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## **DON'T LET CALIFORNIA AND NEW YORK UNDERMINE WELFARE REFORM'S WORK REQUIREMENTS**

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The recently enacted House welfare reauthorization bill, H.R. 4737, improved on existing law in many significant respects. It added new provisions to help strengthen families and made necessary upward adjustments in required levels of work-related activities to correct inadequacies in the previous formula that resulted from the unexpectedly pronounced nationwide decline in caseloads.

The House also added a "full-check sanction" that is essential to moving the program to require, rather than "suggest," work activity as a condition of receiving benefits. In addition to its effect of increasing attendance in productive activities, by connecting benefits to work activities, much like a wage, this requirement helps recipients to practice habits of reliability and gain the organizational skills that are essential for success in private-sector employment.

The full-check sanction provision, introduced by Representatives Phil English (R-PA) and Sam Johnson (R-TX), is actually very lenient. It requires states to sanction or eliminate a family's TANF (Temporary Assistance for Needy Families) check for one month if a parent has performed no assigned welfare-to-work activities for the two prior consecutive months. The rule is simple: Zero constructive activity means zero money. The state may resume payment of checks once the parent undertakes the required activities.

In a surprising late move, however, Ways and Means Committee Chairman Bill Thomas (R-CA)

introduced a change that eviscerated this provision by excluding California and New York (which together have one-third of the nation's cases) from enforceable work requirements.

Prolonged idle dependence is good for no one: recipients, taxpayers, or society. Allowing welfare recipients to continue to receive benefits even after they have consistently refused to engage in activities designed to help them become self-sufficient makes no sense, but that is exactly what happens in many states today. To ensure meaningful reform, the House should insist in conference that the full-check sanction provision be restored and retained in the final reauthorization bill.

**A Loophole in Welfare Reform.** Though many observers think that an enforceable requirement to participate in work or related activities is already part of the law, 17 states, including California and New York, allow recipients to continue to receive most welfare benefits indefinitely, even if they refuse to participate in required activities. Overall, 52 percent of the nation's welfare recipients are not subject to enforceable work

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requirements. In New York State, for example, if welfare recipients refuse to participate in their assigned activities, their benefits are reduced (sanctioned) by only a modest amount (from \$588 per month to \$475 for a family of three), and they continue to receive food stamps, public housing, and other welfare benefits without interruption.

By contrast, welfare recipients who live in states that have full-check sanctions know they must engage in productive activities that prepare them for self-sufficiency; partly as a result of this requirement, these states have had the most success in moving individuals from dependency to employment and reducing welfare caseloads. (See "The Determinants of Welfare Caseload Decline," Heritage Foundation *Center for Data Analysis Report No. CDA99-04*, May 1999.)

California, lacking enforceable work requirements, has lagged behind other states in reducing caseloads—and by large margins every year. Nearly one in four of the nation's remaining welfare recipients (460,000 out of 2,103,000) reside in California.

In New York, despite Governor George Pataki's support for an enforceable work requirement, the legislature's failure to adopt full-check sanctions has stifled efforts to reduce dependency and promote self-sufficiency. For example, even though the New York City welfare department has attempted to enroll virtually all able-bodied adult recipients in full-time, constructive welfare-to-work activities (much as the welfare reauthorization law anticipates), the number of adults who refuse to participate in these required activities has continued to grow as a proportion of the remaining caseload. Recent figures show that, of those adults who are assigned to an activity, only 54 percent participate as their assignment requires. Only by connecting benefits to welfare-to-work obligations will the city ever reach very many of the remaining 46 percent who need help and move them toward self-sufficiency.

One argument that has been made for excluding California and New York from the House full-check

sanction provision is that both states have language in their respective laws or constitutions that requires them to provide for the poor. It is argued, therefore, that these two states are required by their own rules to maintain the weak work-sanction policies that are in place today, notwithstanding stricter federal rules, and that without exclusions, they would be obligated to use state-only funds in lieu of federal block grant funds to maintain their existing work-sanction policies.

However, nothing in the law or constitution of either state constrains the implementation of reasonable requirements as a condition of receiving benefits, and both states already do so in many other areas of welfare eligibility. In any event, no state-sponsored provisions of any kind should be used to gain exceptions to requirements regarding the use of federal funds—or to eliminate meaningful work standards.

**Conclusion.** California and New York together represent 32 percent of the nation's remaining welfare cases and fully 75 percent of the caseload that is not currently covered under the important full-check sanction provision. Excluding these two states from this provision will not make it "easier" for welfare administrators in these states—but it will make it well-nigh impossible for them to achieve the national goal of having 70 percent of their welfare recipients participating in work-related activities.

True welfare reform means requiring that recipients engage in constructive activities leading to self-sufficiency, not merely suggesting that they do so. Members of the Senate and House who are truly committed to reforming the system should insist that the reauthorization bill that emerges from conference includes the full-check sanction provision and that all states, including New York and California, are covered by the work requirements.

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