

Poverty Action Report



**SHRIVER
CENTER**

A Publication of the Sargent Shriver National Center on Poverty Law
June 2007 www.povertylaw.org Vol. 12 Issue 6

Sargent Shriver National Center on Poverty Law

Perspective by John Bouman: America's Top Issue and the Illinois Press Goes Missing

The Illinois General Assembly session, now in overtime, might best be characterized with a nod to Alice's white rabbit from Wonderland, "curiouser and curiouser." Take your pick of ironies and oddities. But one of the top curiosities of the session is the way that the press has completely ignored the governor's historic health care plan, Illinois Covered. In its obsession with personalities, the press has utterly failed to cover one of the top public policy issues in America.

Illinois Covered is a carefully crafted plan with broad support among national experts. It is derived directly from the research and consensus built by a wide array of health care stakeholders who served on the Illinois Adequate Health Care Task Force. It would offer affordable coverage to the one and a half million Illinoisans who are uninsured. It would offer all of us who already have insurance a desperately needed fallback—a guaranteed-issue, affordable policy with decent coverage in the event our employers drop coverage or we lose coverage some other way. This possibility, a nightmare in every household, would be laid to rest.

The plan would bring long-awaited stability and control to the health insurance market. All of us who already have insurance, and all of our employers who support the plan, would find new predictability and moderation in the insurance market. The plan would be a tremendous gain for everyone in the state, not just the uninsured.

All in all, this is a major story, but the press did not cover it. There has been no analysis of the plan itself and no coverage of the issue in its many aspects. No series of articles on people who need insurance, employers who pay too much for it, other employers who gain a competitive advantage by shifting

INSIDE THIS ISSUE

America's Top Issue and the Illinois Press Goes Missing.....	1
The State of Poverty: 12 Ways to Lead the Change.....	2
Shriver Center Position Statement S.1348 Comprehensive Immigration Reform Act of 2007.....	5
A Father's Day Present We Should All Accept.....	6
State Officials Guarantee Public Benefits Despite Budget Impasse.....	6
Update on Illinois Covered.....	7
Auto-IRAs Would Help Employees Save for Retirement.....	7
Advocates Across the Country Call in for Asset-Limit Reform Training.....	8
Ensuring Success in School Act (ESSA) Passes Both Illinois Houses...	8
Advocates Find New Way To Preserve Subsidized Housing.....	9
Foreclosures Affecting Many Who Thought Themselves Invulnerable...	10
Medicaid Citizenship Documentation Requirement Has Devastating Effects, Says George Washington University Study.....	10

responsibility onto the taxpayers, middle-class people who are suddenly uninsured, health care bankruptcies.

Everyone has a relative or neighbor who has fought off a disease but lost insurance when away from work and now cannot find a new job or maintain needed medications or treatment because of the insurance problem. But there have been no such stories in the press. No reporter has figured out the direct connection between Illinois Covered's insuring the uninsured and the resulting solution to the Cook County health system budget crisis or questioned why Cook County government has not shown up to support Illinois Covered but instead continues to cut needed services. There have been no polling and no deep analysis of what voters want and are willing to pay for.

The health care system in this country is a bona fide crisis. It consistently polls as a top concern of huge majorities of voters. Around the kitchen tables of virtually every home at any income level it causes consternation or despair. People in large numbers do not yet appreciate how government can help, and they have been indoctrinated with cynicism on the problem due to past fights over it. Thus they do not yet appreciate that a respectable and credible proposal such as Illinois Covered is a real and substantial answer to their worries. If they did, most would support paying for it.

Straight news coverage of the problems of the health care system, of the details of how Illinois Covered would deal with those problems, and of the opposing arguments was not only demanded by the importance and urgency of the problem but also essential to the best possible outcome.

The Illinois press has failed to cover the issue as news, and as a result it has not prompted a vigorous debate of Illinois Covered itself or of the health crisis in general. Politics is an interesting spectator sport, and there are lots of personalized axes to grind in Springfield. This perhaps explains the coverage we have seen. But whatever the reason, the press has dropped the ball on Illinois Covered and on the health coverage crisis.

The State of Poverty: 12 Ways to Lead the Change

For many living in poverty, opportunity is limited, mobility is restricted, and the road to prosperity is blocked. But through legal advocacy and policy development we can change the State of Poverty and lead the way to economic success for all.

