CALIFORNIA BUDGET PROJECT

Welfare Reform Update

April 2002

TANF REAUTHORIZATION: A CALIFORNIA PERSPECTIVE

The 1996 federal welfare reform law made a number of significant programmatic changes to the nation's safety net for poor families and established funding levels for state Temporary Assistance for Needy Families (TANF) block grants through federal fiscal year 2002. Congress must reauthorize TANF funding by September 30, 2002 in order for it to remain a funding stream for states to provide cash assistance and services to needy families. Congress may also make other changes to the welfare reform law as part of the reauthorization debate. At the same time, Congress must reauthorize the Child Care and Development Fund, the Food Stamp Program, the Social Services Block Grant, and funding for abstinence education in order for funding for these programs to continue.

TANF reauthorization creates an opportunity to reevaluate the 1996 law and identify ways to improve upon it. Specifically, Congress can:

- Assess the impact of welfare reform to date;
- Revisit and possibly redefine the goals of TANF;
- Define appropriate funding levels for state block grants and related funds;
- Modify the requirements TANF imposes on states and recipients; and
- Enhance the flexibility of states to provide services with TANF funds, while holding states accountable for their performance.

This *Update* reviews key features of the 1996 welfare reform law, summarizes what has happened since welfare reform, and discusses key TANF reauthorization issues for California.

KEY FEATURES OF TANF

The 1996 federal welfare reform law was perhaps the most sweeping change to US social policy in several decades. The new federal law:

- Repealed Aid to Families with Dependent Children (AFDC), an entitlement program that guaranteed aid to all eligible families, and enacted the Temporary Assistance for Needy Families (TANF) block grant that provides states with a fixed amount of funds regardless of caseload or other changes.
- Expanded state discretion and flexibility in a number of policy areas, while reducing federal protections and requirements for individuals.
- Required states to spend a certain amount of state (or county) funds each year, but allowed substantial flexibility over how these funds could be spent.
- Imposed time limits and strict work participation requirements.
- Included family structure goals such as discouraging non-marital births and encouraging marriage.
- Changed program rules, administration, and funding for child care, Medicaid (Medi-Cal in California), the Food Stamp Program, immigrant eligibility for public benefits, child welfare, child support enforcement, and disability benefits for children.

- Provided incentives that rewarded states for reducing caseloads, reducing non-marital pregnancies, and ensuring that a large percentage of welfare recipients are engaged in certain work activities.

Federal And State Welfare Reform: Key Dates	
Policy Changed or Implemented	**Date**
Federal TANF law enacted	August 22, 1996
CalWORKs enacted in California	August 11, 1997
Most CalWORKs provisions effective	January 1, 1998
CalWORKs recipients begin reaching federal five-year limit	December 2001
Funding for TANF and other programs expires	September 30, 2002
Adults begin reaching state five-year limit on CalWORKs	January 2003

The 1996 law allows states to spend federal TANF funds in "any manner that is reasonably calculated" to accomplish the statutory purposes of TANF. The four stated purposes of TANF are to:

1. Provide assistance to needy families so that children may be cared for in their homes or in the homes of relatives;
2. End the dependency of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. Encourage the formation and maintenance of two-parent families.

What Has Happened Since 1996?

California is spending available funds. As of December 2001, California had used 97 percent of all TANF funds it has received.[1] Only $629 million of $18 billion in TANF block grant funds that California received from 1997 through 2001 remained unused by December 2001.[2] In addition, California has consistently met the maintenance-of-effort (MOE) matching requirement, which is $2.7 billion per year.[3]

The CalWORKs program is running a deficit. Combined annual TANF and MOE funds of $6.4 billion are not sufficient to fully fund CalWORKs, California's TANF program. The Governor's proposed 2002-03 Budget reduces spending for cash grants, employment services, and child care to bridge the deficit.

Caseloads have declined much faster than poverty rates. Between March 1995 and November 2001, the number of families receiving cash assistance through AFDC / CalWORKs declined by 46 percent. Poverty rates have dropped as well, but not as much as the caseload. This means that a smaller proportion of people in poverty benefit from cash assistance. In 1995, half of Californians in poverty received cash assistance from AFDC; in 2000, just 34 percent of persons in poverty received cash assistance from CalWORKs.

