

STORAGE NAME: h4147.cfe

DATE: March 18, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
CHILDREN AND FAMILY EMPOWERMENT
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 4147

RELATING TO: The WAGES program

SPONSOR(S): Representative Littlefield

COMPANION BILL(S): SB 2014

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) CHILDREN AND FAMILY EMPOWERMENT
 - (2) BUSINESS DEVELOPMENT & INTERNATIONAL TRADE
 - (3) HEALTH & HUMAN SERVICES APPROPRIATIONS
 - (4)
 - (5)
-

I. SUMMARY:

The bill establishes a program to assist families in relocating to communities with greater opportunities for self-sufficiency. In order to be eligible for the program, the Department of Children and Family Services must make a determination:

- (a) that the family is a WAGES recipient or that all requirements of eligibility for WAGES would likely be met.
- (b) that there is a basis for believing that relocation will contribute to the ability of the applicant to achieve self sufficiency.
- (c) pursuant to criteria adopted by the WAGES Program State Board of Directors, that a Florida community receiving a relocated family has the capacity to provide needed services and employment opportunities.

The bill calls for the establishment of a relocation plan, including a budget and such requirements as are necessary to prevent abuse of the benefit and to provide an assurance that the applicant will relocate. This may include making expenditures on behalf of the applicant and monitoring the implementation of the relocation plan. The payment to defray relocation expenses is limited to an amount not to exceed 4 months' temporary cash assistance.

A family receiving relocation assistance for reasons other than domestic violence must sign an agreement restricting the family from applying for temporary cash assistance for 6 months, unless an emergency is demonstrated to the department. If a demonstrated emergency forces the family to reapply for temporary cash assistance within 6 months after receiving a relocation assistance payment, a repayment shall be made on a prorated basis over an 8-month period and subtracted from any regular payment of temporary cash assistance for which the applicant may be eligible.

An indeterminate amount of expenditures from the WAGES program would be required for relocation. However this should be offset by savings from families not becoming dependent on WAGES or repaying the relocation funds if they do.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Chapter 96-175, Laws of Florida, eliminated individual entitlement to public assistance and created the Work and Gain Economic Self-sufficiency (WAGES) Program. Under the WAGES Program cash assistance is temporary and is tied to a requirement that able-bodied adults must work and be financially responsible for themselves and their families. WAGES Program requirements and administrative responsibilities are established in chapter 414, F.S.

A study of state-by-state job growth and the estimated number of jobs needed by welfare recipients due to work requirements was conducted by Regional Financial Associates, Inc., an economic consulting firm in West Chester, PA. Findings reveal that employment opportunities vary greatly throughout the country and even within states at any given time. For large cities with high unemployment (compared to the national average), sluggish economies, and large concentrations of poor people, there may not be enough entry-level jobs for all welfare recipients needing work within the time-frame laid out by welfare reform (Cochrane, Horst & Koropecyk; 1997).

Nationally about 25 percent of families receiving public assistance live in rural areas. Welfare recipients living in rural communities where jobs are scarce often lack adequate transportation, both public and private, which would enable them to work in urban or suburban areas where employment may be more likely. Many state and local officials are encouraging and planning the relocation of recipients from rural communities to urban centers to combat this barrier (Jeter & Havemann, 1997). One example is Kentucky, where welfare recipients with a verified offer of thirty hours per week of employment at minimum wage are provided with a one-time payment of up to \$900 to help with moving costs (Kaplan, 1997). William Julius Wilson (1996) has described how the suburbanization of employment, especially manufacturing jobs, and the decline in jobs for inner-city low-skill blue-collar workers, many of whom are African American, has increased the urban to suburban migration of welfare recipients and poor people looking for work.

