

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING BEFORE THE JOINT COUNCIL COMMITTEES
4 ON PUBLIC HEALTH & HUMAN SERVICES
5 AND LAW & GOVERNMENT

6 - - -
7 Room 400, City Hall
8 Philadelphia, Pennsylvania
9 Tuesday, November 10, 1998
10 10:15 a.m.
11 - - -

12 RESOLUTION NO. 960671 - A resolution calling for a
13 full and comprehensive joint investigation by the
14 Committees on Law & Government and on Health &
15 Human Services into the exact ways in which the
16 recently enacted so-called "welfare reform"
17 legislation will impact the citizens of
18 Philadelphia, and how the City can best exercise
19 all powers that it may have in easing the burdens
20 imposed on helpless citizens under the new law,
21 including pressing for positive implementing
22 legislation at the State level, and finding ways
23 in which the City government, using subsidies that
24 may be available under the new law, can provide
25 jobs for welfare recipients at a living wage.

16 PRESENT: COUNCILWOMAN MARIAN B. TASCO, Co-Chair
17 COUNCILMAN DAVID COHEN, Co-Chair
18 COUNCILWOMAN JANNIE BLACKWELL
19 COUNCILMAN MICHAEL A. NUTTER
20 COUNCILMAN ANGEL L. ORTIZ
21 COUNCILMAN FRANK RIZZO

22 - - -

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2 P R O C E E D I N G S

3 COUNCILMAN COHEN: The joint Committee
4 on Public Health & Human Services and the
5 Committee on Law & Government is now in session.
6 Chairwoman Tasco, of the Public Health and Human
7 Services Committee, and I, David Cohen, will be
8 co-chairing the hearing.

9 This is a continued hearing from a
10 hearing held a number of months ago that
11 preliminarily dealt with the problems that will
12 occur when the Welfare Reform Act goes fully into
13 effect.

14 Before the Chair recognizes the Mayor,
15 the chair would like to ask all folks who are
16 testifying to be brief. The calendar for today
17 was: 9 o'clock Licenses & Inspections;
18 10 o'clock, this hearing; 1 o'clock, the Finance
19 Committee; 2 o'clock, the Economic Development
20 Committee.

21 I know it won't do any good with you,
22 Mr. Mayor. We'll accept you, like me, because
23 both of us have records for speaking
24 indefinitely. But we urge everybody to try to be
25 as brief as possible.

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2 Before the Mayor speaks, Councilman
3 Ortiz wanted to make a brief statement.

4 COUNCILMAN ORTIZ: Thank you, Mr.
5 Chairman.

6 Welfare reform has been described by
7 our mayor as "a locomotive coming down the tracks"
8 and "an accident waiting to happen." My other
9 folks at the 21st Century League describe it as "a
10 hurricane" or "a meteor" that will begin impacting
11 on the City of Philadelphia and other urban areas
12 of the Commonwealth.

13 We here at City Council and in the city
14 are preoccupied, and we need to begin finding what
15 are the real facts and what are the real policies
16 that need to be implemented in order to prevent
17 hurt and the City of Philadelphia coming to its
18 knees, as described by Mayor Rendell in one speech
19 that he gave.

20 We have come very far; we need to go
21 further. There will be 25,000 households,
22 supposedly that will be taken off the welfare
23 rolls on March the 3rd. That's over 60,000, close
24 to 70,000, human beings. We need to find out
25 where we're at, where we're going, and what will

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2 happen with these people and these children at
3 that time.

4 So we welcome the Mayor of the City of
5 Philadelphia to these hearings, and I'm really
6 very grateful that he has decided to open up these
7 hearings for us because I believe that this is
8 probably the most important public policy issue
9 that we'll be facing within the next few years.

10 COUNCILMAN COHEN: Mr. Mayor, we
11 welcome you to this hearing. We know that all of
12 the folks in Philadelphia are very anxious to hear
13 about the City's plans. Please proceed in
14 whatever fashion appropriate.

15 MAYOR RENDELL: Well, thank you,
16 Councilman Cohen and Madame Chairwoman and members
17 of the panel.

18 Let me just begin by praising City
19 Council for holding these hearings. One of the
20 things that has been of most greatest frustration
21 to me very over the last couple of years is that
22 no one has been paying any attention to this
23 issue. All of the news we hear is good news.