The economic downturn of 2001 slowed the caseload decline, and the caseload increased slightly from October to November 2001, the latest month for which data are available. California's caseload decline has lagged that of the nation as a whole, due in part to the state's delayed emergence from the recession of the early 1990s, due process provisions for CalWORKs recipients who are at risk of financial penalties, and California's more generous grant levels and "earnings disregards." With higher grants and more generous earnings disregards, working families can work a significant number of hours and continue to receive a cash grant.

More people are working. The economy improved dramatically in the late 1990s and through 2000, and unemployment rates reached historic lows. More people worked during this period while receiving cash assistance, and studies indicate that approximately 60 percent of people who leave CalWORKs are working, though many do not earn enough to support a family.[4] In 1999, the latest year for which complete data are available, 42.8 percent of adults receiving cash assistance through CalWORKs were employed, much higher than the national average of 27.6 percent.[5] However, the number of adults receiving CalWORKs cash assistance who are meeting work requirements appears to be leveling off or declining.

Most parents who find work do not earn enough to support a family. Former recipients typically find employment in the service sector and retail trade industries.[6] Statewide data on the wages of former recipients ("leavers") are not available, but county studies suggest that median hourly wages for leavers in the Bay Area are approximately $9 or $10.[7] Despite wages that are well above the state minimum wage, total household income for leavers often falls at or below the federal poverty level.[8] The CBP estimates that a full-time worker in California must earn an average of $21 per hour to support two children without government assistance.[9]

Many families do not receive supportive services that facilitate the transition from welfare to work. A recent study based on state administrative data found that half (49 percent) of leavers receive Medi-Cal one year after leaving CalWORKs, with substantial variation by county.[10] Surveys of Bay Area leavers indicate that approximately one-quarter lack any type of health coverage one year after leaving cash assistance.[11] Only one in five CalWORKs leavers (19 percent) report receiving food stamps.[12] While many families may not be eligible due to income, county surveys indicate that 30 percent or more of leavers are eligible but do not receive food stamps.[13]

Many families that rely on cash assistance have serious barriers to employment. Many families relying on cash assistance experience one or more serious barriers that may impede their success in the workplace. The General Accounting Office found that close to half (44 percent) of TANF recipients report having a physical or mental impairment, nearly three times the rate found among non-TANF adults.[14] A study of two California counties found high incidences of mental health issues, domestic violence, and drug dependency among CalWORKs recipients. About one in ten respondents had a diagnosable alcohol or other drug problem. In addition, over a third of respondents reported a domestic violence incident and over a third had a diagnosable mental health disorder in the prior year.[15]

Many CalWORKs recipients lack the education and language skills that are linked to employability and earnings. About 11 percent of CalWORKs adults have six years or less of education, more than double the national percentage of 4.6 percent.[16] More than half of CalWORKs adults lack a high school degree.[17] Over one-third of CalWORKs heads of household report a primary language other than English.[18] Hourly wages are higher for workers with degrees beyond high school.[19]

Key TANF Reauthorization Issues For California

Ensure Adequate Funding

Congress should, at a minimum, adjust the TANF block grant for inflation, increase funding for the Child Care Development Fund (CCDF), and update the TANF contingency fund.

Even though caseloads have declined by nearly half in California, CalWORKs program costs exceed available funds from the annual TANF block grant and the state's minimum MOE spending requirement. As noted above, California has nearly exhausted available funds, and the CalWORKs program faces an estimated deficit of several hundred million dollars in FY 2002-03. The CalWORKs deficit has two causes: (1) program costs rise with inflation, despite stagnant funding levels and (2) the CalWORKs model, which prepares recipients for and supports them in work, is more expensive than the AFDC cash assistance model.

Inflation has decreased the value of California's TANF block grant. If the block grant is simply "flat funded" at its current level of $3.7 billion for another five years, its purchasing power will decrease by about 22 percent by 2007 as compared to 1997. California cannot "purchase" the same level of services with a fixed number of dollars since program costs, such as child care, continue to rise. California has also reinstated annual cost of living adjustments for family cash grants, although grants have less purchasing power today than they did in 1989.[20]

Welfare reform calls upon states to do much more than provide cash payments to families. In 1997-98, when CalWORKs first began, cash grants absorbed nearly two-thirds (65 percent) of TANF and MOE funds. Now only half of CalWORKs dollars are used for cash grants. Of the remaining funds, the majority goes to child care, training, education, and other services to help recipients prepare for and maintain employment.