For the first time in a very long time, poverty is a popular topic. Recent news coverage of new antipoverty reports and a new book released by a presidential candidate are reopening the national conversation on economic inequality. The new leaders of the 110th Congress are offering opportunities to promote action, while state and national advocates are advancing real solutions to poverty and inequality in our nation.

At this time of renewed promise in the fight against poverty, the Sargent Shriver National Center on Poverty Law is putting forth twelve ways to lead the change. For each month starting in March 2007, Poverty Action Report is highlighting three of these policy ideas and opportunities for action on both the federal and state levels in 2007. Now is the time to renew our energy in seeking out paths of justice to break through institutional barriers to economic success and lead the way out of the State of Poverty. This month:

10. Build and Protect Assets for Financial Stability and Growth

Today in the United States nearly one in every five households owes more than it owns. One in four female-headed households and one in three minority-headed households have zero or negative net worth. Tax policies generally favor those who already have the most assets. Predatory lending drains billions of dollars from low-income families and communities.

Asset building is a key component of an antipoverty agenda because each of us needs financial security to weather today's challenges and plan for tomorrow, for our children and ourselves. Current policies and private industry practices often limit opportunities for families and communities with few resources to build and protect assets. For this reason, we need policies that expand asset-building opportunities to complement traditional income-support programs, policies that encourage investment in unbanked and

underserved communities, and consumer protections against abusive lending.

Opportunities for Federal Action in 2007

Creating Kids Investment and Development Accounts

The federal government needs to establish a long-term asset-building savings account for every child in the United States. Children's savings accounts, or kids' accounts like those proposed by the America Saving for Personal Investment, Retirement, and Education Act (ASPIRE) would be established at birth (or other triggering event), seeded with an initial deposit by the government, matched on a progressive basis, and allowed to grow over a lifetime. When the child reaches a designated age, the child may use the money for college education, home ownership, small business or retirement.

Modernizing the Community Reinvestment Act

The Community Reinvestment Act of 2007 would expand CRA obligations¹ to meet the credit needs of low and moderate income communities from banks to brokers, mortgage lenders, insurance firms and securities companies and generate trillions of dollars to invest in disadvantaged and minority communities. Comprehensive information available at www.ncrc.org.

Removing or Reducing Asset Limits in Federal Public Benefit Programs

The Food Stamp Personal Savings and Investment Act of 2007 (S. 591) would amend the Food Stamp Act of 1977 to adjust for inflation the allowable amounts of financial resources of eligible households and to exclude from countable resources certain retirement and education accounts.

Opportunities for State and Local Action in 2007

Building Consensus for Savings for All Kids

Illinois is one of the states leading the children's savings account initiative on the state level. A policy creating children's savings accounts for all Illinois children is moving this year, and the Illinois Asset Building Group is pushing a bill in 2007 to create a statewide task force. With more activity in the states, there is a deeper understanding of the need for and value of the kids' accounts policy. As the campaign to adopt universal children's savings accounts reaches multistate consensus, it will translate into pressure for

the federal law, whether or not the state efforts win passage. Comprehensive information available at www.illinoisassetbuilding.org and www.newamerica.net.

Removing or Reducing Asset Limits in Public State Benefit Programs

States have authority under many public benefit programs to remove or reduce asset limits². This applies to TANF and several of the medical coverage programs. Also, through the links between TANF and food stamps, asset limits may be eliminated in at least part of the Food Stamp Program.

Promoting State Asset Policy Initiatives

At least seventeen states have coalitions or state agencies working on initiatives to help people build and protect personal and financial assets. The Illinois Asset Building Group is one of the leading state asset policy groups and co-founder of the national Learning Circle to share strategies and lessons learned³.

[1] Dory Rand, "Using the Community Reinvestment Act to Promote Checking Accounts for Low-Income People," 33 Clearinghouse Review: Journal of Poverty Law and Policy 66 (May-June 1999).

[2] Dory Rand, Removing State Rules on Asset Limits: How to Remove Barriers to Saving and Asset Accumulation in Public Benefit Programs, 40 Clearinghouse Rev. (March-April 2007).

[3] Heather McCulloch, Promoting Economic Security for Working Families: State Asset-Building Initiatives (2005), available at <http://content.knowledgeplex.org/kp2/cache/documents/106925.pdf>.