24 We hear about how welfare rolls are
25 declining, we hear about how the situation is

2 under hand, how the good economy is taking care of
3 this problem. And all of that is an illusion, but
4 this is an enormous -- produces an enormous level
5 of frustration to me and to people who are working
6 in the front lines of this problem.

7 The Washington Post had an article on
8 welfare reform that just reinforced the sense of
9 bliss that is down in Washington these days with
10 both the administration and the Congress. Their
11 recent article said, and I quite, "No one is being
12 sanctioned. What are these folks all worried
13 about?"

14 Well, The Washington Post misses the
15 fact that the real deadlines have not occurred
16 yet. As Councilman Ortiz said in his opening
17 remarks, those real deadlines will begin to have
18 their major impact on cities like Philadelphia on
19 March 3, 1999.

20 And although there have been strong
21 declines in welfare case loads in rural states
22 such as Oregon, Tennessee, and Florida -- and even
23 our state on the whole is experiencing a strong
24 decline in the number of people who are receiving
25 cash assistance -- in cities like New York,

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2 Detroit, Chicago, Atlanta, and Los Angeles and
3 Philadelphia, the rate of welfare decline lags way
4 behind the state.

5 Welfare recipients in our cities are
6 having a much tougher time becoming independent
7 than in rural areas and suburban areas. In fact,
8 in two thirds of the large cities of America --
9 including Philadelphia, Chicago, Detroit, New
10 York, and L.A. -- the rate of case load decline
11 lags far behind the overall state rate of decline.

12 As a result, today, in 80 percent of
13 these cities, the cities themselves have more
14 individuals remaining on the case load than the
15 entire rest of the state. In our case,
16 Philadelphia has a clear majority of the state's
17 welfare case load, with just over 60,000 heads of
18 household and 130,000 children.

19 To put this number in context, we could
20 fill Franklin Field four times over and not be
21 able to seat all of the individuals that are on
22 the Philadelphia case load. As a point of
23 reference, Pittsburgh has just over 18,000 heads
24 of households.

25 Now, the reason for this problem is not

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2 the fault of the State or the City, as you will
3 hear; the reason for this problem is that the
4 original legislation was inherently flawed. As
5 you recall, I urged, as did several big-city
6 mayors, urged the President to veto the Welfare
7 Reform Act of 1996 for one plain and simple
8 reason: that it did not provide sufficient money
9 to transition welfare recipients in urban areas to
10 the workforce.

11 The Congressional Budget Office, surely
12 not a liberal organization, estimated in 1996, at
13 the time the President signed the bill, that it
14 was \$12 billion short of the necessary funding to
15 make that transition successful. By what we know
16 now, from the work we've done, I'd say that number
17 should be around \$20 billion short of where we
18 need to go to make the transition successful.

19 It is also true that there is a
20 demographic factor here. Senator Tom Dashedell of
21 South Dakota told me four months ago that the
22 South Dakota Department of Commerce has stopped
23 trying to move businesses into the state because
24 they have no workforce ready to fill those jobs.
25 There is no people -- there are no people out of

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2 work in South Dakota who are capable of doing the
3 work.

4 So that's wonderful news for South
5 Dakota, but the majority of this country's welfare
6 case load is in America's big cities, and those
7 big cities have lagged behind the national rate of
8 recovery. And that is true for the City of
9 Philadelphia.

10 Notwithstanding all the good news
11 that's occurred in Philadelphia, we've only had
12 two years of increasing jobs. And last year, the
13 increase in jobs was a very modest 3,000 job
14 figure. When over the last half decade, the
15 region itself has increased nearly 100,000 new
16 jobs.

17 So there is a mismatch between where
18 the welfares case load is and where the jobs are.
19 That's problem number one.

20 Problem number two is that there's a
21 transportation deficiency. We have, in most
22 American cities, built a one-way transportation
23 system, where people can get in from the suburbs
24 but can't get from the city back to the suburbs.
25 And many of the growth centers exist.

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2 We've identified 15 suburban growth
3 centers where there's a real need for entry-level
4 employees. And right now, our transportation
5 system cannot get people without cars out to those
6 growth centers.

7 The best it can do is if someone gets
8 on a subway and bus, gets down to one of the
9 commuter rail lines, goes back out to, let's say,
10 Paoli; then there is no way of getting them from
11 Paoli's train station to Berwyn. Or if they get
12 off at Villanova or St. Davids, there's no way of
13 getting them from there to the King of Prussia
14 shopping center. So we have a lot of work to do
15 to meet the transportation mismatch.

