurance Program, but a state match of $10.7 million is needed to access these funds.

**Last-Resort Safety Net Programs**

Although one of the goals of devolution is to promote the well-being of children and families, it is important to consider what might happen to families
for whom the new rules and programs do not work as designed. Child welfare and housing emergency services have existed for a long time to “pick up the pieces” when families cannot cope.

**Child Welfare**

Child welfare services are administered at the state level by the Division of Family and Children’s Services within the Department of Human Services. This system of services is in a period of policy- and practice-related transition. The direction for change has largely been determined by the state’s request for technical assistance from the federal Administration for Children and Families and from the state’s completion of its five-year Child and Family Services Plan, with the assistance of the Social Science Research Center of Mississippi State University. The division’s policy orientation has changed recently from an emphasis on child protection toward one on family preservation and family reunification. The change in focus stemmed from the division’s dissatisfaction with its delivery of services, especially the lack of resources for prevention or family preservation supports. Only one family preservation program existed in 1994, but since then the state has used the catalyst of federal funding for family preservation and family support to launch partnerships with community-based organizations to increase family preservation services. Change takes time, however. Estimated expenditures for FY 1996 indicate that 65 percent of the total budget was directed toward children in out-of-home placement; placement services made up 8 percent, intervention services 16 percent, and family preservation and family support activities 10 percent of the total estimated expenditures.

Mississippi passed legislation in 1997 to force state review of child status reports more frequently, to prevent children from languishing for extended periods in substitute care. The law calls for action to return the child home or to begin litigation to terminate parental rights within six months of removal from the home for children under age three and within nine months for older children. Variation exists at the local level in how this and other child welfare policies are being implemented.

**Emergency Services and Housing**

Mississippi does not have an integrated emergency assistance program at the state level. Emergency assistance support and programs for the homeless have been pieced together through the patchwork of available federal funding. Two state departments serve as pass-throughs for federal funding to flow to the local level for service provision, and programs essentially mirror the federal funding streams. Mississippi does not access Title IV-A Emergency Assistance federal funding, and does not contribute any state funding to services to prevent homelessness or to provide emergency assistance. Nonprofit providers are the backbone of the delivery structure for all emergency assistance and homeless services within the state. There is a great deal of discretion in service provision at the local level, and no entities oversee or license emergency shelters at the state or local level. However, some nonprofits have created their own informal networks to serve as coordinating bodies among nonprofit providers in
local areas. In 1995, the Division of Community Services, which administers the main federal funding streams to prevent homelessness (the Low Income Home Energy Assistance Program and the Community Services Block Grant), encouraged local-level service providers to adopt a case management approach to assistance. This represented a shift from solely meeting immediate needs to helping clients move toward self-sufficiency.

Implications of the New Welfare Reform Legislation

The welfare reform of 1996 did not change the direction of reform in Mississippi, but it did have three major effects on reform efforts. First, it resulted in increased federal funding for welfare in the state, at least in the short term. Mississippi received a TANF block grant of $86.7 million for federal fiscal year 1997, an estimated $31 million more than it would have received if it had continued to operate AFDC.

Second, PRWORA accelerated the pace of reforms in Mississippi by putting welfare reform back on the agenda of legislators and other officials. Although the New Direction Demonstration Program had been implemented less than a year before, the federal law and required state response prompted legislators to revisit their welfare reform initiatives and extend the core of the demonstration statewide earlier than planned. In addition, through the legislative process, a number of provisions were added to the state’s plan that were more lenient on victims of domestic violence and that allowed for college enrollment of welfare recipients, as long as they still met the 20-hour-per-week work requirement. Most significantly, the state reduced the severity of its sanctions. Although adult recipients who are out of compliance with work requirements lose their Medicaid benefits for the period of the sanction, food stamp benefits are no longer interrupted as a result of sanctions governing TANF receipt.

Third, the federal welfare reform law included a number of state options that had not been addressed in Mississippi’s own welfare reform efforts, notably time limits. The state generally adopted the federal guidelines for specific reform components that it had not yet considered. For example, the time limit in Mississippi is the five-year total and the work requirement is the 20-hour-per-week minimum, both set at the federal level. The state has thus adopted the most lenient requirements allowable under new federal law.

Cash assistance from AFDC has never been a significant resource to low-income families in the state. Instead, federal sources—including food stamps, SSI, and emergency food and utility assistance—have provided the critical resources. Therefore, using the TANF program to affect behavior, as intended by the federal welfare legislation, may be more difficult in Mississippi, because retention of the low cash benefit is not a strong motivator.
In addition, the state faces other challenges in moving recipients from welfare to work, especially in areas of high unemployment and limited transportation to jobs outside the area. Respondents were most concerned about the supports necessary for a successful transition from welfare to work. For example, the state has ended the “entitlement” to child care for families on welfare. State legislation now asserts that child care may, rather than shall, be provided as a support to public assistance recipients. Another concern exists among local-level service providers and the nonprofit community—the primary players in the delivery of social services to low-income families in Mississippi. They question how much further they can stretch their limited resources in an era of potentially increasing need.
Introduction

Mississippi has built the core of its social welfare programs for low-income families around federally funded programs. It is not an activist state in the area of social services, and the structure of its social services is fragmented, perhaps because the programs have been developed to meet needs of federal funding requirements rather than as the result of a comprehensive state vision. In one respect this may limit the state’s ability to take on full responsibility for the design and implementation of social service programs resulting from block grants. Yet the state has already made progress down the road of welfare reform that, to some degree, lessens the policy changes necessary because of federal welfare legislation.

This report focuses on the findings of our case study in Mississippi, which was designed to provide a broad picture of the state’s social safety net for low-income families with children. This case study examines the current goals, policies, practices, organizational structure, funding, and recent changes in a wide variety of programs serving children and their families. Our review covers income support, employment and training, and child care programs targeted to low-income families. We also examine how other programs, such as child welfare and emergency services, work to assist low-income families in crisis, and how teen pregnancy prevention efforts address the highest teen birthrate in the nation.

Researchers from the Urban Institute and Child Trends visited Mississippi in April 1997, eight months after the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 was signed into law. The state had begun limited implementation of its own version of welfare reform in October 1995. We were able to conduct only a limited number of interviews at the state level, but we spoke with legislators, city administrators, providers,
and advocates in both Vicksburg (Warren County) and Jackson (Hinds County) in order to develop a picture of state and local programs and issues.

This report begins with a discussion of the characteristics of the state in terms of its population, economic condition, and political environment. The next section provides an overview of the state’s agenda for serving the needs of low-income families, covers state spending on social services, and presents a description of the service delivery structure. The three subsequent sections describe the three broad social program areas—income support for low-income families, policies for moving families toward financial independence, and programs that provide a safety net for families in crisis. The next section describes the particular service delivery challenges that Mississippi faces in providing support to low-income families and the innovations the state has implemented. The report concludes with a discussion of the implications of federal welfare legislation for low-income families in Mississippi.
Mississippi: A Brief Overview

This section provides an overview of Mississippi’s social, economic, and political environment, describing the attitudes and resources that shape state policy. With its high rate of poverty, Mississippi has a potentially large dependent population. While the economy has boomed in recent years, particularly with the introduction of dockside gambling, state expenditures on social programs are restricted by budgetary measures that limit government spending and by a political system that does not rank social programs high on its agenda.

The Population

Mississippi is a predominantly rural state, with approximately three-quarters of its 2.6 million residents living in nonmetropolitan areas. The population of the state increased 4.7 percent from 1990 to 1995, just under the national average of 5.6 percent overall population growth (see table 1). The racial composition of Mississippi residents is mixed, with the largest portion (nearly 40 percent) of black residents among all the states. The Hispanic and noncitizen immigrant populations are very small but growing.

The state has a high poverty rate of 22.8 percent, and one out of every three children in Mississippi lives in poverty. A greater percentage of children than in the nation as a whole are born out of wedlock (nearly half the children born in 1994) and live in one-parent families. The rate of births to teen mothers, at 76 per 1,000 female teens in 1996, is the highest in the nation and has been for some time.
Table 1  Mississippi State Characteristics, 1995

<table>
<thead>
<tr>
<th>Population Characteristics</th>
<th>Mississippi</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (1995)* (in thousands)</td>
<td>2,600</td>
<td>260,202</td>
</tr>
<tr>
<td>Percent under 18 (1995)*</td>
<td>27.4%</td>
<td>26.8%</td>
</tr>
<tr>
<td>Percent Hispanic (1995)*</td>
<td>0.7%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Percent Non-Hispanic Black (1995)*</td>
<td>38.7%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Percent Noncitizen Immigrant (1996)*</td>
<td>0.9%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Percent Rural (1990)*</td>
<td>76.0%</td>
<td>36.4%</td>
</tr>
<tr>
<td>Growth (1990–95)*</td>
<td>4.7%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Births per 1,000 Women ages 15–44 (1994)*</td>
<td>68.2</td>
<td>66.7</td>
</tr>
<tr>
<td>Percent to Unmarried Women (1994)*</td>
<td>45.4%</td>
<td>32.6%</td>
</tr>
<tr>
<td>Percent to Women under 20 That Were Nonmarital (1994)*</td>
<td>80%</td>
<td>76%</td>
</tr>
<tr>
<td>Per 1,000 Women Ages 15–19 (1994)*</td>
<td>83</td>
<td>59</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Economic Characteristics</th>
<th>Mississippi</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Income (1995)*</td>
<td>$16,683</td>
<td>$23,208</td>
</tr>
<tr>
<td>Percent Change in Per Capita Income (1990–95)*</td>
<td>31.3%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Percent Poor (1994)*</td>
<td>22.8%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Unemployment Rate (1996)*</td>
<td>6.1%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Employment Rate (1996)*</td>
<td>58.5%</td>
<td>63.2%</td>
</tr>
<tr>
<td>Percent Jobs in Manufacturing (1995)*</td>
<td>21.6%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Percent Jobs in Service Sector (1995)*</td>
<td>20.4%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Percent Jobs in Public Sector (1995)*</td>
<td>15.3%</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Profile</th>
<th>Mississippi</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Two-Parent Families (1994)*</td>
<td>32.1%</td>
<td>35.7%</td>
</tr>
<tr>
<td>Percent One-Parent Families (1994)*</td>
<td>18.6%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Percent Mothers with Child Age 12 or under Working Full Time (1994)*</td>
<td>44.7%</td>
<td>38.1%</td>
</tr>
<tr>
<td>Working Part Time (1994)*</td>
<td>14.0%</td>
<td>16.1%</td>
</tr>
<tr>
<td>In Two-Parent Families and Working (1994)*</td>
<td>38.8%</td>
<td>40.3%</td>
</tr>
<tr>
<td>In One-Parent Families and Working (1994)*</td>
<td>19.9%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Percent Children below Poverty (1994)*</td>
<td>34.4%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Median Income of Families with Children (1994)*</td>
<td>$26,502</td>
<td>$37,109</td>
</tr>
<tr>
<td>Percent Children Uninsured (1995)*</td>
<td>14.1%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Political</th>
<th>Mississippi</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor's Affiliation (1996)*</td>
<td>Republican</td>
<td></td>
</tr>
<tr>
<td>Party Control of Senate (1996)*</td>
<td>34D-18R</td>
<td></td>
</tr>
<tr>
<td>Party Control of House (1996)*</td>
<td>83D-36R-2I</td>
<td></td>
</tr>
</tbody>
</table>

g. Computed using midyear population estimates of the Bureau of the Census.
h. CPS three-year average (March 1994–March 1996, where 1994 is the center year), edited using the Urban Institute’s TRIM2 microsimulation model.
j. Employment rate is calculated using the civilian noninstitutionalized population age 16 years and over.
l. Percent of all families (two or more related persons living in the same household) that include one or more related children and where the head of the family is nonelderly, married, and the spouse is present.
m. Percent of all families (two or more related persons living in the same household) that include one or more related children and where the head of the family is not married or elderly.
n. Full-time work is defined as at least 1,750 hours per year (50 weeks × 35 hours per week).
o. Part-time work is defined as at least 910 hours per year (52 weeks × 17.5 hours per week) and less than 1,750 hours per year (50 weeks × 35 hours per week).
p. Working is defined as working at least 910 hours per year (52 weeks × 17.5 hours per week).
The childhood immunization rate is one of the highest among the states at 83 percent, and is continually improving because of the development of a statewide immunization registry and outreach campaign. Other measures of child health and well-being are less encouraging. In 1995, Mississippi had the highest percentage of low birth-weight babies; the highest infant mortality and child death rates; and the highest rate of teen deaths by accident, homicide, and suicide of all 50 states. For older children and adolescents, however, the state had lower juvenile crime arrest rates in 1995 than 37 other states, even though this rate has increased in the state over the past 10 years. Overall, Mississippi was ranked second to last among the states in a composite rating of 10 selected measures of child well-being.