11. Protect Access to the American Dream for Immigrants and Refugees

The United States, a nation of immigrants whose diverse contributions are a source of strength, should adopt policies that allow newcomers to integrate into U.S. society smoothly and expeditiously. More than one of every four low-income children in the U.S. has an immigrant parent, and non-citizens are almost twice as likely to live in poverty as citizens. Thus antipoverty policy must consider the particular needs and circumstances of immigrants¹. This includes the removal of barriers that prevent immigrants from accessing public benefits they need². It also includes comprehensive immigration reform that extends full labor protections to all workers regardless of their immigration status—necessary to ensure the protection of all low-income workers' rights.

Opportunities for Federal Action in 2007

Passing Comprehensive Immigration Reform

President Bush has signaled his eagerness to work with congress to accomplish comprehensive reform, and bipartisan support for a comprehensive approach has been growing. Comprehensive reform must promote family reunification, create a reasonable path to legalization for hardworking undocumented immigrants, and include law enforcement mechanisms that are realistic and consistent with humanitarian values. Congress should oppose the criminalization of immigrants and those who assist them, and oppose provisions that restrict or eliminate judicial review, expand summary detention and removal, or otherwise deny immigrants the due process of law.

Protecting the Benefits of Elderly and Disabled Refugees

Under the 1996 welfare reform legislation, elderly and disabled refugees, asylees, and other humanitarian immigrants were given seven years to become U.S. citizens or lose their Supplemental Security Income (SSI) benefits. While most have met this deadline, others, largely due to government delays in processing their citizenship applications that are beyond their control, have been unable to meet it. Congress must address this unconscionable situation, which has resulted in destitution for elderly and disabled persons who came to America fleeing persecution.

Providing Health Insurance for Lawfully Present Pregnant Women and Children

This year's scheduled reauthorization of the State Children's Health Insurance Program (SCHIP) provides a great opportunity to give states the option of providing Medicaid and SCHIP coverage to pregnant women and children during their first five years in the United States.

Opportunities for State and Local Action in 2007

Providing Health Insurance Coverage Regardless of Immigration Status

Several states with large immigrant population groups are providing universal health insurance coverage to all of their residents, or at least to all children in their states, and there are great opportunities within these initiatives for expanding coverage to all immigrants regardless of their immigration status.

Driving Privileges for Undocumented Immigrants

Some states have decided to allow driving privileges for undocumented immigrants as a means to allow essential transportation to and from such activities as school and health care. This also allows those states to supervise and regulate the driving of undocumented people and ensure adequate driving skills and knowledge of laws.

[1]See 38 Clearinghouse Review (Sept.–Oct. 2004) (special issue on “Representing Immigrant Families”).

[2]See, e.g., Dan Lesser, Illinois's New SSI Replacement Program for Refugees and Asylees: An Advocacy Success Story, 38 Clearinghouse Review 402 (Sept.–Oct. 2004).

12. Ensure Economic Opportunity and Safety for Women and Girls

Among the most prominent faces of the poor in this country, and across the planet, are those of women and children. Women bear a disproportionate share of the cost of poverty. In 2005 women were 45 percent more likely to be poor than men. The poverty gap persists even when factors such as age, work experience, education, or family structure are taken into account.

Despite widespread attention and public outcry, women still earn only 75 cents for every dollar earned by men. The fundamentally gendered nature of the ways in which work and family are perceived and practiced necessitate targeted advocacy for women and girls.

Opportunities For Federal Action In 2007

Protecting the Family and Medical Leave Act of 1993

In December 2006 the U.S. Department of Labor published a Request for Information on the Family and Medical Leave Act of 1993 (FMLA), opening the FMLA to a review process that appears to serve no other purpose than to collect information to justify damaging amendments. Comments were due in February 2007. Advocacy with members of Congress is needed not only to prevent damage but also to make the FMLA available to more low-income workers and to provide leave with pay.

Passing the Prevention First Act

Senate Majority Leader Harry Reid (D-NV), along with Senators Hillary Rodham Clinton (D-NY), Barack Obama (D-IL), and others, introduced the vital Prevention First Act (S. 21). This legislation will fully

fund family planning services, increase access to services through Medicaid, and protect teens with real sex education.