In addition, funding for the Child Care and Development Fund (CCDF) must be increased to support child care needed by those who have left welfare for work, as well as the rising number of California families that are working, but poor. The CCDF provides child care funding for families that receive public assistance and for the working poor, which is increasingly made up of former welfare recipients. Raising CCDF funding will allow California to help more working poor families as well as CalWORKs families that need subsidized child care to meet work participation requirements. More than 250,000 children in California qualify for child care assistance on the basis of income but do not receive it.[21]

Congress should also update the TANF contingency fund. The original eligibility criteria make it nearly impossible for states to access the funding. In addition, the amount that states have to spend before qualifying for contingency funds and the spending match requirement for receiving the funds are unrealistic.

Maintain Program Flexibility

Congress should retain and expand flexibility for states and counties.

The flexibility that states have under TANF has allowed for creativity in program design and implementation in meeting the needs of CalWORKs recipients. The state Legislature took advantage of this flexibility when creating the CalWORKs program. It designed a cash grant benefit structure that rewards work, included more opportunities for education and mitigating behavioral health barriers than those defined federally, and allowed counties to adapt the CalWORKs program to local economic realities and needs.

The CalWORKs law redefined how families' cash grant payments are calculated. California was able to do this because TANF gives states the flexibility to define benefit levels. In order to encourage work and "make work pay," the CalWORKs benefit structure does not reduce the level of cash grants dollar-for-dollar as families begin earning a paycheck. This structure increases family income when a parent finds a job, rather than simply replacing CalWORKs income with employment income. Studies by the Manpower Demonstration Research Corporation (MDRC) have shown that these earnings supplements or disregards are one of the most effective ways of increasing family income for welfare recipients. These policies have also been associated with increased child well-being and an increased rate of parents who marry and stay married.[22]

While the federal welfare reform law required states to meet certain work requirements, it allowed sufficient flexibility for states to design programs to help recipients succeed in the workplace. For instance, California generally allows recipients to be in work preparation activities for 18 to 24 months before they are required to move into unsubsidized employment, even though some of these activities may not fit under federal work requirements. This allows some recipients to enroll in a two-year certificate program, finish the last two years of an undergraduate degree, or receive treatment for mental health issues in order to be more prepared to find and keep jobs that can support their families.

CalWORKs allows the 58 counties to mold certain components of the program to meet local needs, preferences, and economic conditions. Counties, for example, have discretion to gear training programs to available jobs, include additional work activities not included by the state, and decide how long mothers with infants are exempt from participation requirements. This flexibility also allows counties to engage recipients with employment barriers in ways that are appropriate to their communities. This flexibility is critical in light of the diverse conditions faced by California's 58 counties.

Modify Time Limits For Working Families

Families that combine welfare and work should not lose the possibility of future assistance.

The federal welfare law imposes a five-year lifetime limit on the receipt of federal cash assistance and services, although states may exempt up to 20 percent of the caseload from the time limit. At the same time, the welfare law places strong work requirements on recipients. Some states, including California, have used earnings disregards to encourage work and raise family income. As described above, these earnings disregard policies reward families that combine welfare and work. However, since these families continue to receive grant checks, no matter how small, they "use up" time-limited assistance that might be needed in the future as a result of illness, job loss, or other unforeseen events. Families are thus rewarded by the earnings disregard and punished by the time limit for combining welfare and work.

This conflict can be resolved during TANF reauthorization. Congress could give states the option of stopping the federal time-limit clock for recipients who are working. Either Congress or states could define the minimum hours or income necessary to constitute "work." Alternatively, Congress could designate earnings supplements as "non-assistance," so that they would not apply toward the five-year time limit. This would put earnings supplements in the same category as support services such as child care, which are not included in the definition of "assistance" for former welfare recipients who are working and, as such, do not count toward the five-year limit.

Congress may also want to consider modifying time limits for other families that are complying with program requirements. This could include families with adults who are in education and training, as well as those who are participating in counseling or other services that address barriers to success in the workplace, such as mental health issues, drug and alcohol problems, or domestic violence. This would end the practice of potentially punishing recipients in the future for current efforts to gain skills and overcome barriers in order to be successful in the job market.

Re-Orient TANF To Reduce Poverty

Congress should make poverty reduction an explicit goal of TANF.

