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## **Welfare Reform Reauthorization: National and Southern Perspectives**

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**Source:** Southern Institute on Children and Families

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### **Introduction**

Good morning. I appreciate the invitation to share information with you about the importance of recognizing and promoting Medicaid/SCHIP and child care as important work support benefits for low-income working families.

The advent of welfare reform greatly underscored the importance of our region and our nation facing up to the critical need of providing a far more progressive set of work support benefits for low-income working families.

The Southern Institute on Children and Families has worked hard to get the message across to public and private sector decision makers that families working at low wages are unable to meet the basic needs of their children without any support. The goal of total "self sufficiency" is unrealistic given the earning potential for many of these families. It is of the utmost importance that we work hard to assure that benefits like health coverage and child care are not presented or perceived as a welfare-type benefit because families may turn away from them regardless of the need.

The Southern Institute is a nonprofit public policy organization founded in 1990. Our geographic focus is 17 southern states and the District of Columbia. We also administer national programs that are consistent with our mission.

We have an abiding commitment to improve the way government benefit programs are designed in policy and implemented in reality. We have published reports and sponsored public/private sector collaboratives in two areas affecting low-income families: 1) child health coverage 2) child care

Research conducted by the Southern Institute and published in 1994 found that child care was the benefit most needed by families in order to get and hold down a full-time job. Study participants were either on AFDC or transitioning to work. They rated Medicaid for their children as the second most needed work support benefit.

The Southern Institute is also initiating efforts to bring attention to the longstanding and mostly unresolved issues related to the lack of transportation for low-income families, not only in rural areas, but particularly in rural areas.

Depending on the area of need, there is some assistance available for low-income families, but this assistance does not come neatly packaged and families who need assistance the

most are often the least aware of available benefits - so special efforts must be made to conduct effective outreach.

The Southern Institute's approach is one of leadership and information outreach. The programs of the Southern Institute are:

- 1) *Supporting Families After Welfare Reform*
- 2) *Southern Regional Initiative on Child Care (CC)*
- 3) *Southern Business Leadership Council (SBLC)*
- 4) *Let's Invest in Families Today (LIFT)*
- 5) *Covering Kids and Families (CKF)*

Information on all of these programs is available on the Southern Institute website at [www.kidsouth.org](http://www.kidsouth.org). You will find informative reports and contact information on our initiatives to improve access to health coverage and child care.

*Supporting Families After Welfare Reform* supports technical assistance activities designed to diagnose and solve problems in Medicaid, SCHIP and Food Stamp eligibility systems in states and large counties.

Even though families moving from welfare to work are eligible for health care coverage through state Medicaid programs, many are not being enrolled or are dropped due to technicalities or computer system issues unrelated to their family's economic circumstances.

We are particularly concerned with implementation of strategies to avoid closure of cases where children and families are eligible. This caseload equation is used to get the message across that it is not enough to initially enroll children and families – we must also focus attention on retention so that eligible families do not lose needed benefits.

The Southern Institute also directs the *Southern Regional Initiative on Child Care*, which is funded by The David and Lucile Packard Foundation. It is guided by a Task Force with members appointed by the governors of 17 southern states and the mayor of the District of Columbia.

The Task Force has developed two southern regional action plans, one on improving access to child care financial aid and the other just recently released is on improving the quality of early care and education in the southern states.

The goal of the Task Force is to address the issues of affordability and accessibility of child care for low-income families. The task force report points out that:

- 1) The federal/state child care subsidy system (CCDF) is inadequately funded
- 2) Eligibility policies and systems hinder access to subsidies
- 3) Inadequate attention is given to developing employer child care assistance partnerships
- 4) Federal and state child care tax strategies are insufficient

The Action Plan developed by this bi-partisan southern leadership group is available at the registration desk. It contains 10 goals and 52 action steps that provide a blueprint for how southern states can improve access to child care financial aid.

The Task Force points out that child care is an essential work support program for families leaving welfare for work and we feel it is the make or break issue for the short and long term success of welfare reform.