The Economic Environment

Mississippi entered the 1990s, as did many states, with a sluggish economy and expenditures outpacing revenues. The balance in the state’s General Fund fell from $84 million in July 1989 to $4.9 million in June 1990, even while budget cuts were made. Yet Mississippi’s unemployment rate in the early 1990s was much improved over the double-digit rates of the mid-1980s. In addition, per capita income had increased 70 percent since 1980.

When Mississippi’s state budget began this downward turn, the legislature approved dockside gambling, limiting casinos to the Gulf Coast counties and counties bordering the Mississippi River. By fiscal year (FY) 1992, gaming revenues were beginning to strengthen the General Fund, but the much-improved General Fund balance in this year was largely the result of a 1 percent increase in the sales tax (which was directed toward education) and the downsizing of state government by 500 employees.

In FY 1993, revenues of $41.3 million from the casino industry were three times higher than state projections. All the economic news in Mississippi was positive, with the unemployment rate falling in 81 of the state’s 82 counties to 6.4 percent statewide—a 22 percent improvement over the previous year—and strong economic growth that was outpacing the nation as a whole.

Gaming revenues again were high in FY 1994 but have since slowed to a more moderate but healthy level as the initial expansion of the industry subsides. After a three-year period of strong performance, Mississippi’s economy began to slow slightly in 1995. For the first time in four years, the state spent more than it brought in, and the General Fund balance declined; however, the unemployment rate in 1995, at 5.9 percent, was the lowest it had been in 16 years. With the budget in solid shape after a few strong years, and amid signs that casino industry revenues had reached a comfortable plateau, efforts to limit government spending were implemented. A measure known as the “98 percent rule” was enacted during the 1992 legislative session and was fully incorporated into the appropriations process in FY 1994. This 98 percent rule
capped expenditures for each fiscal year at a level no higher than 98 percent of total projected revenues for that year.

Overall, Mississippi is now in a stronger position economically than at the beginning of the decade. Per capita income increased from 1990 to 1995 by 31.3 percent to $16,683, although this level still falls below the national average of $23,208 (see table 1). The state’s unemployment rate of 6.1 percent in 1996 remains low, but it is still higher than the national unemployment rate of 5.4 percent.

While the economic outlook for Mississippi has become more positive in recent years, the state remains one of the poorest in the nation. Poverty levels for children and for Mississippi residents as a whole remain 60 percent higher than the national average. The state’s fiscal capacity is limited by a population whose per capita income is nearly 30 percent below the national average and has been for many years. The state relies on a regressive tax system to generate revenues, with a high sales tax and a low income tax relative to national averages. It also relies heavily on federal funding sources to augment its budget, with the federal government providing nearly three dollars for every two dollars of state funds for overall expenditures in 1996.6

The Political Environment

Political power in Mississippi is distributed among a number of independent bodies. There is a sense of equitable if not necessarily shared influence over state functions between the governor and the legislature. Much of this shared influence stems from the organization of state agencies, some of which fall under the governor’s purview and some of which are independent agencies. For example, the Department of Economic and Community Development (DECD) and the Department of Human Services (DHS) are executive branch agencies, while the Department of Health (DOH) is independent. Independent agencies are governed by boards whose members are appointed by the governor. The governor maintains indirect influence through these appointments, but independent agencies must deal more directly with the legislature in negotiating budgets and significant policy changes. With the mix of executive and independent agencies, state agency heads do not function together as a cabinet, a situation that results in a number of horizontal power bases within the state government structure.

There was not a great deal of reported policy coordination between the governor and the legislature, which can be explained in part by party differences: Governor Kirk Fordice is Republican and Democrats make up the majority of both legislative bodies (see table 1). Overall, the governor is not portrayed as an activist on issues regarding dependent populations or children. The legislature often takes the lead on policy in the areas of child care, child welfare, and child support. The significant exception was the initial round of welfare reform in the state. Governor Fordice put welfare reform on the state agenda in 1993 and strongly supported the WorkFirst demonstration project that emerged from
this process. Welfare reform with an emphasis on work complements the governor's emphasis on economic and workforce development in the state. With social policy in general, however, the same handful of legislators and advocates were consistently identified as the leaders in this area, suggesting that the political power base for these issues is relatively small.
Setting the Social Policy Context

This section describes Mississippi’s policy orientation for helping low-income families. Following its discussion of policy commitments, the section reviews state and local spending on social welfare programs and the programs’ organizational structure. This information provides important background for understanding the structure and approach of the major social welfare programs in place during 1996 and early 1997, which we review later in the report.

Mississippi’s Agenda for Serving Low-Income Families

Mississippi does not have a cogent, coordinated agenda for serving low-income families and children. The state has used federal funding streams to provide support to these families but has not developed a broader state or local infrastructure to create a strong system of assistance. While the economic environment limits the state’s ability to address social welfare needs, the political environment also limits the will to do so.

Social policy has not ranked high on the state’s agenda in recent years, although specific issues have attracted significant amounts of attention during certain periods. For example, the initial debate over the WorkFirst demonstration project in 1993 and the more recent controversy over the privatization of social services were important policy concerns for both the governor and the legislature. Education, corrections, and economic development and job creation have ranked high on the governor’s agenda in recent years.
While Governor Fordice plays only a limited role in agenda setting and policymaking for social services in Mississippi, he has more direct control than his predecessors over such programs. During the 1992 legislative session, the five-member State Board of Human Services was abolished, shifting the Department of Human Services from an independent to an executive agency. This move gave the governor the ability, with Senate confirmation, to directly appoint the DHS’s executive director. The governor has used this authority to reorient the agency’s perspective on social services toward one focused on limited, temporary assistance centered around work, policies that are interpreted to be in line with his focus on economic development. Since the reorganization of DHS, WorkFirst has been introduced and an emphasis on case management has been implemented in the area of emergency services.

The state recently has made strides in the areas of child health and education. An Infant Mortality Task Force was created in 1992 to address the state’s high infant mortality rate and recommend improvements in infant and maternal health care programs. The infant mortality rate declined from 11.9 per 1,000 births in 1992 to 10.5 per 1,000 births in 1995. In addition, a statewide immunization registry has helped improve on-time immunizations among children under the age of two, and the state now has an immunization rate among preschoolers of 83 percent, the sixth highest in the nation. The 1 percent tax increase of 1992 created the Education Enhancement Fund, with millions of dollars to help schools renovate buildings and purchase equipment and teaching supplies. During the week of our site visit to Mississippi, the legislature narrowly overrode a veto of Governor Fordice to pass an education equity-funding bill, the Adequate Education Program. The program will be phased in over the next six years and will eventually provide an additional $130 million in state money per year toward education (the cost was the primary reason for the governor’s veto). The goal of the program, which took effect July 1, 1997, is to ensure that each school district can meet mid-level accreditation standards regardless of the local tax base. A number of respondents saw this legislation as a progressive, proactive step that might not have been possible in the state even a few years ago.

Mississippi is still at the beginning of its journey toward reforming its safety net for low-income families and children who are dependent on cash assistance. Some early decisions indicate that the governor will continue to advocate job creation and quick labor force attachment to increase personal responsibility and decrease dependency on the state. For example, the prevailing mood governing employment and training services is that welfare recipients are ready to work, and therefore there is little need to invest in skill training. In addition, Mississippi chose not to seek a waiver for time limits on able-bodied Food Stamp program participants in high unemployment areas. Able-bodied adults ages 18–50 make up less than 20 percent of the work registrants in the state’s Food Stamp program and receive 80 percent of Food Stamp employment and training dollars as per federal law.
Organization of Services and Administrative Structure

Social services in Mississippi are delivered through a state-administered system, meaning that policy control remains at the state level and employees in local offices are state employees. Two state departments, DHS and DECD, are responsible for general administration and oversight of programs to support low-income families and their children (see table 2). DHS was created from seven separate agencies through a government reorganization in 1989 (Mississippi Executive Branch Reorganization Act). As a result, welfare, child welfare, emergency child support, and child care services that were administered by separate entities are now administered by DHS. It is the primary agency for social programs in the state. DECD took on a larger role in emergency shelter and homeless programs beginning in 1996 but has always administered the funding of the Job Training Partnership Act (JTPA).

<table>
<thead>
<tr>
<th>Table 2 Organizational Structure of Social Welfare Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program</strong></td>
</tr>
<tr>
<td>Income Security</td>
</tr>
<tr>
<td>AFDC</td>
</tr>
<tr>
<td>Food Stamps</td>
</tr>
<tr>
<td>Education and Training</td>
</tr>
<tr>
<td>JOBS/WorkFirst</td>
</tr>
<tr>
<td>JTPA</td>
</tr>
<tr>
<td>One-Stop Career Centers</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Child Care/Child Development</td>
</tr>
<tr>
<td>Child Care</td>
</tr>
<tr>
<td>Head Start</td>
</tr>
<tr>
<td>Child Support</td>
</tr>
<tr>
<td>Enforcement</td>
</tr>
<tr>
<td>Child Welfare</td>
</tr>
<tr>
<td>Child Protection</td>
</tr>
<tr>
<td>Family Preservation</td>
</tr>
<tr>
<td>Foster Care</td>
</tr>
<tr>
<td>Adoption Assistance</td>
</tr>
<tr>
<td>Emergency Services</td>
</tr>
<tr>
<td>LIHEAP and CSBG</td>
</tr>
<tr>
<td>ESG, CDBG</td>
</tr>
<tr>
<td>Health</td>
</tr>
</tbody>
</table>

THE URBAN INSTITUTE
Devolution of control from the state to local governments does not occur in social service delivery in Mississippi, but there is a great deal of devolution of administration to district or local intermediary entities. With the exception of welfare and child welfare services, the state relies heavily on a district/local-level infrastructure to support many social programs. The primary administrative players at the sub-state level are the state’s 10 Planning and Development Districts (PDDs) and local Community Action Agencies (CAAs). PDDs were created in Mississippi in the late 1960s as intergovernmental bodies to address issues from a regional perspective. PDDs received state and local monies initially to implement regional economic development plans, including placement of industrial parks, employer diversification, and building skilled workforces within each region. In the 1990s, their role has expanded into issues related to dependent populations. CAAs are quasi-government agencies that are funded primarily through federal funds, either directly through such programs as Head Start, or as a pass-through from the state through such programs as the Community Services Block Grant.

The introduction of Job Opportunities and Basic Skills (JOBS) funding with the passage of the Family Support Act of 1988 and additional child care funding through the Child Care Development Block Grant (CCDBG) greatly expanded the role of both PDDs and CAAs in social service delivery in Mississippi. The state, in need of an infrastructure to handle the new case management duties of JOBS and the required voucher program of CCDBG, turned largely to the PDDs as a system already in existence. Initially all JOBS and CCDBG funding was contracted to PDDs for administration, but over time these contracts have diversified across both PDDs and CAAs.

Reliance on PDDs and CAAs means that direct service administration often is not provided through state departments. For employment and training, child care, and emergency services, there is little but a policy role for DHS and DECD. DHS does provide direct administration of welfare services and the majority of child welfare services through its 84 local offices (typically one per county).

There are a number of services for which little formal or coordinated infrastructure exists at all at the state level, and there is a heavy reliance on nonprofit organizations for collaboration of service delivery. For example, absent any state-run emergency assistance program, DECD and DHS serve largely as grants administrators for federal funding to flow to local emergency services and shelter programs. Further, a request-for-proposal (RFP) process has been used to collect and collate local-level proposals for use of federal abstinence education funding made available in conjunction with federal welfare legislation. In these proposals, local-level providers must produce the matching funds necessary to access federal funding.

---

**Social Welfare Spending and Coverage**

Mississippi devoted approximately 11 percent of its FY 1996 $2.7 billion state budget to social welfare programs. If state matching funds for Medicaid are
deducted from this total, state spending on the safety net programs described in this report amounted to $93.6 million, 3.5 percent of the total state budget.10

Spending on social welfare programs in Mississippi is extremely dependent upon the various federal funding streams for such programs. Mississippi has a very high federal matching rate to state dollars committed to many social programs in recognition of its limited state resources. In FY 1996, federal funding accounted for nearly 70 percent of total social welfare spending in the state (not including Medicaid). There are limited examples of state general fund expenditures for social welfare programs beyond requirements for matching funds to access federal dollars. Therefore, increases and decreases in spending shown in table 3 are largely the result of caseload shifts or changes in federal funding requirements. For example, the reductions in AFDC benefits, food stamps, and child nutrition programs are the result of decreases in the number of families qualifying for or seeking such assistance because of an improved economy and program changes over recent years. The large increase in JOBS funding is also the result of program participation and not an increased state commitment to the program. In Mississippi, JOBS was implemented statewide beginning in 1992; before then JOBS funding was active in only 16 of the state’s 82 counties. Another area with a significant increase was family preservation activities, as Mississippi began to access federal funding—with a state match—for these programs in 1994.