TANF reauthorization provides an opportunity to communicate to the public, recipients, and states what the goals and priorities of welfare reform will be over the next several years. Currently, the main message received by states is that reducing the number of families receiving cash assistance is the primary measure of success. The work-first model, in combination with other policies and a strong economy, has been largely successful in moving many families from welfare into work. However, given that many welfare leavers are not working in stable jobs or do not earn wages sufficient to support families, reducing the number of families receiving cash aid should not be the only or primary measure of success. The federal government should place more emphasis on improving family economic well-being, not just moving families off the caseload.

Programs funded by TANF cannot be solely responsible for reducing poverty. Economic factors largely beyond the control of government play an important role in determining poverty levels, and a multitude of government programs attempt to address poverty in one way or another. Nonetheless, it is reasonable for Congress to articulate that TANF should be part of a strategic effort to reduce poverty.

Congress may decide to take the additional step of providing financial incentives to states for reducing poverty. Such incentives would ideally be structured so that rewards are related to actual progress and are not driven by imprecise measurements or by economic trends that are unrelated to the performance of programs funded by TANF. This would avoid punishing states that invest in programs aimed at boosting families' long-term economic well-being.

Increase Education and Training Opportunities

Congress should remove restrictions on education and training as work activities.

Currently, recipients can satisfy federal work requirements by enrolling in vocational education for no longer than 12 months. However, research in the context of welfare reform suggests that higher skill levels and education beyond high school are linked to higher future wages.[23] A comprehensive evaluation of 11 welfare-to-work programs found a Portland program that used a "mixed" strategy, assigning some participants to education and training and others to job search, was most successful at increasing employment and family income. Programs that encouraged all recipients to go into education or training or to get a job as quickly as possible were not as effective as the Portland program.[24] Together, these findings indicate that a 12-month restriction on vocational education may not make sense for recipients. For certain recipients, such as those who are finishing a degree, education alone may be the best way to increase future earnings.

Restore Federal Eligibility to Immigrants

Congress should allow states the option of using TANF funds to serve legal immigrants.

Immigrants who entered the country after August 1996 generally cannot receive TANF benefits until they have been in the US for at least five years. The Food Stamp Program has stricter eligibility restrictions. As a result, California uses state funds to provide CalWORKs cash assistance and services and food stamps to immigrants who are not federally eligible. California currently serves approximately 4,000 recent immigrant families in CalWORKs at an annual cost of $50 million, and about 80,000 individuals under the California Food Assistance Program, the state's food stamp program, at an annual cost of approximately $100 million.[25]

Even though essentially all immigrants remained eligible for food stamps and cash assistance through the state's replacement programs, immigrant participation in these programs fell dramatically in the 1990s.[26] For example, the percentage of immigrant households who received AFDC or CalWORKs fell by over half from 1993 to 1999 (from 10.8 percent to 5.0 percent), a steeper decline than for native-born citizen households.[27] Participation by immigrants who had been in the US for less than five years fell even more dramatically.[28] Patterns for food stamp participation rates were similar.

Eligibility restrictions alone cannot explain why immigrant participation declined so steeply. This is both because California has replacement programs and because participation rates did not decline as rapidly in other states.[29] However, welfare reform added to a series of public messages and created a perception that immigrants were not eligible for governmental assistance.[30] This "chilling effect" has apparently led many eligible legal immigrant families to decide not to apply for assistance, either because they believed they were ineligible or because they believed it could affect their status in the US.[31]

Allowing states to use TANF block grant funds for recent immigrant families will not provide direct fiscal relief to California, since it would not increase federal funding to serve this population. However, it would give California flexibility over how to use TANF and MOE funds and would reduce administrative complexities related to the different restrictions on the use of TANF block grant and MOE funds. In addition, it would help reduce confusion about eligibility by making all legal immigrants eligible for federal TANF benefits, regardless of date of entry into the US.

Strengthen Families

Congress should not require states to use block grant funds to implement marriage promotion or other family structure programs.

The debate over TANF reauthorization will inevitably include a discussion about the appropriateness of federal policy, and specifically the TANF funding structure, to promote marriage and reduce nonmarital births. While evidence exists that growing up in families with married parents has positive economic benefits and effects on child well-being, research by the CBP indicates that working poor families in California are just as likely to be married as all working families.[32] Moreover, in light of the CalWORKs deficit, it is not reasonable to create more demands on the state's TANF block grant and MOE funds. Congress should not require states to use existing TANF block grant or state matching funds to support new family structure programs. To do so without increasing available funds would require states to reduce spending on other program services, such as job training and placement activities. However, certain policies can help strengthen families without directly promoting marriage, which many view as a private decision. Policies that may strengthen families include:

- Encouraging states to remove any barriers in their TANF programs that discriminate against two-parent families. Many states, including California, have additional eligibility requirements for two-parent families that apply for cash assistance.[33]
- Providing income support to working families. A study of a Minnesota TANF program with an earnings disregard very similar to California's found increases in marriage rates for both single-parent and two-parent families.[34] The researchers suggest that reducing financial stress may have increased family stability.
- Improving child support enforcement and distribution. While child support collections have increased dramatically over the last decade, not all child support directly benefits children. A substantial proportion of child support collections reimburses federal and state governments for current and past costs of providing cash assistance.[35]
- Supporting low-income fathers. The federal government should increase efforts to encourage low-income fathers to be involved economically and emotionally in their children's lives through employment services, skills building, and reasonable child support policies that prevent the build-up of unmanageable child support debt.

Together, these six proposals will help California and the 58 counties continue to support families in times of need, help them make the transition from welfare to work, and improve their economic well-being.

ENDNOTES

[1] This includes actual reported expenditures, as well as transfers from the TANF block grant to the Social Services Block Grant and the Child Care and Development Fund.
[2] CBP calculations of state reporting to US Department of Health and Human Services on Temporary Assistance for Needy Families (TANF) ACF-196 Financial Reports.
[3] The federal block grant level is the same every year, so it does not change when caseloads increase or decrease. The maintenance of effort, or MOE, must be equal to 80 percent of "historic state expenditures" or 75 percent if the state has met work participation rates, as California has. In California, county expenditures count toward the state's MOE. Different rules govern TANF and MOE expenditures. For more information about the MOE requirement, see California Budget Project, *Welfare Reform and Funding Choices: What Does the TANF Maintenance of Effort Requirement Mean for California?* (December 1998).
[4] See, for example, California Department of Social Services, *CalWORKs Leaver Survey: A Statewide Telephone Survey of Former CalWORKs Recipients* (January 2000).
[5] US Department of Health and Human Services, *Temporary Assistance for Needy Families (TANF) Program, Third Annual Report to Congress*, Table 10:20 (August 2000), downloaded from www.acf.dhhs.gov/programs/opre/annual3.doc.
[6] California Department of Social Services, *Characteristics and Employment of Current and Former CalWORKs Recipients* (June 6, 2000).
[7] R. Mark Gritz et al., *Assessing the Family Circumstances of TANF Applicants and Leavers in Contra Costa and Alameda Counties: Final Report* (Sphere Institute: October 26, 2001); Anne Moses et al., *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data: 12-Month Report* (Sphere Institute: December 22, 2000).
[8] R. Mark Gritz et al., *Assessing the Family Circumstances of TANF Applicants and Leavers in Contra Costa and Alameda Counties: Final Report* (Sphere Institute: October 26, 2001); Anne Moses et al., *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data: 12-Month Report* (Sphere Institute: December 22, 2000); David Mancuso and Vanessa Lindler, *Examining the Circumstances of Welfare Leavers and Sanctioned Families in Sonoma County* (Sphere Institute: June 29, 2001).
[9] California Budget Project, *Making Ends Meet: How Much Does it Cost to Raise a Family in California?* (September 2001).
[10] Amy Cox and Jacob Klerman (RAND) and Ingrid Aguirre Happoldt (Medi-Cal Policy Institute), *Medi-Cal After Welfare Reform: Enrollment Among Former Welfare Recipients* (Medi-Cal Policy Institute: December 2001).
[11] R. Mark Gritz et al., *Assessing the Family Circumstances of TANF Applicants and Leavers in Contra Costa and Alameda Counties: Final Report* (Sphere Institute: October 26, 2001); Anne Moses et al., *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data: 12-Month Report* (Sphere Institute: December 22, 2000); David Mancuso and Vanessa Lindler, *Examining the Circumstances of Welfare Leavers and Sanctioned Families in Sonoma County* (Sphere Institute: June 29, 2001).
[12] California Department of Social Services, *CalWORKs Leaver Survey: A Statewide Telephone Survey of Former CalWORKs Recipients* (January 2000).
[13] R. Mark Gritz et al., *Assessing the Family Circumstances of TANF Applicants and Leavers in Contra Costa and Alameda Counties: Final Report* (Sphere Institute: October 26, 2001); Anne Moses et al., *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data: 12-Month Report* (Sphere Institute: December 22, 2000); David Mancuso and Vanessa Lindler, *Examining the Circumstances of Welfare Leavers and Sanctioned Families in Sonoma County* (Sphere Institute: June 29, 2001).
[14] General Accounting Office, *Welfare Reform: More Coordinated Federal Effort Could Help States and Localities Move TANF Recipients With Impairments Toward Employment* (October 31, 2001).
[15] Sandra Naylor Goodwin et al., *The Prevalence of Mental Health, Alcohol and Other Drug, and Domestic Violence Issues among CalWORKs Participants In Kern and Stanislaus Counties* (California Institute for Mental Health: September 2000).
[16] US Department of Health and Human Services, *Temporary Assistance for Needy Families (TANF) Program, Third Annual Report to Congress*, Table 10:17 (August 2000), downloaded from www.acf.dhhs.gov/programs/opre/annual3.doc.
[17] California Department of Social Services, *CalWORKs: A Characteristics Survey on Social and Economic Characteristics of Families Receiving Aid (*Federal Fiscal Year 1999).
[18] California Department of Social Services, *CalWORKs: A Characteristics Survey on Social and Economic Characteristics of Families Receiving Aid (*Federal Fiscal Year 1999).
[19] Olivia Crosby, *Degrees to Dollars: Earnings of College Graduates in 1998*, "Occupational Outlook Quarterly" (Bureau of Labor Statistics: Winter 2000-01), and Marlene Kim, *Women Paid Low Wages: Who They Are and Where They Work*, "Monthly Labor Review" (Bureau of Labor Statistics: September 2000).
[20] The Governor proposes to suspend the statutory cost of living adjustment in 2002-03 due to the CalWORKs deficit.