The Action Plan calls on state and federal leaders to support significant increases in child care resources, eligibility simplification, improved customer services, implementation of tax strategies and creation of employer partnerships. The report of the Task Force provides state data to back up the recommended actions and it also provides specific public and private examples of programs that improve access to child care financial aid.

The business community link is critical. To build business support, the Southern Institute has created *the Southern Business Leadership Council* to address the issues facing low-income families with children from the perspective of workforce development. It is essential that all groups working on behalf of children engage the business community. Their participation adds significant leadership and alters the thinking of many policymakers regarding why they should pay attention to children's issues.

*Let's Invest in Families Today*, otherwise known as LIFT, is a new communications and leadership initiative intended to help build public will for action on behalf of low-income families. We will be working throughout the southern region to promote awareness and action on behalf of low-income working families.

The Southern Institute also serves as the National Program Office for the *Covering Kids and Families* initiative, which is sponsored by *The Robert Wood Johnson Foundation*. It is a \$55 million national initiative that supports state and local coalitions across the nation to improve access to child and adult health coverage programs. Included in your packet is contact information on the grants awarded to 16 southern states and DC. I encourage you to contact your state's *Covering Kids and Families* coalition and become actively involved in the outreach, simplification and coordination initiatives.

The three goals of *Covering Kids and Families* are:

- 1) Reduce the number of uninsured children who are eligible for Medicaid or SCHIP coverage, but remain uninsured
- 2) Reduce the number of adults who are eligible for Medicaid or SCHIP coverage, but remain uninsured
- 3) Build knowledge, experience and capacity to achieve an enduring national and regional commitment to sustain the enrollment and retention of children and adults beyond the grant period

*Covering Kids and Families* works through state and local coalitions and promotes the following three strategies:

- 1) To conduct effective outreach
- 2) To achieve simplification in the initial application and coverage renewal processes
- 3) To achieve effective coordination across child and adult health coverage programs

Simplification strategies such as removal of face to face application and renewal requirements and reducing verification requirements are key to families being able to access child health coverage and come away feeling like the process is not demeaning.

Why is it so important to provide children with health coverage?

- Uninsured children are 25 percent more likely to miss school than insured children
- Uninsured children are less likely to receive proper medical care for childhood illnesses such as sore throats, earaches and asthma, less likely to be immunized
- Twenty percent of uninsured children have untreated vision problems

I don't need to remind this group how important these factors are in child development.

In the current budget environment, it is critical that we get the message across that Medicaid and SCHIP programs are a great financial bargain for states. And, it is very important to note that the crisis in financing Medicaid is not due to children in low-income families.

The overall increases in health care costs, the increased utilization and costs for prescription drugs, and the increased need and costs for long term care are areas where state Medicaid programs have seen large budget increases.

Providing health care coverage for children is too often erroneously viewed as the reason state Medicaid programs are running deficits because child health coverage is the newest, most visible addition.

National statistics show that children make up 51.2% of all Medicaid recipients and only 14.9% of Medicaid expenditures are for children.

Additionally, of the growth in the federal Medicaid expenditures between 2001 and 2002, only 15% is attributable to children.

We all need to do everything we can to advocate for child health coverage and child care. The strategy of information outreach should be front and center.

The Urban Institute reported that in 1998, if all families with children participated in the government safety net programs for which they qualified, poverty would have declined by more than 20 percent, and extreme poverty would have declined by up to 70 percent.

Far too many eligible families are not aware of the benefits and services available to them. Confusion regarding public programs is pervasive and extraordinarily counter productive to the public's desire to support working families.

A continuing problem is the perception of many families that they have to be on welfare to receive any assistance. This is especially not true with child health coverage. I wish I could say the same for child care, but unfortunately the surest route to receiving child care financial aid is through a connection to the welfare system. This is, of course, due to the rationing of available child care resources due to inadequate state and federal allocations.

Again, please check our website at [www.kidsouth.org](http://www.kidsouth.org) for resources on improving access to child care, Medicaid and SCHIP.

Thank you.