Opportunities for State Action in 2007

Enacting Victims Economic Security and Safety Laws

States across the country are implementing various forms of employment law protections such as the Victims' Economic Security and Safety Act (VESSA) of Illinois. Enacted in 2003, VESSA is the most comprehensive set of employment law protections for survivors of domestic and sexual violence in the country. The law provides job-guaranteed unpaid leave and antidiscrimination protections to employees who are victims of domestic or sexual violence, and those who have a family or household member who is a victim.

Adopting Safe Home Policies For Victims Of Violence

The Safe Homes Act of Illinois ensures that victims of domestic and sexual violence can change the locks and terminate rental agreements early if necessary to protect their safety and emotional well-being. States across the country should adopt Safe Home policies, programs, and principles to provide safe, decent, and affordable housing to victims of domestic and sexual violence in need of all forms of housing.

Shriver Center Position Statement

S.1348 Comprehensive Immigration Reform Act of 2007

The comprehensive immigration bill under consideration in the Senate is a first step on a difficult path of reform. Unfortunately, the Senate bill falls short of each of our criteria for immigration reform and includes many other poorly conceived provisions. We believe the process should proceed, but we urge the Senate and House to improve this bill. Toward that end, we highlight some provisions that must be addressed.

The Sargent Shriver National Center on Poverty Law released a policy statement on immigration reform last year in which we pledged to support comprehensive reform of our immigration laws that:

- Promotes family reunification.
- Creates a reasonable path to legalization for hard-working undocumented immigrants.

- Does not restrict or eliminate judicial review, expand summary detention and removal, or otherwise deny immigrants the due process of law.

The Senate bill does not promote family reunification. Indeed, it does just the opposite, jettisoning our decades-old family-based immigration system that allows American citizens and immigrants to bring close family members here, and replacing it with a new "merits-based" points system designed to favor high-skilled, English speaking people.

The Senate bill does not create a reasonable path to legalization for hard-working undocumented immigrants. Rather, undocumented immigrants would have to wait at least eight to thirteen years before they could adjust to lawful permanent resident status, and could be deported if they fail to maintain continuous full-time employment or school attendance during that time. Further, the head of household would be required to return to their country of origin to apply for legalization, pay fines of over \$8500, and could not petition for their spouses and minor children who live abroad to join them here while they are waiting.

The Senate bill includes some of the same provisions that compromise the due process rights of immigrants as were included in the infamous Sensenbrenner legislation introduced last year.

The Senate bill creates a guest worker program that would produce a permanent underclass of uneducated, poorly paid, temporary workers that would depress wages and working conditions for American workers. These guest workers would be required to return to their home countries for one year after every two years worked and would have no possibility of ever becoming permanent residents. In short, the proposed guest worker program is unfair, unworkable and unrealistic and will lead to the same widespread flaunting of the law as occurs today.

The Senate bill also includes a provision that would cause millions of workers to live their retirement years in deep poverty, despite the hard-earned taxes they have paid, by requiring immigrants who have worked and paid into the Social Security system for years to forfeit all of the contributions they have made before obtaining a newly issued social security number.

The status quo, on the other hand, is intolerable. Families are broken up by continuing raids and other enforcement, and people die in the desert because there is no legal way for them to enter the country. People who have lived here productively for years must live in the shadows, with no way to become citizens. Therefore, we believe the bipartisan effort at comprehensive immigration reform that has begun in the Senate should proceed. However, the bill must improve significantly as it moves through the legislative process.

A Father's Day Present We Should All Accept

All of us who are fathers want to be as competent and responsible as everyone else wants us to be. It is certainly reasonable for society to expect every father to measure up. It is not reasonable for society to block fathers trying hard to do what is right. Instead we should do all that we can to support responsible fatherhood.

In new legislation filed just before Father's Day 2007, Senators Evan Bayh (D-IN) and Barack Obama (D-IL) propose policy improvements and incentives involving tax policy, child support, criminal records, and jobs. The Responsible Fatherhood and Healthy Families Act contains initiatives attacking one of the foremost problems in fathering—generating income to support a family.

The bill has innovative proposals to help fathers become employed and earn family-sustaining wages. It would establish the first dedicated source of federal funds for Transitional Jobs. An employment strategy that cuts through the complex reasons for a person's chronic unemployment, the Transitional Jobs program starts with the desired outcome—employment. The strategy combines a temporary subsidized job with mentoring and case-managed employment and social services to provide income and teach ways to cope with and rise above employment barriers that many chronically unemployed fathers face. Fathers in these programs quickly make the transition into unsubsidized work.