[21] California Budget Project, *Lasting Returns: Strengthening California's Child Care and Development System* (May 2001).
[22] See, for example, Virginia Knox, Cynthia Miller, and Lisa Gennetian, *Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program* (Manpower Demonstration Research Corporation: September 2000).
[23] Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce* (Manpower Demonstration Research Corporation: June 2000).
[24] Gayle Hamilton, et al., *National Evaluation of Welfare-to-Work Strategies: How Effective Are Different Welfare-to-Work Approaches?* (Manpower Development Research Corporation: December 2001).
[25] Department of Social Services.
[26] Sponsorship or "deeming" rules, which count the resources and income of an immigrant's sponsor when determining program eligibility, make many recent immigrants ineligible for these programs.
[27] Henry Brady et al., *California's Immigrant Households and Public-Assistance Participation in the 1990s*, CPRC Brief, Vol. 14, No. 2 (University of California, California Policy Research Center: January 2002).
[28] Henry Brady, presentation at "Welfare Reform Reauthorization: National and Western Perspectives" at University of California Berkeley (Brookings Institution: March 18-19, 2002).
[29] George Borjas, *The Impact of Welfare Reform on Immigrant Welfare Use* (Center for Immigration Studies: March 2002). Borjas' calculations indicate that "immigrants living outside California experienced roughly the same decline in participation rates as natives."
[30] These include Proposition 187, which California voters approved in 1994, restricting the access of undocumented immigrants to health, social services, and education.
[31] See, for example, Wendy Zimmerman and Michael Fix, *Declining Immigrant Applications for Medi-Cal and Welfare Benefits in Los Angeles County* (Urban Institute: July 1998).
[32] California Budget Project calculations from Current Population Survey data.
[33] In California, neither parent can have worked for more than 100 hours in the four weeks preceding application. This requirement does not exist for single-parent families. California Welfare and Institutions Code, Section 11201(b).
[34] Virginia Knox, Cynthia Miller, and Lisa A. Gennetian, *Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program* (Manpower Demonstration Research Corporation: September 2000).
[35] Shawn Fremstad and Wendell Primus, *Strengthening Families: Ideas for TANF Reauthorization* (Center on Budget and Policy Priorities: January 22, 2002).

David Carroll prepared this Update. The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP is committed to improving public policies that influence the economic and social well-being of Californians and their communities. Publication of this Update was supported by grants from the David and Lucile Packard, William and Flora Hewlett, and Streisand Foundations. This publication is part of a series monitoring the implementation of welfare reform in California. General operating support for the California Budget Project is provided by grants from the James Irvine, Ford, Charles Stewart Mott, Friedman Family, David and Lucile Packard, and California Wellness Foundations, the Penney Family Fund, and individual donations and subscriptions. Visit the CBP web site at www.cbp.org.