

# Refugees and General Assistance

## A Short-Term Evaluation of the Effects of the Changes in Federal Refugee Assistance Policy on State and Local Governments and on Refugees

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The statements and conclusions contained in this report are those of Urban Systems Research and Engineering, Inc. and do not necessarily reflect the view of the United States Department of Health and Human Services. USR&E alone assumes responsibility for the accuracy and completeness of the information contained in this report.

### **PREFACE**

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The Department of Health and Human Services funded this study to conduct a preliminary assessment of the impacts of the 1982 regulatory changes in federal reimbursement to state and local governments for refugee assistance. The report was prepared by staff of Urban Systems Research and Engineering, Inc., Cambridge, Massachusetts. The project was supervised by John Heinberg of the Office of Evaluation and Technical Analysis and Cantia Pian of the Office of Income Security Policy, both under the Assistant Secretary for Planning and

Evaluation (ASPE). The Office of Refugee Resettlement (ORR) of the Social Security Administration sponsored the study.

The states of California, Illinois, Massachusetts, Minnesota, Pennsylvania, and Virginia participated substantially in the development of this report. The project is indebted to the state and local officials, voluntary agency staff, and refugee representatives in these states for the information and insights they so generously provided.

The project also appreciates the contributions of staff from the Department of Health and Human Services who served on the Work Group which met regularly to guide the project, including Toyo Biddle (ORR), Joyce Clinton (ASPE), Dierdre Duzor (ASPE), David Cooper (ASPE), Paul Bordes (Office of Family Assistance, Social Security Administration) and Mike Smith and Robert Waters (Office of Management and Budget).

For USR&E, Mark Worthington served as the Project Director and Deborah Kuhn was the Project Manager. Marilyn Rymer and Denise Madigan completed the project team. Barbara Mawn served as the project secretary.

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p. i **SUMMARY**

Under the provisions of the Refugee Act of 1980, the federal government reimburses states for assistance provided to legally admitted refugees and entrants for as much as 36 months after date of entry. Prior to April 1982 assistance was provided during the entire period according to the eligibility criteria and benefit standards established by each states's Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), and Medicaid plans. Those refugees categorically eligible for SSI, AFDC, and/or Medicaid were enrolled in these programs, and states were reimbursed for their share of the costs. Refugees not categorically eligible for these programs were enrolled in special programs of refugee cash and medical assistance (RCA/RMA), with the same eligibility requirements (except categorical restrictions) and benefit standards as the regular categorical programs, and states were reimbursed for the full costs of assistance.

Effective in April 1982, however, new regulations limited the special RCA/RMA assistance to 18 months, rather than 36 months, after date of entry. After 18 months refugees not eligible for SSI, AFDC, and/or Medicaid must now seek aid from state and local programs of general assistance (GA). The federal government will reimburse those state and local assistance costs for as much as an additional 18 months.

Commonly referred to by state and local officials as the “18/18 regulations,” these new rules for federal reimbursement of state and local assistance costs were justified as a strategy (1) to promote equity between refugees and other low-income Americans, (2) to foster self-sufficiency among refugees, (3) to shift more of the responsibility for program design and operation to state and local governments, and (4) to achieve cost savings for the federal government.

In September 1982, the HHS Office of the Assistant Secretary for Planning and Evaluation (ASPE), in conjunction with the Social Security Administration's Office of Refugee Resettlement (ORR),

asked Urban Systems Research & Engineering (USR&E) to conduct a short-term study designed to expand and update information on general assistance program characteristics and to produce a preliminary assessment of the impacts of the 1982 regulatory changes on state and local governments and on refugees. p. ii

USR&E used three sources of information for the study. First, we conducted a mail and telephone survey of all 50 states and the District of Columbia to collect detailed and specific information on the characteristics of general assistance programs in the United States. Second, we visited six of the 12 states with the greatest number of affected refugees in order to collect information on the implementation process and on the impact of the 18/18 regulations on RCA and GA programs and on refugees themselves. (The states we visited were California, Illinois, Massachusetts, Minnesota, Pennsylvania, and Virginia.) Third, we conducted extended telephone discussions with knowledgeable state officials in the other six high-impact states (Florida, New Jersey, New York, Oregon, Texas, and Washington).

From these three sources of information USR&E has prepared two major reports. This report presents the findings of the second part of the study, the preliminary assessment of the effects of the change in refugee assistance policy. A companion report, a catalogue of the *Characteristics of General Assistance Programs*, presents the results of the primary part of the study, a comprehensive description of the widely varied general assistance programs in the United States. The catalogue provides detailed information for each state (or local government) on the eligibility requirements and benefits offered through general assistance programs.

## **Context: The Policy and Program Environment at the Time of Implementation**

The changes in federal refugee assistance policy were not implemented in a vacuum. The refugee assistance programs were and are only a small component of two much larger and much more complex systems – the overall refugee resettlement program (RRP) and the vast web of federal, state, and local income assistance programs loosely known as “the welfare system.” Each of these larger systems – and particularly the welfare system – has its own history, its own processes, and its own inertia; and each was also undergoing its own major changes.

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- 1 The RRP programs were facing declining numbers of incoming refugees, and as a result their budgets were declining as well. Yet the new waves of immigrants were not as prepared as prior waves for adapting to life in the U.S. And with the economy in prolonged recession, resettlement was becoming more and more difficult.
- 2 The RCA/RMA programs, the income and medical assistance components of the RRP program, were generally quite small by comparison to AFDC and Medicaid. State welfare officials believed the refugee programs required a disproportionate and growing amount of their time. The refugee programs had been continually changing, the future remained uncertain, and federal-state relations were somewhat strained.
- 3 The AFDC and Medicaid programs were administered within the guidance and constraints of the long-established protocols, procedures, and restrictions of the federal-state welfare system. And in addition, these programs were still preoccupied with absorbing the effects of major changes in eligibility criteria, benefit computations, and other program characteristics, which had been passed as part of the 1981 Omnibus Budget Reconciliation Act.
- 4 Finally, state and local GA programs are quite different from AFDC (and therefore RCA). GA is generally designed for a different population and is often administered by an entirely different set of actors and agencies. Moreover, GA programs vary enormously, they change often, and their characteristics are largely unknown by all but those directly involved in the programs.

The implementation of the new regulations cannot be understood or evaluated without considering the larger context of these programs which they affected.

One other factor was to have a critical effect on the implementation of the 18/18 regulations: time. Although the essential elements of the regulations had been widely known from the fall of 1981 and the details had been published as draft regulations in December of that year, the interim final regulations published on March 12, 1982, provided only 19 days' notice before the required date of implementation.

### **Impact of the 18-Month Cut-off on State and Local Governments**

Based on site visits to six high-impact states and extended telephone discussions with officials in six others, USR&E has reached some important findings regarding the impact of the change in refugee assistance policy on state and local governments.

*The new regulations had a disruptive initial impact on virtually all of the high-impact states. The severe time constraints imposed by the federal deadline led to confusion, disruption, ad hoc adaptations, inconsistent implementation, and judicial intervention.*

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*Nevertheless, most of the problems were transitional. Moreover, it should be emphasized that most state and local programs performed quite well in the face of severe time constraints and imposing barriers to implementation. By the beginning of the summer the regulations had been effectively implemented in most states.*

This common theme can be seen in virtually all of the states and in each of the three major programs involved in the implementation: the refugee resettlement programs, the AFDC programs, and the general assistance programs.

*Impact on the Refugee Resettlement Programs.* By virtually all accounts the major impact of the new regulations on RRP programs was short-term administrative overload. For most states, 19 days was simply too short a time to plan and implement a complex policy change involving several separate assistance programs and a particularly vulnerable population. The process was especially difficult in states where GA is administered by local governments and the RCA program is administered by the state.

- 5 Identification and notification of time-expired recipients was time consuming in most states either because systems were not automated or because “date of entry” was not on the computers.
- 6 Most states have statutes and/or regulations governing notice to recipients of termination of assistance and rights to appeals. These provisions sometimes conflicted with the time allowed for implementation of the new regulations.
- 7 Many states also have to deal regularly with client advocates and the court system whenever they make major policy changes. Court suits and injunctions delayed implementation in several big states, and program staff in several states had to rescind terminations one month and reissue them the next. In one state termination procedures were implemented three times.

The time constraints exacerbated the frustration of RRP officials and staff who already believed the program required attention and effort disproportionate to its size and value.

The long-term impact of the 18-month limit on the administration of the RRP program was relatively minor.

- 8 Several states began to place a higher priority on determining AFDC eligibility at initial intake rather than after RCA eligibility expires.
- 9 Some states redirected the focus of the RRP program toward more rapid employment of refugees, shifting refugee social service dollars out of “softer” counselling/crisis intervention services and into “harder” job placement activities.
- 10 Two states limited eligibility for refugee social services to the first 18 months.

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The major impact of the 18/18 regulations on the RRP program was the short-term disruption created by the need for instant implementation.

*Impact on the AFDC and Medicaid Programs.* Because the RCA/RMA programs are supervised and administered by the same agencies as AFDC and Medicaid, the short-term disruption in the refugee programs had ripple effects on the larger programs as policy and administrative attention was diverted to refugee assistance. Otherwise, the effects of the changes were manageable.

- 11 In a few states the changes disrupted AFDC operations as states tried to screen RCA terminees for AFDC eligibility, often for the first time.
- 12 In states with AFDC-U programs (for two-parent families with one parent unemployed), the major short-term effect was the screening or rescreening of refugees with vague or complex work histories.

In the longer run the impact of the changes was limited.

- 13 The few states who did not designate AFDC eligibility at initial intake of refugee cases began to do so.
- 14 A few states revised their interpretations of AFDC-U work history rules in order to treat refugees more equitably and enable more refugees to obtain assistance from AFDC.

Thus, aside from the transitional effects of the diversion of policy and administrative attention to the related RCA and RMA programs, the AFDC and Medicaid programs were only marginally affected by the changes.

*Impact on General Assistance Programs.* State and local GA programs had never before been directly involved in the federal welfare system. And in most high-impact states the new regulations, and the time constraints for implementation, made the introduction memorable.

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- 15 Transfer of GA-eligible RCA recipients to GA programs was time consuming and difficult in almost every state. Only two states were able to effect an automatic transfer – in both states the GA program was virtually identical to the RCA program and administered by the same agency. All other states had different programs, different administering agencies, and/or different levels of government responsibility. All these differences required time to resolve.
- 16 GA programs were not prepared to handle a sudden influx of refugee applicants. In most offices the number of new applications to be handled was many times the average monthly load. GA offices were quite simply swamped.
- 17 Most states administer GA programs designed for singles – often unemployable singles – and they were not prepared for the influx of refugee families. The RCA terminees were a different population; GA programs often had to adapt to meet their different needs. One official complained of “trying to fit a square peg in a round hole.”
- 18 GA staff were unfamiliar with refugees and RCA staff were unfamiliar with GA. Some states resolved the problem of transferring refugees to GA by transferring bilingual and other RCA staff to GA units. This required training – and time. Where this was not possible, GA units had to hire bilingual staff and learn to deal with a new and very different population. This took time, too, and quick transfers led to much misunderstanding and disruption.
- 19 In some states, the new regulations required new legal, reporting, and reimbursement arrangements between the state and locally-autonomous GA programs. These requirements caused some serious and unresolved problems.

Compared to the RCA/RMA programs, GA programs – which were assuming the responsibility to aid refugees cut off from RCA – were much less informed and much less prepared to

accommodate the change in federal refugee assistance policy. Many GA offices were overwhelmed by the implementation process for several months; some were just getting back to normal six to eight months after the effective date of implementation.

But in general, GA officials and staff attacked the problem with dedication and resourcefulness and, in our judgment, did a remarkably good job of absorbing the impact of the sudden change and providing assistance to refugees.

The long-run effects of the policy change on GA programs will not be as visible or as disruptive as the implementation, but are important nonetheless. p. vii

- 20 GA programs in most high-impact states are significantly larger, having absorbed the influx of RCA-terminated refugees at a time when employment is hard to find.
- 21 GA programs in some states are more complex, having adapted benefit schedules for families and work programs for non-English-speaking refugees.
- 22 Some state governments now have supervisory and reporting relationships with local GA programs which heretofore had been autonomous.
- 23 GA costs for most states are now higher than they would have been. First, most officials agree that the increase in administrative costs will not be recaptured. Second, reimbursement agreements have still not been worked out in several states where local GA programs are outside the usual federal/state welfare delivery system. And most important, the state and local expenses incurred outside the traditional welfare system – particularly expenses for medical assistance provided through public facilities – are not being claimed or reimbursed because the accounting and reporting systems required for full reimbursement are not in place.

These residual effects of the change in policy have been largely absorbed; and aside from lingering resentment, the new regulations have been implemented and the programs are running as well as can be expected.

### **Impact of the 18-Month Cut-off on Refugees and Entrants**

Based on site visits to six high-impact states and analysis of the RCA/RMA programs and general assistance programs in all 12 high-impact states, USR&E has reached some tentative findings regarding the impact of the change in refugee assistance policy on refugees.

*The implementation of the new regulations had a disruptive, short-term impact on the lives of RCA/RMA terminees, as it did on state and local governments.*

*The longer-term effects are less certain. A substantial number of refugees became ineligible for assistance, and most others faced lower benefits and more work requirements. Some may have become more independent and self-supporting. Others may simply have had to adjust to a lower level of subsistence.*

Because the study focused on general assistance programs and the impact of the implementation of the new regulations on state and local governments, the information available to assess the effects of the changes in federal refugee assistance policy on low-income refugees and entrants is more limited and less direct. Thus, the ultimate impact remains unclear.

The general impression conveyed by welfare and service officials in the high-impact states was that refugees – and particularly Southeast Asian refugees – are unusually hardworking and conscientious people, and that they had been taking advantage of temporary support through the refugee program in order to enroll in high-school or college degree programs, ESL courses, and job training programs. To the extent that refugees receiving RCA and RMA benefits were aware of the limits of federal refugee assistance policy prior to the middle of March 1982, they thought they had 36 months to rely on RCA and RMA to assist them in their efforts to acquire relevant language and work skills and to adapt to a new life in America. Officials agreed that, in most states, few RCA/RMA clients knew of the impending changes or the quickness with which they would be implemented. Then, in late March, many “time-expired” refugees were summarily notified that they would be cut off from RCA and RMA in ten days. In the words of one state welfare official: “Many refugees were given ten days' notice to get their lives in order.”

