

Poverty Action Report



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CENTER**

Sargent Shriver National Center on Poverty Law

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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:

- 7. Increase Economic Mobility Through Lifelong Education**
- 8. Link Economic Development to Workforce Development Opportunities**
- 9. Advance Low-Wage Workers by Making Work Pay**

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7. Increase Economic Mobility Through Lifelong Education

From preschool through higher education, from Adult Basic Education (ABE) to English as a Second Language (ESL), and from preemployment soft skills training through vocational training at all skill levels, quality education affords one of the best routes out of poverty and the opportunity to lead an economically and socially rewarding life. For the growing population of people stuck in low-wage work, education and vocational skills are the surest way into jobs with family-sustaining wages and benefits.

Great disparities abound across the country and within states and localities in access to and the quality of education at all levels. Low-income people are generally on the losing side. Policies must change to ensure a greater investment in quality education so that everyone has true equal opportunity.

Opportunities For Federal Action in 2007 *Amending and Reauthorizing the No Child Left Behind Act of 2001*

The No Child Left Behind Act (NCLB) is President Bush's education reform policy. It is up for reauthorization in 2007. There will be many versions and amendments offered in efforts to improve the law. The dropout crisis is gaining attention and is sure to be the subject of several amendments to the current law. It is time to focus attention on the barriers faced by a significant segment of youth at risk of dropping out, particularly young women and girls—youths who are parents, expectant parents, or the victims of domestic or sexual violence—and make a commitment to their school completion, safety, and success. Model legislation, like the Ensuring Success in School Act (ESSA), could lead the way to confronting this problem.¹

Reauthorizing the Higher Education Act

The Higher Education Act (HEA) governs most student aid programs implemented at the federal level. HEA includes Pell Grants that provide needs-based financial assistance for students who enroll in college or other postsecondary study. While changes were made in the Pell Grant program last year, funding and regulatory constraints remain for working adults, and further amendments are needed.

Opportunities For State Action in 2007

Passing the Ensuring Success in School Act
ESSA promotes school completion, safety, and success for young people who are parents, expectant parents, or victims of domestic or sexual violence by carefully balancing students' needs and the responsibility of schools and the broader community to educate all youth. Currently, advocacy efforts are underway to pass this legislation in the state of Illinois.

[1]Wendy Pollack et al., *The Ensuring Success in School Act: Promoting School Success and Safety for Young People Who Are Parents, Expectant Parents, or Victims of Domestic or Sexual Violence*, [39 Clearinghouse Review 649 \(March–April 2006\)](#).

It's About Getting Ahead

It takes more than a paycheck to get ahead. Learn strategies to eliminate or reform barriers to savings for public benefits recipients.

Please join Dory Rand, Supervising Attorney of the Community Investment Unit from the Sargent Shriver National Center on Poverty Law; Stacy Dean, Director of Food Assistance Policy from Center on Budget and Policy Priorities; and other advocates for **"It's About Getting Ahead"** conference call on May 23 at 12noon CST (1-888-296-6500, code: 115217).

For more information or to RSVP for this ***free*** event - call Meg Dunne at 312 263 3830 x 246 or email megdunne@povertylaw.org

8. Link Economic Development to Workforce Development Opportunities

Integrating economic development and workforce development can reach three primary goals—a strong and vibrant economy that can compete in a global economy, economic security for workers, and an end to poverty.¹ Poverty affects not only individuals but also the U.S. economy as a whole.² Integrating economic development and workforce development will work for everyone if it produces skilled workers with good jobs in strong businesses that foster thriving communities.

Realizing this vision will require policies ensuring that individuals develop the skills that businesses demand in a modern economy; creating career paths and job opportunities for all working-age individuals, from the least skilled and most disadvantaged to middle-income workers whose skills have become obsolete; investing resources in the capital and human infrastructure needed to attract and retain “high road” employers that provide quality jobs, wages, and benefits; encouraging entrepreneurship, small-business growth, and other economic or workforce development innovation in all communities in order to foster competitive businesses; and supporting economic and workforce development that is environmentally, socially, and economically sustainable.

Opportunities For Federal Action in 2007

Reauthorizing the Workforce Investment Act of 1998

The Workforce Investment Act (WIA) is the largest single source of federal funding for workforce development activities. The WIA was to create a universal access system of one-stop career centers, which would provide access to training and employment services for a range of workers, including low-income adults, low-income youth, and dislocated workers. Reauthorization is long overdue. It is likely that Rep. George Miller (D-CA), the chairman of the House Education and Labor Committee, will hold hearings on WIA reauthorization and work to write a new House WIA bill and not rely on prior versions.