Spatial displacement is a term used to describe the role played by geography in job availability, the ability to reach employment and the expense of commuting. Rather than transporting workers from the inner-city to suburbs on a daily basis, relocation may be an alternative to relieving the spatial displacement dilemma for many job-seekers (Institute for Women's Policy Research; 1997). James E. Rosenbaum and Susan J. Popkin (1991) studied the employment outcomes of over 4,000 Chicago public housing residents who were relocated to subsidized housing in neighborhoods throughout the Greater Chicago area as a result of the Gautreaux program. Compared to the control group made up of similar individuals assigned to private urban apartments, the probability that the newly resettled suburban residents would obtain employment was much higher. The high availability of suburban jobs was cited by the respondents as the primary reason that their job searches were more successful.

Section 414.20, F.S., provides that support services will be provided, if resources permit, to assist WAGES participants in complying with work activity or employment requirements. Transportation services are included within the scope of support services. This section authorizes payment of transportation expenses by cash, voucher

or tokens which may be paid in advance or through a reimbursement structure. In addition, this section authorizes the expenditure of funds for minor automobile repair, provided the vehicle is registered in the participant's name. This section also authorizes the use of support service funds to develop transportation resources to expand transportation options available to program participants. These services may include cooperative arrangements with local transit authorities or school districts and small enterprise-development. No specific authority is currently provided for assistance related to relocation.

Examples of similar programs in other states are:

South Carolina. When a family reaches the time limit, if the parent requests an extension, the state may require the family to relocate in order to accept a bona fide job offer in another part of the state. The state will provide relocation assistance, including funds for moving expenses, housing search, child care, and rent for the first month. The relocation provision would apply only to families living in counties where the unemployment rate is 50 percent higher than the rest of the state. The state will also consider good cause exceptions.

Pennsylvania. The allowance for relocation expenses has recently been raised to \$500.

References

Cochrane, Steven G., Toni Horst and Sophia Koropecykj. 1997. "The Economic Impact of Welfare Reform." *Regional Financial Review*. May.

Institute for Women's Policy Research. "Job Availability" *Welfare Reform Network News* Issue No. 8, July 31, 1997, Washington, DC: IWPR.

Jeter, Jon and Judith Havemann. 1997. "Rural Poor May Seek Greener Pastures: Welfare Recipients Face Prospect of Moving Where the Jobs Are," *The Washington Post*, October 14.

Kaplan, April. 1997. "Transportation and Welfare Reform." *Issue Notes*, Vol. 1, #4. Washington, DC: Welfare Reform Network. May.

Rosenbaum, James E. and Susan J. Popkin. 1991. "Employment and Earnings of Low-Income Blacks Who Move to Middle-Class Suburbs." In *The Urban Underclass*, ed. Christopher Jencks and Paul E. Peterson. Washington, DC: Brookings Institution. pp. 342-56.

Wilson, William Julius. 1996. *When Work Disappears: The World of the New Urban Poor*. New York: Alfred A. Knopf.

B. EFFECT OF PROPOSED CHANGES:

The bill establishes a program to assist families in relocating to communities with greater opportunities for self-sufficiency. The Department of Children and Family Services reports that the experience of the past two years of assisting families in becoming economically self-sufficient has led them to recognize that some barriers to employment

might be resolved by relocating the family to an area of the state that provides more services, expanded employment opportunities and/or increased access to family support.

The determination that a family would benefit from relocation assistance would require a cooperative effort by the Department of Children and Family Services and Department of Labor and Employment Security (DLES). DLES would be the authority for assessing job opportunities and the likelihood of training/job placement following a relocation. Additionally, DLES would be involved in relocation planning, to the extent the plan involved training or employment, and DLES would probably be required to advise the WAGES State Board regarding services and job opportunities in a community.

In order to eligible for the program, the Department of Children and Family Services must make a determination of eligibility for WAGES, that relocation will contribute to the ability of the applicant to achieve self sufficiency, and that relocation will not adversely impact services and programs in a recipient Florida community.

The bill calls for the establishment of a relocation plan, including a budget and such requirements as are necessary to prevent abuse of the benefit and to provide an assurance that the applicant will relocate. The payment to defray relocation expenses is limited to an amount not to exceed 4 months' temporary cash assistance.