The bill also would dedicate support for "bridge" programs—an employment and training strategy aimed at equipping low-income fathers who are already consistently employed in low-wage work with the skills and credentials to qualify for careers and

family-sustaining wages. Bridge programs combine employers who have needs for skilled employees with training providers who can deliver programs aimed precisely at those jobs. The bill seeds those relationships with funds for training and employment.

With the Responsible Fatherhood and Healthy Families Act, Senators Bayh and Obama offer a Father's Day present long overdue. We should accept it as soon as possible.

State Officials Guarantee Public Benefits Despite Budget Impasse

Recipients of cash and medical assistance in Illinois can now rest secure in the knowledge that they will continue to receive these benefits without interruption, regardless of a state budget impasse. State officials today confirmed that they will abide by the terms of the consent decree in Beeks v. Bradley which prevents action that would hinder or delay the provision of public benefits based on the existence of an actual or threatened budget impasse in the General Assembly.

Faced with the very real possibility that a budget may not be enacted prior to commencement of the state's fiscal year on July 1, attorneys at the Sargent Shriver National Center on Poverty Law in Chicago who represent the plaintiff public benefit recipients in the Beeks case asked the Illinois Attorney General's office to confirm that the successor state defendants – State Comptroller Dan Hynes, State Treasurer Alexi Giannoulas, Illinois Department of Human Services Secretary Dr. Carol Adams, and Illinois Department of Health Care and Family Services Director Barry Maram – would abide by the terms of the Beeks consent decree. The Attorney General's office provided such confirmation in writing today.

"We applaud Comptroller Hynes, Treasurer Giannoulas, Secretary Adams and Director Maram for their commitment to abide by the terms of the Beeks consent decree," said Dan Lesser, Senior Attorney at the Sargent Shriver National Center on Poverty Law. "These public servants are to be commended for their resolve that our state's most vulnerable residents will not become the innocent victims of our state's budget impasse."

Update on Illinois Covered

In a test vote on May 31, the Illinois Senate fell one vote short of the 30 votes needed to pass Senate Bill 5, Gov. Rod Blagojevich's health-care-for-all proposal, Illinois Covered. Eight Democratic senators and all Republican senators either voted against the bill or voted "present," which has the same effect as voting against the bill. The eight Democratic senators who voted against or present were Senators Michael Bond, Mike Frerichs, Linda Holmes, Mike Jacobs, Dan Kotowski, Antonio Muñoz, John M. Sullivan, and Louis S. Viverito.

May 31 was an important deadline since the Illinois Constitution requires that any bill passed after May 31 may not become effective before June 1 of the next calendar year unless the General Assembly provides for an earlier effective date by a three-fifths vote of each house. Thus, if one senator switches his or her vote and Senate Bill 5 passes the Senate by a simple majority of 30 votes and then passes the House, the bill would not take effect until June 1, 2008. Seven senators would have to switch their votes to obtain the three-fifths majority required for an earlier effective date.

The fight for affordable, quality, and comprehensive health care for all Illinoisans is far from over. Governor Blagojevich and Senate Pres. Emil Jones continue to place Illinois Covered at the top of their legislative agendas. And it is not only Illinois's political leaders who want to see change: recent poll results show that health care is the top concern of Illinois residents and businesses. According to a recent Northern Illinois University policy survey, 76 percent of Illinoisans believe that the health care system in the United States is either in a state of crisis or experiencing major problems. According to Citizen Action Illinois, 85 percent of Illinois residents describe health care as being "too expensive and unaffordable," and something they consider to be an "extremely serious problem." Nationally, according to Families USA, 63 percent of Americans say universal health insurance is necessary even if it requires tax increases.

Achieving affordable, quality, and comprehensive health care for all Illinoisans requires a great deal of public support. Now more than ever, your state senators and representatives need to hear from you that health care reform is a top priority for you.

Particular emphasis should be placed on the eight Democratic senators who do not yet support Senate Bill 5.

To learn more about Illinois Covered and how to become involved, visit

<http://www.povertylaw.org/advocacy/health/illinoiscovered.html>.

Auto-IRAs Would Help Employees Save for Retirement

More than half of the workforce in America lacks access to an employer-sponsored retirement savings plan. Recent legislative efforts from the U.S. Congress seek to require employers who do not provide qualified retirement plans to assist their employees in saving for retirement. Meanwhile, some states are developing plans to expand retirement savings opportunities at the state level.