16 Next, there's a mismatch in child
17 care. There simply aren't enough available
18 child-care slots to provide child care for all of
19 the people who are on the case loads. If every
20 one of those people found jobs today and needed
21 child care, the child-care system in the state
22 would collapse, notwithstanding the fact that the
23 state has done a good job in ratcheting up the
24 number of available child-care slots.

25 There is also a time mismatch because

2 the child-care system we have built in this
3 country is mostly a 7 a.m. to 7 p.m., Monday
4 through Friday child-care system. A lot of the
5 entry-level jobs that are available now are
6 nighttime and on weekends, when there is presently
7 no child care available.

8 Donna Cooper will tell you in our plan
9 how we are providing funds to both incentivize
10 child-care providers to make slots available in
11 that time period and how we are providing funds to
12 deal with the transportation factor in getting
13 people out to the suburbs.

14 But if with we did all of that well,
15 and if our case load was all ready to work -- and,
16 remember, the reason these declining case load
17 figures are so misleading is because what has
18 happened since the Welfare Reform Act was signed
19 is that the best segments of the case load, the
20 ones who have some work experience, the ones who
21 have no drug and alcohol problems, the ones who
22 have no mental health problems, these are the
23 people who are getting onto the job rolls.

24 As you go down our case load, you will
25 find people who have marginal, if any, literacy

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2 skills at all-- marginal if any. You will find
3 people who have substance-abuse problems, you will
4 find people who have MHMR problems. And the
5 further down you get in the case load, the harder
6 it is to place everyone.

7 But, understand, if everyone had no
8 problems, if everyone had some past work
9 experience, if they had no substance abuse
10 problems no MHMR problems, there simply are not
11 enough jobs in the Philadelphia region to absorb
12 our entire case load.

13 Why? Because they compete. They don't
14 seek these jobs in a vacuum; they compete with
15 displaced workers. As you know, we read about
16 every single day some merger or consolidation
17 that's occurred in the Philadelphia area. And, by
18 the way, without these mergers and consolidations,
19 our job figures would be way up. But, you know,
20 Meridian merged and consolidated into CoreStates,
21 CoreStates, CoreStates merged and consolidated
22 into First Union. Thousands of jobs lost in the
23 process.

24 The health-care industry. Although we
25 have been successful in stopping the major fallout

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2 from the Allegheny bankruptcy, there's no question
3 that we will have less jobs in the health-care
4 Industry as a result of that; and overall, we have
5 less jobs -- a declining job base in the
6 health-care industry. So those displaced workers
7 are out there looking for the available jobs as
8 well.

9 And then we have the high school and
10 college, but most relevantly, the high school
11 graduating classes every year that flood into the
12 job market, looking for the same limited number of
13 available jobs.

14 So there simply aren't any jobs, number
15 one. Our transportation system can't get people
16 out to where they need to go. Our child-care
17 system isn't totally responsive. And we have
18 serious problems with getting our welfare case
19 load -- many members of our welfare case load
20 job-ready in the first place.

21 Now, you also know that technology is
22 creating a problem for us. It used to be, 25
23 years ago, if you were willing to work, you had a
24 strong work ethic and you could work with your
25 hands, you could find and hold a job. That

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2 doesn't exist today.

3 Just look at one job. I like to use
4 this as an example. Twenty years ago, if you
5 wanted to be a retail clerk in a department store
6 or a five-and-dime store or even a boutique store,
7 you only had to learn to press one button on a
8 cash register and make change, and you basically
9 could be a retail clerk. Now if you go into any
10 department store, any store at all, you have to
11 operate a mini-computer to be a retail clerk. You
12 have to have a full range of literacy skills and
13 some significant training as well.

14 So the job market has changed. In
15 fact, in two years across this region, the number
16 of entry-level job vacancy positions that have
17 required no or limited skills have actually
18 decreased by close to 4,000, even though the
19 overall increase in that time period of jobs has
20 been close to a 100,000.

21 So there's a mismatch in training and
22 schooling between our welfare case load and some
23 of the available jobs.

24 As Councilman Ortiz said, come this
25 spring and the first significant cutoffs begin, it

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2 will be 26,000 families -- 26,000 families. And
3 we cannot do welfare reform on the cheap. Those
4 states that have had a significant impact over the
5 long term in reducing their rolls have actually
6 spent more money than they used to spend under the
7 welfare system. They've spent more money up front
8 to save money at the end of the road, and that is
9 an importance component.