In most states the immediate impact of the implementation of the 18-month limit was personal disruption of the lives of time-expired refugees.

- 24 In several states the notices caused great anxiety among affected refugees. This problem was exacerbated by the lack of adequate translation of notices, the shortage of translators in RCA and GA offices, the relatively large number of recipients affected, the general confusion in the welfare offices, and above all the sudden-ness with which it all happened.
- 25 Many two-parent refugee families terminated from RCA had difficulty demonstrating the attachment to the labor force required for AFDC-U eligibility. In some states these families got GA benefits which were substantially less than RCA/AFDC; in other states they lost assistance entirely.
- 26 In most states RCA terminees immediately had to cope with a whole new program, usually with a new set of caseworkers and often in a new place. For refugees with minimal English language skills, and a limited understanding of the system, this was a difficult experience.

p. ix In most states, GA programs generally have a different set of eligibility criteria, benefit schedules, and work requirements than RCA/RMA programs. And although GA programs vary markedly, several generalizations hold true.

- 27 GA eligibility requirements tend to be more restrictive than RCA/RMA requirements. Often eligibility is limited strictly to “unemployables.” In most states many RCA terminees lost eligibility for assistance.
- 28 GA benefits tend to be lower than RCA benefits, and GA medical coverage less comprehensive than RMA. In most states RCA/RMA terminees who remained eligible for assistance got less of it.

- 29 GA participation requirements tend to be more stringent than RCA/RMA requirements. Many states have strict work relief programs and/or extensive job search requirements. Therefore most RCA/RMA terminées who remained eligible for assistance had to meet tougher conditions to get it.

Considering all eligibility factors together – categorical exclusion, categorical restriction, asset limits, liens, work requirements, and duration limits – there is not a single GA-maintenance program in any of the high-impact states which is as unrestrictive as RCA. All refugees were confronted with more restrictive assistance requirements as a result of the implementation of the 18/18 regulations.

By all accounts, the short-term effects of the policy change were mostly negative. In most states the refugee community was thrown into turmoil and confusion by the sudden changes.

The longer-term impacts are more difficult to assess. The officials and staff we interviewed gave mixed accounts – and, on balance, there probably were mixed results.

- 30 Some observers reported that the long-term plans of many refugees were disrupted. Refugees who had planned on 36 months of RCA/RMA for support while they attended ESL classes, vocational training programs, high schools, college, and even professional training schools, were suddenly forced to drop out and look for work. On the other hand, other officials reported that most refugees had accommodated the policy changes by modifying schedules or plans to comply with GA regulations without sacrificing long-term goals.
- 31 Many officials felt that the increased work emphasis was good. They cited a noticeable increase in efforts toward self-support among refugees.
- 32 Some respondents reported anecdotal evidence of personal and family breakdown: mental illness, depression, and family violence. In many states, officials also predicted a decline in medical care utilization, and ultimately, health status. By most accounts some refugees were not getting needed medical care. Some officials noted a tendency to return to informal and traditional medical treatment. The long-term impact of these changes is unknown, but many officials feared this could be the worst effect of the changes. p. x
- 33 Some officials reported an increased strain in normally strong, traditional family relationships. On the other hand, many officials argued that exceptionally strong family relationships, and strong cultural sanctions against desertion, especially among the Indochinese, tend to act as a deterrent to welfare-induced family desertions.
- 34 Indeed, it was widely reported that, in general, refugees coped with reductions in assistance by crowding several families into single dwelling units and spreading out available resources to support everyone as best they could. On the other hand, some observers question whether the increase in overcrowded living quarters was beneficial. In general, however, crowding in and sharing resources may have been the only way for most refugees to manage the impact of benefit terminations.
- 35 Migration was another commonly cited coping mechanism. There is substantial evidence of secondary migration – and reports on both ends that recent migration was partly in response to the 18-month limit. How much of the secondary migration resulted from the

new policy is hard to determine. There had been substantial secondary migration prior to the changes. But it is clear that the policy change spurred migration from some states (Florida, Oregon, Texas, Washington) and into others (California, Minnesota).

On balance, the long-term effects are mixed but predictable. The number of refugees getting assistance was cut, and the amount of maintenance and medical assistance granted those who remained eligible was reduced. A greater emphasis was put on work, and a lesser emphasis put on opportunities for education and training. Some refugees have become independent and self-supporting sooner than they would have under the former policy. Others have crowded together and shared the diminished assistance.

p. xi With regard to the change in policy, it is interesting to note the pattern of opinions of the welfare officials and refugee service providers we interviewed. Most respondents expressed support for the 18-month policy as a deterrent to the unnecessary and prolonged welfare dependency. But many others strongly opposed the change, saying that 18 months was not nearly long enough to prepare the most recent wave of refugees and that the middle of a recession was not the time to cut off assistance to a particularly vulnerable population. Others preferred a 24-month limit to 18. But for the most part, the officials and staff to whom we talked supported the concept of limiting eligibility for the special RCA and RMA programs.

Again, however, there was nearly universal agreement that the change was implemented too quickly, and that the short-term impact on recipients was unnecessarily harsh. While they might have agreed in principle with the changes in policy, most respondents cited the implementation of the new regulations as a difficult period for all concerned.

## Further Evaluation

This report presents the findings of a short-term evaluation of the effects of the recent changes in federal refugee assistance policy on state and local governments and on refugees. The scope of the study was limited, however, particularly with regard to the impact of the change on refugees. The findings regarding state and local governments suggest some lessons about implementing future policy changes; but further evaluation of this particular policy change is probably not warranted. However, the ultimate effects of the 18/18 regulations on refugees are less clear. We still do not know, to a reasonable degree of confidence, what really happened to those refugees terminated from RCA in the spring of 1982.

ASPE and ORR may wish to extend their evaluation efforts in this area. Several approaches might be taken to answer some of these questions.

- 36 *Follow-up with Aggregate Data.* With some additional data collection to supplement information gathered for this study, it would be possible to put together a more accurate picture of the aggregate effects of the 18/18 policy – that is, the proportions that continued on various forms of assistance and the proportion that received no further assistance.
- 37 *Follow-up Case Record Reviews.* A more reliable, but also more costly alternative is to track RCA/RMA terminées through computer matches and/or case record reviews of the

AFDC and GA programs in high-impact states. This approach would also allow the development of profiles of refugees on GA – that is, detailed characteristics abstracted from GA case records.

- 38 *Follow-up Survey of Recipients.* The most reliable and also the most costly approach would be a follow-up survey of refugees terminated from RCA. Only through a direct survey can we get any information on the ultimate effects of the change on the large proportion of RCA termines who could not get GA. Several states have conducted such surveys, and results of these studies should be available soon. p. xii
- 39 *Follow-up with a Health Survey of Recipients.* One of the major concerns of welfare and refugee service officials regarding the policy change was the potentially adverse impact on refugee health status. A survey of utilization and health status would be complex and costly but it offers the only sure way of assessing the health impact of the 18/18 policy. ASPE is currently considering such a survey.
- 40 *Study of Refugees in Work Programs.* Officials in several states reported problems in absorbing refugees into their GA work programs. A study of the various approaches to providing work experience for refugees might yield useful information to other program administrators faced with similar problems.

These options present several useful possibilities for further evaluation of the effects of federal refugee assistance policy on low-income refugees.

## INTRODUCTION

p. 1

Under the provisions of the Refugee Act of 1980, the federal government reimburses states for assistance provided to legally admitted refugees and entrants for as much as 36 months after date of entry. Prior to April 1982 assistance was provided during the entire period according to the eligibility criteria and benefit standards established by each states's Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), and Medicaid plans. Those refugees categorically eligible for SSI, AFDC, and/or Medicaid were enrolled in these programs, and states were reimbursed for their share of the costs. Refugees not categorically eligible for these programs were enrolled in special programs of refugee cash and medical assistance (RCA/RMA), with the same eligibility requirements (except categorical restrictions) and benefit standards as the regular categorical programs, and states were reimbursed for the full costs of assistance.

Effective in April 1982, however, new regulations limited the special RCA/RMA assistance to 18 months, rather than 36 months, after date of entry. After 18 months refugees not eligible for SSI, AFDC, and/or Medicaid must now seek aid from state and local programs of general assistance. The federal government will reimburse those state and local assistance costs for as much as an additional 18 months.

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Through these changes in the regulations implementing the Refugee Act of 1980,<sup>1</sup> the federal government became financially involved for the first time in state and local programs of maintenance and medical assistance, commonly referred to as “general assistance.” While some information on the design characteristics of these general assistance programs was available from a few studies conducted in the mid-1970s,<sup>2</sup> the available data were limited in scope and detail and had not been updated to reflect recent program changes, which occur frequently. Thus, the Refugee Resettlement and Cuban/Haitian Entrant Programs shifted part of the federal program of refugee assistance on to state and local general assistance programs, yet still did not have sufficient information to judge the fiscal, program, or client impacts of this change in federal refugee program policy.

In September 1982, the HHS Office of the Assistant Secretary for Planning and Evaluation (ASPE), in conjunction with the SSA Office of Refugee Resettlement (ORR), asked Urban Systems Research & Engineering (USR&E) to conduct a short-term study designed to expand and update information on general assistance program design characteristics and to produce a preliminary assessment of the impacts of the 1982 regulatory changes on state and local governments and on refugees themselves. This report presents the findings of the second part of the study, the preliminary assessment of the effects of the change in policy. A companion report, a catalogue of the *Characteristics of General Assistance Programs*, presents the results of the major part of the study.

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## **1.1 Background to the Study: The Refugee Act and Its Implementation**

Although the Cuban Refugee Program enacted in 1962 had authorized the first federally-funded domestic assistance program for refugees, the Refugee Act of 1980 established the most comprehensive refugee resettlement and assistance program in the nation's history. The Act provided a general definition of eligible “refugees” which included politically displaced or persecuted persons from any part of the world. For these eligible refugees the Act authorized federal support for resettlement and assistance programs to help states and local communities integrate refugees into American society. A few months later in 1980, the Congress required that the Refugee Act's authorities be extended to Cuban/Haitian entrants.<sup>3</sup>

In addition to providing funding for initial resettlement activities, the Act's assistance program provided 100 percent federal funding for ongoing maintenance, medical, and social services to eligible refugees for up to three years from their date of entry. However, rather than establishing a separate program, the provision of benefits and services to refugees was provided through the

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<sup>1</sup> The Refugee Act of 1980 amends Section 413(a) of the Immigration and Nationality Act. The revised regulations are at 45 CFR Parts 400 and 401, “Refugee Resettlement Program and Cuban/Haitian Entrant Program; Cash and Medical Assistance Policies,” Social Security Administration, *Federal Register*, March 12, 1982.

<sup>2</sup> *Characteristics of General Assistance in the United States*, Office of Family Assistance, SSA/DHEW, 1978. *Characteristics of General Assistance Recipients in Twenty States*, Urban Systems Research & Engineering, 1978. *A Study of General Assistance Programs*, National Association of Counties Research Foundation, 1977.

<sup>3</sup> Throughout this report, the term “refugees” refers to all immigrants legally eligible for federal assistance under the Refugee Resettlement Program and the Cuban/Haitian Entrant Program.

structure of existing federally-subsidized programs. The assistance program established in the Refugee Act included:

- 41 Maintenance and medical assistance under the Aid to Families with Dependent Children (AFDC) and Medicaid programs for refugees who qualify according to state regulations, with federal reimbursement for the state share of these costs.
- 42 Maintenance and medical assistance according to AFDC and Medicaid Program standards for refugees who meet all of the state's financial eligibility criteria but are categorically ineligible for AFDC or Medicaid, with federal reimbursement for the full costs of this assistance. This non-categorical
- 43 assistance component of the program, entitled Refugee Cash and Medical Assistance (RCA/RMA), ensured that adult refugees without children and two-parent refugee families with dependent children, who are not always eligible for AFDC or Medicaid, would be eligible for assistance in all states.<sup>4</sup> p. 4
- 44 Supplemental Social Security Income (SSI) benefits, including state supplements, with full federal reimbursement for the costs.
- 45 Social services with full federal reimbursement for the costs.

Most of the legislative debate surrounding passage of the Refugee Act centered on the duration of the federal government's commitment to reimburse 100 percent of the maintenance and medical assistance costs for eligible refugees. The states generally lobbied for a four- or five-year federal responsibility for each refugee, but Congress, facing budget constraints, settled on a limit of three years from each refugee's date of entry. The Cuban Refugee Program, which was incorporated into and formally terminated by the Refugee Act, had provided ongoing federal support for assistance to eligible Cuban refugees for almost twenty years. Thus, for the Cuban refugee population, the Refugee Act represented a reduction in the duration of the federal guarantee of subsidization for cash and medical assistance. Seeing the Cuban Refugee Program as a reasonable precedent, many state officials regarded the Refugee Act's three-year limit on federal reimbursement for state refugee assistance costs as an overall retreat from the federal government's commitment to support refugees whose entrance into the U.S. was related to national foreign policy.<sup>5</sup>

The Refugee Act was signed into law on March 17, 1980, and was implemented under the guidance of regulations set forth by the

Social Security Administration, whose Office of Refugee Resettlement was responsible for oversight of the refugee programs. Two years later, on March 12, 1982, ORR published new regulations which essentially changed the eligibility criteria and reimbursement mechanism for federal subsidy of the second 18 months of assistance for refugees who are not categorically eligible for AFDC, SSI, or Medicaid. For refugees in the first 18 months, the regulations remained unchanged: categorically eligible refugees would continue to receive assistance under the p. 5

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<sup>4</sup> In 26 states two-parent families with neither parent incapacitated are eligible for AFDC and Medicaid under certain conditions.

<sup>5</sup> See, for example, U.S. Senate, Subcommittee on the Judiciary, February 9, 1982, "Remarks Prepared for Subcommittee on Judiciary," Governor Bob Graham, Chairman, National Governor's Association.

AFDC, SSI, and Medicaid programs, and non-categorically eligible refugees would continue to be assisted through the AFDC and Medicaid programs under the special eligibility criteria of the RCA/RMA programs. However, the eligibility standards and federal reimbursement mechanism for refugees in their second 18 months were substantially changed by the new regulations. While the program for categorically eligible refugees would remain essentially the same, the RCA/RMA program for non-categorically eligible refugees would be terminated after 18 months from each refugee's date of entry. Refugees could continue to receive assistance and states could continue to receive reimbursement for that assistance only if eligibility was determined and benefits provided under the established rules of the non-federally-subsidized general assistance programs in each refugee's place of residence. Special conditions of eligibility, payment, or participation for refugees were not allowed.