The Automatic IRA Act of 2007 (S. 1141 and H.R. 2167) requires employers to use automatic enrollment and payroll deductions to help employees save in Individual Retirement Accounts (IRAs). Lead sponsors of the Auto-IRA Act include Senators Jeff Bingaman (D-NM) and Gordon Smith (R-OR) and Representatives Richard Neal (D-MA) and Phil English (R-PA).

The Auto-IRA law would apply to employers in business for more than two years and with more than ten employees. Participating employers would receive a temporary tax credit of \$25 per enrolled employee to establish automatic IRAs. Employees may opt out of participation. Under federal law, employees may contribute up to \$4,000 per year in IRAs (people older than 50 may contribute more), but, unlike 401k or 403b plans, employers are not allowed to match employee contributions to IRAs.

Washington State recently approved a \$450,000 appropriation for its Department of Retirement Systems to develop a plan to offer a universal voluntary retirement accounts program for private-sector employees and seek qualification from the Internal Revenue Service to operate the plan on a tax-preferred basis. Some of the features of the Washington voluntary retirement accounts plan are a defined contribution plan with a limited, preselected menu of investment options; administration by the

Department of Retirement Systems; investment oversight by the state investment board; tax-deferred payroll deductions; retirement account portability between jobs; and a two-tiered system with workplace-based individual retirement accounts open to all workers and a deferred compensation 401k-type program or simple IRA-type program open to all employers who choose to participate for their employees.

Proponents hope that these “auto-IRAs” will encourage low-income workers to build retirement assets. These IRAs may also be used for first-time homeownership or postsecondary education.

For more information, contact Dory Rand at doryrand@povertylaw.org or 312.368.2007.

Advocates Across the Country Call in for Asset-Limit Reform Training

Nearly 40 advocates, attorneys, and funders from 18 states participated in a conference call training on reforming state asset limits hosted by the Sargent Shriver National Center on Poverty Law on May 23. The training entitled “It’s About Getting Ahead: Strategies and Options for Eliminating State Asset Limits” was based on a March–April 2007 CLEARINGHOUSE REVIEW article by Dory Rand, the Shriver Center’s supervising attorney for community investment.

Rand gave a brief overview of the need for asset-limit reform and key approaches, including legislative and administrative advocacy to eliminate asset limits, raise limits, or exempt asset categories or all three. Using examples from Illinois and California, she emphasized the importance of marshaling facts and arguments to answer the usual questions and objections, such as “Will the state appear soft on welfare?” and “Will caseloads/costs increase?”

Paul Fraunholtz and Beth Kowalczyk of the Ohio Department of Jobs and Family Services shared information on how Ohio became the first state to eliminate asset limits in the Temporary Assistance for Needy Families (TANF) program and how Ohio aligned Food Stamp Program asset tests with TANF as part of a broader “work first” and program simplification effort that had the backing of staunch conservatives.

Stacy Dean of the Center on Budget and Policy Priorities described how to use categorical eligibility rules, alignment with TANF rules, and other methods to eliminate asset limits, exempt assets, and raise asset limits in the Food Stamp Program and asset bills pending in Congress. Dean also described how to discuss asset-limit reform as part of the government’s broader efforts to promote savings. For example, since the federal government provides favorable tax treatment to Individual Retirement Accounts (IRAs) to encourage saving for retirement, we should exempt IRAs from asset tests.

Rourke O’Brien of the New America Foundation advised that a new federal asset bill was in the works and would raise the asset limit in the Food Stamp Program, index it to inflation, and exempt all retirement and education savings accounts and vehicles. The bill would eliminate the asset test in the Supplemental Security Income program and State Children’s Health Insurance Program and offer high-performance bonuses to states that eliminate the asset test in TANF.

The panelists fielded audience questions and encouraged participants to share strategies and lessons learned. A transcript of the call is available at [http://www.povertylaw.org/advocacy/community_investment_under Two Cents Plus Interest](http://www.povertylaw.org/advocacy/community_investment_under_Two_Cents_Plus_Interest). “We hope that participants will use this information to take action to reform asset limits in their home states and to support asset-limit reform at the federal level,” said Rand, who will participate as a faculty member on asset limits at CFED’s forthcoming Assets and Opportunity Institute in September.