10 Now, that's not to beat up on the state
11 of Pennsylvania. The state of Pennsylvania has
12 done some very significant positive things to help
13 our problem. In fact, a recent study done by
14 Tufts University held Pennsylvania as 1 of 14
15 states with welfare policies likely to improve the
16 economic well-being of families.

17 The strongest aspect of what the state
18 has done is its generous earned-income disregard.
19 This important incentive is already helping
20 convince welfare recipients that they're better
21 off working than remaining on cash assistance.
22 It's been a powerful incentive. And the state
23 didn't have to do that, and it did. Likewise,
24 aspects of Pennsylvania's child-care subsidies
25 program are among the very best in the nation.

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2 In our efforts to spend the money -- as
3 you recall, the President promised, after '96,
4 that he would try to cure some of the defects in
5 the welfare bill. Well, myself, Mayor Archer, and
6 Mayor Rice of Seattle pushed the President and
7 pushed the Congress very hard, and we got a
8 \$3.1 billion welfare-to-work jobs bill, where 80
9 percent of that money went directly to cities,
10 directly to cities that had the largest case
11 loads.

12 And in mapping out our program -- and
13 you'll hear more from Donna Cooper about that, in
14 mapping out our program, the state has been an
15 excellent partner. Unlike many governors,
16 Governor Ridge was swift and clear in his
17 commitment to appropriate the \$11 million state
18 match needed to draw down these funds. In Ohio,
19 Governor Voinovich wouldn't do that, so the
20 residents of Ohio didn't even get the benefit of
21 the federal funds.

22 Likewise, the Governor and his staff
23 have helped us develop a program that we believe
24 is a national model, known as "Philadelphia At
25 Work" and also the Greater Philadelphia Works

2 program. We've done some innovative things.

3 I know you've seen on TV the
4 advertisements we've been running both on TV and
5 radio and direct mail in, one, trying to convince
6 the case load that, in fact, this is happening,
7 and they'd better get ready; and, two, trying to
8 reach out to employers and get them to
9 conceptionally think about going out and
10 affirmatively hiring welfare-to-work people.

11 That ad campaign is one of the most
12 innovative in the country and is enormously
13 successful. We've been running that ad campaign
14 since September, and almost 6,000 clients have
15 called the number to receive help to get into the
16 system, and we've had almost 400 inquiries from
17 employers based on those ads themselves.

18 The state is also committing an
19 additional \$9 million to the novel Philadelphia At
20 Work program, and the state has been a good
21 partner, and we hope it will continue to be, and
22 we believe that that is the case.

23 You will hear from some witnesses who
24 will say that the city and the state aren't doing
25 enough. You will hear from some witnesses who say

2 the state isn't doing enough. And I believe,
3 given the inherent deficiencies in the law, the
4 state's commitment has been a sound one. And I
5 believe the city's programs are innovative and
6 novel and designed to help as best we can.

7 But to give you an idea of the
8 dimension of this problem, assume for the moment
9 that we have somewhere in the high 40s, mid-40s a
10 thousand families still remaining on cash
11 assistance. If all of our programs are
12 successful, we believe we can place maybe close to
13 20,000 of those families in some jobs that will
14 allow them to get income and continue to receive
15 some level of assistance. That's less than half
16 of the available case load.

17 And to give you an example of the
18 impact of that, let's suppose that only 400 of
19 those 40,000-plus families can't comply with the
20 rigors of welfare program, the city could incur at
21 least \$413,000 in unreimbursed health-care costs
22 for services offered at our district health
23 centers.

24 Or let's say that a thousand additional
25 children from those 400 families become part of

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2 DHS system due to destitution, which leads to
3 abuse or neglect. In this case, the city's share
4 of the cost would be another \$3 million annually,
5 and we are low-balling these numbers.
6 Or let's say that these families
7 entered the shelter system -- not an unexpected
8 result of all of this. We would need to find an
9 additional \$2.25 million to provide for their
10 housing. And this is 400 families.
11 COUNCILMAN COHEN: How much?
12 MAYOR RENDELL: That's 2.25 million for
13 400 families in our shelter system.
14 We could also face serious budget
15 issues at the school district. And there are
16 many, many, many problems financially that you'll
17 hear delineated by members of the administration
18 that you have asked to appear as witnesses today.
19 So this is a train wreck waiting to
20 happen, despite the good efforts of the state and
21 the city. This is a problem that deserves
22 attention. It has received no attention.
23 Mayor Rice, Mayor Arch, and myself had
24 a press conference in Washington last fall to
25 delineate what we thought through the results of a

2 national survey of cities, what we thought the
3 number of families that would be left unaided when
4 welfare reform kicked in in March of '99. One
5 national media camera came from C-Span. Two
6 months later, the CBS network alone had 29 cameras
7 in Washington that day covering the aspects of the
8 Monica Lewinsky scandal.