Creating a National Plan to Support Expansion of “Bridge” Programs

The Responsible Fatherhood and Healthy Families Act of 2006 would create a first-ever federal funding source targeted for “bridge” programs. These programs unite employers, state and local government

entities, and community-based training providers. Employers identify training needs for jobs that they would fill if there were a trained workforce; the government entities provide funds; and the community-based providers conduct the training after collaborating with the employers to design the training. Pilots have shown the “bridge” strategy to be highly effective in making the transition for low-paid workers into higher-paying jobs with benefits. They also help employers compete in the national and global economies.

Opportunities for State Action in 2007

Encouraging States to Implement “Bridge” Programs

Funding is available from state and local sources and it is permissible under the WIA for states to design and implement their own “bridge” programs, either as pilots or statewide.

[1]See [37 Clearinghouse Review \(July–August 2003\)](#) (special issue on “Economic Development Strategies for Individuals and Communities”).

[2]U.S. Government Accountability Office, [Poverty in America: Economic Research Shows Adverse Impacts on Health Status and Other Social Conditions as well as the Economic Growth](#) (2007).

9. Advance Low-Wage Workers by Making Work Pay

Too many families with full-time workers are falling deeper into poverty in the United States. We have an unhealthy and growing income gap, with the wealthy becoming wealthier and the poor becoming poorer. A national agenda to end poverty must advocate improved economic stability and upward mobility for low-income workers and their families. Earnings should be increased through minimum-wage laws and subsidized with earned income and other low-income tax credits.

Low-income workers should have the work-enabling supports that they and their families need, including access to quality, affordable child care, food stamps, health insurance coverage,¹ and transportation assistance. These work supports must be phased out gradually as family income increases (avoiding eligibility “cliffs”) and not until families reach an income level where they are no longer needed.

People on welfare who go to work should experience a real increase in their net income through a generous

earnings disregard program.² And our policies should allow low-wage workers to balance their work and family responsibilities.³

Opportunities for Federal Action in 2007

Raising the Federal Minimum Wage

The minimum wage should continue to increase until all workers earn a livable wage. While prospects for enactment of a new federal minimum wage look good, there is considerable opposition to tax cuts proposed in the Senate version.

Increasing the Child Care and Development Block Grant

The Bush administration estimates that if child care funding remains at the current level, there will be a decline of 650,000 children—25 per cent—receiving child care assistance by 2011. A large increase in the Child Care and Development Block Grant—at least the \$10 billion needed to keep pace with inflation and maintain current service levels over five years—is needed. While there is strong bipartisan support in Congress for increased child care funding, this will be an uphill battle since child care funding levels were set for five years in the TANF reauthorization process last year.

Opportunities for State and Local Action in 2007

Raising State Minimum Wages

The momentum behind the federal minimum-wage campaign largely arises from the many states that have recently enacted minimum wages far above the federal level. Should the federal effort fail, states will continue to raise their own minimum wages.

Enacting and Expanding State and Local Earned Income Tax Credits

States and localities will continue their successful efforts to expand their earned income tax credit programs, lifting more full-time workers and their families out of poverty.

Developing Family Leave Insurance Programs

States such as Illinois are on their way to adopting programs for paid family leave and other family-friendly policies. Paid Family Leave is a commonsense approach for employers and for time-off from work for employees dealing with significant, health-related needs. When working families face serious health concerns, their breadwinners can take some time off work to deal with pressing matters under the federal Family and Medical Leave Act. But this law is not as

effective as it could be because it does not ensure that employees are paid during such absences. As a result, many employees, particularly those earning low wages, can afford only a short period of time off work, if any.

[1]Sujatha Jagadeesh Branch et al., *Child Care for Families Leaving Temporary Assistance for Needy Families*, [34 Clearinghouse Review 527 \(Jan.–Feb. 2001\)](#); Jocelyn Guyer, *Health Care for Low-Income Working Families After Welfare Reform*, [34 Clearinghouse Review 563 \(Jan.–Feb. 2001\)](#).

[2]Maurice Emsellem et al., *Income Supports Can Dramatically Increase Resources Available for Lower-Income Working Families*, [34 Clearinghouse Review 509 \(Jan.–Feb. 2001\)](#).