There are other social welfare programs for which federal funding is available, but the state chooses not to pursue such funding. Mississippi does not have an emergency assistance program, even though federal Title IV-A Emergency Assistance matching funds have been available at a 50 percent match rate. The state also did not access federal Title IV-A child care funds under the At-Risk category. The funding shown in the state/local column in table 3 for this category is provided by the city of Jackson. The state will not provide the necessary match from General Fund dollars but will serve as a pass-through for local governments interested in receiving At-Risk child care federal funding available for Mississippi.

The gaming revenues that have benefited the state in recent years have been directed to prison construction and maintenance, mental health programs, and education—programs that fall mostly under the domain of independent agencies. The 10 executive branch agencies have had stagnant budgets during Governor Fordice’s term in office beginning in 1992. The governor’s emphasis on controlling government spending and the budget process in Mississippi limit budget increases among the executive branch agencies. The governor submits a budget for these 10 agencies to the Legislative Budget Board (LBB), while independent agencies submit their requests directly to the legislature. The LBB makes recommendations to the Joint Legislative Budget Committee for baseline budgets—funds absolutely necessary to carry out state functions according to federal mandates and new state laws. Budget increases for creating new programs or enhancing existing programs that are not required by state or federal laws are not included in the LBB’s budget recommendations; their approval is left entirely up to the legislature.
There are limited contributions to social welfare programs at the local level. As mentioned previously, At-Risk child care matching dollars are provided by local government. Outside of this, however, there are no formal local contributions to the programs listed in table 3. The board of supervisors in each county makes funding decisions, and some counties elect to provide funding for programs to benefit low-income families and their children. For example, in Warren County, a special property tax funds emergency services, including a county shelter for homeless children.

### Table 3  Social Welfare Spending for Families with Children in Mississippi, FY 1995

<table>
<thead>
<tr>
<th>Program</th>
<th>Percent Change 1993–95</th>
<th>State/Local Total</th>
<th>Spending per Poor Family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ in millions</td>
<td>Federal Local</td>
<td>State United States</td>
</tr>
<tr>
<td><strong>Income Security</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFDC Benefits</td>
<td>$59.0</td>
<td>$16.1</td>
<td>$75.1</td>
</tr>
<tr>
<td>AFDC Administration</td>
<td>7.3</td>
<td>7.3</td>
<td>14.6</td>
</tr>
<tr>
<td>SSI for Children</td>
<td>N/A</td>
<td>0.0</td>
<td>122.6</td>
</tr>
<tr>
<td>EITC Federal</td>
<td>544.6</td>
<td>0.0</td>
<td>544.6</td>
</tr>
<tr>
<td>EITC State</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Food Security</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Stamps, households with children</td>
<td>324.8</td>
<td>0.0</td>
<td>324.8</td>
</tr>
<tr>
<td>Child Nutrition</td>
<td>172.7</td>
<td>0.0</td>
<td>172.7</td>
</tr>
<tr>
<td><strong>Education and Training</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JOBS</td>
<td>15.8</td>
<td>7.1</td>
<td>22.9</td>
</tr>
<tr>
<td>JTPA</td>
<td>24.1</td>
<td>0.0</td>
<td>24.1</td>
</tr>
<tr>
<td><strong>Child Care/Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFDC</td>
<td>5.1</td>
<td>1.4</td>
<td>6.5</td>
</tr>
<tr>
<td>At-Risk</td>
<td>1.2</td>
<td>0.3</td>
<td>1.5</td>
</tr>
<tr>
<td>CCDBG</td>
<td>16.3</td>
<td>0.0</td>
<td>16.3</td>
</tr>
<tr>
<td>Head Start</td>
<td>95.5</td>
<td>0.0</td>
<td>95.5</td>
</tr>
<tr>
<td><strong>Child Support Enforcement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21.6</td>
<td>9.9</td>
<td>31.5</td>
</tr>
<tr>
<td><strong>Child Welfare</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Protection/Family</td>
<td>7.0</td>
<td>2.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Preservation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foster Care</td>
<td>5.6</td>
<td>4.1</td>
<td>9.6</td>
</tr>
<tr>
<td>Adoption Assistance</td>
<td>0.7</td>
<td>0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Other</td>
<td>0.5</td>
<td>0.0</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>IV-A Emergency Assistance</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid, children only</td>
<td>193.4</td>
<td>52.7</td>
<td>246.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>There was no At-Risk child care spending in Mississippi in 1993.</td>
</tr>
<tr>
<td>b.</td>
<td>There was no IV-A Emergency Assistance spending in Mississippi in 1993 or 1995.</td>
</tr>
</tbody>
</table>
The state system for income support in Mississippi is limited to serving the needs of the high population of low-income residents in the state. Historically, Mississippi has had the lowest monthly payments for families on welfare in the nation. Because a large number of families qualify for assistance, the state has limited benefit levels as one method of managing costs.

Mississippi is one of six states that does not provide an optional state supplement to participants in the federal Supplemental Security Income (SSI) program for elderly and disabled individuals. The state also does not operate a General Assistance program, nor do any of its counties; therefore, income assistance for families in Mississippi consists primarily of food stamps and Aid to Families with Dependent Children (AFDC—now Temporary Assistance for Needy Families, or TANF), both of which are substantially federally funded.11

Income support issues, however, have moved onto the agenda of Mississippi policymakers in recent years. Since 1993, Mississippi has enacted a series of welfare reforms resulting in changes to the AFDC program that focus on increasing parental responsibility and work participation and decreasing case-loads. While the Food Stamp program is the larger of the two major income support programs in Mississippi, this section will primarily discuss the AFDC program (prior to federal welfare reform in 1996), which has been the focus of welfare reform efforts.
Aid to Families with Dependent Children

Caseload Trends and Benefit Levels

As in most other states, AFDC caseloads have been decreasing in Mississippi in recent years. The average monthly caseload fell from a high of about 61,000 families in 1992 to a little over 46,000 in 1996, a 24 percent decline over four years (see figure 1). Consequently, combined federal and state annual spending on AFDC benefits decreased from $89.2 million in 1992 to $75.1 million in 1995.

In 1995, only 29.9 percent of the total number of poor persons in families with children in Mississippi received AFDC, compared with about 47 percent nationwide. Only seven states had lower percentages of AFDC participation among poor persons in families with children. This can be explained, in part, by the low benefit levels of Mississippi’s AFDC program. The maximum monthly benefit for a family of three in Mississippi is $120, a figure that has remained unchanged since 1985. This benefit is the lowest of the 50 states and the District of Columbia and only 11.8 percent of the federal poverty level. As a result, food stamps are the major source of income for most AFDC recipients. A family of three that receives the maximum AFDC benefit of $120 a month is likely to receive, in addition, about $315 per month in food stamp benefits.12

Although benefits are low, families with some earned income can fare better in Mississippi than in other low-benefit states because of the method of benefit calculation. When compared with these states, Mississippi is more generous in its treatment of earnings, enabling families to continue to receive some level of benefits as their income grows. For example, a family of three in Mississippi can continue receiving some AFDC benefit until their total earned income reaches about 44 percent of the poverty level. Nationally, the amount of income

Figure 1  AFDC Average Monthly Caseload in Mississippi, 1987–96

the same family can earn as a percentage of the poverty level and still maintain AFDC benefits averages 67 percent. While Mississippi's average remains below this national average, it is well above that of some other low-benefit states such as Alabama, which terminates all assistance at 24 percent of the poverty level. Despite this incentive to combine earnings with AFDC benefits, only about 9 percent of the Mississippi caseload had earnings in 1995, slightly less than the national average.

The vast majority of families (75.8 percent) receiving assistance in Mississippi are families headed by a single adult. While this is similar to most other states, Mississippi differs in its consistently low number of AFDC-Unemployed Parent (UP) cases. Over the past few years, it has had the lowest percentage of such cases in the country. In 1993, only 0.3 percent of all Mississippi AFDC cases were UP cases; in 1994 and 1995, only 0.1 percent of cases were UP cases (42 of Mississippi’s approximately 52,000 cases). Nationally, UP cases have accounted for about 7 percent of total AFDC cases for the past three years. In 1995, only South Dakota had a lower absolute number of UP cases.

Recent Innovations, Changes, and Waivers

Mississippi initiated welfare reform legislation in April 1993 with the passage of Senate Bill 2718 in the Mississippi Legislature. This bill, known as the Mississippi Welfare Restructuring Program Act, mandated that DHS seek waivers from the federal government to alter its AFDC program. These program modifications were implemented mainly through demonstration components in a limited number of counties, but there were some statewide changes. The resulting waiver, the New Direction Demonstration Program involving changes to both AFDC and the Food Stamp program, was approved by the U.S. Department of Health and Human Services and the U.S. Department of Agriculture on December 22, 1994, and implemented between October 1995 and January 1996.14

The New Direction Demonstration Program contained many provisions similar to those in demonstration programs designed by other states, such as a family cap, an extension of transitional services, and the development of subsidized work positions. It also included the toughest sanction policy in the nation, denying food stamp benefits and the entire AFDC benefit to all members of recipient families that had an adult who failed to meet the program’s work requirements.15 Some waiver provisions were implemented statewide, while others were implemented in specified counties. The demonstration focused on changing the behavior of welfare recipients by enforcing parental responsibility and encouraging participation in the labor force rather than through education and training programs. The demonstration was divided into three separate components: the Statewide/Learnfare Demonstration, the Work Encouragement Demonstration, and the WorkFirst Demonstration. Each of the components and its provisions is described below.
Statewide/Learnfare Demonstration Component. The Statewide/Learnfare Demonstration focused on enforcing parental responsibility among AFDC recipients and discouraging out-of-wedlock births. All of the provisions were implemented statewide. Provisions included

- **Learnfare**: Children ages 6 through 17 in families receiving AFDC were required to attend school at least 90 percent of the time. A $25 sanction was imposed if the attendance requirement was not met.
- **Immunization requirement**: Children under age 6 in families receiving AFDC were required to obtain immunizations and receive checkups on a regular basis. A $25 sanction was imposed if the immunization requirement was not met.
- **Family cap**: A cap was placed on family benefit levels, which eliminated the increase in benefits to children born into an AFDC family after 10 months of participation. The capped child was still eligible for food stamps and was included in the calculation of eligibility for AFDC.
- **Teen parent live-at-home requirement**: Minor parents who were not married were required to live with their parents in order to receive AFDC.
- **Social contract**: All AFDC recipients were required to sign a social contract to acknowledge the recipients’ responsibilities to the state.16

Work Encouragement Demonstration Component. Provisions in both the Work Encouragement and WorkFirst Demonstrations focused on increasing employment. The Work Encouragement Demonstration experimented with increasing the earned income disregards to provide a greater financial incentive to work. This component was implemented in two counties (Leflore and Okitebbha). Provisions included

- **Earned income disregard**: For recipients receiving earned income, the time limit on the $30 and 1/3 earned income disregard was eliminated.17
- **Benefit computation**: The state changed the benefit calculation, allowing families with income to receive higher benefits. (The maximum benefit level was still in effect, so this provision raised the benefit levels only for those families with income who were receiving less than the maximum benefit level.)
- **Absent parent work requirement**: Nonexempt custodial parents were required to participate in JOBS. Under this provision, the state also required noncustodial, nonworking parents of AFDC children to participate in JOBS to meet child support obligations.

WorkFirst Demonstration Component. Like the Work Encouragement Demonstration, the WorkFirst Demonstration sought to increase employment, but it did so through strict work participation requirements, the toughest sanctions in the country, subsidized job placements, and less restrictive transitional services. This component was implemented in six counties (Adams, Harrison, Jones, Lee, Hinds, and Washington). It was widely regarded as the centerpiece of the waiver demonstration and later served as the model for the Mississippi TANF program. Provisions included

- **Subsidized employment**: All nonexempt AFDC and Food Stamp program participants who failed to find unsubsidized jobs were required to work in
subsidized private-sector jobs as they became available. In general, an individual’s AFDC and food stamp grants covered all but $1.00 per hour of minimum wage work. Participating employers paid this difference directly to the AFDC recipient employee. Job training placements were limited to six months, with some exceptions. Supplemental payments to the AFDC or food stamp family could be made if the WorkFirst participant earned less than the family would have received in AFDC and food stamp benefits.