Commonly referred to by state and local officials as the “18/18 regulations,”<sup>6</sup> these new rules for federal reimbursement of state

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and local assistance costs were justified by the federal government as a strategy to promote equity between refugees and other low-income Americans, to foster self-sufficiency among refugees, to shift more of the responsibility for program design and operation to state and local governments, and to achieve cost savings for the federal government. Nevertheless, the 18/18 regulations represented a significant change from the terms of the federal commitment originally implied by the Refugee Act. While the federal government maintained the essential element of the original program – a guarantee of 100 percent federal reimbursement for refugee assistance costs for 36 months for each refugee – the termination of the RCA/RMA program for non-AFDC-eligible refugees and the shift to state and local general assistance programs produced in most states significant changes in eligibility, benefit levels, and basic elements of program administration.

## 1.2 Methodology of the Study

Recent advances in the state of the art of program evaluation have pointed to the use of an incremental approach for the assessment of program performance. With this approach, various evaluation methods are viewed as falling along a continuum, with the more traditional full-scale, impact-oriented evaluation seen as the most intensive effort. A short-term (or rapid-feedback) evaluation falls along the mid-point of the continuum. A short-term evaluation collects readily available program data within a short period of time to arrive at a preliminary assessment of program performance. A short-term evaluation is a particularly appropriate method for the initial evaluation of a new program.<sup>7</sup>

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<sup>6</sup> This shorthand phrase is not generally used by federal officials. In fact, they feel that it is misleading, that it implies 36 months of assistance when, for many refugees in many states, there is no guarantee of the second 18 months. Nevertheless, like the state and local officials we have found “18/18,” despite its limitations, to be sufficiently accurate as a shorthand title, and far less unwieldy than the alternatives. Accordingly, we have used “18/18” throughout the report to refer to the March 12 regulations.

<sup>7</sup> See *Evaluation: Promise and Performance*, Joseph S. Wholey, The Urban Institute, Washington, D.C. 1979, for a more detailed discussion of the short-term evaluation method as it fits into a continuum of evaluation approaches.

The primary purpose of the study commissioned by ASPE and ORR was to collect detailed and comprehensive information about the characteristics of general assistance programs in all fifty states and the District of Columbia. The second purpose of the study was to conduct a preliminary assessment of the impact of the change in federal refugee assistance policy on state and local governments and on refugees – and in particular the effects in the states with the largest concentrations of affected refugees. As noted, this report presents the results of the second part of the study. p. 7

For this part of the study, we used three sources of information: a mail and telephone survey, site visits, and extended telephone discussions.

*Mail and Telephone Survey.* The objective of the mail and telephone survey was to collect information on the characteristics of general assistance programs. We began with the GA characteristics catalogue prepared by SSA in 1978, and from that base we developed a data collection guide to obtain more specific, detailed, and consistent information than had been previously collected. The instrument was designed to collect information on the general type of program and the most common uses of assistance, on eligibility requirements, standards of assistance, payment methods, medical assistance, work programs, the relation of GA to SSI and AFDC, and comparisons with RCA and RMA.

USR&E completed the instrument to the extent possible with available information, then mailed the instrument to designated liaisons in every state. The liaisons reviewed and revised the information and returned the instruments by mail. We then followed up by telephone to clarify any remaining issues and prepared final descriptions for each program using a common format.

For this report we relied heavily on the GA program descriptions for the 12 states with the highest “refugee impact” – that is, those states with the most refugees entering the U.S. within the 36 months prior to the implementation of the 18/18 regulations. These states were, in order of impact: California,

Florida, New York, Texas, Illinois, Washington, Pennsylvania, New Jersey, Minnesota, Virginia, Oregon, and Massachusetts. (See Exhibit 4-1, page 46, for the distribution of refugees among these states.) p. 8

*Site Visits.* The objective of the site visits was to collect information on the implementation process and on the impact of the implementation on the affected programs and recipients. ASPE/ORR used three criteria to select six of the 12 high-impact states for field work.

- 46 First, the study was to focus on states with significant GA programs, so several states with more limited GA programs were excluded.
- 47 Second, the study was to focus on a broad cross-section of program types, particularly with regard to the level of government responsible for the program – a factor which might significantly affect implementation.
- 48 And third, the affected state and local officials must be willing to cooperate with the study.

The sites selected were California, Illinois, Massachusetts, Minnesota, Pennsylvania, and Virginia.

We spent two to three days in each state interviewing state and local officials and informed outsiders.

- 49 At the state level, we spoke with officials of the RRP, RCA/RMA, and (where relevant) GA programs, including officials and staff involved with policy, administration, evaluation, and statistics.
- 50 At the local level, we talked with officials and staff of the same programs but focusing on local issues. Generally, we talked with administrators, supervisors, caseworkers, statisticians, and where appropriate, policymakers and evaluators.
- 51 Outside the government, we met with as many informed and involved observers as we could. These included, primarily, administrators, supervisors, and caseworkers of the voluntary agencies (VOLAGs) that work with the RRP program and the mutual aid agencies (MAAs) that work with and among the refugee communities.

p. 9 Discussion guides were individualized for different respondents to evoke a comprehensive description of the implementation of 18/18 and the effects on RCA/RMA, AFDC, and GA programs and on recipients, as well as to collect as much data as were readily available.

*Telephone Discussions.* The objective of the extended telephone discussions was to collect as much information as possible from the other six high-impact states (Florida, New Jersey, New York, Oregon, Texas, and Washington). For these states we tried to identify the most knowledgeable government official – usually the head of either the refugee or the GA program – and to cover the most important topics on the discussion guide in a telephone discussion of one to two hours.

This report combines the information obtained from these three sources – mail and telephone survey, site visits, and extended telephone discussions – to present our preliminary assessment of the effects of the changes in refugee assistance policy on state and local governments and on refugees.

The short-term evaluation methodology is an excellent means to get a quick and inexpensive but fairly accurate assessment of a program – especially a program about which little is known. In this case the methodology allowed us:

- 52 to get a feeling for the implementation and operation of the programs;
- 53 to collect a wealth of qualitative information from scores of knowledgeable government officials and staff and outside participants – enough to corroborate and balance differing perceptions; and
- 54 to collect as much hard data as were available.

As a result, we were able to get a clear picture in the sites we visited of both the initial implementation and the ongoing operation under 18/18.

On the other hand, there are weaknesses in the methodology, particularly regarding our assessment of the impact on refugees.

- 55 First, because the primary focus of this part of the study was on GA programs, the site selection criteria were skewed toward large GA programs. As a result we went to states where the impact of the 18/18 regulations was probably more difficult for state and local governments. On the other hand, because the selected programs tended to be larger and more generous, the impact of the regulations was probably less severe for refugees. p. 10
- 56 Second, we were not able to conduct any interviews directly with refugees, so evidence on recipient impact is limited to information on program characteristics and the reports of close-hand observers such as VOLAGs, MAAs, and caseworkers.
- 57 Third we were not able to collect as much hard data as we would have liked. Even aggregate cost and caseload figures were difficult to pin down in about half the states. Detailed data on caseload characteristics are virtually nonexistent.

Despite these methodological and data weaknesses, however, we were able to pull together a tremendous amount of information that was heretofore inaccessible.

### 1.3 Organization of the Report

This report presents the findings of USR&E's preliminary assessment of the effects of the change in federal refugee assistance policy on state and local governments and on refugees. The report is composed of four chapters and several appendices.

The first chapter has provided the background and purpose of the study and outlined the methods used for data collection. Chapter 2 briefly describes the context for the implementation of the 18/18 regulations, particularly with respect to the policy and program environment of the RRP, RCA/RMA, AFDC, and GA programs. Chapter 3 describes and assesses the implementation of the 18/18 regulations and summarizes the impact of the change on state and local governments. Chapter 4 compares general assistance programs in the high-impact states with the RCA and RMA programs that

preceded them for most refugees affected by the change, and then discusses our findings regarding the impact of the policy change on refugees. A final chapter briefly outlines some possibilities for further research and evaluation. p. 11

### CONTEXT: THE POLICY AND PROGRAM ENVIRONMENT AT THE TIME OF IMPLEMENTATION p. 13

The changes in refugee cash and medical assistance policy were not implemented in a vacuum. Refugee assistance was and is only a small component of two much larger and much more complex systems – the refugee resettlement program and the vast web of federal, state, and local income assistance programs loosely known as “the welfare system.” Each of these larger systems – and particularly the welfare system – has its own history, its own processes, and its own inertia; and each was also undergoing its own major changes. The implementation

of the 18/18 regulations cannot be understood or evaluated without considering the larger context of the programs which they affected.

## **2.1 Refugee Resettlement Program**

Major federal commitments to resettling refugees, first Cuban and then Southeast Asian exiles, began over 20 years ago. As noted in the introductory chapter, the 1980 Refugee Act established a comprehensive, coordinated refugee resettlement and assistance program. The refugee resettlement program (RRP) includes ongoing maintenance and medical assistance as well as various resettlement services ranging from orientation and counselling to English language instruction to job training and placement. The RRP, overseen at the federal level by the SSA Office of Refugee

p. 14      Resettlement, was charged broadly with responsibility for aiding refugees to begin and adapt to a new life in the United States.

During the last ten years the flow and composition of the refugee population has changed several times, and the population most affected by the 18/18 change was somewhat different from the earlier waves of refugees.

58    The Southeast Asian refugees most affected by the change tended to be less urbanized, less educated, and less prepared for their introduction to the U.S. than earlier waves.

59    The recent Cuban and Haitian entrant population brought with them their own unique problems – as well as an unclear immigrant status (“new entrant, status pending”).

Moreover, since the establishment of the comprehensive Refugee Resettlement Program (RRP) under the Refugee Act of 1980, the flow of refugees had been declining. The RRP program had been cutting back accordingly. Yet with unemployment rates rising, job placements for refugees were more difficult to find. All in all, while the flows of refugees and federal funds were declining, resettlement problems had been getting more and more serious, and refugees were becoming more dependent on assistance in making their transitions to life in the U.S.

## **2.2 Refugee Cash and Medical Assistance**

The RCA and RMA programs are a major component of the refugee resettlement program, the component most affected by the change in policy. The RCA and RMA programs had been “piggybacked” on the AFDC and Medicaid programs – that is, the refugee assistance programs were administered by the same agencies and with the same rules and parameters as AFDC and Medicaid. In all states the RCA/RMA programs were small by comparison to AFDC and Medicaid; in most states, very small. And state and local officials are unanimous in their judgment that RCA/RMA had continually drawn a disproportionate share

p. 15      of their attention. Beyond that, the months preceding 18/18 implementation saw a number of trends in the RCA/RMA program.

- 60 Funding uncertainties were creating problems for a number of states. Since RCA/RMA is a federal program, many state agencies are precluded from spending state funds to cover RCA costs, and federal funds had not always been received by the time they were needed. Often this problem was resolved by “creative” financing by states; occasionally, however, states were forced to curtail benefits. In many states officials were annoyed by this problem.
- 61 The 36-month limit had been mandated to be effective a year prior to 18/18 (although at least one state had not yet fully implemented this cutoff as of April 1982). Many state officials still resented what they saw as an abdication of federal responsibility for the effects of national immigration policy, and a “dumping” on the states of the consequent costs of assistance to refugees.
- 62 Almost immediately after implementation of the 36-month limit, state officials began to hear rumors of further change. In order to obtain state input on further policy changes, ORR began to float options among the heavily-impacted states. If, when, and what changes were to be made remained uncertain for many months. Draft regulations were published on December 1, 1981, but several planned implementation dates came and went before the final regulations were published.
- 63 Final notice for implementation of the 18/18 regulations was published 19 days prior to mandated implementation. In some states, the lead time was not adequate even to meet state requirements for notice to recipients of impending changes. Officials in most states were outraged by the deadline.

So, prior to implementation of the 18/18 regulations, the RCA/RMA program was clouded with uncertainty, and federal/state relations were somewhat strained.

## 2.3 Aid to Families with Dependent Children

The AFDC program is designed to help families with children deprived of parental support through death, incapacity, desertion,

and/or, in about half the states, unemployment.<sup>8</sup> The AFDC program has:

p. 16

- 64 an established set of federal/state relationships;
- 65 an established system of eligibility determination, benefit computation, payment processing, quality control, and reporting;

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<sup>8</sup> In those states eligibility is limited to those families that have at least one parent that can establish substantial connection to the work force. The Federal definition of “unemployed” for AFDC includes “any parent who is employed less than 100 hours a month or exceeds that standard for a particular month if the work is intermittent and the excess is of a temporary nature.” In order to comply with Federal requirements, the unemployed parent must demonstrate that (s)he (1) has been unemployed for at least 30 days prior to receipt of aid; (2) has not without good cause, within such 30 days period, refused a bona fide offer of employment or training; (3) has six or more quarters of work within any 13-calendar quarter period ending within one year prior to application for aid or within such period received or was qualified to receive unemployment compensation. This complicated set of conditions is known as the “work history” requirement.

- 66 an established set of rules for change – notification requirements, appeals processes, and so on; and
- 67 an established history of court suits, injunctions, and appeals which are part of the policy process and which tend to retard the responsiveness of the system to change.

In addition to these established patterns, the AFDC program had undergone quite a bit of change in the year preceding the 18/18 regulations.

- 68 The Omnibus Budget Reconciliation Act of 1981 (OBRA) mandated extensive changes in eligibility rules and benefit computations (including offsets for food stamps and advance payments for earned income tax credits). States were also given increased flexibility to use vendor payments and to allow the establishment of workfare programs. These changes were to be implemented on October 1, 1981, but many states were still in the process of implementation through the winter months.
- 69 In addition, many related changes were being made in the Medicaid and Food Stamp programs.

p. 17

Thus, the agencies administering the AFDC (and RCA) program were bound by protocols, procedures, and systems long established; and these agencies had been preoccupied with absorbing major changes in AFDC, Medicaid, and Food Stamps over the prior year.

## **2.4 General Assistance**

GA programs are entirely state and/or locally funded, controlled, and administered. They vary widely from state to state and, in many states, from county to county or even town to town. From the federal perspective GA programs comprise a vague and amorphous part of the welfare system: There has been little known about GA, and until recently there has been little concern about GA.