[3]John M. Bouman, Margaret Stapleton, and Deb McKee, *Time Limits, Employment, and State Flexibility in TANF Programming: How States Can Use Time Limits and Earnings Disregards to Support Employment Goals, Preserve Flexibility, and Meet Stricter Federal Participation Requirements*, [37 Clearinghouse Review 289 \(Sept.–Oct. 2003\)](#).

Join us for a briefing of the Shriver Center's national agenda and federal legislative docket on June 11, 2007 at 8am. The briefing will be held at the Shriver Center, 50 E. Washington, Suite 500, Chicago, IL 60602.

RSVP to Rita McLennon at

ritamclennon@povertylaw.org or 312.263.3830 x224.

Shriver Center Convenes Roundtable on Medicaid Citizenship Documentation Rule

The Medicaid citizenship documentation rule, as implemented in states around the country, continues to threaten the health coverage of millions of U.S. citizens who are fully eligible for Medicaid. The Sargent Shriver National Center on Poverty Law last month convened a two-day meeting of experts and advocates from Nebraska, Michigan, Mississippi, Kansas, Wisconsin, Virginia, New Mexico, and Illinois. The Chicago law firm Goldberg Kohn hosted the meeting. The roundtable concentrated on the successes of *Bell v. Leavitt*, the national class action lawsuit challenging the citizenship documentation rule.

The experts and advocates discussed actions that could be taken on the state level to mitigate further the rule's harmful effects now that the *Bell* plaintiffs voluntarily had the case dismissed. Organizations representing the plaintiffs in *Bell* were on hand: the National Health Law Program and Health & Disability Advocates besides the Shriver Center and Goldberg

Kohn. The National Senior Citizens Law Center, the fifth organization representing the *Bell* plaintiffs, could not attend the meeting. Representatives from the National Center on Law and Economic Justice and the Center on Budget and Policy Priorities attended.

The meeting covered what had been attempted and accomplished in *Bell* and the reasons why a national class action was no longer the best vehicle to attack the citizenship documentation rule. Advocates from the states explained how the documentation requirements were being implemented in their respective states, and the roundtable discussed ways to challenge, in lawsuits against federal or state officials, the federal statute and regulations and state implementing procedures on the documentation requirements. The conveners also discussed strategies to change federal documentation requirements to lessen their harm to eligible citizens. They agreed to continue communicating about these ideas and to coordinate their advocacy efforts.

Savings for Life

All Americans should have opportunities to save toward important goals such as education, homeownership, and retirement at every point of the life cycle, according to a new report by the Aspen Institute. In *Savings for Life: A Pathway to Financial Security for All Americans* the Initiative on Financial Security of the Aspen Institute introduces a new way of understanding national savings policy and a set of pragmatic savings vehicles that can help more people achieve financial security.

The report's proposals include four innovative savings vehicles: Child Accounts (modeled on the United Kingdom's Child Trust Fund); Home Accounts (to be used for the down payment on a home); America's IRA (a standardized, simple Individual Retirement Account with a government match for working Americans without access to employer-based retirement plans); and Security "Plus" Annuities (basic life annuities to provide an additional layer of lifetime, guaranteed income as a complement to Social Security).

The policy recommendations for increasing financial security for all Americans—across income levels—culminate more than two years of a groundbreaking, bipartisan collaboration with chief executive officers

from the financial services sector and public policy experts to identify market-based strategies for more Americans to save, invest, and own. The full report and a video from the May 3 release event are available at www.aspeninstitute.org.

The Sargent Shriver National Center on Poverty Law and others throughout the United States are working to implement many of the policies suggested in the Aspen Institute report, including universal child savings accounts and expansion of Individual Development Accounts. For more information on Illinois efforts, contact Dory Rand at doryrand@povertylaw.org.

Bipartisan Bill Would Revitalize the Children's Health Insurance Program

S. 1224, the Children's Health Insurance Program (CHIP) Reauthorization Act of 2007 that Senators Jay D. Rockefeller IV (D-WV) and Olympia Snowe (R-ME) introduced last month, would expand eligibility while remedying the current funding shortfall in the children's health care program. The bipartisan proposal more than doubles funding for the program over the next five years and significantly improves the federal reimbursement mechanism to match states' efforts. These reforms would create a more reliable source of funds for states and help sustain the program.

With nine million American children currently uninsured, the CHIP debate takes on greater significance as advocates look for ways to cover all kids. But successful programs such as the State Children's Health Insurance Program (SCHIP) are already in place and, if expanded, can cover virtually all children today. Lawmakers support expanding and permanently securing SCHIP so that no American child will ever have to go without medical care.