- **Individual development accounts:** WorkFirst participants in subsidized employment for 30 days could start an individual development account (IDA) funded by the employer and not to exceed $1,000. Only recipients leaving AFDC because of earnings could withdraw funds from their IDA.
- **Sanctions:** The penalty for not complying with work requirements was increased, resulting in the loss of all AFDC and food stamp benefits for the entire family.
- **Child support pass-through:** The entire amount of child support collected on behalf of a family was passed through to that family.
- **Absent parent work requirement:** Nonexempt custodial parents were required to participate in JOBS. Under this provision, the state also required noncustodial, nonworking parents of AFDC children to participate in JOBS in order to meet child support obligations.
- **Removal of UP-family rules:** The 30-day waiting period, 100-hour rule, and 6 out of 13 quarters work history rule were removed for recipients.
- **Transitional services:** The requirement that an AFDC family receive benefits for three months in order to qualify for transitional child care and transitional Medicaid was eliminated.
- **Voluntary JOBS participant sanctions:** Recipients who volunteered for JOBS were subject to the same sanctions as mandatory participants.

Concurrent with the implementation of the WorkFirst provisions of the New Direction Demonstration Program, the state also reorganized service delivery in WorkFirst counties. This reorganization created a “one-stop shop” of integrated welfare and job placement services to support the emphasis placed on immediate job search. Before this change, AFDC eligibility determination, JOBS services (usually contracted to PDDs or CAAs), and the Mississippi Employment and Security Commission (MESC) were located in separate facilities. New applicants first met with an eligibility caseworker at a DHS county field office for initial eligibility screening. Nonexempt recipients would later meet with a JOBS caseworker at a separate facility, who would send the recipient to the local MESC office to look for employment, if appropriate. After the reorganization, AFDC eligibility caseworkers, JOBS caseworkers (now WorkFirst caseworkers), and job placement specialists from MESC shared the same facility. New applicants met with an eligibility caseworker and a job placement specialist on the same day. The job placement specialist would help applicants look for unsubsidized employment using MESC’s database. If employment was not found and the applicants qualified for AFDC, they would return to the same location for a meeting with the eligibility caseworker and an MESC job placement specialist to continue the job search. The WorkFirst caseworker also arranged job support services such as child care and transportation.
The results of this labor force attachment approach in Mississippi were first reported by the Implementation Process Study of WorkFirst conducted by Millsaps College. The evaluation revealed that 2,998 recipients, or approximately 41 percent of WorkFirst participants, were placed in unsubsidized jobs during the first six quarters of the demonstration program. During the same period, 639 recipients (9 percent) were placed in subsidized employment positions. In addition, the findings indicated that slightly more than one-third of the participants placed in unsubsidized and subsidized jobs retained their employment after the first six quarters of WorkFirst.19

The WorkFirst program has received considerable support from the governor, top DHS officials, and a number of legislators. One DHS official described the program as “wildly successful,” citing higher caseload declines in WorkFirst counties compared with the rest of the state.20 Indeed, independent evaluators of the New Direction Demonstration Program found that while caseloads declined in non-WorkFirst counties by 22.3 percent, the six WorkFirst counties had caseload declines of 34.3 percent.

The Implementation Process Study also reported that WorkFirst was implemented on schedule and with broad support from county field staff; however, a few problems were noted. County line workers considered the training regime inadequate and noted the lack of a consolidated policy manual. The study also reported a high number of sanctions resulting in benefit termination in the six WorkFirst counties. After the first six quarters of WorkFirst, 1,377 recipients had received at least one sanction: approximately 19 percent of the total number of WorkFirst clients, almost half the number of those placed in unsubsidized jobs, and more than twice the number placed in subsidized jobs.21 Criticism of the WorkFirst demonstration came largely from the academic and advocate communities, who argued that few resources had been directed toward training and support services, that sanctions were applied harshly and inconsistently, and that an insufficient number of jobs were available for welfare recipients.22

As the centerpiece of the waiver demonstration, WorkFirst served as the model for Mississippi’s response to the federal welfare reform legislation (PRWORA) passed in August 1996. After review of the preliminary impacts of WorkFirst by the administration and the legislature, the New Direction Demonstration Program waiver was repealed and replaced with a TANF program based on the WorkFirst component. Although slightly modified in later legislation, the WorkFirst model expanded from the initial pilot counties to statewide implementation in 1997. The penultimate section of this paper will return to this subject and further describe the implications of federal welfare reform and the initial responses in Mississippi.
Employment and training services, child care subsidies, child support enforcement, and Medicaid are supports that the state provides to increase the financial resources available to families and decrease dependence on public aid. Subsidized child care and Medicaid are means-tested programs and, therefore, are provided exclusively to families at the lower end of the income scale. Assistance with child care and health care costs is important to families receiving public assistance and also serves as a critical bridge to increased financial responsibility during the transition from welfare to work.

Employment and training services and child support enforcement measures are available to all families regardless of income. These supports, however, have increased significance for low-income and very low income families as avenues for economic opportunity that otherwise may not be feasible or practical to pursue. In building these opportunities, the state makes an investment in the ability of families to become financially independent at a later time.

In Mississippi, these supports carry particular importance. The state has a high population of low-income families and a low maximum benefit level for cash assistance. For both welfare and working poor families, these additional sources of support can significantly increase a family’s monthly income.
Employment and Training Services

With welfare reform, first at the state and then at the federal level, Mississippi has increasingly moved away from education or training assistance for welfare recipients and toward the goal of quick labor force attachment as demonstrated through the adoption of the WorkFirst approach. In contrast, education and training programs are more widely available to the low-income population, whether on welfare or not, through JTPA funding and through One-Stop Career Centers.

These differing approaches stem from different goals. Employment services for the welfare population (through JOBS/WorkFirst) are led predominantly by the goal of increasing personal responsibility through work and decreasing dependency on public aid. The JTPA programs and One-Stop Career Centers, although administered separately, share the primary goal of economic development through the strengthening of the state’s workforce. For example, all training programs funded through JTPA or the Career Centers must be geared toward skill development for an in-demand occupation as determined by the State Workforce Development Advisory Council or the District Councils.23

Administrative and Service Delivery Structures

Three pillars of administration govern employment and training services in the state of Mississippi. At one end is the DHS, which administers JOBS/WorkFirst funding exclusively for the welfare population; at the other is the State Workforce Development Advisory Board and the District Boards that oversee the 15 One-Stop Career (Skill/Tech) Centers, which cater largely to the blue-collar population. In between these two pillars, DECD administers JTPA funds that serve both the welfare and low-income populations.24

At the policy level, the State Job Training Coordinating Council (SJTCC) in the governor’s Office of Job Development and Training reviews all the employment and training plans for both JTPA and JOBS to coordinate plans at the state and local level. SJTCC also confers with the State Workforce Development Advisory Council to align JTPA policies with the priorities established by the Advisory Council for the One-Stop Career Centers.

At the service delivery level there appears to be little coordination among the three funding streams. The blending of funding streams and coordination that does exist occurs through district or area administrators and community-based providers who use multiple funding sources to provide comprehensive services to clients.

JOBS and JTPA

There are distinct lines between the administrative systems for JOBS and JTPA funding, yet management of the funds can overlap at the district level. For
JTPA there are five Service Delivery Areas (SDAs) in the state with Private Industry Councils (PICs) that advise on policy for their area. Actual administration of JTPA funding within an SDA may lie with the PIC (as is the case in three areas) or with the Planning and Development District (in two areas). PDDs may deliver some services in-house (mostly case management), but they usually contract with community-based providers for general equivalency diploma (GED) preparation, employability skills training, and job placement services. (PICs contract out all services.) JOBS funding is contracted either to PDDs or to CAAs, which in turn either provide a mix of in-house and contracted services or fully contract services with community-based providers.

JOBS/WorkFirst funding cannot directly cover the costs of skills training for welfare recipients beyond GED programs; however, welfare clients can benefit from skills training services in areas in which the same management body administers JTPA and JOBS funding. For example, the Central Mississippi Planning and Development District (CMSPDD) manages both JTPA and JOBS funding streams and has found that it is better equipped to provide the full range of case management services to welfare recipients. For those clients who are having difficulty locating work, the CMSPDD is able to use JTPA funding for skills training to increase their opportunities.

One-Stop Career Centers

The One-Stop Career Centers, created through the Workforce Education Act of 1994, are largely independent from JTPA and JOBS/WorkFirst activities. Unlike JOBS and JTPA, which rely heavily (or exclusively in the case of JTPA) on federal funding, the One-Stop Career Centers are funded through a combination of state and corporate funding. The state enacted its one-stop approach to employment and training just before Congress passed similar legislation making funding available to states for these activities. Even so, with the exception of a one-time planning grant of $200,000 from the U.S. Department of Labor in 1996, Mississippi has not pursued or received any federal funding support for its centers.

The Workforce Education Act created a State Workforce Development Advisory Council, a body of 27 appointed individuals from the public, education, and private sectors, that sets state workforce development policy and, in turn, the agendas for the Career Centers. Fifteen District Workforce Development Councils, with 15 appointed members on each, oversee the Career Center activities in their areas. The State Board for Community and Junior Colleges (SBCJC) provides staff and administrative support to both the State Workforce Development Advisory Council and the District Councils.

All of the Career Centers are staffed and organized locally by a community college affiliate of the SBCJC and cater to area business needs for workforce development. Services provided by the Career (Skill/Tech) Centers include recruitment, skills assessment, counseling, and referral services for training or job placements; preemployment training for those with no experience in the private enterprise system; basic literacy skills training and high school equivalency edu-
cation; vocational and technical training (full or part time); and short-term skills training for JTPA participants. In some areas there are multiple Career Centers, many directly on-site at major employers or at community colleges. In rural areas with limited access to on-site Career Centers, the local community college may operate a mobile unit to provide training, resources, and instruction.

The number of individuals served through the One-Stop Career Centers nearly tripled between 1994 and 1997, from 39,454 clients to 114,327. Job enhancement is the largest program category, serving 35 percent of the clientele, followed by job-specific training for the technical industry (33 percent) and adult basic education/GED (28 percent). During FY 1996, Career Centers placed 5,518 persons in jobs through their Employee Certification and Preemployment training programs. Many service costs are covered by employers, but individuals seeking services are requested to pay a $5 fee. The success of the Career Centers is attributed to the cooperative partnerships between community/junior colleges and private employers. The One-Stop Career Centers have been well received by the business community in Mississippi; in fact, corporate contributions to the centers now outweigh state support by a ratio of 10 to 1.

Despite the success and accessibility of the Career Centers, providers of other employment and training services are concerned that disadvantaged populations do not make use of One-Stop Career Center resources. Although Career Center services are available to all, 75 percent of training services are provided to blue-collar workers. Respondents indicated that welfare recipients are not directed to the Career Centers for services but do at times find them or seek them out on their own. JOBS/WorkFirst case managers tend to believe that the community colleges are not interested in serving this population and therefore direct their clients to the job service centers managed by the MESC. These job service centers offer labor market information and searches of available job opportunities and employers in the area, but they do not provide the more comprehensive services of the One-Stop Career Centers.

The Workforce Education Act of 1994 unanimously passed the state legislature and was supported by the governor, perhaps in part because the act was unrelated to welfare reform. In the initial discussions of workforce education legislation, there was talk of coordinating such legislation with welfare reform to bring employment and training services together in a coordinated fashion for all populations. The DHS would not agree to such an approach, setting separate courses for the two agendas and maintaining the disconnected but targeted system for employment services for welfare recipients.

---

**Child Care**

The subsidized child care system in Mississippi relies heavily on federal funding and has been structured according to the various federal funding sources available. This structure has resulted in a complex system with vari-
ous avenues for entry and no assurance of continued assistance as a family's eligibility changes, particularly from welfare recipient to working poor. The limited state resources devoted to child care further restrict the state’s ability to provide assistance as an important supplement to work or as an avenue for the low-income population to access child development programs.

**Administration and Service Delivery**

The subsidized child care system in Mississippi is organized around the available federal funding streams, with distinct administrative systems and differing goals. Transitional Child Care (TCC) and child care for working AFDC recipients and JOBS/WorkFirst participants flow through the Division of Economic Assistance of DHS, with a clear emphasis on child care as a support to work. The Child Care Development Block Grant (CCDBG), the Social Services Block Grant (SSBG), and At-Risk funding flow through the DHS Office for Children and Youth (OCY). The majority of CCDBG funds distributed through the Child Care Certificate Program are earmarked for the care of children in very low income families (below 50 percent of the state median income), children in protective services, and children with developmental delays (see table 4). Partial CCDBG and SSBG funding is used primarily to maintain the state's early commitment to “limited resource providers,” who have historically helped ensure a supply of child care slots devoted to low-income children.