For more information, contact Dory Rand at doryrand@povertylaw.org or 312.368.2007.

Ensuring Success in School Act (ESSA) Passes Both Illinois Houses

The Ensuring Success in School Act (ESSA) (House Bill 1330), an initiative of both the Women’s Law and Policy Project of the Sargent Shriver National Center on Poverty Law and its collaborators across Illinois, has been a multiyear effort to meet the educational needs of elementary and secondary students who are parents, expectant parents, or victims of domestic or sexual violence. Extensive advocacy in Springfield

proved effective in producing what is now an agreed-upon bill. The bill passed both the Illinois Senate and the House and will be sent to Gov. Rod Blagojevich for his signature.

The focus of the legislation is to ensure that children and youths who are parents, expectant parents, or the victims of domestic or sexual violence stay in school, stay safe while in school, and complete their education.

With Senate amendments to the original bill, ESSA now has two main provisions. The first creates the Ensuring Success in School Task Force to develop policies, procedures, and protocols to be implemented by school districts. The task force will accomplish the following:

- Conduct a thorough examination of the barriers to school attendance, safety, and completion of school.
- Conduct discovery (relevant research, best practices, and policy, including expert testimony) in Illinois and elsewhere.
- Conduct meetings and hearings around the state to ensure maximum participation by local schools and advocates as well as students and their parents.
- Report to the Illinois General Assembly on findings, recommendations, and an implementation plan.

The second provision requires a biannual in-service training for school personnel on the needs of students who are expectant or parenting youths or victims of domestic or sexual violence.

The ESSA Task Force will afford us a critical opportunity to collect data, narratives, and model policies and determine the policies, procedures, and protocols to be implemented in Illinois elementary and secondary schools and to inform future legislation. The Women's Law and Policy Project has already assembled state and national-level coalitions of researchers, clinicians, advocates, and experts on pregnancy and parenting and on domestic and sexual violence among children and youth. The coalitions speak to the depth and breadth of the work on the ground to update obsolete school policies, create new benchmarks for progress, and ensure success in school. If you would like to join the Illinois ESSA Coalition so that you may contribute to and keep informed of the progress of the ESSA Task Force, contact Wendy Pollack at wendypollack@povertylaw.org.

Advocates Find New Way To Preserve Subsidized Housing

Attorneys from the Sargent Shriver National Center on Poverty Law last fall spearheaded a class action lawsuit against the Moody Bible Institute (MBI) to challenge the school's unlawful conversion of subsidized senior housing into student dormitories. Katherine E. Walz of the Shriver Center was joined by Jack Cann of the Minneapolis Housing Preservation Project and pro bono attorneys Max Stein, James Rolfes, and Casey Westover of Sachnoff & Weaver Ltd. Together they filed suit on behalf of current residents, applicants on the waiting list, and the Jane Addams Senior Caucus (JASC), a 30-year-old Chicago nonprofit organization.

The threatened property, Morningside I, is located just west of Chicago's Magnificent Mile and originally provided 201 units of affordable housing for low-income seniors. Because Morningside is a project-based Section 8 property, government subsidies were attached to Morningside's units rather than to the tenants. The Section 8 subsidy stays with the property when tenants move out so that affordable units would be available for future residents.

In 1993 MBI purchased Morningside and initially followed its obligations under the Section 8 contract. But since the late 1990s, after receiving approval from the Illinois Housing Development Authority (IHDA), MBI instead gradually converted the property into a student dormitory. Around the time the lawsuit was filed, about 160 students and their spouses resided at Morningside, where they enjoyed Internet access in well-maintained rooms. Disabled and elderly residents complained that they were denied similar upgrades in their rooms and even parking spaces in the building's lot, forcing them to walk across four-lane streets to reach their homes. Eligible applicants were told that the building was no longer intended for disabled and elderly residents.

Shortly after the lawsuit was initiated, the parties, IHDA, and the U.S. Department of Housing and Urban Development (HUD) entered into settlement discussions. Those talks brought forth an innovative settlement agreement which will preserve all 201 units of subsidized housing, extend the Section 8 contract for several more years, and allow MBI to use a portion of the property to house students. Pursuant to Section

8(bb) of the U.S. Housing Act, HUD will permit MBI to split the Section 8 contract into two contracts. The second contract, comprising a little over half of the units, will be transferred to Maple Pointe Apartments, a senior-designated Low-Income Housing Tax Credit apartment complex located just down the street. Residents who elect to remain at Morningside are guaranteed project-basing until 2018. Residents who volunteer to move to Maple Pointe will have project-based Section 8 housing until 2033. This agreement should allow other low-income seniors access to affordable housing for decades to come.