A number of characteristics of GA programs were important in the context of the 18/18 implementation.

- 70 GA programs are quite different from AFDC. They are designed and operated primarily for single individuals – and usually hard-core, “unemployable” individuals. Most GA programs are more than 90 percent single individuals or childless couples; some GA programs had never dealt with families at all before the 18/18 implementation.
- 71 GA programs are usually administratively separate from AFDC. Sometimes GA is administered by separate workers or a separate unit within the same agency, sometimes by a separate agency at the same level of government, sometimes by a different level of government entirely.
- 72 GA programs are more vulnerable to budget pressures than AFDC, and therefore they change more often and more radically. In fact, GA programs nationwide have been undergoing major changes during the last two years. These changes include:
- 73 - eliminating entire programs
- 74 - curtailing eligibility

- 75 - cutting benefits
- 76 - limiting duration of assistance
- 77 - implementing tougher work programs

The pattern of GA programs has been constantly changing.

p. 18

- 78 GA programs had never been part of the federally-assisted welfare system. In many states, GA officials had never dealt with the federal government and its many restrictions and requirements. Similarly, federal welfare officials were largely ignorant about GA.

Thus, GA programs are varied, changing, and very different from AFDC. Moreover, GA programs were little known, not only to federal welfare officials, but also to most state and local welfare officials who were not directly involved in GA.

All of these programs, and the independent changes they were going through, provided the context for the implementation of the 18/18 regulations.

As we shall see, these contextual factors all had important effects on the implementation and impact of the 1982 changes in federal refugee assistance policy.

## **IMPACT OF THE CHANGES IN FEDERAL REFUGEE ASSISTANCE POLICY ON STATE AND LOCAL GOVERNMENTS**

p. 19

Based on site visits to six high-impact states and extended telephone discussions with officials in six others, USR&E has reached some major findings regarding the impact of the change in refugee assistance policy on state and local governments. These findings had one common theme:

*The implementation of the 18/18 regulations was difficult and disruptive for virtually everyone involved. But, for the most part, the changes were implemented by early summer of 1982, and the programs are operating relatively smoothly.*

This common theme can be seen in virtually all of the states and in each of the three major programs involved in the implementation: the Refugee Resettlement Program, the AFDC program, and the general assistance programs.

The information presented in this chapter comes primarily from two sources: field visits to six of the 12 high-impact states, and extended telephone discussions with officials in the six others. From these interviews with dozens of officials and staff at both the state and local levels in the states most affected by the implementation of the 18/18 regulations, we are confident that we have obtained an accurate and balanced assessment.

This chapter presents the findings and supporting evidence of our assessment of the implementation and effects of the change in federal refugee assistance policy on state and local governments.

The first section describes and assesses the implementation of the 18/18 regulations. The second section summarizes the short-term and long-term impacts of implementation on state and local governments, and in particular on the RCA/RMA program, the AFDC program, and the GA program.

### **3.1 Implementation of the 18/18 Regulations**

The 18/18 regulations seemed relatively simple: RCA/RMA benefits henceforth would be provided for up to 18 months from date of entry, not 36 months as had been the policy; after 18 months assistance would be provided to refugees not eligible for AFDC or SSI according to prevailing GA rules and standards; and the federal government would reimburse states (and where appropriate, reimburse localities through states) for GA costs through 36 months. And in concept, the change in policy was simple.

In practice, however, implementation of the regulations was, for most states, a complex process, involving three different programs, two or three different administrative units (often in different agencies or even at different levels of government), and a unique but varied population speaking up to ten or more different languages. Moreover, the practical complexities of implementing the 18/18 regulations were exacerbated by a tight deadline: 19 days from the publication of final regulations.

This section presents a description of the implementation of the 18/18 regulations, as well as a discussion of some of the problems encountered and some of the more effective efforts to overcome or avoid implementation problems. The section is organized around four phases of implementation: (1) planning and preparation; (2) termination of RCA/RMA recipients who had passed the 18-month limit; (3) transfer or enrollment of eligible refugees to other assistance programs; and (4) establishment of procedures for federal reimbursement of state and/or local costs.

#### **3.1.1 Preparation**

Change and rumors of change had become the norm for the relatively new refugee resettlement program. As early as January 1981 the Carter Administration had sought to curtail RCA/RMA eligibility and benefits for the FY 82 budget; and the Reagan Administration continued those efforts in the early months of 1981 through its own budget proposals. State officials first began to hear more specific rumors of further change in the RCA/RMA programs during the summer of 1981, and officials and staff of the Office of Refugee Resettlement began to conduct informal discussions about specific options with state officials in a number of high-impact states shortly thereafter. By late fall, according to several state officials, it became clear that the 18/18 option had emerged preeminent. The draft regulations were published in the *Federal Register* on December 1, 1981. So, although the interim final regulations were published on March 12, 1982, only 19 days before the April 1 implementation date, most state refugee officials, at least

those in the high-impact states, were fairly familiar with the details and implications of the 18/18 regulations three to six months prior to the implementation date.<sup>9</sup>

Officials in different states reacted differently to the draft regulations and to the possibility that they would be asked to implement the regulations on short notice. Officials in some states made substantial efforts to be prepared to implement the changes quickly. (At least two states (CA, MN) actually made false starts at implementation in the expectation, based on discussions with ORR, that the regulations would be effective prior to the ultimate date.) These officials noted that final regulations rarely are substantially different from draft final regulations, so it is

reasonable to begin preparation even before final publication. Other officials took an opposite approach, saying that it would be imprudent and wasteful to plan to implement any changes before those changes were certain. Officials in some states took a middle course, doing some prior planning but awaiting publication of final regulations before launching a full implementation effort. Nevertheless, in most states, despite some measure of advance warning, officials were caught by surprise at the abruptness of the final notice. State officials were unanimous in their judgment that 19 days was simply not enough time even for the final stages of preparation. p. 22

In general, the preparation process was rushed and ad hoc, rather than planned and deliberate.

Communication among all the relevant programs and agencies – and in particular, communication with the local welfare offices which were critical to implementation of the regulations – generally did not begin until after publication of the final regulations.

79 There were some exceptions (CA) where states had kept local offices fairly well informed about likely changes.

But for the most part, local offices found out about the changes about two weeks before they were to take effect.

Procedures, forms, and notices were developed hastily through trial and error. Many felt the hasty implementation caused errors and misunderstanding, and thereby created a significant amount of extra work. “Implementation involved an endless flow of memos between the state and the district offices,” according to one participant; “manual changes, questions, clarifications – over and over.”

Translation of forms and notices to communicate with affected clients was also made more difficult by tight time constraints.

80 Some offices (Los Angeles) translated all notices into multiple languages.

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<sup>9</sup> “Interim final” regulations have the force of law. “Final” regulations had not been published yet a full year after implementation.

- 81 Others (MA) printed a “babble” notice in several languages at the top of notices to signal the need for immediate translation.

Most offices, however, simply prepared English notices, assuming or hoping that recipients would recognize mail from the welfare department and get it translated.

Personnel shifts and staff training were effected quickly so that GA programs could handle the influx of refugees. In general, GA workers were unfamiliar with refugees and RCA staff were unfamiliar with GA.

- 82 In some states (CA, MN) some local offices resolved the problem by transferring bilingual and other RCA staff to GA units.
- 83 Other jurisdictions (Chicago) trained RCA staff to administer GA, but shifted responsibility for GA for refugees to existing RCA units.
- 84 In a few jurisdictions (downstate townships in IL) where this was not possible, GA units had to hire bilingual staff and/or learn to deal with a new and very different population.

In either case, some training and adjusting was necessary. In most states, this process seemed to have been handled well given the time constraints, but there was widespread agreement that the lead time was inadequate to the task and that, as a result, training was inadequate.

The timing and extent of efforts to involve refugee service organizations in the planning process varied considerably, but most states did not initiate formal communications with VOLAGs and MAAs until after the regulations were final.

- 85 Most officials, fearing false alarms, decided it was best to wait until the changes were certain.
- 86 Only two states developed systematic early warning processes.

Most states informally relied on the VOLAGs to warn the refugee community of the possibility of change.

Thus, despite advance notice of impending changes, most states waited for final regulations to begin serious preparation for implementation. At that point, with less than three weeks until the April 1 deadline, the preparation phase was ad hoc and frenzied. For most states, there was no distinct planning phase for implementation of the 18/18 regulations. Planning and implementation had to proceed simultaneously.

### **3.1.2 Termination of RCA/RMA Recipients**

In order to terminate the benefits of “time-expired” refugees on the RCA/RMA programs – that is, those who had been in the country for 18 months or more – recipients had to be identified, notified, and afforded access to the appeals process of the AFDC program (which applied to RCA as well as AFDC). For most states, this was a difficult, often impossible task to accomplish in the time available.

The process of identifying time-expired RCA/RMA recipients was, and continues to be, a time-consuming task.

- 87 Some of the RCA/RMA programs were not fully automated (some counties in CA and VA).
- 88 Others were automated but did not maintain date of entry on the computer (MA, MN, PA, and some counties in CA).
- 89 Only one state (IL) and some counties in another (CA) had an automated system which could track date of entry and produce monthly lists of time-expired RCA/RMA recipients.

As a result, most local offices initially had to conduct a manual desk review of all RCA files to search for date of entry. In some of the heavily impacted offices that was a very time-consuming process.

In most states a more efficient system was established for subsequent identification of time-expired recipients.

- 90 Some states or counties (CA, MN) modified their automated systems to produce monthly lists of impending terminations.
- 91 Others (PA) developed a manual “tickler” file to identify terminations.
- 92 At least one office was relying on semi-annual redeterminations to review time-eligibility, so lags of several months are possible.

p. 25

Thus, although the initial identification of recipients who should be terminated by April 1 was a mammoth undertaking, the ongoing, month-to-month process was routinized fairly quickly.

One other problem will continue, however. Officials in several offices noted that in a significant number of cases individuals in the same family have different dates of entry. Therefore tracking and identifying time-expired recipients is much more complex (dates of entry for *all* case members must be tracked). And complying with the 18/18 regulations requires casesplitting, where a wife and children, for example, may continue on RCA, while a father is terminated and must apply for GA, or perhaps get no assistance. This pattern makes case management much more complex, and often requires a lot of extra paperwork. It also makes the program seem capricious.<sup>10</sup>

Notification to refugees of impending termination of RCA/RMA benefits was also a frenzied process. Although final publication of the regulation allowed 19 days for implementation, federal regulations also require at least 10-days' notice to recipients of a change in benefits. Thus, states and local offices had about a week to identify *and* notify affected recipients. About half the high-impact states were initially able to meet the April 1 deadline by notifying recipients of termination prior to March 21 (although court orders were to delay implementation in several states even after notification).

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<sup>10</sup> It should be noted that this is a characteristic of the program that existed with the 36-month limit prior to the implementation of 18/18.

- 93 Most states were able to meet the deadline only by “asking” employees to work nights and weekends to do it.
- 94 At least two states (MN, OR) refused to meet the deadline because they alleged states had not been given the 30 days’ notice required by the Federal Administrative Procedures Act.
- 95 Other states were not able to meet the deadline because of inadequate time to identify recipients and generate notices.

p. 26

Thus, despite the lack of preparation, inadequate information, and very short notice, most high-impact states were able to identify the affected recipients and get the notices out within about a week.

In about half of the high-impact states, however, the termination process was delayed by court orders.

- 96 At least three states (CA, MN, WA) had implemented the terminations only to have state courts force the departments to rescind the terminations, use supplementary checks for one or two months, and reissue termination notices. These decisions were all based on determinations of inadequate notice and due process.
- 97 In another state (IL) the terminations were delayed for several months by court order, until the state could assure continuity of assistance for those eligible for GA.

As a result, although most states made substantial efforts to implement the terminations by April 1, only two of the twelve high-impact states (NY, PA) were able to meet the deadline. In both of these states the GA programs were virtually identical to RCA, so there was less concern about the impact of the change on recipients. And in both states the GA program was run side-by-side with AFDC, so coordination was less problematic.

In some states terminations were also delayed by institutionalized appeals processes. Many RCA/RMA programs were inundated with appeals due to short notice, lost notification, and so on.

- 98 One county (San Francisco) reported that virtually all terminees requested appeals.
- 99 Another state (MA) reported an appeal rate of about 50 percent.

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Some programs were unable to work through all the appeals for several months. In all cases benefits were paid pending final review.

The actual notices sent to terminees tended to be brief and summary.

- 100 Most of the first-round termination notices provided only the minimum 10-day notice.
- 101 - Only one state (VA) warned clients individually of the impending change before March 15. Two others (CA, MN) had sent termination notices in prior months, but both rescinded these terminations when the regulations were delayed.
- 102 - At least one office telephoned terminees in mid-March to warn them of impending written notice.

- 103 Most termination notices mentioned the possibility of other assistance, but varied in the extent to which refugees were encouraged to apply.
- 104 Most termination notices were sent in English, although as noted, one county translated the notices into several languages and one state used a multi-language alert to encourage recipients to get an immediate translation.
- 105 Some offices, due to time constraints, used official forms for all-purpose terminations, with no special information about the reasons for closing.

Most notices did suggest that recipients call their caseworkers with any questions. One state (OR) even set up a hotline to answer questions.

Thus, the termination process was completed by April 1, 1982 in only two of the 12 high-impact states. All the others were delayed by administrative problems, state regulations, and/or court orders. Most states had completed the initial terminations by May 1, although the process was still incomplete in two states six months later.

### **3.1.3 Transfer of Eligible RCA Recipients to AFDC or General Assistance**

p. 28

States faced a second major task in implementing the 18/18 regulations: transferring or enrolling RCA termines into other programs of assistance for which they might be eligible, most notably AFDC or general assistance.

For the most part, states had already enrolled eligible refugees in the AFDC program. This group, varying in size between about one-quarter and about three-quarters of the total number of refugees receiving assistance, was unaffected by the 18/18 regulations; they would continue to receive AFDC and states would continue to be reimbursed for the state share of benefit costs through 36 months after date of entry.

But in most states some, and in some states many refugees who were terminated from (non-categorical) RCA were subsequently found eligible for AFDC. These fell into two groups:

- 106 A couple of states maintained an emphasis on RCA as a separate, unified program for all refugees receiving assistance, regardless of family type. In these states AFDC eligibility was not formally determined at the original application.<sup>11</sup>
- 107 In other states, where AFDC eligibility was determined at initial intake, difficult cases – particularly families with unemployed fathers who had obscure work histories – were often put on non-categorical RCA.