9 So it was 29 cameras from one network,
10 and not one camera from anybody other than C-Span
11 to cover this issue. It shows why this hearing is
12 so very much needed.

13 Let me close by telling you what we
14 believe are four areas that could help alleviate
15 the potential train wreck on March 3rd.
16 Unfortunately -- and your frustrations will be the
17 same as mine -- these are programs that cannot be
18 dealt with by us, we can't legislate them. They
19 are areas that our \$25 million 2-year program --
20 really a \$56 million -- that comes from the
21 federal welfare-to-work funds. Those funds can't
22 ameliorate these problems. But I think this
23 Council can be a strong advocate in trying to
24 bring about these changes.

25 What could be done to alleviate this

2 problem? Number one, the federal government,
3 Congress, could extend the 24-month deadline and
4 decrease state-required work participation rates.
5 That's very, very important. That would certainly
6 delay, slow, and mitigate the impact of this train
7 wreck.

8 Number two, the federal government
9 could continue to expand welfare-to-work
10 reverse-commuting funding streams and child-care
11 availability. For example, this \$3.1 billion that
12 we got the Congress and the President to
13 appropriate in '97, they could come up with
14 another \$3.1 billion for the next two years. They
15 could increase child-care funding.

16 As you know, the President tried to do
17 that in the tobacco legislation, which was voted
18 down by the Congress. That would have produced
19 hundreds of millions of dollars for available
20 child-care slots around the country.

21 And thanks to Senator Specter and
22 Santorum, \$250 million was put into T21 for model
23 reverse-commuting programs. But nationwide, we
24 could increase that appropriation ten-fold and
25 still not have all of the reverse-commuting

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2 funding we need.

3 Number three, our state government
4 could relax aspects of Act 35 that are stricter
5 than the national TANF legislation with respect to
6 what an individual must do to keep their cash
7 assistance after 24 months. And that is something
8 that I have talked to and will continue to talk to
9 Governor Ridge about.

10 And, lastly, the state could expand
11 job-training, literacy classes, funding for
12 reverse-commute programs, new child-care services,
13 and broader exemption policies. And, again,
14 that's not meant to be critical, because the state
15 has not said no to any of those ideas, although
16 time is running out.

17 We have a significant TANF surplus as
18 the case load statewide declines. It does give us
19 the money to do things like I suggested in number
20 four.

21 So this is a problem that, as I said,
22 has gone on almost in secrecy. It is a serious
23 problem. I join with Councilman Ortiz when he
24 said it is among the most substantial facing the
25 City of Philadelphia. That and the need to have

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2 an accurate census count are two of the problems
3 that I see that can have the most long-range
4 detrimental impact to all of the progress we have
5 made over the last seven years.

6 So, again, I want to close by thanking
7 Council for having these hearings. There are at
8 least local media here, and I know that the
9 Council will be strong advocates -- not just with
10 our own three Congressmen who are already on
11 board, but with the administration and other
12 people in the Senate and the Congress-- Senator
13 Specter, Senator Santorum -- to achieve some of
14 the changes which are important to mitigate the
15 potential harm here.

16 And let me close by saying that none of
17 us, none of us is in favor of the continuation of
18 the old welfare system. It didn't work, it
19 produced generation after generation of
20 dependencies. It didn't give opportunity to
21 people. There were no incentives to get off of
22 welfare. It was a lousy system, a flat-out lousy
23 system. But all of us want that system changed in
24 a way that is fair and equitable and will give
25 everyone on that case load the opportunity to work

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2 to the best of their abilities.
3 But we can't ask people to get off
4 welfare when there aren't jobs. We can't ask
5 people to get off welfare when we don't have child
6 care available for their kids. No mother is going
7 to do that -- your mother wouldn't do it, my
8 mother wouldn't have done it, no mother is going
9 to do that.
10 We can't ask people to travel three and
11 a half, four hours to work and back in one day.
12 We've got to begin to address these problems.
13 I believe the Greater Philadelphia At
14 Work and Philadelphia Works are two excellent
15 programs designed to deal with these problems.
16 You will hear more about all of this
17 from Rosemarie Greco and Charlie Pizzi, the two
18 co-chairman of the Private Industry Council. And,
19 as all of you know, we worked hard to upgrade the
20 level of response of the Private Industry Council.
21 The fact that a Rosemarie Greco and an
22 Ernie Jones would have signed on as president --
23 and now Rosemarie is chairman of the board -- is
24 very significant about our efforts. Our own Donna
25 Cooper has done an absolutely splendid job in

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2 marshalling that \$28 million into the most
3 effective program we can.

