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## Welfare surplus raises benefits

By Mike Cason

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Alabama's welfare rolls have stayed flat despite the economic slump, but could increase soon because of a 30 percent raise in welfare payments approved recently by Gov. Don Siegelman.

Two other programs that help low-income families, food stamps and Medicaid enrollment, have grown significantly the last two years. A local food bank is also feeling the impact of the economic downturn.

The welfare payment increase took effect Dec. 1 and moved Alabama from 50th nationally in welfare payments to approximately 44th, said Joel Sanders, director of welfare reform for the Alabama Department of Human Resources.

The increase will make more families eligible for welfare, because eligibility is based on payment levels. Sanders estimated the increase will cost \$8 million to \$10 million a year.

Before the increase, a family of three could receive up to \$164 a month in welfare, which is known in Alabama as family assistance. With the increase, a family of three can now get up to \$215 a month.

Alabama Arise, a coalition that advocates for low income families, had called for welfare payment increases for years.

"We think it's great. This is what we had advocated back in the early 90s, that we go to the southeastern average," said Mary Weidler, policy analyst for Alabama Arise. "The one thing a really poor family could use is a little bit more money."

Sanders said \$215 for a family of three is probably slightly below the average for southeastern states.

Alabama's welfare rolls have declined by more than half since Congress passed welfare reform in 1996.

Welfare enrollment is down nationwide by more than 50 percent since 1994.

That decline has slowed and some states are showing increases in welfare enrollment during the economic slump of the last two years.

For example, Mississippi saw a 10 percent rise in welfare enrollment between July and September. Thirty-seven other states saw increases according to a study published this week by the Center for Law and Social Policy, a liberal research group.



Montgomery Area Food Bank employees clean the stock area Thursday.

-- Karen S. Doerr, Advertiser

But in Alabama, welfare enrollment remains flat. As of October, 18,771 families received welfare, 47 families fewer than two years ago.

But food stamps enrollment is up about 14 percent. As of October, 180,269 Alabama households received food stamps, up from 158,327 two years ago. The unemployment rate grew about 22 percent during that same span, from 4.6 percent to 5.6 percent.

Also, the number of Alabama families receiving Medicaid grew from 802,215 in 2001 to 860,107 in 2002, said Mary Finch, spokeswoman for the Alabama Medicaid Agency. Finch said outreach programs, as well as the economy, have contributed to the increase.

Sanders, welfare reform director for DHR, said he recommended the welfare payment increase, which he said was the first since about 1991.

"We felt like it was timely to give them a more livable benefit level," Sanders said. "Ten years of inflation would surely justify the increase."

Sanders said money was available for the increase because of the decline in welfare rolls. The state receives a federal block grant that covers most of the cost of welfare, and the declining enrollment has left surpluses.

"We felt it appropriate to put some of the money back into benefits for working families," Sanders said.

Siegelman issued a statement about his reasons for granting the increase.

"It is necessary to help families get in a position to get off welfare. Through a greater investment in child care and transportation we can help these people achieve the transition from welfare to work," the governor stated.

Alabama's welfare enrollment typically doesn't go up during economic slumps, Sanders said, because the payments and eligibility standards are so low. For example, a worker who is laid off and receives unemployment compensation can't qualify for welfare. A single parent of two working full-time at minimum wage would not be eligible for welfare but would probably be eligible for food stamps.

"Typically, the food stamps program does track the economy much closer than the cash welfare program," Sanders said.

Ann Eissler, development and program manager for the Montgomery Area Food Bank, said changes related to the economy have been noticeable since about the time of the Sept. 11, 2001 terrorist attacks.

"The demand from needy people has increased. The food sources have decreased. We have less food available now than two years ago, or one year ago, even," Eissler said.