With the implementation of the 18/18 regulations, states had a more substantial interest in formally moving these cases onto AFDC.

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<sup>11</sup> From the state perspective it was also simpler and more efficient to enroll refugees in non-categorical RCA, since no categorical eligibility determinations were necessary. From the federal perspective, however, this practice was a violation of regulations, which required AFDC eligibility determination at initial intake.

The most serious problem states faced in making these transfers was establishing the work histories of unemployed fathers, so as to

p. 29      comply with the “substantial attachment” requirements of AFDC-U eligibility.<sup>12</sup>

108 Refugees just entering the U.S. find it difficult to document prior work experience in the same way as unemployed Americans – that is, with pay stubs or affidavits.

109 Some refugees had spent years in camps without formal employment experience.

110 Many refugees had worked in return for in-kind subsistence such as meals and shelter.

111 Even when refugees could report earnings, welfare staff had difficulty converting the amounts to U.S. exchange rates.

Most state and local officials believed it unfair to judge refugees by American standards of employment and documentation. Some nonetheless tried to enforce the letter of the regulations.

112 Some state officials were reluctant to expand interpretation of work history rules, fearing inequities, increased eligibility of non-refugees, or problems with federal compliance.

Others found more adaptive approaches.

113 Several states accepted signed affidavits from refugees (or VOLAGs) regarding work histories.

114 Some states were lenient in defining what types of work would count, but were strict about the timing requirements.

115 One state clarified its interpretation of work history requirements to accommodate the situation of refugees. The new rules provided that earnings and in-kind income in the country of origin would be valued at equivalent in U.S. dollars for similar work; they also counted English courses as work training experience.

Thus, even now states are interpreting work history requirements quite differently, and as a result the likelihood of AFDC-U eligibility for refugee families varies from state to state.

p. 30      It is worth noting that these problems involving work history requirements were not created by the 18/18 policy changes. Prior to the changes these problems would have been encountered as assisted refugees reached the 36-month limit. But these problems were advanced and concentrated by 18/18. All RCA families past the 18-month limit had to be screened within a much shorter period of time.

Aside from problems with work history rules, the transfer of RCA terminees to AFDC was implemented smoothly and expeditiously in most states.

The transfer of RCA terminees to GA, on the other hand, was generally a much more complex and troublesome process. Due largely to the varied administrative relationships between RCA

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<sup>12</sup> See footnote, page 16.

and GA programs, and in part to varied levels of interest in transferring RCA terminees to GA, states used different methods for transferring or enrolling eligible terminees into GA programs.

116 Only two states (NY, PA), where the RCA and GA programs are virtually identical, were able to convert automatically all non-AFDC-eligible terminees to GA, without taking new applications and without a gap in receipt of assistance.

117 Two counties (CA, MN), where RCA is state-supervised and administered by the same county agencies that administer GA, granted provisional eligibility for GA based on a case-by-case desk review. Formal eligibility intake interviews were then spread out over several months. This procedure required an enormous and intensive amount of work. It was also prone to error: one of the counties subsequently disqualified about 60% of the conversion cases; the other disqualified about 30%.

118 One office (MN) sent applications for GA with the RCA termination notices. A few others explicitly suggested that terminees apply for other benefits.

119 Most states simply suggested in termination notices that other assistance might be available and that terminees should address questions to the local welfare office.

With two exceptions, states required terminees to come into the welfare office to make a new application for GA. And with the additional exception of one or two counties, states provided only the initial termination notice; there was almost no follow-up to help terminees in obtaining GA (or any other assistance).

p. 31

The most imposing problem faced by GA programs in most high-impact states was the need to accommodate a sudden influx of new applicants and clients. In many counties, especially those with large refugee populations and/or small GA programs, the burden was overwhelming.

120 Even in some large counties (CA, MN) the influx of RCA terminees almost doubled the GA caseload.

121 In a few small rural counties (IL) the growth was as much as four or five times the existing caseload.

122 In most offices the number of new applications was many times the normal average monthly amount.

GA staffs were overburdened during the implementation in virtually all of the high-impact states. Many offices lacked the resources or flexibility to expand, even temporarily, to meet the sudden need for mass intake. Moreover, existing GA staff were generally unfamiliar with refugees and unprepared to deal with a large number of confused, distressed, and/or angry, largely non-English-speaking clients. As a result, GA staffs were generally hassled and exasperated during the transition months.

But for the most part local offices did remarkably well in handling the influx and processing the new applicants.

123 Offices in some states where RCA and GA were administered by the same agency (CA, MN) transferred RCA staff to GA units and gave them quick training in the GA program.

- 124 Some other offices (Chicago) transferred responsibility for GA for refugees to RCA units.
- 125 A few offices (CA, MA) hired or detailed temporary help for a few months.
- 126 Some GA offices (CA, MN, PA, VA) established special refugee units.
- p. 32 127 A number of offices (CA, IL, VA) conducted group counselling and even group intake sessions to facilitate the processing of large numbers of applicants.
- 128 Two offices (CA, MN), as noted, screened RCA terminees for GA eligibility, made presumptive determinations, and scheduled appointments over several months for reapplication and review.
- 129 Two counties (IL, PA) contracted with VOLAGs for some components of the work programs in order to handle the influx of refugee clients.
- 130 Two others (CA) expanded work sites for GA recipients to non-profit agencies in order to increase work slots sufficiently.
- 131 One office (PA) conducted a special study of the conflicts between traditional U.S. social work practices and Indochinese culture and values. Training for refugee caseworkers was recommended.

In general, state and local GA programs used whatever resources they could muster to try to accommodate the unusual surge in applications. Despite these efforts, however, the sudden influx of refugee applicants created substantial transition problems for most GA programs.

Another major problem faced by states and localities in transferring RCA terminees to GA was that most GA programs are designed for singles and childless couples, not for families.

- 132 Two programs (OR, WA) preclude families with children from eligibility. At least one state (MN) defined children as “incapacitated” in order to find them eligible.
- 133 Most other programs could accommodate families but were not used to dealing with them. A couple of states had to establish benefit schedules by family size for the first time.
- 134 Four states (CA, NJ, NY, PA) already had programs designed for families not eligible for AFDC.

- p. 33 More than changing program rules, however, many GA programs had to adapt the “attitude” of the programs, which are primarily oriented toward providing minimal, short-term assistance to down-and-out, hard-to-employ individuals. They were not prepared to deal with the problems and needs of refugee families trying to establish themselves in a foreign culture.

Officials in many states noted the difficulties of piggybacking refugee assistance onto programs designed to help specific groups of low-income Americans – first (with non-categorical RCA) trying to force individuals into a program designed for families (AFDC); and then trying to force families onto a program designed for individuals (GA). One state official summed up the widespread frustration as “trying to fit a square peg in a round hole.”

It is difficult to overemphasize either the burden imposed on GA programs by the time constraints of the 18/18 implementation or the dedication and resourcefulness with which most GA programs handled the transfer.

Despite all best efforts the enrollment of eligible refugees in GA programs generally was a slower process than the termination of time-expired refugees from RCA. Only two states effected a conversion on April 1 without a gap in coverage. Several others delayed terminations for a month or more and were thus able to process GA conversions without a disruption in benefits. However, officials in most GA offices reported that the backlog in GA applications was not eliminated for one to three months. In all but two states, this phase was largely completed by late summer.

### **3.1.4 Reimbursement for State/Local GA-Refugee Expenditures**

In order to be reimbursed for the costs of providing GA to refugees during the second 18 months, states and localities had to establish new data collection and reporting requirements and new reimbursement procedures. For most states and for most costs, this was a fairly routine process. However, in some states new legal and

administrative relationships had to be established between the state, as reimbursement agent p. 34 for the federal government, and the localities which administer GA without state supervision. And, due to the complex and costly new data collection that would be necessary, most states chose not to file for reimbursement of all costs incurred as a result of the change in policy.

In order to receive federal reimbursement, states must comply with certain federal requirements and restrictions regarding record-keeping, reporting, employment practices, and so on. In states where GA was provided through local programs, localities had to agree to comply with these conditions by executing contractual relationships with the state, as intermediary for the federal government.

135 Four of the high-impact states (MA, OR, PA, WA) have state-administered GA programs. Three others (MN, NY, VA) have state-supervised and locally-administered GA programs. These states already had contractual agreements with the federal government for AFDC and RCA, so extension to cover GA was routine.

136 One state (CA) has a locally-administered GA program administered by local welfare offices which also administer AFDC, so they already had appropriate contracts with the state to comply with federal requirements.

137 Four states (FL, NJ, TX, and IL except for Chicago) have locally-administered GA and state-administered AFDC programs. In these states local GA programs had to work out new contractual relationships with the state in order to get federal reimbursement.

The new requirements proved to be problematic for local GA programs that had not had previous relationships with federal programs.

138 One state (FL) requested that counties submit GA program policy manuals and sign contracts to ensure that counties would meet ORR program requirements (e.g., no differential treatment of refugees/entrants); but at the end of FY 82 no counties had executed contracts. Refugees/entrants were still being served under special federal impact aid.

139 Similarly, in another state (IL) most of the townships administering GA do not meet all of the conditions required for federal reimbursement. Very few of these townships are participating in the federal program.

p. 35

140 In another state (NJ) officials decided to have the state operate GA for refugees – by the same rules applying to state-supervised, locally-administered GA – in order to avoid the problems of developing new legal relationships and imposing new reporting requirements for two different GA programs (one county-administered, one municipally-administered).

For these few states, developing the necessary legal relationships was probably the most complex part of the implementation process. In fact, by the end of FY 82, very few counties or townships in three of the 12 high-impact states (FL, IL, TX) were receiving any reimbursement at all. However, most counties in these states have very limited GA programs.

In addition to legal and contractual relationships, all states had to develop new reporting systems to meet federal requirements for reimbursement.

141 RCA/RMA tracking systems had to be revised to identify 18 rather than 36 months from date of entry. Most of these systems are manual, operated through tickler files in local welfare offices; few states have automated capability for date of entry.

142 GA intake and data collection systems had to be revised. Intake forms and input documents needed fields for identifying client as eligible refugee/entrant and tracking date of entry. Data systems had to be developed for identifying federally reimburseable expenditures (18-36 months).

143 Aggregated reporting systems at the state level had to be developed to submit statewide claims to ORR. Staff at the state level were now responsible for processing GA claims, reporting to the federal government for GA expenditures, and monitoring the local GA programs.

In all states, these requirements meant some changes in data collection and reporting. In some states, however, the changes required the state government to get involved in local GA programs for the first time.

A number of common problems arose in establishing the necessary administrative relationships and procedures for reimbursement.

p. 36

144 The time and energy involved in developing new reporting systems was disproportionately great in states with more than one state/local program of assistance. For example, California has four GA programs; therefore, four systems had to be revised to collect required data and to track clients and expenditures. Some states decided that certain costs were simply more trouble to track than to absorb.

145 Hurried and incomplete development of new computer systems, coding procedures, and accounting systems led to ongoing reporting problems in some sites. For example, one state lost date of entry data in a rush to implement on April 1; thus, the ongoing termination process requires repeated data collection.

- 146 Cost allocation systems are too expensive and too ingrained to modify to capture the true administrative costs of 18/18 policy changes. In virtually all sites, GA cases receive lower administrative cost weights than AFDC cases. The resulting allocation of administrative costs did not reflect the administrative effort required to implement the 18/18 policy.
- 147 Some states were willing to funnel reimbursements for only certain costs incurred by localities. For example, in one state the state government refused to request reimbursement for optional county supplements to state minimum benefits.

The biggest problem in reimbursement for state and local refugee assistance costs, however, involves assistance provided outside traditional welfare programs – most notably assistance from public hospitals and clinics. Many states do not have non-federal medical assistance programs similar to Medicaid, and many that do have such programs provide only limited coverage or limited eligibility. For low-income persons not eligible for a Medicaid-type program, medical assistance is often provided in-kind through county hospitals, and eligibility is not directly linked to maintenance assistance. In these states, reimbursement for medical assistance is virtually impossible because county hospitals have not developed systems for identifying reimburseable refugee expenditures. In some of these states, expenditures for medical assistance are estimated to be considerably greater than expenditures for other general assistance.

Nevertheless, we encountered only one public hospital (WA) in the 12 high-impact states which was approved for reimbursement of assistance to refugees.<sup>13</sup>

p. 37

The final step in the reimbursement process is the collection of funds from the federal government. Overall, states seem to be getting the reimbursement they are claiming. Two problems have been encountered, however.

- 148 Most states have had disputes with ORR about reimbursement of the RCA benefits paid to time-expired refugees after April 1 but before states got the terminations implemented. In general, ORR agreed to pay costs where court orders (CA, IL, WA) or regulations (MN, OR) prevented earlier implementation. (Congress appropriated \$20 million for this purpose.)
- 149 Two states (CA, MN) have argued their allotments are deficient because ORR's allocations are based on initial resettlements (ignoring secondary migration) and out-of-date information about GA programs and dependency rates. Federal officials note that all legitimate program expenses will be reimbursed regardless of initial allocations. State officials complain that reimbursement audits take too long and that allocations could be more accurate based on state estimates.

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<sup>13</sup> In addition, many sites have still been unable to establish a mechanism for claiming reimbursement for SSI state supplements to time-eligible refugees. In most states, SSI supplements are administered by SSA, rather than by the state or by local welfare agencies. These states complained that recovering state SSI costs was infeasible because SSA handles applications and has not developed an effective system for identifying time-eligible refugees. The burden of proof in claiming for reimbursement, however, is on the state. This problem is unrelated to the 18/18 regulations, but remains a problem nonetheless.

States also continue to complain that funding allotments are not transferred before they are needed, thus requiring fiscal manipulations on the edge of legality in order to maintain continuity of assistance to refugees.

p. 38 Thus, the reimbursement process is the only phase of implementation that is not generally complete. The states which administer GA through the same agencies as AFDC had the least difficulty; and the states where GA is locally autonomous (and AFDC is state-administered) experienced the greatest difficulties and longest delays. As of the end of FY 82, at least one high-impact state (FL) was still not making any claims; and two others (IL, TX) are not making claims for most counties. Most states are not making full claims for medical assistance, for SSI supplements, and for administrative costs.