According to Senator Rockefeller, "the legislation [adjusts] state's allotments to reflect both states' current funding needs and the funding they need to make more progress in covering uninsured children in their states; explicitly incorporating health inflation and population growth into the allotment structure; [and] guaranteeing each state an unprecedented level of stability and predictability over time in its access to federal CHIP funds...."

“As a VISTA volunteer in southern West Virginia, I worked with children who had gone years without seeing a doctor or dentist,” Senator Rockefeller said. “Healthcare should not be a luxury. Regardless of where someone lives or what they do, everyone has a right to healthcare—especially our children.”

The CHIP reauthorization act would make it easier for states to identify additional eligible children by allowing states to utilize financial information of other public benefit programs. Moreover, it provides higher matching rates for states that improve information coordination and offers a financial safety net to states with more SCHIP enrollees.

The bipartisan bill would give states the option of opening up enrollment to pregnant women and legal immigrant children or pregnant women. States may choose to grant children of state employees coverage under limited circumstances. The bill would authorize states to spend CHIP dollars on subsidies for working families that are currently receiving employer-based health insurance but are unable to afford skyrocketing premiums and copayments.

Clearinghouse Review Survey

The Sargent Shriver National Center on Poverty Law champions economic opportunity through fair laws and policies so that people can move out of poverty permanently. The editors of the Shriver Center’s *Clearinghouse Review: Journal of Poverty Law and Policy* have created a brief questionnaire on how we can improve Clearinghouse Review to better to meet your needs. Whether you subscribe or are simply interested in the issues that affect low-income people, please take a few minutes to fill out the survey by going to this website: <http://www.surveymonkey.com/s.asp?u=423823694551>

Reducing Predatory Mortgages

Over two million households in the subprime market by year’s end will either have lost their homes to foreclosure or hold subprime mortgages that will fail over the next several years. These foreclosures will cost homeowners as much as \$164 billion in home equity.

In light of this prognosis, Congresswoman Stephanie Tubbs-Jones (D-OH) recently introduced the Predatory Mortgage Lending Practices Reduction Act

(H.R. 2061). This legislation would set minimum licensing standards for mortgage brokers, authorize \$2 million for training and certifying of mortgage brokers, authorize \$2 million for housing counseling to raise awareness of predatory practices, set minimum disclosure standards, establish standards for appraisals, and create civil penalties for violation.

The legislation would set up best practices for dispute or complaint resolutions. A best practices plan would be established and maintained in accordance with regulations that creditors would face. Employees of the creditors would be trained on best practices and would have to be reviewed and evaluated on their performance under the plan. H.R. 2061 would make brokers accountable and would set up funds to continue to educate consumers about predatory practices. A number of other bills will soon be introduced to deal with predatory lending, a problem affecting many families nationwide.

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

Advocates Litigate to Improve Access to Health Care for Children

As advocates across the country encourage legislators to create innovative health care plans in their states, they can look to the courts for help, following the lead of health care advocates in Illinois. In 2004 a groundbreaking federal class action lawsuit, *Memisovski v. Maram*, established that Illinois was violating the Medicaid Act by failing to establish a system to deliver health care to all covered children. This decision led to a negotiated settlement offering comprehensive new policies ensuring preventative care to all Illinois children with Medicaid.

The May–June 2007 issue of *Clearinghouse Review: Journal of Poverty Law and Policy*’s article “Litigation to Improve Access to Health Care for Children: Lessons from *Memisovski v. Maram*” describes the ideas that went into building the record, the decision, the outcomes, and the lessons learned in the process. John Bouman, president of the Sargent Shriver National Center on Poverty Law and cocounsel on the lawsuit, explains the lawsuit’s challenges such as the enforceability of plaintiffs’ rights, naming plaintiffs and trial witnesses, and using the state’s own data

against itself. In their detailed description of the case, Bouman and coauthors and cocounsel Frederick H. Cohen and David J. Chizewer of Goldberg Kohn and Stephanie Altman and Thomas Yates of Health and Disability Associates suggest how such challenges can be handled.

Lack of access to health care confines people to poverty by limiting their education, employment, and family assets, and reforming the nation's health care system is an essential step in helping Americans move out of poverty. In view of this, "Litigation to Improve Access to Health Care for Children" shows that the judicial system is an important route for advocates to take to improve health care.