For the majority of funding, there can be three levels of administration before vouchers reach families. This applies to AFDC/JOBS (WorkFirst), TCC, and 75 percent of CCDBG funds (the Child Care Certificate Program). For each of these streams, the appropriate office in DHS sets overarching policy but contracts with a child care management agency for administration of the funding by regional area. Initially, this function was exclusively performed by the PDDs; however, there is now a mix of PDDs and CAAs fulfilling this role throughout the state. The first complication in this system is that AFDC/JOBS and TCC funding are contracted out separately from CCDBG funding. As a result, there can be two child care management agencies within one region (or county) if the PDD is awarded one of the contracts and the CAA the other.

The child care management agency decides whether to handle cases directly or to further contract out this function. The underlying philosophy is that the agency or organization with offices closest to the service population should fulfill this role. In some cases, the PDD or CAA offices fit the bill; in others, local agencies are brought in to make this connection. For example, within the Central Mississippi Planning and Development District, offices in two counties provide voucher management in-house, while in four other counties these services are contracted to local CAAs or to community-based organizations.

Across this system encompassing AFDC/JOBS, TCC, and the Child Care Certificate Program, subsidy levels, family copayments, and provider reimbursement rates are universal (see table 4). However, it is not a seamless system for either administrators or families as their child care eligibility status changes.
### Table 4  Child Care Services in Mississippi

<table>
<thead>
<tr>
<th>Funding: FY 1995 Federal/State</th>
<th>Monthly Income Eligibility Limit (Family of Three)</th>
<th>Priority Groups</th>
<th>Type of Assistance</th>
<th>Waiting Lists for Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFDC/JOBS</td>
<td>N/A</td>
<td>N/A</td>
<td>Vouchers</td>
<td>No, but could develop</td>
</tr>
<tr>
<td>At-Risk</td>
<td>$6,399,980/1,693,879</td>
<td>$1,500</td>
<td>Slots/vouchers&lt;sup&gt;a b&lt;/sup&gt;</td>
<td>Unknown&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>TCC</td>
<td>$1,500</td>
<td>1) Special needs children</td>
<td>Vouchers</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2) Protective services&lt;sup&gt;c&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3) Children in very low income families</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCDBG</td>
<td>16,286,928/—</td>
<td>$1,500</td>
<td>75% vouchers through Child Care Certificate Program</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4) Children of teen parents enrolled in school</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5) Children in Head Start in need of wraparound care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSBG</td>
<td>1,200,000/—</td>
<td>$1,500</td>
<td>Some slots through contracts</td>
<td>Unknown&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6) Children of low-income parents who are working or in an approved educational or training program</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Mississippi Child Care and Development Block Grant Program Plan, FY 1996, and interviews.

<sup>a</sup> Determined or managed at the local level by government entity providing matching funds.

<sup>b</sup> In Jackson, the city funds five day-care centers to provide slots for low-income children.

<sup>c</sup> Families with protective service needs can have both income eligibility and family copayments waived by the Office for Children and Youth.

<sup>d</sup> Waiting lists are managed at the provider level.
While the vouchers themselves and the applications for subsidies are similar, different applications must be submitted depending on the funding stream accessed (that is, families’ eligibility). AFDC/JOBS, TCC, and CCDBG have their own applications and may be accessed at different locations within an area.

TCC is available for families for up to one year after they leave welfare because of increased earnings. After this time, families that need continued assistance with child care costs must submit a new application for subsidies under the Child Care Certificate Program for CCDBG funding. According to the Division of Economic Assistance, preference is given to TCC families for receipt of these certificates; however, this does not come across clearly at the implementation level. Discussions with multiple respondents indicated a belief that all families that do not receive welfare have equal opportunity—or difficulty—in obtaining child care assistance. Every provider, advocate, and child care management agency respondent agreed that there are waiting lists at both the provider and management agency level, but we could not obtain specifics about the length of these lists. System fragmentation, first by funding stream and then by management at the regional level, and the lack of a centralized data system place severe limitations on access to data about the number and characteristics of families waiting for child care across the state.

Set-Aside Funds

Much of the remaining CCDBG funds (25 percent) and $1 million of SSBG funds are available directly to providers through contracts. These funds continue the state’s commitment to the limited resource providers to assist with either actual child care slots or with center equipment and resource needs. The state developed this network of providers to cater exclusively to the low-income population. With the introduction of a voucher-based system under CCDBG and recent changes in priority groups, these providers find it increasingly difficult to keep their doors open for their predominantly working-poor clientele. These funds serve as an important, though dwindling, avenue for alleviating some of the financial pressures these providers experience. These contracts, however, provide financial assurances only in the short term, because contracts still have to be won each year, and competition is now very high for such funding. In addition, the amount of SSBG funding devoted to these contracts has decreased over recent years.

Funding

Funding for child care in Mississippi does not extend much beyond that provided through federal funding streams. The state did contribute matching funds—as required—for AFDC/JOBS and TCC funding (Title IV-A child care). However, the state did not provide matching funds to access At-Risk funding. The OCY, however, has served as a conduit for localities wishing to provide their own matching monies to draw down federal At-Risk funds. The city of Jackson, for example, runs five child care centers initiated through and dependent on such funding. The city of Jackson, for example, runs five child care centers initiated through and dependent on such funding. Overall, the state contributed approximately 7 percent of child care expenditures in 1995 for the subsidized program described here.29
According to one respondent, DHS reported that it served about 5 percent of the children in families eligible for child care assistance in 1996. Estimates by the Mississippi Forum for Children and Families suggest that if the child care system functioned at its most efficient level, it could still meet the needs of only 10 percent of the total eligible population (families under 75 percent of the state median income).

Given the low level of funding for child care in the state, advocates and legislators came together to encourage businesses to provide child care for their employees. In 1995, legislation was passed that authorized a 25 percent tax credit for employers who provide dependent care during working hours. This was expanded to a 50 percent tax credit during the 1997 legislative session. The credit applies to start-up costs for building or preparing space, and all ongoing expenditures. Businesses can use the credit to establish on-site child care or to build alliances with networks of providers through which the employer will provide subsidized care for the children of employees. There is a sense that this is the last major option available in the state to help address the need for child care. Head Start provides child development programs for children ages three to five during the day, but there is no state-funded prekindergarten program that can help meet the early learning needs of low-income children.

Child Support

The Division of Child Support Enforcement was established in Mississippi in 1990 and manages 84 local offices under the purview of DHS. Two of the local offices provide child support enforcement through a contracted private organization; the rest are maintained by the Division of Child Support Enforcement.

Child support enforcement in Mississippi is primarily a judicial system with few administrative procedures. The efficiency of child support collections in Mississippi is low compared with many states. In 1996, for instance, Mississippi collected $2.87 of child support per dollar of administrative expenditures, $1.06 less than the average amount collected nationally and lower than all but 14 states. In most regards, the child support program meets but does not exceed federal requirements. For instance, the state had not adopted the Uniform Interstate Family Support Act for enforcement of interstate orders until required to do so by PRWORA.

In the past few years, however, child support enforcement in Mississippi has made progress as the result of a number of innovations. In 1995, the state initiated an automated system that has improved the state’s ability to locate absent parents and collect child support. The automated system connects the child support enforcement division to welfare eligibility determinations, MESC, the Mississippi state personnel board, the state parent locator unit, and the federal parent locator unit. Other recent innovations in child support enforcement in Mississippi include the state’s paternity program, A Simple
Acknowledgment of Paternity (ASAP), and the License Suspension program. The ASAP program, which went into effect in 1994, is an in-hospital acknowledgment of paternity required by the federal government as a result of the 1993 Omnibus Budget Reconciliation Act. The License Suspension program, which went into effect July 1, 1996, allows the state to suspend occupational licenses, business licenses, drivers licenses, and hunting/fishing licenses. Unlike the ASAP program, the License Suspension program predated federal law requiring that states authorize such programs.

These innovations appear to have paid off. Total collections in FY 1996 reached $84.6 million, up from $62.0 million in FY 1995 (see table 5). Paternities and obligations established have also increased substantially, often outpacing the division’s goals. The FY 1996 goal for paternity establishments, for instance, was 5 percent higher than the 10,844 paternities established in FY 1995. By the end of FY 1996, however, the state had established 14,246 paternities, a 31 percent increase over the previous year (see table 5).31

Medicaid and Other Health Insurance32

Medicaid currently is the only health insurance program for low-income families in Mississippi. The maximum income eligibility for receipt of Medicaid in Mississippi is 34 percent of the federal poverty level (FPL)—lower than the national average of 39 percent of the FPL, but higher than a number of its neighboring southern states. Even with its narrow eligibility, Mississippi has a relatively high Medicaid participation rate; 16 percent of all state residents rely on Medicaid for health care coverage.

In recent years, Medicaid expenditures in Mississippi have grown at a slightly faster pace than they have nationally; however, this is predominantly the result of increased federal and provider funding through disproportionate share hospital spending rather than General Fund outlays. Even with these increases, the spending per Medicaid enrollee of $2,377 in 1995 was approximately 26 percent less than the national average. Mississippi has extended its coverage for pregnant women and infants up to 185 percent of the FPL, which is

<table>
<thead>
<tr>
<th>Table 5 Child Support Enforcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collections Distributed</td>
</tr>
<tr>
<td>Paternities Established</td>
</tr>
<tr>
<td>Obligations Established</td>
</tr>
<tr>
<td>Absent Parents Located</td>
</tr>
<tr>
<td>Court Orders Enforced/Modified</td>
</tr>
</tbody>
</table>

more generous than the federal requirement of 133 percent of the FPL. In addition, the state intends to expand Medicaid coverage from 12 to 24 months for families transitioning from welfare, although the federal waiver needed to implement such action has not yet been submitted to the Health Care Financing Administration of the U.S. Department of Health and Human Services.

In 1992, Mississippi began a limited form of managed care in its Medicaid program through HealthMACS, a primary care management program. This program, operating in 20 counties in April 1997, is a gatekeeper model of managed care but does not introduce a capitated payment system. Primary care providers (the gatekeepers) receive $3 per month per person to manage the care of Medicaid recipients. All health care services are billed to Medicaid on a fee-for-service basis. HealthMACS was mandatory for AFDC recipients in the counties in which it was implemented. In 1997, legislation was passed calling for statewide implementation of HealthMACS.

Community health centers are important to the delivery of health care to the low-income and uninsured populations in Mississippi. These centers provide a health care safety net in this rural state, which has a substantial shortage of health professionals. The proportion of state residents seen at community health centers is three times higher than the national average—8.6 percent compared with 2.7 percent, respectively. These centers also provide prenatal care to nearly half of all pregnant women in the state. There is some concern that the HealthMACS program is discouraging Medicaid clients from seeking care at the centers. This could threaten the centers’ long-term financial ability to provide services to the uninsured.

Mississippi does have two possibly connected opportunities to expand health care coverage to the uninsured, especially children. The state is eligible for $58 million in federal funding through the State Children’s Health Insurance Program; however, a state match of $10.7 million is needed to access these funds. These matching funds could come from the tobacco settlement reached between the state and the tobacco companies over public costs for smoking-related medical care. This precedent-setting settlement will provide the state with $170 million in its first year and will eventually total $3.6 billion. However, the Mississippi legislature has been reluctant to appropriate the settlement funds because of concerns that a national settlement may alter the amount of money received by the state.
Some families require assistance to address serious and immediate needs that move beyond financial supports. Child welfare services and emergency assistance are part of the state safety net that serves families who face internal strife or who are unable to meet such basic needs as food and shelter.

In recent years, DHS in Mississippi has been proactive in its reform of child welfare services, emphasizing family preservation and reunification. This emphasis has begun to foster an increased partnership between DHS and community providers, which will prove important in addressing the challenges of a system in transition.

Local-level providers constitute the core delivery system for emergency assistance throughout the state. While the state primarily passes through federal funding for emergency services to local-level providers, it has had influence in moving providers toward a case management approach to service delivery.

**Child Welfare Services**

**Service Structure**

Child welfare services are administered at the state level by the Division of Family and Children’s Services (DFCS) within DHS. DFCS sets overarching policy for child welfare, including prevention services, investigation of child abuse...
or neglect, and the provision of substitute care and adoption services. Service contracts are administered and funding resources and expenditures are determined by DFCS.