### **3.2 Summary: Impact of the Change in Federal Refugee Assistance Policy on State and Local Governments**

The 18/18 regulations had a disruptive initial impact on virtually all of the high-impact states. The severe time constraints imposed by the federal deadline led to confusion, disruption, ad hoc adaptations, inconsistent implementation, and judicial intervention – not to mention widespread animosity toward the Office of Refugee Resettlement. Nevertheless, most of the problems were transitional. Moreover, it should be emphasized that most state and local programs performed quite well in the face of severe time constraints and imposing barriers to implementation. By the beginning of the summer the regulations had been effectively implemented in most states.

*Impact on the Refugee Resettlement Programs.* By virtually all accounts the major impact of the 18/18 regulations on RRP programs was short-term administrative overload. For most states 19 days was simply too short a time to plan and implement a complex policy change involving several separate assistance programs and a particularly vulnerable population. The process was especially difficult in states where GA is administered by a different level of government than the AFDC (and therefore RCA) program.

The ultimate time constraints exacerbated the frustration of RRP officials and staff who already believed the program required

p. 39 attention and effort disproportionate to its size and value. Moreover, because RRP had been grafted onto larger programs – first AFDC and Medicaid, then GA – RRP policy changes produced ripple effects on other programs administered by the same agencies. In the words of one official:

“...With constant changes affecting RCA, RMA, AFDC, Medicaid, and now GA, there are more hassles in this program than it's worth.”

Aside from frustration, the long-term impact of the 18/18 regulations on the RRP program were relatively minor. The major impact of the 18/18 regulations on the RRP program was the short-term disruption created by the need for instant implementation.

*Impact on the AFDC and Medicaid Programs.* Because the RCA/RMA programs are supervised and administered by the same agencies as AFDC and Medicaid, the short-term disruption in the refugee programs had ripple effects on the larger programs as administrative attention was diverted to refugee assistance. Otherwise, the implementation effects of the 18/18 changes were manageable, involving the screening or rescreening RCA terminées for AFDC eligibility, particularly those with vague or complex work histories. In the longer run the impact of the changes was limited to a couple of states which revised their interpretations of AFDC-U work history rules in order to treat refugees more equitably and enable more refugees to obtain assistance from AFDC.

Thus, aside from the transitional effects of the diversion of policy and administrative attention to the related RCA and RMA programs, the AFDC and Medicaid programs were only marginally affected by the changes.

*Impact on General Assistance Programs.* State and local GA programs had never before been directly involved in the federal welfare system. And in most high-impact states the 18/18 regulations, and the time constraints for implementation, made the introduction memorable.

150 Transfer of GA-eligible RCA recipients was time consuming and difficult in almost every state.

p. 40

151 GA programs were not prepared to handle a sudden influx of refugee applicants.

152 Most states administer GA programs designed for singles – often unemployable singles – and they were not prepared for the influx of refugee families. One official complained of “trying to fit a square peg in a round hole.”

153 GA staff were unfamiliar with refugees and RCA staff were unfamiliar with GA. Quick training and quick transfers led to much misunderstanding and disruption.

154 In some states, the new regulations required new legal, reporting, and reimbursement arrangements between the state (RRP) and locally-autonomous GA programs. These requirements caused some serious and still unresolved problems.

Compared to the RCA/RMA programs, GA programs – which were assuming the responsibility to aid refugees cut off from RCA – were much less informed and much less prepared to accommodate the change in federal refugee assistance policy. Many GA offices were overwhelmed by the implementation process for several months; some were just getting back to normal six to eight months after April 1.

But in general, GA officials and staff attacked the problem with dedication and resourcefulness and, in our judgment, did a remarkably good job of absorbing the impact of the sudden change and providing assistance to refugees.

The long-run effects of the policy change on GA programs will not be as visible or as disruptive as the implementation, but will be important nonetheless.

155 GA programs in most high-impact states are significantly larger, having absorbed the influx of RCA-terminated refugees at a time when employment is hard to find.

156 GA programs in some states are more complex, having adapted benefit schedules to families and work programs for non-English-speaking refugees.

p. 41

157 Some state governments now have supervisory and reporting relationships with local GA programs which heretofore had been autonomous.

158 GA costs in most states are now higher than they would have been. First, most officials agree that the increase in administrative costs will not be recaptured. Second, reimbursement agreements have still not been worked out in several states where local GA programs are outside the usual federal/state welfare delivery system. And most important, the state and local expenses incurred outside the traditional welfare system – particularly expenses for medical assistance provided through public facilities – are not being claimed or reimbursed because the accounting and reporting systems required for full reimbursement are not in place.

These residual effects of the change in policy have been largely absorbed; the 18/18 regulations have been implemented and the programs are running as well as can be expected.

p. 42

## **IMPACT OF THE CHANGES IN FEDERAL REFUGEE ASSISTANCE POLICY ON REFUGEES AND ENTRANTS**

Based on site visits to six high-impact states and analysis of the RCA/RMA programs and general assistance programs in all 12 high-impact states, USR&E has reached some general findings regarding the impact of the change in refugee assistance policy on refugees:

*The implementation of the 18/18 regulations had a disruptive, short-term impact on the lives of RCA/RMA terminees, as it did on state and local governments.*

*The longer-term effects are less certain. A substantial number of refugees became ineligible for assistance, and most others faced lower benefits and more work requirements. Some may have become more independent and self-supporting. Others may simply have had to adjust to a lower level of subsistence.*

Because the study focused on general assistance programs and the impact of the implementation of the 18/18 regulations on state and local governments, the information available to assess the effects of the changes in federal refugee assistance policy on low-income refugees and entrants is more limited and less direct. Thus, the ultimate impact remains unclear.

The information presented in this chapter comes primarily from two sources: a mail and telephone survey on the characteristics of general assistance programs, and field visits to six of the 12 high-impact states. From the survey we can describe the GA programs

p. 44

in the 12 high-impact states – the programs available to provide assistance to about 80 percent of the refugees who in 1982 had been in the U.S. for less than three years. We cannot know with certainty what proportion lost eligibility for assistance, what proportion received lower benefits, what proportion faced tougher work restrictions, and so on. But, by combining information about these 12 GA programs with an estimate of the distribution of affected refugees, we can

make a rough guess at the impact of the change from RCA/RMA to GA faced by low-income refugees last April. From our interviews in six of the high-impact states we can report the impressions of close-hand observers on the effect the changes actually had on refugees. We did not go to a random set of states and we did not talk to refugees themselves, so we cannot draw any firm conclusions on refugee impact. But by sifting and weighing the reports of varied observers – from state and local welfare officials to VOLAGs to client advocates – we can present a balanced view of the effects of the April changes on clients.

In this chapter we present the study findings on the impact of the policy changes on refugees and entrants. The first section will present a comparison of GA programs in the twelve high-impact states to the RCA and RMA programs that preceded them for time-expired refugees. The second section discusses our findings from the field visits.

## 4.1 General Assistance for Refugees

State and local GA programs vary enormously in availability, administrative structure, eligibility criteria, and benefits.<sup>14</sup> Not surprisingly, then, study results show that this range

in program characteristics made the transition for refugees from RCA/RMA to GA an extremely varied experience. As a result of the 18/18 policy many refugees received lower benefits under stricter conditions of participation, and many refugees no longer qualified for assistance at all. Only in a few localities did refugees continue to receive about the same benefits to which they had been entitled under RCA/RMA. p. 45

These overall conclusions are supported by our review of the GA program characteristics in the 12 high-impact states. These 12 states represent approximately 80% of refugees and entrants entering the U.S. from 1980 through 1982, as shown in Exhibit 4-1. For our analysis, USR&E reweighted the state proportions so that our discussion is based on the study states only – that is, we will use the proportions of refugees in each of the high-impact states, summing to 100% for the 12 states. Exhibit 4-1 indicates the weight given to each state in the study analysis. Since these 12 states represent a good cross-section of programs, and since they represent 80% of all affected refugees, we believe our analysis holds roughly true for refugees in other states as well.<sup>15</sup>

This section is divided into two parts, the first comparing GA-maintenance programs to RCA, the second comparing GA-medical

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<sup>14</sup> It should be noted that GA programs also change frequently. This analysis is based on program information accurate as of September 1982. We are already aware of a few major changes pending in the high-impact states. In California, for example, the state eliminated non-federal MediCal for single adults, as of January 1, 1983.

<sup>15</sup> It is important to recognize, however, that these proportions reflect only a rough approximation of the distribution of affected refugees. First, the figures for all states are only estimates compiled by ORR, and they include only Cuban/Haitian Entrants and Southeast Asian Refugees. Second, they reflect only primary placements; they ignore secondary migration. And third, they reflect *all* refugees in the country for less than three years, not just those who were dependent on RCA/RMA. Nevertheless, we believe that using rough estimates is superior to weighting all state programs equally, which implicitly assumes an equal distribution of refugees across all states and which would result in very misleading conclusions.

p. 46 programs to RMA. Each part is subdivided to review different program features: availability, administrative structure, eligibility criteria, and benefits.

p. 47 **4.1.1 General Assistance - Maintenance**

The main focus of the data collection effort was on GA-maintenance programs – that is, the state and local cash or vendor payment programs that cover non-medical needs.<sup>16</sup> In general, these GA programs tend to be less available, more restrictive, and less generous than RCA programs.

***Availability***

GA-maintenance is available on a statewide basis in the states in which a majority of refugees reside; however, a sizable proportion of refugees (about 40%) live in states where GA is not available statewide (see Exhibit 4-2).

159 In Texas and Florida, GA is not available on a statewide basis. In these states, the availability of GA varies by locality, and only a few localities are reported to have GA programs.

160 In Virginia, most of the counties have some type of local GA, but a few counties offer nothing.

161 In New Jersey, one of the two GA programs is not available on a statewide basis.

Thus, while some sort of GA-maintenance program is available in most counties of almost every state, moving from RCA to GA is not an option for refugees in a few areas. For them, refugee assistance only exists for 18 months.

***Administrative Structure***

Where GA-maintenance is available, refugees usually do not have to go to separate agencies in order to apply for benefits (although they usually have to go to a different office, even within the same

p. 48 agency). Most GA programs are administered by the same agencies who administer RCA – the  
p. 49 state or county welfare department. However, one-third of refugees may face more difficulty in applying to GA because the GA program is managed by a different entity.

162 In three high-impact states (FL, IL, TX) refugees are required to go to a separate agency in order to apply for GA benefits.

Even where GA-maintenance was administered by the same agency that administers RCA, most refugees had to deal with different workers or different units to continue receiving benefits; but these problems seem to be less imposing than dealing with another agency altogether.

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<sup>16</sup> Throughout this discussion we will use the term “GA” interchangeably with “GA-maintenance.”

## ***Eligibility Criteria***

Eligibility criteria for GA-maintenance are generally more restrictive than for RCA; therefore, many refugees who qualified for RCA found themselves to be ineligible for GA. Several eligibility factors contribute, as shown in Exhibit 4-3. In some localities, refugees face an outright prohibition from receiving GA. Many other states and localities impose categorical restrictions as a condition of GA eligibility. More stringent limitations on liquid assets and the imposition of liens further restrict refugee eligibility for GA programs. Many GA programs have more rigorous work requirements than RCA/RMA. Finally, several GA programs impose shorter durational limits for GA benefit receipt than the 18 months allowed for RCA. All these eligibility factors result in a substantial reduction in the likelihood of assistance to the refugee population.

*Exclusion of Refugees.* Some localities offer GA, but explicitly prohibit refugees from receiving assistance due to citizenship requirements and service priorities. Thus, in at least some parts of the country, refugees by definition are ineligible for GA. Our data suggest that just over a third of all refugees may be affected by this restriction.

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 163 Refugees in two high-impact states (FL, TX) are prohibited from GA eligibility due to citizenship requirements and service priorities imposed by the programs. In one of the counties reviewed in Florida and in the only county reviewed in Texas, the programs specified that cash assistance recipients have to be U.S. citizens or legal permanent residents. In the other Florida county, refugees are denied GA eligibility because they are not regarded as a service priority relative to other persons with emergency needs. No refugees are currently eligible for GA in these counties. Information was not available on how widespread such restrictions are in other local GA programs throughout these two states. | p. 50<br>p. 51 |
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As a result of these program restrictions, refugees in Florida and Texas are excluded from the remainder of the analysis in this section. Since refugees in these states appear to be automatically excluded from GA, it seems misleading to consider other GA program characteristics for them. However, the reader should keep in mind that because of the restrictions in these two high-impact states, over one-third of refugees are by definition ineligible for GA. This one-third should always be considered in addition to refugees excluded from GA eligibility for other reasons.<sup>17</sup>

*Categorical Restrictions.* In addition to the one-third living in Florida and Texas, almost another third of all refugees live in states in which GA imposes categorical restrictions as a condition of eligibility, unlike the RCA program which has none.

The most common restrictions involve the employability and employment status of applicants/recipients.

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<sup>17</sup> Both Florida counties have expressed a willingness to modify their eligibility requirements in order to include refugees. However, the counties and the state have not yet been able to negotiate with the federal government satisfactory reimbursement arrangements for refugee assistance.

p. 52

- 164 Many GA programs (MA, OR, WA and some counties in VA) do not extend benefits to employable adults, although coverage of unemployables is fairly widespread.
- 165 Some programs cover employables, but only those that are unemployed (MN and some counties in VA). Eligibility is denied to those who are employed, regardless of their financial situations.
- 166 Several counties in one state (CA) only cover the employed who work less than a specified number of hours per month.
- 167 Several counties in one state (CA) specifically exclude full-time adult students from GA eligibility, with the presumed assumption that full-time students would be unable to participate fully in the counties' mandatory work program for employables.
- 168 A few states (MA, MN, OR and some counties in VA) waive their employability requirements for persons they consider to be too old to enter the labor market without training or experience.

Age is another common categorical restriction. Because many GA programs are designed primarily to cover adult cases, the categorical restrictions often prohibit children from GA eligibility. As a result, unattached (or unaccompanied) minor refugee children fall into an eligibility gap in some states. Such children are not eligible for AFDC because of relationship rules; neither can they qualify for GA under any of the adult-oriented categorical groups. We estimate about 10% of refugee children live in states where they would be excluded from GA if they did not qualify for AFDC.

- 169 Two states (OR, WA) categorically exclude children from GA.
- 170 Several other programs (MA, VA and some counties in IL) only grant GA eligibility to children living with adult relatives or adults with legal custody.