A family receiving relocation assistance for reasons other than domestic violence must sign an agreement restricting the family from applying for temporary cash assistance for 6 months, unless an emergency is demonstrated to the department. If a demonstrated emergency forces the family to reapply for temporary cash assistance within 6 months after receiving a relocation assistance payment, a repayment shall be made on a prorated basis over an 8-month period and subtracted from any regular payment of temporary cash assistance for which the applicant may be eligible.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

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(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

Yes. The bill provides those who would otherwise be dependent on the WAGES program with the option of relocating to a community with greater opportunities for self-sufficiency.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Possibly. If a family applies for and receives temporary cash assistance within 6 months of receiving a relocation grant, the grant must be repaid. If the relocation is to escape the effects of domestic violence, the repayment is waived.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Yes. The bill provides those who would otherwise be dependent on the WAGES program with the option of relocating to a community with greater opportunities for self-sufficiency.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

The Department of Children and Family Services.

- (2) Who makes the decisions?

The Department of Children and Family Services determines eligibility. The Family decides if they want to participate in the program.

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

No.

(5) Are families penalized for not participating in a program?

No.

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

The Family decides if they want to participate in the program.

(2) service providers?

N/A

(3) government employees/agencies?

The Department of Children and Family Services determines eligibility.

D. STATUTE(S) AFFECTED:

The bill creates section 414.155, Florida Statutes.

E. SECTION-BY-SECTION RESEARCH:

Section 1 establishes Section 414.155, Florida Statutes, related to a relocation assistance program, to assist families in relocating to communities with greater opportunities for self-sufficiency. In order to eligible for the program, the Department of Children and Family Services must make a determination:

(a) that the family is a WAGES recipient or that all requirements of eligibility for WAGES would likely be met.

(b) that there is a basis for believing that relocation will contribute to the ability of the applicant to achieve self sufficiency.

(c) pursuant to criteria adopted by the WAGES Program State Board of Directors, that a Florida community receiving a relocated family has the capacity to provide needed services and employment opportunities.

Examples cited by the bill are that the applicant:

1. Is unlikely to achieve independence at the current community of residence,
2. Has secured a job that requires relocation to another community,
3. Has a family support network in another community, or
4. Is a victim of domestic violence who would experience reduced probability of further incidents through relocation.

The bill calls for the establishment of a relocation plan, including a budget and such requirements as are necessary to prevent abuse of the benefit and to provide an assurance that the applicant will relocate. This may include making expenditures on behalf of the applicant and monitoring the implementation of the relocation plan. The payment to defray relocation expenses is limited to an amount not to exceed 4 months' temporary cash assistance.

A family receiving relocation assistance for reasons other than domestic violence must sign an agreement restricting the family from applying for temporary cash assistance for 6 months, unless an emergency is demonstrated to the department. If a demonstrated emergency forces the family to reapply for temporary cash assistance within 6 months after receiving a relocation assistance payment, a repayment shall be made on a prorated basis over an 8-month period and subtracted from any regular payment of temporary cash assistance for which the applicant may be eligible.

Section 2 establishes an effective date of upon becoming law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

The bill provides one-time payments to cover relocation expenses. The maximum award would be as follows:

Family Size	Monthly Benefit With Shelter Costs Above \$50	Maximum Relocation Grant
1	\$180	\$720
2	\$241	\$964
3	\$303	\$1,212
4	\$364	\$1,456
5	\$426	\$1,704

The number of participants in the program is unknown. The cost of the program would be offset by reduced need by recipients for temporary cash assistance.

2. Recurring Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

Indeterminant

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

N/A

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IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

When a victim of domestic violence is relocated, the new address would likely appear on invoices paid by the department. Through an open records request, an abusive family member could learn of the new address and create the opportunity for continued abuse. This problem could be avoided if HB 1639 or similar legislation passes and if all payments were made directly to the victim. HB 1639 provides a protected address in the Attorney General's office for victims of domestic violence.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON CHILDREN AND FAMILY EMPOWERMENT:

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