In this pioneering agreement, the parties successfully used a new approach to housing preservation. Morningside is one of the first cases in which advocates were able to persuade HUD to split a Section 8 contract to maintain the same number of subsidized units. As affordable housing becomes ever more scarce, we must uncover new ways of saving these vital units. Morningside thus opens up important possibilities for preserving affordable housing, both in Illinois and nationwide.

This article was also published in the 2007 edition of Inside Housing.

Foreclosures Affecting Many Who Thought Themselves Invulnerable

Foreclosures continue to affect many families throughout the United States. More and more foreclosures are occurring even in wealthier neighborhoods such as Lincoln Park in Chicago. The Center for Responsible Lending estimates that one in every five subprime loans made during 2005 and 2006 will end with the borrowers losing their home through foreclosure—the highest foreclosure rate ever seen in the modern mortgage market.

State Rep. Daniel Burke has introduced legislation that would combat predatory lending. The Predatory Home Loan Act (House Bill 1478) would prohibit prepayment penalties, flipping of loans, and lender financing of credit insurance and would limit high-cost loans. The bill would bar loans unless the lender reasonably believed that the borrower could make scheduled payments on the loan. The bill would allow borrowers to obtain damages for any violations of the legislation.

The bill has a long way to go before becoming law; the House Rules Committee has not even passed it. Alone, the bill will not fix the problems that many are facing. Brokers and brokerage houses must become regulated to prevent them from offering no-documentation loans and to have them show the increased amount that borrowers have to pay on adjustable-rate mortgage loans after their teaser rate is gone. Classes for first-time homebuyers should become the norm to make sure that such buyers have all information and know all alternatives before they receive their loans.

For more information, contact Dory Rand at doryrand@povertylaw.org, or Patrick Hain at patrickhain@povertylaw.org.

Medicaid Citizenship Documentation Requirement Has Devastating Effects, Says George Washington University Study

The citizenship documentation requirement for recipients of Medicaid has now caused enormous harm to America's Medicaid population. The requirement has resulted in delays and outright denials of coverage for U.S. citizens applying for Medicaid and the loss of Medicaid coverage for U.S. citizens enrolled in the program.

These are the findings of a study based on a recent nationwide survey of federally qualified health centers conducted by the George Washington University's School of Public Health and Health Services. According to the study, entitled *An Initial Assessment of the Effects of Medicaid Documentation Requirements on Health Centers and Their Patients*, more than 90 percent of all health centers report increased enrollment difficulties with Medicaid, and "more than one-third report that they have had to increase the amount of staff time available to assist patients with their applications." This has severely limited Medicaid beneficiaries' access to quality, efficient medical care, the study says.

The study conservatively estimates that between 2.2 percent and 6.7 percent of the Medicaid population (between 105,100 and 319,500 Medicaid beneficiaries) will lose their health coverage as a direct result of the citizenship documentation requirement. The study also outlines how, as a result of the citizenship documentation requirement, the number of uninsured citizens and the amount of uncompensated care

provided by hospitals and other health care providers to low-income individuals will balloon.

The citizenship documentation requirement came about after President Bush in February 2006 signed into law the Deficit Reduction Act of 2005—a scheme to save \$40 billion over five years from mandatory spending programs. The U.S. Department of Health and Human Services instituted a new regulation requiring most Medicaid applicants and recipients who claim to be U.S. citizens to prove their citizenship with passports, birth certificates, and other special documents or lose their public health coverage.

The study is available online at http://www.gwumc.edu/sphhs/healthpolicy/chsrp/downloads/Medicaid_Doc_Requirements.pdf.

A webcast about the study hosted by the George Washington University School of Public Health and Health Services is available online at the Kaiser Family Foundation's website, at http://www.kaisernetwork.org/health_cast/hcast_index.cfm?display=detail&hc=2147.

Send comments, letters and general feedback about *Poverty Action Report* to Natasha Eziquiel-Shriro at 312.263.3830 ext 242 or neziquielshriro@povertylaw.org.