DFCS operations are organized into seven regions within the state for more direct administration. Eighty-four area offices operating within these regions (typically one for every county) serve as the point of contact for families and children. Most social workers in the area offices are classified as generic workers and handle cases from the onset of the investigation through closure. In some of the larger metropolitan areas, such as in Hinds County, offices have specialized intake, investigation, and supervision units.

Until 1995, all state-administered child welfare services were provided directly through the area offices. In 1995, the state began contracting with community-based organizations to provide family preservation programs with federal funding through the Family Preservation and Support Act.

Caseload Dynamics

Compared with other states, Mississippi has had a consistently smaller number of reports of child abuse and neglect based on reports that are referred for investigation. Mississippi’s policy is to investigate all reports received at the area offices, but it remains unclear how cases from a statewide 24-hour hotline intake service are screened and referred to the area offices for action.34 Within the state, reports requiring investigation increased from 9,908 in 1986 to 17,322 in 1994, while the number of children who were the subjects of a report increased from approximately 16,000 to more than 31,000.35 In 1996, a total of 17,648 reports were investigated. The percentage of reports that are substantiated in Mississippi declined from 47 percent in 1990 to 29 percent in 1994, according to data from the National Child Abuse and Neglect Data System (NCANDS) reported by the states.36 Statistics from DHS for 1996 indicate a substantiation rate of approximately 25 percent (4,486 substantiated cases out of a total of 17,648 investigated reports).37

The actual number of children in substitute care increased early in this decade but has since reversed. In 1994, for the first time in the 1990s, the number of children entering foster care was lower than the number exiting.38 This held true in 1995 as well (the latest year for which data are available). Overall, the rate of placement of children in out-of-home care per 1,000 children in the state was 3.8 in both 1990 and 1995. This was the ninth-lowest rate of children placed in out-of-home care in the nation in 1995.39

The length of time children remain in substitute care is a concern shared by Mississippi’s administrators, advocates, and legislators alike. In 1995, 40 percent of the children in substitute care had been in such care for more than three years; 36 percent had been in substitute care for one to three years; and the remaining 23 percent had been in care for less than one year.40
Agency Agenda and Scope of Services

DFCS has changed its policies recently to emphasize family preservation and reunification rather than child protection. DFCS's self-assessment in 1995 makes two things very clear: The division emphasized protection, and operations were not running well or to the benefit of children. It appears that the change in focus from protection to family preservation stemmed from DFCS's dissatisfaction with its delivery of services, particularly the lack of resources for prevention or family preservation supports.

The division's new mission appears to have increased the availability and scope of family services to some degree throughout the state. For example, only one family preservation program existed in 1994. Since that time the state has used the catalyst of federal funding for family preservation and family support to launch partnerships with community-based organizations to increase family preservation services. In FY 1996, statewide RFPs began to build networks of services available in local communities to families in the child protective services system.

Changes take time, however, and DFCS still has a long way to go in service development, particularly in supportive family services. Estimated expenditures for FY 1996 indicate that 65 percent of the total budget was directed toward children in out-of-home placement (see table 6). Prevention services made up almost 9 percent of estimated expenditures, intervention services made up 16 percent, and family preservation and family support activities accounted for 10 percent of the total estimated expenditures. Respondents stated that the department still needs a significant reorganization of services for family preservation and reunification efforts to take root throughout the child welfare system and have a long-term effect.

<table>
<thead>
<tr>
<th>Program Category</th>
<th>Treatment Services</th>
<th>Adoption</th>
<th>Family Preservation</th>
<th>Family Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Characteristics</td>
<td>Prevention</td>
<td>Intervention</td>
<td>Placement</td>
<td>Statewide</td>
</tr>
<tr>
<td>Geographic Area(s)</td>
<td>Statewide</td>
<td>Statewide</td>
<td>Statewide</td>
<td>Statewide</td>
</tr>
<tr>
<td>Number Served</td>
<td>25,520</td>
<td>71,548</td>
<td>7,357</td>
<td>167</td>
</tr>
<tr>
<td>Estimated Expenditures: Federal</td>
<td>$2,426,055</td>
<td>$5,339,053</td>
<td>$16,407,957</td>
<td>$2,499,174</td>
</tr>
<tr>
<td>Estimated Expenditures: State/Local/Other</td>
<td>$1,555,298</td>
<td>$2,048,037</td>
<td>$6,364,323</td>
<td>$1,537,158</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$3,981,353</td>
<td>$7,387,090</td>
<td>$22,772,280</td>
<td>$4,036,332</td>
</tr>
</tbody>
</table>


a. Includes the Social Services Block Grant, Title IV-B, Title IV-E, and various other federally funded grant programs.
b. Includes funds appropriated by the state legislature and local matching funds from county level Boards of Supervisors.
c. Includes a 10 percent community match.
Challenges Facing the Child Welfare System

In 1997, legislation regarding the termination of parental rights was passed with the support of legislators and advocates alike. This legislation was intended to force DFCS to review child status reports more frequently to prevent children from languishing for extended periods of time in substitute care. The law requires DFCS to return the child home or begin litigation to terminate parental rights within six months of removing children under the age of three and within nine months for older children. Everyone agrees that this legislation fits DFCS’s goal of family reunification, and legislators and advocates see the legislation as moving permanency planning efforts ahead (although these latter groups see it more as an adoption bill). Time limits established in the legislation, however, were a source of contention and frustration. DFCS is under the strain of a system in transition and now has the added pressure of making decisions for children in a short time frame. Advocates fear that the limits may force DFCS to send children back to their homes without the supportive services needed to keep them safe. While the legislation has now set the policy, nearly all respondents agreed that it will not be fully implemented because of the lack of both human and financial resources in DFCS.

In general, respondents felt that child welfare policies at both the federal level and the state level in Mississippi were good, but that the breakdown occurs first in implementation within the DFCS offices and then is exacerbated by variations at the local level. The variation occurs both in DFCS area offices and within the local Youth Courts. The Youth Court authorizes removal, custody, and other protective orders. Each Youth Court has wide latitude for interpreting federal and state policies, such as the federal mandate to provide “reasonable efforts” to maintain a child in his or her home.

Overall, the system of child welfare services in Mississippi appears to be under financial and political strain, and in a period of transition for policy and practice. The direction for change, however, has largely been determined as a result of the state’s request for technical assistance from the federal Administration for Children and Families and from the state’s completion of its Five-Year Child and Family Services Plan with the assistance of the Social Science Research Center of Mississippi State University. The Mississippi Commission on a Uniform Youth Court System is in the midst of a four-year project to assess, plan, and improve the way the Youth Courts handle foster care and adoption cases. In addition, the Kellogg Foundation has an initiative in the state to improve the availability of adoptive homes. These efforts may further refine future actions and options available to DFCS.

Emergency Services and Housing

Mississippi does not have an integrated emergency assistance program at the state level. Emergency assistance support and programs for the homeless
have been pieced together through the patchwork of available federal funding. Two state departments serve predominantly as pass-throughs for federal funding to provide services at the local level, and programs essentially mirror the federal funding streams. Mississippi does not access Title IV-A Emergency Assistance (EA) federal funding and does not contribute any state funding toward the services described here.

**Diversion Services**

Funding for services to prevent homelessness, known as diversion services, is administered by the Division of Community Services (DCS) of the Department of Human Services (see table 7). The two most significant funding streams for diversion assistance are the Low-Income Home Energy Assistance Program (LIHEAP) and the Community Services Block Grant (CSBG).

The most significant state policy influence in the area of emergency assistance is exerted through these two programs. In 1995, DCS encouraged local-level service providers to adopt a case management approach to assistance. This represented a shift from simply meeting immediate needs to helping clients move toward self-sufficiency. DCS helps local entities employ this case management approach by allocating LIHEAP and CSBG funding to the same administering agency—CAA. Providers are then able to use LIHEAP for direct assistance, combined with the flexibility of CSBG funds for additional case management.

**Table 7 Emergency Assistance**

<table>
<thead>
<tr>
<th>Type of Services</th>
<th>Administration</th>
<th>Number Served</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diversion Services (Rent/Utility/Case Management)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low-Income Home Energy Assistance Program</td>
<td>DHS, Division of Community Services</td>
<td>36,000 households, 70,350 individuals</td>
</tr>
<tr>
<td>Community Services Block Grant</td>
<td>DHS, Division of Community Services</td>
<td>47,789 households, 93,378 individuals</td>
</tr>
<tr>
<td>Federal Emergency Management Agency—EA funds</td>
<td>Local providers</td>
<td>Unknown</td>
</tr>
<tr>
<td><strong>Homeless Assistance Programs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Homeless Program</td>
<td>DECD, Community Services Division</td>
<td>4,500 individuals</td>
</tr>
<tr>
<td>Emergency Shelter Grant</td>
<td>DECD, Community Services Division</td>
<td>8,437 individuals</td>
</tr>
<tr>
<td><strong>Food Assistance Programs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Emergency Food Assistance Program</td>
<td>DHS, Division of Economic Assistance</td>
<td>Unknown*</td>
</tr>
<tr>
<td>Commodity Food and Nutrition Program</td>
<td>DECD, Community Services Division</td>
<td>4,838 families, 10,897 individuals</td>
</tr>
</tbody>
</table>

*Source: Department of Human Services and interviews.

*S$3 million worth of food distributed to food banks and soup kitchens.
Eligibility for both programs is determined by income (125 percent of the FPL or less), with the caveat that the individual or family express a willingness to work toward self-sufficiency through a participant agreement. Any continued assistance is based on how well a case progresses as measured by a case management rating result. There are no limits to the amount of CSBG assistance a family or individual can receive; however, there are caps on LIHEAP assistance that are determined by assessing an individual’s or family’s barriers to progress or their intensity of need. For example, in Jackson, the CAA can provide up to $180 in assistance for low-intensity need, $340 for medium-intensity need, and up to $540 to those with high-intensity need.

Providers and CAAs resented the change to case management at first but soon began to see the positive effects. While case management can force providers to devote their limited resources to fewer cases, they have found fewer clients returning for additional assistance. In addition, they saw the move toward case management as a catalyst for increased coordination and collaboration of services among providers.

**Homeless Assistance Programs**

The Community Services Division of the Department of Economic and Community Development also administers the programs targeted to homeless populations. Before 1996, these programs had been housed in the Division of Community Services in DHS; they moved to DECD with the development of consolidated plans to access various federal funding streams from the U.S. Department of Housing and Urban Development (HUD). DECD coordinates the Consolidated Plan for the state, encompassing approximately 300 communities. Some locations in the state, including Jackson, are considered entitlement communities by HUD and receive these federal funds directly.

From the Consolidated Plan, there are two funding sources for homeless services. The first, the Emergency Shelter Grant (ESG), is allocated by DECD directly to local shelter providers. In addition, part of the CDBG is directed toward an Emergency Homeless Program (EHP). These funds also flow from DECD to local providers to provide both diversion and supportive services to those who are homeless or are at risk of becoming homeless. Families with children are among the top priority groups to receive assistance through the EHP.

Nonprofit providers serve as the backbone of the delivery structure for all emergency assistance and homeless services in the state. There is a great deal of discretion in service provision at the local level. For example, there are no entities that oversee or license emergency shelters at either the state or local level. However, there are formal and informal networks that serve as coordinating bodies among providers in local areas. The United Way has initiated Community Services Networks in both Vicksburg and Jackson that help unite nonprofits to improve services to clients and increase efficiency in service delivery. This network appears particularly strong in Vicksburg and has prompted resource allocations that allow specialization of services for agencies to avoid
repeated assistance to families for the same needs. This is most evident in the allocation of local Federal Emergency Management Agency (FEMA) funds for emergency assistance. These funds are divided up in Vicksburg by function, and rental assistance funding is directed to one agency while utility assistance funding is directed to another. Providers have found that this increases their ability to track who is getting what assistance and how often.

The availability of emergency services varies by community. Often, the faith community plays a fairly significant role in service provision. In Vicksburg, churches provide important support, particularly in the areas of food distribution and transitional housing. The primary emergency services and shelter provider in the city of Jackson is an organization consisting of a large network of involved congregations. Overall, respondents stated that food and shelter services seemed adequate to address needs at the time of our visit, but they were becoming concerned by increasing demands.

**Challenges: Transportation and Housing**

Transportation is viewed as a significant obstacle for families attempting to move toward self-sufficiency. The lack of public transportation for clients to access emergency services and to maintain appointments for any follow-up or continued supportive services was a commonly voiced concern among local-level providers.