In these programs, children alone are ineligible for GA.<sup>18</sup>

p. 53

Only 40% of refugees live in states where there are no categorical restrictions for GA.

- 171 Refugees in only four high-impact states (NJ, NY, PA and some counties in CA) do not face categorical restrictions in applying for GA benefits.

The other 60% face exclusion or categorical restrictions, which, taken together pose substantial barriers to GA eligibility.

*Liquid Asset Limits.* Many refugees may be ineligible for benefits due to more restrictive liquid asset limitations imposed by GA programs. Close to 45% of refugees (in addition to the one-third in Florida and Texas) face GA programs with less generous liquid asset requirements than RCA.

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<sup>18</sup> Moving these children to state foster care is often not a desirable option. These children live with adult refugees with whom they have formed strong relationships. The adults may not satisfy the state's foster care parent requirements, at times due to their very crowded living quarters. Thus, the children would have to be moved to qualify for foster care. Further separation would seem to be a cruel and unnecessary requirement for refugee children who may have already experienced substantial loss and turmoil in their lives. Nevertheless, their ineligibility for GA benefits can pose a significant support problem.

172 In two states (IL, OR) the difference in liquid asset limits is extreme. For any size case, the GA liquid asset limit in both states is \$0, compared to \$1,000 for RCA.

173 All study counties in California impose lower liquid asset limits for GA. For a family of four, Los Angeles County allows \$100 plus the size of the grant; San Francisco, \$25 plus the grant; Santa Clara, \$50; San Diego, \$200; and San Joaquin, \$600. The state RCA asset limit in California is \$1,000 for a family of any size.

It should be mentioned that a surplus of liquid assets may render refugees ineligible only temporarily. If the liquid assets are spent down to the allowable asset eligibility limit, then they may be eligible for GA.

*Liens.* Close to one-third of the refugee population (in addition to the one-third in Florida and Texas) face an eligibility condition in GA programs not present in RCA – the imposition of liens on real property as a condition of participation.

174 Most counties in one high-impact state (CA) impose liens as a condition of eligibility in their GA programs, whereas liens are not imposed by the state's RCA program.

This type of restriction is now prohibited in SSI, but many states continue to impose liens as a requirement for AFDC. As the survey data show, this practice is also fairly common in GA.

*Work Requirements.* Close to half the refugee population face GA programs which impose more stringent work requirements as a condition of eligibility than are used in the RCA program, which generally only requires registration with the State Employment Service for able-bodied adults.

p. 54

Many GA programs have work experience or work relief components. Several also include job search and job training.

175 Many states (CA, IL, NJ, NY) have mandatory work programs for able-bodied GA recipients. These programs do not apply to RCA recipients.

176 Only three high-impact states (MA, MN, WA) have less restrictive work programs for GA than are present in RCA, but all of these have more restrictive categorical requirements. Washington and Massachusetts do not cover employables in their GA programs, and Minnesota provides only temporary aid to unemployed employables (and only then if they lack marketable skills).

Mandatory work programs, then, are a virtually universal feature in GA programs that provide ongoing assistance to employables. As a result, able-bodied adult refugees who otherwise qualify for GA are likely to be immediately enrolled in work programs – a condition of eligibility most of them have not faced before in RCA. All of these GA programs invoke strong sanctions for failure to participate in the work programs.

177 Some of the California counties prohibit reapplication for GA benefits for six months or longer for GA recipients failing to meet all conditions of participation in the work programs.

Therefore, these work programs cannot be treated casually. They will have a substantial effect on employable refugees moving onto GA.

*Benefit Duration Limits.* A majority of refugees (55%) live in states which do not place arbitrary durational limits on the receipt of GA benefits. However, about 10% of refugees (plus the one-third in Florida and Texas) face GA programs in which the duration of benefits for some types of recipients is less than the 18 months allowed under RCA.

- p. 55      178 Three states (MN, PA, VA) each place durational limits on certain groups of employable GA recipients. The limit for the temporarily needy in Pennsylvania is 90 days within any twelve month period. In Minnesota, the limit for employables with “marketable skills” is 5 weeks. Virginia counties vary in their duration limits, but benefits for employables cannot exceed the equivalent of 3 months at maximum payment.

Thus, some of those who are able to enroll in GA-maintenance programs could not continue to receive aid indefinitely.

Considering all eligibility factors together—categorical exclusion, categorical restriction, asset limits, liens, work requirements, and duration limits—there is not a single GA-maintenance program in any of the high-impact states which is as unrestrictive as RCA. All refugees were confronted with more restrictive assistance requirements as a result of the implementation of the 18/18 regulations.

### ***Payment Standards***

RCA payment standards (like AFDC) vary considerably from state to state. The same pattern is seen in GA-maintenance programs, except that GA benefit levels are usually lower than RCA levels. As a result, close to half the refugee population (about 47%) live in states in which the GA payment standards are less than the RCA standards for a family of comparable size (see Exhibit 4-4). If the refugees in Texas and Florida are considered, then we see that only about one-fifth of the refugee population face GA-maintenance programs with benefits equivalent to what they received in the RCA program.

- 179 In only three states (NY, PA, WA) are GA benefit levels the same for GA and RCA statewide. It should be remembered, however, that in Washington categorical restrictions substantially reduce the number of refugees eligible.

- 180 In some counties in two other states (CA, VA) GA and RCA benefits are the same. However, this pattern does not exist statewide. And many of these counties also impose categorical restrictions which reduce the number of refugees who were able to maintain the same level of benefits.

- p. 56      The magnitude of the difference between RCA and GA benefits in the other states and counties varies, but many of the reductions in benefit size are substantial:

p. 57

181 In San Joaquin County (CA) a family of four with no income would receive \$601 through the RCA program, but only \$348 through GA.

182 In Minnesota, RCA pays \$509 to a family of four, compared to \$321 for a GA family of the same size.

Many refugees (about 40%) also live in states (CA, MA, MN, NJ, OR, PA) where the GA benefits are reduced for GA recipients living in households with other, non-GA persons. Benefits in RCA vary only according to family size.

183 In some states, benefits are reduced by pro-rating assistance according to household size.<sup>19</sup>

184 In other states benefits are reduced by a flat amount for GA recipients living in a household with persons not included in the GA grant.

This factor no doubt caused reductions in benefits for many refugees who transferred from RCA to GA, especially since living in multi-family households is reported to be common for refugees.

Most GA programs in the high-impact states make benefit payments in cash. Many GA programs, however, use vouchers or vendor payments as a primary form of assistance.

185 Four of the 12 high-impact states (NY, and some localities in CA, IL, NJ) reported the use of vouchers or vendor payments as a primary method of payment. (Several of these states also provide cash.)

However, for the vast majority of refugees the form of payment should not change in the transition from RCA to GA.

p. 58

Thus, benefits do not usually come in a different form to refugees who transferred from RCA to GA; however, chances are the benefits are less, and in many instances, substantially less. About 80% of all refugees live in states whose GA-maintenance benefits are lower than RCA levels. So even those RCA terminees who were eligible to receive GA generally got less assistance.

#### **4.1.2 General Assistance - Medical**

State and local medical assistance is often provided through vendor payments from public assistance agencies – that is, the state and local equivalents of the Medicaid program. But state and local medical assistance is also often provided in-kind from public hospitals and clinics or from private facilities with public funding for this purpose. We do not know the relative incidence or importance of this second type of state and local medical assistance, but it may be equal or greater in dollars spent than the medical assistance provided through Medicaid-

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<sup>19</sup> For example, a family of four might receive \$400 in GA benefits if living alone, but only \$300 if living in a household with four other persons not included in the GA grant (where the grant for an eight-person household is \$600). Prorating by household size assumes that additional persons in the household are able to contribute to shared household costs, thus reducing the burden on the GA recipients in the household.

type programs. Due to resource constraints, we were generally able to explore in detail only the vendor payment programs administered by public assistance agencies. (We have called these programs GA-medical assistance, though they are sometimes unrelated to the state or local GA-maintenance programs.) Nevertheless, it is important to remember that the formal programs described in this section constitute only a portion of state and local medical assistance.

As we have seen with GA-maintenance, GA-medical programs vary enormously. To begin with, many GA-medical programs are administered separately from GA-maintenance assistance and eligibility criteria, though often the same, can differ from those used with the maintenance program. Equally important, medical benefits are often quite limited. All these characteristics have implications for refugees attempting to make a transition from RMA to GA-medical assistance.

p. 59 ***Availability***

The majority of refugees live in states where GA-medical programs are available statewide (see Exhibit 4-5). However, about 40% of the refugee population reside in states where medical care is offered in only part of the state.

186 Four of the high-impact states (FL, NJ, TX, VA) do not offer statewide GA-medical care, although medical benefits are available in some localities.

However, most refugees terminated from RMA could seek assistance from some state or local program.

***Administrative Structures***

Where medical assistance is available, most refugees do not have to go to a different agency to apply for medical benefits. About 40% of refugees have to go to a separate agency to apply for GA-medical benefits.

187 In three states (FL, TX, and some localities in IL) GA-medical is administered by a different agency than the one responsible for RMA.

For a majority of refugees, however, GA-medical programs are administered by the same agencies administering RCA, RMA, and GA cash assistance.

***Eligibility Criteria***

Where GA-medical is available, the eligibility requirements are generally more restrictive than for RMA (see Exhibit 4-6). Thus, many refugees who qualified for RMA found themselves to be ineligible for GA-medical care. In most states, GA-medical and GA-maintenance assistance eligibility requirements are very similar and often are identical. Not surprisingly then, the GA-

medical restrictions, relative to RMA, follow the same pattern as those reported for GA-maintenance, compared to RCA.

*Exclusion of Refugees.* As with GA cash assistance, some localities offer GA-medical but explicitly prohibit refugees from

eligibility due to the citizenship and residency requirements. The data suggest that one-fifth of refugees may face this resulting total ineligibility for GA-medical care. p. 60

p. 61

188 County GA-medical programs in two high-impact states (TX, one of two counties in FL) have eligibility requirements which prevent refugees from becoming eligible to receive medical care. p. 62

As with the GA-maintenance cash assistance analysis, GA-medical data for Texas and one county in Florida will not be included in the remainder of this section on GA-medical benefits. Most refugees in Texas and half of those in Florida appear to be totally excluded from the GA-medical programs so discussion of the program characteristics of these localities is meaningless.<sup>20</sup>

*Categorical Restrictions.* In addition to the 20% in Florida and Texas, another 25% of the refugee population face categorical restrictions in applying for GA-medical benefits. These restrictions are largely of the same type reported for GA-maintenance (exclusions according to employability, employment status, and age). However, categorical restrictions are not nearly as prevalent for GA-medical as in GA-maintenance.

189 In two states (MN and some counties in CA) GA-medical imposes no categorical restrictions, whereas the GA-maintenance programs do.

*Asset Limits.* About 15% of refugees (in addition to the 20% in Florida and Texas) face GA-medical programs with more stringent asset requirement than RMA. Again, however, more restrictive liquid asset limits are less prevalent for medical care than were reported for GA cash.

190 All of California's county GA-medical programs use the same liquid asset limits as RMA for GA-medical, whereas the majority of them used lower liquid asset limits for GA-maintenance. p. 63

*Work Programs.* The pattern continues with work requirements. Refugees are less likely to face work program participation as a condition of eligibility in GA-medical programs than in GA-maintenance.

191 In one state (CA) the work requirements imposed by the GA-maintenance programs generally do not extend to GA-medical.

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<sup>20</sup> It may be that some of the other counties in Texas provide GA-medical benefits. However, our information was drawn from the most highly impacted county in the state.

Only 16% of refugees live in states with more stringent work requirements in GA-medical than RMA.

*Duration Limits.* The vast majority of refugees live in states which do not place an arbitrary limit on the duration of GA-medical benefits.

192 Only Virginia imposes durational limits for some cases on the receipt of GA-medical care.

So, most refugees who are able to get state and local medical assistance can get aid for as long as they need it.

*Income Limits.* A final eligibility criteria for consideration in GA-medical programs involves income limits. RMA programs use as their income limits either the AFDC payment standard or, for states with medically needy programs, the medically needy protected income level. RMA in states with medically needy programs allows refugees to spend-down any excess income they have to the appropriate medically needy protected income level in order to become eligible for medical benefits.<sup>21</sup> In states without a medically needy program, refugees can spend-down to the AFDC level. In comparing state GA-medical programs to RMA then, we need to look both at the

p. 64 income levels of the programs and whether or not the GA-medical program continues to allow spend-down.

As shown in Exhibit 4-7, about 38% of refugees live in states where the income levels are comparable between RMA and the state GA-medical program. Another 25% of refugees face lower income levels with GA-medical than RMA. For 15% of refugees (based on Dade County, Florida), the income levels for GA-medical are discretionary, making a comparison to RMA impossible.

193 Only in California, Minnesota, and Pennsylvania are the income levels the same for GA-medical and RMA.

Not only are the income levels typically lower for GA-medical, but also the difference is often substantial.

194 In Massachusetts, the RMA limits for an individual and a family of four are \$333 and \$445, compared to \$131 and \$336 for GA-medical.

About 54% of refugees live in states with GA-medical programs which allow recipients to spend-down to obtain eligibility. Thus, most refugees will continue to be able to spend-down to obtain GA-medical benefits, providing they satisfy other eligibility requirements (such as asset

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<sup>21</sup> The spend-down process allows otherwise eligible recipients who incur medical expenses at least equal to the amount by which their income exceeds the medically needy level to become fully eligible for medical benefits.

restrictions). Of course, as implied above, many of them will have to spend-down to lower income levels for GA-medical than for RMA.

195 Four states (MA, OR, VA, WA) do not have spend-down provisions in their GA-medical programs.

196 One state (NJ) allows spend-down in its GA-medical program although it does not cover the medically needy in its Medicaid program.

Thus, GA-medical eligibility is more restrictive than RMA. One-fifth of the refugee population appear to be totally ineligible for GA-medical care. And another 45% or so face various other restrictions, such as categorical constraints, asset limits, work programs, durational limits, lower income limits or lack of

spend-down provisions. Only about 35% of refugees live in states where they are likely to be able to transfer from RMA to GA-medical without facing any additional eligibility criteria.

p. 65

p. 66

197 California and Pennsylvania are the only high-impact state in which GA-medical eligibility criteria are the same as or less restrictive than RMA.