Published by the Sargent Shriver National Center on Poverty Law, the May–June 2007 *Clearinghouse Review* features the following other articles by advocates and attorneys nationwide:

- "Against Employer Retaliation: Protecting Low-Wage Workers Who Oppose Sex Discrimination" by Michael I. Marsh and Evangelina Fierro Hernandez
- "The Modern-Day Poll Tax: How Economic Sanctions Block Access to the Polls" by Erika L. Wood and Neema Trivedi
- "Preserving Tribal Families, Culture, and Communities: California's Legislation to Enforce the Indian Child Welfare Act" by Maureen Geary and Mark Radoff
- "Wait a Minute: Slowing Down Criminal-Activity Eviction Cases to Find the Truth" by Lawrence R. McDonough and Mac McCreight
- "'I Just Need More Time': Making the Case for an Extension of Time to Vacate a Rental Unit as a Reasonable Accommodation" by Nisha N. Vyas
- "Affirmatively Litigating: How the Federal Rules of Civil Procedure Require Early Case Planning: The Rule 26(f) Conference" by Greg Bass
- "Medicare Coverage of Dental Care Following Radiation Treatment and Chemotherapy" by Sally Hart and Jamie L. Wyman
- "Left Behind Before Katrina and Left Behind After" by William P. Quigley

Published bimonthly by the Shriver Center, the *Review* is an advocate's best resource for information on developments in poverty law. Each issue of the *Review* features in-depth, analytical articles, written by experts

in their fields, on topics of interest to poor people's and public interest lawyers. Substantive areas covered include civil rights, family law, disability, domestic violence, housing, elder law, employment, health, and welfare reform. The *Review* also includes case notes written by legal aid attorneys from across the country.

To subscribe to the *Review*, go to www.povertylaw.org.

Health Policy Expert Endorses Governor Blagojevich's Illinois Covered Plan

Kenneth Thorpe, former deputy assistant secretary for health policy in the Clinton administration, last month released a report detailing how Gov. Rod Blagojevich's *Illinois Covered* plan would yield a net savings of nearly \$9 billion between 2008 and 2011 for Illinois families and businesses.

Thorpe's *Estimated Savings to Employers and Workers Under the Illinois Covered Plan* predicts what Illinois's health care system will look like in four years if the system is unchanged. Thorpe finds that if no changes are made, in 2011 employers will spend 10.25 percent of payroll on health care expenditures, employees will collectively have spent \$4.4 billion on health care premiums over the next four years, health care costs will have grown more than twice as fast as wage inflation, and there will be an additional 500,000 uninsured Illinoisans by 2010—bringing the total of uninsured to 2.3 million. According to Thorpe, who is a professor of health policy management at Emory University, this spike in the number of uninsured will shift costs to those with insurance and increase private health insurance expenditures by 9 percent.

Thorpe outlines each initiative in Governor Blagojevich's Illinois Covered plan and projects a 9 percent savings on premiums following the full implementation of the program in 2011: 3.8 percent savings from Roadmap to Health, a program aimed at improving preventive care and the management of chronic illnesses; 2.5 percent savings from Electronic Records and Information Technology, a mandate to institute electronic medical records and to improve technological resources; and 2.7 percent savings from Reduction in Cost Shifting, due to the reduction in the number of uninsured Illinoisans.

Thorpe emphasizes the necessity for health care reform in Illinois not only because medical coverage

for the uninsured is needed but also because millions of Illinoisans are financially threatened by job layoffs, benefit cutbacks, and skyrocketing medical bills. If Illinois Covered is adopted, Illinoisans covered on the private market can expect to save \$675 for an individual contract and \$1,775 for a family policy.

Thorpe's final argument is that Illinois Covered is good for business. His report demonstrates that businesses will save nearly \$2.5 billion by 2011 due to reduced cost sharing and reasonable regulation of the insurance industry.

Estimated Savings concludes that Governor Blagojevich's Illinois Covered plan will accrue \$8.4 billion in net savings and that each \$1 of public revenues spent on Illinois Covered will generate more than \$2 in new health care savings mainly through

reduced growth of health insurance premiums paid by Illinois businesses, families, and individuals.

To learn more about Thorpe's report, visit <http://www.americasagenda.org/>.

To learn more about Illinois Covered, visit <http://www.illinoiscovered.com/>.

To learn more about what you can do to support Governor Blagojevich's Illinois Covered plan, visit <http://www.povertylaw.org//advocacy/health/illinoiscovered.html>.

Send comments, letters and general feedback about
Poverty Action Report
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