Another obstacle to self-sufficiency is the lack of affordable housing. Rents in both Jackson and Vicksburg begin at nearly $600 per month for a two-bedroom apartment, well beyond the reach of many low-income families. In Vicksburg, rents have virtually doubled throughout the market with the entrance of the casino industry over the last few years.

The opportunities for public housing and Section 8 certificates are also limited in these areas. In Jackson, approximately 600 families are on the waiting list for public housing, with a wait time of between six months and one year. The Jackson Public Housing Authority does not set priorities for who receives housing but bases access on the date of application. Jackson has a somewhat shorter waiting list for Section 8 housing, so there is better access to subsidized housing. Waiting lists in Vicksburg are significantly longer. About 500 families are on the list for two-bedroom apartments in public housing, with a wait time of between two and three years; 900 families are waiting for a three-bedroom apartment, with a much longer wait time. In Vicksburg, the Housing Authority does take circumstances and income into consideration when determining priorities for families on the waiting list. Neither housing authority gives preference to homeless families.
Service Delivery Challenges and Innovations

Mississippi faces some particular challenges in the early prevention of dependence and in the delivery of social services. One factor affecting dependency rates in Mississippi is that the state has the highest rate of teen pregnancy in the nation. Having a child as a teen increases the likelihood that the mother will at some point depend on public assistance and can limit her educational and employment opportunities. A further challenge for the delivery of social services in the state is the lack of public transportation. This section will address these challenges, the role of DHS in coordinating services, and the role of both nonprofit and for-profit providers in the delivery of social services in Mississippi.

Teen Pregnancy Prevention

The DHS’s website says, “We’re number one in Mississippi, but it’s nothing to brag about.” They are referring to the rate of teen pregnancy in the state. At 76 births per 1,000 teens in 1996, Mississippi has the highest rate of teen pregnancy among the states, 41 percent higher than the national rate of 54 births per 1,000 teens. Other statistics are just as alarming—22 percent of all births in the state are to teen mothers, and statewide, between 30 and 35 percent of teens who have one baby will have another pregnancy while still a teen.
DOH has limited resources to address teen pregnancy prevention. Statewide, approximately $8 million is disbursed to 81 local health offices for family planning activities, just under $100,000 per office. The vast majority of this funding is through the federal Family Planning Program (Title X) and the Maternal and Child Health Block Grant; less than 5 percent of family planning services are covered by state dollars. At the local level, these dollars must be stretched to address family planning for all women who seek it, although approximately 30 percent of the clients at local DOH offices are under 20 years of age. To supplement the efforts of local offices, DOH also contracts with non-profit organizations that administer 330 community health centers.

Local-level practitioners and state-level administrators recognize that relying solely on local health offices and community health centers to reach teens has its limitations. Access to either is very difficult because of the lack of public transportation. Arranging for transportation to a center or local health office decreases the confidentiality of the visit. In addition, practitioners believe that teens attach a stigma to visiting the centers.

DOH has made repeated attempts over the years to place a nurse in every school but has had continual difficulty obtaining the necessary funding. In part, this is explained by public attitudes and political responses that emphasize abstinence education over family planning services.

Even with a growing emphasis on abstinence education in the state, DOH does not have the resources to provide state matching dollars to draw down the federal dollars available through the Maternal and Child Health Block Grant in conjunction with federal welfare reform legislation. Instead, the state issued an RFP to local nonprofit organizations interested in implementing these programs and willing to provide matching funds at the local level. The DOH will organize and collate the proposals up to the level needed for the match and then redistribute the federal funds out to the local providers. This funding approach allows local providers to access additional funding, but respondents stated that it restricts the ability to coordinate policy for teen pregnancy prevention at the state level.

At the time of our site visit, it appeared that there was a limited state role in developing a coordinated policy approach to teen pregnancy prevention efforts. However, this was changing with the work of the Mississippi Task Force on Reducing Out-of-Wedlock Pregnancies, created in March 1997, and other initiatives that were just getting under way in the spring of 1997.

---

**Specific Challenge to Service Delivery: Transportation**

During our site visit, transportation was cited first and most often as an obstacle to both service delivery and progress toward self-sufficiency. The lack of transportation—particularly in rural areas, but even in the state’s small cities
like Jackson—can impede initial assistance, follow-up, case management progress, and, most important, movement into jobs. Social service providers indicated that many clients missed appointments for services such as addiction support programs, pregnancy prevention and family planning, family counseling, and job training primarily because of their inability to reach services, especially on an ongoing basis. When providers supplied transportation services, they witnessed improved follow-up results.

Movement into jobs can be difficult when residents must travel long distances between work and home. In the Delta region, in five counties that are among the poorest in the nation, the unemployment rate reached 10 percent in 1997.46 Residents of these regions usually need to seek employment elsewhere, but because they do not usually own cars, they must find alternative means of transportation. Similarly, in Vicksburg and Jackson, there is a standard “neighbor” rate as high as $15 one way for a ride from someone in the neighborhood from the outer regions into the more heavily populated and business-rich areas. Costs of this magnitude can outweigh the financial benefits of minimum-wage work. The governor’s and DHS’s proposed solutions include suggesting that those needing to work—whether welfare recipients or not—should move to locations that are more convenient to jobs. The dilemma in such a solution is that there is little affordable housing in the central areas of places like Jackson and Vicksburg, as discussed in the previous section.

In recognition of the significant barrier that transportation presents in a rural state like Mississippi, transportation assistance is available to TANF clients through contract providers, bus passes, or direct reimbursement. This assistance can continue as transitional assistance for up to one year—three months through the total income disregard and up to nine months of additional assistance through direct reimbursement or contracted transportation providers.

Service Connections and Innovations

The government reorganization in 1989 that created DHS gave the agency authority over welfare, child welfare, child care, and child support, among other services. Yet, while housed under the same roof, these services maintain distinct administrative systems and the connections among these systems (at the service delivery level) appear to be weak and lacking in coordination. The state structure for services is not well coordinated and relies heavily on intermediary administrative agents such as the Planning and Development Districts and Community Action Agencies to manage JOBS, child care, and emergency services.

At the local level, respondents stated that families in need face a confusing network of services with no clear entry point. Another difficulty stems from an inability to identify a primary case manager for families that receive multiple services. Because DHS oversees social welfare programs, many believe that it could feasibly be the common thread that weaves existing services together.
Some movement has been made by DHS toward these ends. Specifically, the colocation of services for cash assistance, JOBS, and child support under WorkFirst set a precedent toward greater coordination of services, at least for families receiving cash assistance (discussed in the section on income support programs). In addition, in the minds of local-level providers, DHS’s emphasis on increased case management for families accessing emergency assistance has resulted in more families being served more effectively over time.

The Role of Nonprofits and Interactions with DHS

Nonprofit organizations provide an essential component of the service delivery structure in Mississippi in both informal and formal ways. For services such as emergency food, utility, and shelter assistance; child care; and prevention programs for teen pregnancy, child abuse, and domestic violence, nonprofits provide the primary supports to needy families in their communities. In many cases, nonprofits do not seek or obtain state or federal monies for services but have come to rely increasingly on private sources of support. In other instances, DHS may refer clients seeking supportive services to nonprofit providers through collaborative arrangements. Such arrangements, although formal, are not necessarily accompanied by funding. This is particularly true for child welfare services and nonprofit providers of prevention and intervention services.

The funding that does flow from DHS to nonprofit providers is perceived to have many regulatory strings attached. Nonprofit officials cite the increasing bureaucracy of DHS, with constant audits of provider activities, as a major barrier to service provision. It is unclear, however, to what extent oversight over services is determined by the state or by federal regulations. Providers clearly want to shift emphasis from an environment focused on justifying expenses to DHS to one that places a premium on providing innovative and flexible services.

Overall, interactions between DHS and providers seemed strained at the time of the site visit, but there were signs that this situation was changing. DHS had begun a series of training sessions for nonprofit providers about changes in welfare rules, administrative procedures, and client requirements. Local providers viewed this as a positive step toward increasing communication in a system that needs to draw upon all possible human and financial resources to meet the needs of low-income families.

Privatization

Mississippi has historically engaged in a great deal of contracting for social service delivery, but this has primarily been restricted to nonprofit organizations. However, competitive bids for managing child care funding and providing emergency assistance (including shelters, financial assistance, and counseling)
are open to both private companies and nonprofit organizations. Even so, at present there is no private management involved in child care contracts. The degree of privatization in emergency services is not known. While these areas do provide precedents for allowing the privatization of services, privatization has been a contentious issue over the past few years.

Governor Fordice, with his emphasis on economic development, has been an ardent supporter of privatizing social service programs, particularly the child support and cash assistance programs. In recent years the state has taken a number of steps to increase the services provided through private contractors in spite of opposition launched largely by state employees’ unions and Democratic legislators. Food Stamp program eligibility and benefit determination is conducted in-house by DHS, but private organizations have been contracted to deliver benefits to recipients either at specified local sites or through the mail. Child support has sparked the greatest debate over privatization. In 1994, nearly all aspects of the child support enforcement program in two counties were contracted to a single private company, MAXIMUS. The results have been mixed. A recent report by the PEER Committee, a legislative oversight committee, stated that DHS proved more efficient at conducting child support enforcement than the contractor.47

The debate over privatization in Mississippi was amplified with the passage of PRWORA, which allows states considerably more flexibility in contracting to private and religious organizations. During the 1997 legislative session, proposals were made to contract out TANF work activities programs to public or private organizations, to expand the private contracting of child support enforcement, and to contract out new functions of DHS resulting from the federal welfare reform law. By the end of the legislative session, only the child support bill explicitly included language allowing private contracting. DHS was given authority under this bill to contract the Central Receipting and Disbursement Unit and Directory of New Hires to private institutions insured by the Federal Deposit Insurance Corporation (FDIC). Since the time of our site visit, the state has contracted with both nonprofit and private companies, including Lockheed, to assist in job placement efforts for TANF recipients.
Implications of the New Federal Welfare Reform Legislation and the TANF Plan

On August 22, 1996, President Clinton signed PRWORA into law, ushering in the most significant federal welfare reform measures since the 1988 Family Support Act. By this time, however, Mississippi had already implemented its own series of limited welfare reforms through the New Direction Demonstration Program waiver discussed in the section on income support programs.

PRWORA, which changed AFDC into TANF, did not change the essential direction of reform efforts in Mississippi. However, it did have three major effects on the state’s welfare reform efforts. First, PRWORA increased federal funding for welfare in Mississippi, at least in the short term. Federal TANF block grant funds became available as of October 1996, but states were not required to submit their TANF plans until July 1997. The method used to calculate the distribution of the TANF block grant monies gave Mississippi and other states with declining caseloads a financial incentive to start their TANF programs as soon as possible.\(^48\) An initial TANF plan was submitted by DHS to take effect October 1, 1996. As a result, Mississippi received a TANF block grant of $86.7 million for federal fiscal year 1997, an estimated $31 million more than it would have received if it had continued to operate AFDC.\(^49\)

Second, PRWORA resulted in an acceleration of the pace of reform in Mississippi by putting welfare reform back on the agenda of legislators and
other officials. The New Direction Demonstration Program had been implemented less than a year before, and evaluations of the demonstration were not yet complete when the federal law was passed. The pressure of the federal law and the required state response prompted legislators and officials to institute statewide reforms ahead of the schedule they may have set for themselves.

The original state plan sent to the U.S. Department of Health and Human Services took effect on October 1, 1996, and essentially kept Mississippi’s waiver programs in place. It was followed, however, with an amended state plan that repealed the existing waivers and created a new cash assistance program in conformity with federal TANF requirements and loosely based on the WorkFirst and Statewide components of the New Direction Demonstration Program. In January 1997, lawmakers began drafting legislation to replace the AFDC laws with those necessary to implement the TANF program. Through the legislative process, a number of provisions were added to the state’s plan that were more lenient on victims of domestic violence and that allowed college enrollment of welfare recipients as long as they still met the 20-hour-per-week work requirement. Most important, the degree of sanctions was lessened. Food stamp benefits are no longer interrupted because of sanctions governing TANF receipt; however, adult recipients who are out of compliance with work requirements lose their Medicaid benefits for the period of the sanction. The provisions of the final TANF program as prescribed by the state legislation (H.B. 766) are summarized in table 8.