Nevertheless, GA-medical programs are less restrictive than GA-maintenance.

### **Benefits**

Even if all refugees qualified for GA-medical, the majority would face programs with less comprehensive benefits than they received through RMA. Only about one-quarter of refugees live in states in which GA-medical coverage is the same as RMA (see Exhibit 4-8).

198 Only in five states (IL, NJ, NY, PA, WA) are GA-medical benefits about the same as RMA. Since Washington has severe categorical restrictions, most refugees will not qualify for the GA-medical care provided.

GA-medical benefits can be less generous than RMA in several respects. Sometimes certain key services are not included in the GA-medical program.

199 Some programs (MA, MN and certain counties in CA) do not include nursing home benefits in their GA-medical programs.

Some states impose maximum payment levels for GA-medical benefits.

200 Virginia counties which offer GA-medical have a \$500 monthly maximum on GA cash and medical benefits combined.

Other states restrict provider choice for GA-medical recipients.

201 Virginia GA recipients can obtain inpatient and hospital care only through participating hospitals.

Thus, most refugees faced a reduction in medical services in the conversion from RMA to GA.

- p. 67 Altogether, a refugee moving off RMA had a somewhat better chance of obtaining GA-medical than GA-maintenance. Nevertheless, only in California and Pennsylvania did refugees
- p. 68 terminated from RMA face a GA-medical program as unrestrictive a RMA.<sup>22</sup> Most refugees live in states with more restrictive eligibility criteria and less comprehensive medical benefits.

## **4.2 Impact of the Changes in Federal Refugee Assistance Policy on Refugees and Entrants**

The general impression conveyed by welfare and service officials in the high-impact states was that refugees – and particularly Southeast Asian refugees – are unusually hardworking and conscientious people, and that they had been taking advantage of temporary support through the refugee program in order to enroll in high school or college degree programs, ESL courses, and job training programs. To the extent that refugees receiving RCA and RMA benefits were aware of the limits of federal refugee assistance policy prior to the middle of March 1982, they thought they had 36 months to rely on RCA and RMA to assist them in their efforts to acquire relevant language and work skills and to adapt to a new life in America. Officials agreed that, in most states, few RCA/RMA clients knew of the impending changes or the quickness with which they would be implemented. Then, in late March, refugees were summarily notified that they would be cut off from RCA and RMA in ten days. In the words of one state welfare official: “Many refugees were given ten days' notice to get their lives in order.”

In most states the immediate impact of the implementation of the 18/18 regulations was disruption of the personal lives of time-expired refugees.

- p. 69 202 In several states (CA, IL, MA, MN) the notices caused great anxiety among affected refugees. This problem was exacerbated by the lack of adequate translation of notices, the shortage of translators in RCA and GA offices, the relatively large number of recipients affected, the general confusion in the welfare offices, and above all the suddenness with which it all happened. Retreats in some states (CA, MN, WA) due to court cases only increased the widespread confusion.
- 203 Many two-parent refugee families terminated from RCA had difficulty demonstrating the attachment to the labor force required for AFDC-U eligibility. In some states these families got GA benefits which were substantially less than RCA/AFDC; in other states they lost assistance entirely.
- 204 In most states RCA terminees immediately had to cope with a whole new program, usually with a new set of caseworkers and often in a new place. For refugees with minimal English language skills, and a limited understanding of the system, this was a difficult experience.
- 205 In most states, as discussed in the previous section, GA programs generally have a different set of eligibility criteria, benefit schedules, and work requirements than RCA/RMA programs. And although GA programs vary markedly, several generalizations hold true.

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<sup>22</sup> And even in California most counties now have more restrictive programs, following the changes that went into effect on January 1, 1983.

- 206 - GA eligibility requirements tend to be more restrictive than RCA/RMA requirements. Often eligibility is limited strictly to “unemployables.” In most states many RCA terminees lost eligibility for assistance.
- 207 - GA benefits tend to be lower than RCA benefits, and GA medical coverage less comprehensive than RMA. In most states RCA/RMA terminees who remained eligible for assistance got less of it.
- 208 - GA participation requirements tend to be more stringent. Many states have strict work relief programs and/or extensive job search requirements. In these states, RCA/RMA terminees who remained eligible for assistance had to meet tougher conditions.

By all accounts, the short-term effects of the policy change were mostly negative. In most states the refugee community was thrown into turmoil and confusion by the sudden changes.

The longer-term impacts are more difficult to assess. The officials and staff we interviewed gave mixed accounts – and, on balance, there probably were mixed results. p. 70

Some observers reported that the long-term plans of many refugees were disrupted. Refugees who had planned on 36 months of RCA/RMA for support while they attended ESL classes, vocational training programs, high schools, colleges, and even professional training schools, were suddenly forced to drop out and look for work.

- 209 In some states (CA, IL, MA, MN, OR, VA) young adults still in secondary school but over 18 were generally not eligible for AFDC or GA. As a result, many refugees dropped out of high school. Some observers hypothesized that those with the most potential may have been affected the most severely by the sudden change in policy.
- 210 Some VOLAG officials (MA, PA) feared that the emphasis on earlier job placement might produce less job retention and more long-term dependency.

On the other hand, other officials reported that most refugees had accommodated the policy changes by modifying schedules or plans to comply with GA regulations without sacrificing long-term goals.

- 211 In several states (CA, MN) respondents reported that many refugees switched to night classes for ESL or transferred to part-time programs in community colleges.
- 212 Staff in several welfare offices (CA, MN) reported that almost all refugees found a way to stay in school even without public assistance. Many got education grants or loans; others got help from relatives.
- 213 Many officials felt that the increased work emphasis was good; they cited an increase in efforts toward self-support among refugees.

Some respondents reported evidence of personal and family breakdown: mental illness, depression, and family violence.

- 214 VOLAG officials in at least one state (MA) cited a “definite increase” in mental illness among refugee youth and entrants. Officials also cited the lack of adequate language

capabilities in the mental health system to handle increased service demand from refugees.

215 In one state (MA) officials reported a significant increase in law enforcement encounters with entrants.

p. 71

In many states, officials also predicted a decline in medical care utilization, and ultimately, health status.

216 Eligibility for medical assistance was restricted for many refugees in all but two states. For refugees who were eligible for GA-medical assistance, coverage was restricted in many programs and access to accustomed providers was frequently disrupted by the conversion to GA, especially where services to indigent are provided through county hospitals.

By most accounts some refugees were not getting needed medical care. Some officials noted a tendency to return to informal and traditional medical treatment. The long-term impact of these changes is unknown, but many officials feared this could be the worst effect of the changes.

Some officials reported an increased strain in normally strong, traditional family relationships.

217 Staff in several offices (CA, MN) noted a problem of role reversals, where children and teenagers became interpreters and intermediaries in dealing with the new welfare program.

218 Many officials also noted early signs of the “welfare syndrome” – family splitting to become eligible for AFDC.

On the other hand, many officials argued that exceptionally strong family relationships, and strong cultural sanctions against desertion, especially among the Indochinese, tend to act as a deterrent to welfare-induced family desertions.

Indeed, it is widely reported that, in general, refugees coped with reductions in assistance by crowding several families into single dwelling units and spreading out available resources to support everyone as best they could.

219 Almost every respondent cited this cultural willingness to live in large groups as the primary coping mechanism for accommodating the 18/18 regulations.

p. 72      Some observers question whether overcrowded living quarters was beneficial, however.

220 Staff in one state reported some complaints from the community about refugees squatting in condemned buildings or living in situations which violate health codes. Respondents feared that crowded living situations may alienate refugees from the American community.

221 Officials in several states (FL, MA, VA) cited problems with landlords, such as difficulty in obtaining housing for large refugee households and exorbitant surcharges on rents for overcrowded quarters.

In general, however, crowding in and sharing resources may have been the only way for most refugees to manage the impact of benefit terminations.

Migration was another commonly cited coping mechanism. There is substantial evidence of secondary migration – and reports on both ends that recent migration was partly in response to the 18/18 changes.

222 Several counties in California reported extraordinary in-migration due to the large refugee community, low-skill job opportunities, and high welfare benefits. One county produced program statistics showing that almost half of its new GA-refugee applicants were secondary migrants.

223 Officials in Florida confirmed that a substantial number of entrants migrate to Texas or California (Texas for job opportunities, California for jobs and/or GA). Officials in one Florida county reported that the state included descriptions of GA programs in more liberal states with RCA termination notices.

224 Officials in Washington and Oregon confirmed that many refugees from their states migrated to California, creating severe problems on both ends. There were reports that Oregon's refugee hotline counselled refugees to move to California.

225 Minnesota officials reported both in- and out-migration of Hmong refugees – in from Illinois, out to California.

How much of the secondary migration resulted from the 18/18 policy is hard to determine. There had been substantial secondary migration prior to the changes. But it is clear that the policy change spurred migration from some states (Florida, Oregon, Texas, Washington) and into others (California, Minnesota).

p. 73

On balance, the long-term effects are mixed but predictable. The number of refugees getting assistance was reduced, and the amount of maintenance and medical assistance granted those who remained eligible was cut. A greater emphasis was put on work, and a lesser emphasis put on opportunities for education and training. Some refugees have become independent and self-supporting sooner than they would have under the former policy. Others have crowded together and shared the diminished assistance.

With regard to the change in policy, it is interesting to note the pattern of opinions of the welfare officials and refugee service providers we interviewed. Most respondents expressed support for the 18-month policy as a deterrent to unnecessary and prolonged welfare dependency. A minority strongly opposed the change, saying that 18 months was not nearly long enough to prepare the most recent wave of refugees and that the middle of a recession was not the time to cut off assistance to a particularly vulnerable population. Others preferred a 24-month limit to 18. But for the most part, the officials and staff to whom we talked supported the concept of limiting eligibility for the special RCA and RMA programs.

Again, however, there was nearly universal agreement that the change was implemented too quickly, and that the impact on recipients was unnecessarily harsh. While they might have

agreed in principle with the changes in policy, most respondents cited the implementation of the 18/18 regulations as a difficult period for all concerned.

p. 75

## **FURTHER EVALUATION**

This report has presented the findings of a short-term evaluation of the effects of the recent changes in federal refugee assistance policy on state and local governments and on refugees. The scope of the study was limited, however, particularly with regard to the impact of the change on refugees. The findings regarding state and local governments suggest some lessons about implementing future policy changes; but further evaluation of this particular policy change is probably not warranted. However, the ultimate effects of the 18/18 regulations on refugees are less clear. ASPE and ORR may wish to extend their evaluation efforts in this area.

By combining the information collected on GA program characteristics with the estimated distribution of refugees and entrants who had been in the country for less than 36 months as of April 1982, we have been able to draw a rough sketch of the effect of the 18/18 regulations on the assistance available to RCA terminees. And from interviews with many close observers of the transition in some of the high-impact states, we have been able to report the range of effects on the personal lives of refugees. But this study was not designed to obtain conclusive data on the effects of the policy change. We still do not know, to a reasonable degree of confidence, what really happened to those refugees terminated from RCA in the spring of 1982.

p. 76

- 226 What proportion continued on, or were newly enrolled in, AFDC and Medicaid?
- 227 What proportion were enrolled in GA? What amount and kind of assistance did they receive? For how long?
- 228 What was their experience with work programs?
- 229 What proportion continued to get some kind of medical assistance? What kind? For how long? What was the effect on utilization and health status?
- 230 What proportion became self-sufficient? What kinds of jobs did they get? What wages?

Several approaches might be taken to answer some of these questions. This chapter outlines a number of options for further research and evaluation.

### **5.1 Follow-up with Aggregate Data**

With some additional data collection to supplement information gathered for this study, it would be possible to put together a more accurate picture of the aggregate effects of the 18/18 policy – that is, the proportions that continued on various forms of assistance and the proportion that received no further assistance. Most states do not seem to have this data readily available, but with some effort and persistence we were able to get this kind of information in the states we visited. Although time and resource constraints made this data collection a secondary priority for this study, analysis of the data we collected might indicate that additional data collection is feasible and desirable as a primary objective of a further study.

## 5.2 Follow-up Case Record Reviews

A more reliable, but also more costly alternative is to track RCA/RMA terminées through computer matches and/or case record reviews of the AFDC and GA programs in high-impact states. In some states and counties tracking could be done by computer; in others tracking could only be done by hand, using warrant lists and case records.

This approach would also allow the development of profiles of refugees on GA – that is, detailed characteristics abstracted from GA case records. The data files prepared as another product of the study contain checklists of data items available, on computer and in case records, for each of the states and counties visited during the fieldwork for this study. p. 77

## 5.3 Follow-up Survey of Recipients

The most reliable and also the most costly approach would be a follow-up survey of refugees terminated from RCA. Such a survey becomes harder to conduct, as time increases from the date of termination, since many refugees may have moved, either within or outside the state. A direct survey of recipients, however, can obtain richer information about the transition to GA for those who continued to get assistance. And only through a direct survey can we get any information on the ultimate effects of the change on the large proportion of RCA terminées who could not get GA.

Several states (MN, OR, WA) are conducting studies of the impact of 18/18 on refugees cut off their RCA/RMA programs, and results of these studies should be available soon. Other refugee surveys funded by ORR – such as the self-sufficiency survey (University of Michigan) or Southeast Asian refugee survey (Opportunity Systems, Inc.) – might be modified or extended to collect information on the impact of 18/18.<sup>23</sup> Alternatively, a separate survey could be conducted in the high-impact states.

## 5.4 Follow-up with a Health Survey of Recipients

One of the major concerns of welfare and refugee service officials regarding the policy change was the potentially adverse impact on refugee health status. We heard many reports that refugees were not getting the medical care they needed once they were cut off

RMA. A survey of utilization and health status would be complex and costly but it offers the only sure way of assessing the health impact of the 18/18 policy. ASPE is currently considering such a survey. p. 78

## 5.5 Study of Refugees in Work Programs

Officials in several states reported problems in absorbing refugees with their GA work programs. Language skills were the usual barrier to participation, but some cultural problems

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<sup>23</sup> In fact some questions have been added to the self-sufficiency survey toward this end.

were noted as well. Some programs tried to treat refugees exactly the same as non-refugees; some modified rules for refugees; some contracted to VOLAGs to run programs for refugees.

A study of the various approaches to providing work experience for refugees, through a combination of interviews and data collection, might yield useful information to program administrators faced with the similar problems.