Third, the federal welfare reform law included a number of state options that had not been addressed in Mississippi’s own welfare reform efforts, most notably time limits. Mississippi legislators and officials were forced to consider broader dimensions of welfare reform in developing their TANF program. The state generally adopted the federal guidelines for specific welfare reform components that it had not yet considered. For example, the time limit in Mississippi is the 60-month total and the work requirement is the 20-hour-per-week minimum, both set at the federal level. In this sense, the state has adopted the most lenient requirements allowable under the new federal law.50
### Table 8  Provisions of the Mississippi TANF Assistance Program

<table>
<thead>
<tr>
<th>Authority to administer TANF</th>
<th>DHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitlement</td>
<td>No entitlement to assistance.</td>
</tr>
<tr>
<td>Time limits</td>
<td>60 months total. Parents or caretakers must participate in work activities once the department determines that they are ready to work or once they have reached 24 months of assistance.</td>
</tr>
<tr>
<td>Family cap</td>
<td>Benefits are limited to children existing or conceived at the time of initial application, unless waived by the department or unless the child was born after 12 months of assistance.</td>
</tr>
<tr>
<td>Maximum benefit levels</td>
<td>Benefits will not exceed $60 for the first family member, $36 for the second family member, and $24 for each additional family member.</td>
</tr>
<tr>
<td>Work exemptions</td>
<td>Incapacity; temporary illness or injury; in the third trimester of pregnancy; caretaker of a child under 12 months for not more than 12 months of the 60-month maximum benefit period; caretaker of an ill or incapacitated person; age, if over 60 or under 18 years of age; receiving treatment for substance abuse; in a two-parent family, the caretaker of a severely disabled child; or history of having been a victim of domestic violence, for a period as deemed necessary by the department but not to exceed a total of 12 months.</td>
</tr>
<tr>
<td>Work activities</td>
<td>Unsubsidized employment; subsidized employment; work experience; on-the-job training; job search and job readiness limited to six weeks; community service programs; vocational educational training (not to exceed 12 months); child care services to an individual participating in a community service program; satisfactory attendance at high school or education directly related to employment for persons under age 20 who have not completed high school or received a GED.</td>
</tr>
<tr>
<td>Work sanctions</td>
<td>First violation: complete termination of assistance for two months or until compliance, whichever is longer. Second violation: termination of assistance for six months or until compliance, whichever is longer. Third violation: termination of assistance for 12 months or until compliance, whichever is longer. Fourth violation: permanent termination.</td>
</tr>
<tr>
<td>Minor parent requirements</td>
<td>Minor parents (under 18) who are not married must live with an adult parent or guardian and must participate in educational activities toward completion of a high school diploma.</td>
</tr>
<tr>
<td>Parental requirements</td>
<td>Parents receiving TANF are required to make sure that their school-age children meet satisfactory levels of school attendance or face a sanction; parents receiving TANF are required to immunize their children or face a sanction.</td>
</tr>
</tbody>
</table>
The goals of welfare reform—reducing dependency and increasing personal responsibility—present unique challenges in Mississippi. Cash assistance from Aid to Families with Dependent Children has never been a significant resource to low-income families in the state because of the low benefit levels. As a result, benefits from other federal sources of assistance (Food Stamps and SSI, in particular) are larger and provide the critical sources of support. It may be more difficult to use the Temporary Assistance for Needy Families (TANF) program to affect behavior (as clearly intended by the federal legislation) in Mississippi because the state’s low cash benefit is not a strong motivation.

The state faces additional challenges in moving recipients from welfare to work, with areas of high unemployment and limited transportation to jobs outside the area. Respondents were most concerned about the supports necessary for a successful transition from welfare to work. Specifically, a general concern existed among respondents that child care has not and will not be given enough thoughtful consideration with welfare reform. The state has ended the entitlement to child care for families on welfare. State legislation now asserts that child care may be provided as a support to public assistance recipients, rather than shall be provided.

The social welfare system in Mississippi operates with limited resources. Advocates and providers share a concern for dependent families, viewing welfare reform as a continued call for greater action and support at the local level. In Mississippi, local-level providers and the nonprofit community are accustomed to being primary players in the delivery of social services. Yet this group questions how much further its resources can stretch in an era of potentially increasing need.
There is a sense that the environment of welfare reform is beginning to foster greater collaboration among local providers and state agencies to more effectively combine limited resources in an effort to assist families in their progress toward self-sufficiency,
Notes

1. Childhood immunization is a requirement that families receiving TANF assistance in Mississippi must meet. See the section on basic income support programs for further details.

2. Annie E. Casey Foundation, 1998 Kids Count Data Book: State Profiles of Child Well-Being, 1998. The 10 selected measures include percentage of low birth-weight babies; infant mortality rate; child death rate; rate of teen deaths by accident, homicide, and suicide; teen birthrate; juvenile violent crime arrest rate; percentage of teens who are high school dropouts; percentage of teens not attending school and not working; percentage of children in poverty; and percentage of families with children headed by a single parent.


11. The federal government provides 100 percent of food stamp benefit costs and at least half of food stamp administrative costs in Mississippi, as in all other states. AFDC benefit costs are divided between the state and federal government according to the federal Medicaid match rate and based on per capita income. In 1996, Mississippi had the most beneficial match rate of all states, with the federal government incurring 78 percent of all benefit costs. AFDC administrative costs are split evenly between the federal and state governments.

12. Food stamp benefits decrease with income (including unearned income such as AFDC). The low AFDC benefits in Mississippi, however, lower the food stamp benefit by a much smaller amount than in most other states, resulting in a food stamp benefit that exceeds the AFDC benefit. The $315 food stamp benefit amount for a family of three is based on Urban Institute calculations.


14. Amendments to the waiver were approved September 1, 1995, and February 5, 1996.

15. All family members lost AFDC and food stamp benefits until the adult recipient complied with the work requirements. After two months of noncompliance, the case was closed. Families with closed cases were able to reapply for assistance. Only one other state, Wisconsin, also sanctioned food stamp benefits; however, in Wisconsin a family maintained a minimum of $10 per month in food stamps. Information obtained from the Urban Institute database of state family assistance program rules, 1996.

16. The teen parent live-at-home requirement and the social contract provision were included in the statewide provisions of the New Direction Demonstration Program but did not require a waiver to implement.

17. Under AFDC, $90 of work expenses, $130 of earned income, and one-third of the remaining earned income of the recipient was disregarded during benefit calculation. The $30 disregard
was limited to the first 4 months of earnings and the one-third disregard was limited to the first 12 months of earnings.

18. The 30-day waiting period stipulates that UP cases are ineligible for assistance for 30 days after the principal wage earner becomes unemployed. The 100-hour rule stipulates that the principal wage earners in UP applicant and recipient cases who work more than 100 hours a month are not eligible for assistance. The 6 out of 13 quarters work history rule stipulates that the principal wage earner must have worked for 6 out of the past 13 quarters in order to be eligible for assistance. According to the terms and conditions of the waiver, the removal of these provisions was to be implemented statewide. During the period the waiver was in effect, however, this provision was implemented only in the six WorkFirst counties.


23. Governor’s Coordination and Special Services Plan, State of Mississippi, for Program Years 1996 and 1997. Mississippi Department of Economic and Community Development, Employment Training Division, May 1, 1996.

24. A state-initiated mandate dictates that at least 30 percent of the individuals served through JTPA Title II-A funds (targeted at economically disadvantaged adults) are welfare recipients and that at least 35 percent of the caseload served through JTPA Title II-B and Title II-C funds (targeted at youth employment and training programs) are welfare recipients.


28. Family copayments do not apply to families receiving public assistance. Copayments are introduced while receiving TCC.


32. Medicaid issues are not covered extensively in this report. A separate report has been released on health care programs for low-income families in Mississippi, and information on Medicaid presented here draws heavily from that report. See L. Ku, A. Berkowitz, F. Ullman, and M. Regenstein, Health Policy for Low-Income People in Mississippi. Washington, D.C., The Urban Institute, January 1998.

33. A gatekeeper model of managed care assigns a primary care physician to each patient. This physician is the primary point of contact for all health care services and provides referrals.
to specialists as needed. A capitated system pays a fixed amount to an entity that is responsible for providing all covered health care services. See the Health Policy report cited in note 32 for further information.

34. We learned from respondents that some reports are immediately rejected as being inappropriate or outside the purview of the agency. However, without statistics on the actual number of reports, not just those investigated, we are unable to determine an investigation rate.


37. Mississippi Department of Human Services, Mississippi Child Abuse/Neglect Statistics for Calendar Year 1996.


42. Mississippi State Department of Health web site: http://www.msdh.state.mt.us.


44. The Family Planning Program, created in 1970, is administered by the Office of Family Planning in the Office of Population Affairs of the U.S. Department of Health and Human Services. It is a categorical grant program that provides funding for comprehensive family planning services. The Maternal and Child Health Services Title V Block Grant was created by the Social Security Act of 1935 to improve health and welfare services for mothers and children.

45. PRWORA included the creation of a yearly fund of $50 million appropriated for federal fiscal years 1998–2002 for defined abstinence education programs in the states. The funds are administered through the Maternal and Child Health Block Grant and disbursed to the states by formula on the basis of the proportion of children under the poverty level in the state.


50. The extension of transitional Medicaid requires a waiver from the Health Care Financing Administration of the U.S. Department of Health and Human Services. At the time this report was written, the state had not yet submitted its waiver request.
APPENDIX:

List of Interview Sources

Interviews were conducted with representatives of the following agencies in Mississippi:

State-Level Interviews

Legislature
Various Mississippi state senators
Legislative Budget Office
Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER)

State Departments
Mississippi State Department of Education
Mississippi State Department of Health

Academic/Research Organizations
Millsaps College, Center for Applied Research
Mississippi Institutions of Higher Learning, Center for Policy Research and Planning
State Community and Junior Colleges Board

Nonprofit/Advocacy Organizations
The Coalition for Mississippi Children
Mississippi Block Grant Task Force
Mississippi Children’s Home and Family Services
Mississippi Food Network
Mississippi Forum on Children and Families, Inc.
Mississippi Human Services Agenda
Mississippi Voices for Children

City of Vicksburg and Warren County
Local politicians
Local Department of Human Services
Vicksburg Medicaid office
Vicksburg Public Housing Authority
Vicksburg/Warren School District
Warren County Health Department
Warren County JTPA
Warren-Yazoo Mental Health Services
Nonprofit/Advocacy Organizations
CAP Center
Central Mississippi Legal Services
Crisis Pregnancy Center
Girl Scouts Council
Good Shepherd Community Center
Haven House Family Shelter
United Way of Central Mississippi
Vicksburg Family Development Services
Warren County Children’s Shelter
Warren County Family Advocacy Committee
Warren, Washington, Issaquena, Sharkey Community Action Agency (WWISCAA)
We Care Community Services
YMCA

City of Jackson and Hinds County
Central Mississippi Planning and Development District
City of Jackson, Human and Cultural Services Division
Hinds County Community College
Hinds County Human Resource Agency
Hinds County Project Head Start
The Housing Authority of the City of Jackson
Jackson Private Industry Council
MAXIMUS (private corporation)
West Jackson Community Development Corporation

Nonprofit/Advocacy Organizations
Catholic Charities, Inc.
Family Resource Center
Moore Community House
Operation Shoe String
The Salvation Army
Stewpot Community Services
United Way of the Capital Area
Gretchen G. Kirby was a senior research analyst with Child Trends, Inc., whose work focused on child care issues as well as the methods of collecting, using, and reporting social indicators of family and child well-being at the federal and state level. She was involved with the case study component of the Assessing the New Federalism project covering Massachusetts, Michigan, and Mississippi. She is currently a research analyst at Mathematica Policy Research.

L. Jerome Gallagher is a research associate with the Urban Institute’s Income and Benefits Policy Center. His research interests include welfare reform, income support, and poverty. For the Assessing the New Federalism project, he has surveyed state TANF policies and General Assistance programs.

LaDonna Pavetti is a senior researcher at Mathematica Policy Research. She is a noted expert and the author of numerous reports on welfare reform. While at the Urban Institute she worked in the Human Resources Policy Center. Her most recent work includes a series of three reports on potential employment outcomes for welfare recipients: How Much More Can They Work? Setting Realistic Work Expectations for Welfare Recipients; Against the Odds: Steady Employment among Low-Skilled Women; and Moving Up, Moving Out, or Going Nowhere: A Study of the Employment Patterns of Young Women and the Implications for Welfare Mothers (with Greg Acs).

Milda Saunders is an analyst at Abt Associates in Cambridge, Massachusetts. She worked as a research assistant for the Urban Institute from 1995 to 1997. While at the Institute, she worked on numerous projects related to housing, community development, and community building.
Tennille Smith was a research intern with the Urban Institute’s Human Resources Policy Center during the spring of 1997. She is pursuing a degree in public administration from the Maxwell School of Citizenship and Public Affairs at Syracuse University.