4 And then you'll hear from Mike Nardone
5 and representatives of the Health Department and
6 Human Services Department, who will give you more
7 examples of what could happen once March 3rd
8 arrives.

9 And, again, all of it is speculative.
10 I use the number 400. That may turn out to be a
11 woefully low number, a conservative estimate. So
12 we have to deal with this problem and we have to
13 deal with it quickly.

14 If I can ask the Chair's indulgence, I
15 know you want to move on anyway, I have to be at a
16 press conference that Tenet is having today,
17 announcing an agreement with us that will, in
18 fact, ensure that the level of care that was given
19 out to the poorest and most have vulnerable
20 citizens by the Allegheny System continues under
21 Tenet.

22 And Donna Cooper, Rosemarie, Ernie, and
23 Mike Nardone are more than capable of answering
24 any questions you have. And I'd love to have
25 continued discussion with you about this problem.

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2 So unless anybody else --

3 COUNCILMAN COHEN: Mr. Mayor, could we
4 just hold you for a few minutes. We'll be very
5 careful to see that you can meet your
6 requirements.

7 I just wanted to mention that this is a
8 continued hearing on Resolution No. 960671, which
9 calls for a full and comprehensive joint
10 investigation by the Committees on Law &
11 Government and the Committee on Health & Human
12 Services into the exact ways in which the recently
13 enacted so-called "welfare reform" legislation
14 will impact the citizens of Philadelphia; and how
15 the City can best exercise all powers that it may
16 have in easing the burdens imposed on helpless
17 citizens under the new law.

18 And a quorum of the joint committee is
19 present. To my right is Councilwoman Blackwell;
20 Councilman Nutter; Co-chair Councilwoman Tasco,
21 Chair of Health and Human Services; David Cohen,
22 myself, as chair of Law & Government. To my left
23 are Councilman Ortiz and Councilman Rizzo.

24 Thank you. I know, Mr. Mayor,
25 everybody -- could we do this, agree that each

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2 member of Council, before you leave, can ask one
3 question of the Mayor, and then we'll excuse you.
4 MAYOR RENDELL: Sure.
5 COUNCILMAN COHEN: Councilwoman Tasco?
6 COUNCILWOMAN TASCO: I don't have a
7 question, Mr. Mayor. I just want to let you know
8 that this issue came up at the NBC board meeting
9 this summer, and we will have a hearing on this to
10 at the March meeting in Washington to raise the
11 level of understanding, because I was amazed that
12 some of the Councilmembers were not aware and are
13 not aware of the impact that this could have on
14 their cities 'cause a lot of them don't come,
15 don't have that interaction with their counties.
16 So we will have a hearing in Washington
17 in March, and I'm chairing that committee.
18 MAYOR RENDELL: Good. And if you
19 invite me, I'll be happy to come.
20 COUNCILWOMAN TASCO: I certainly will.
21 MAYOR RENDELL: But you shouldn't be
22 amazed. The Washington Post writes an article
23 saying, What's everybody talking about? They
24 don't get it.
25 COUNCILMAN COHEN: Councilman Nutter

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2 informed me he has no questions.
3 Councilwoman Blackwell? No questions.
4 Councilman Rizzo?
5 Any questions, Councilman Ortiz?
6 COUNCILMAN ORTIZ: I think the
7 statement speaks for itself.
8 COUNCILMAN COHEN: Thank you very much,
9 Mr. Mayor, for being available.
10 MAYOR RENDELL: Thank you, Mr.
11 Chairman.
12 (Applause.)
13 COUNCILMAN NUTTER: Mr. Chairman?
14 COUNCILMAN COHEN: May I ask that Mr.
15 Grant Graham Finney, President of the 21st Century
16 League, and Janet Raffel, author of the 21st
17 Century's special report, perhaps both of them
18 could come to table.
19 COUNCILMAN NUTTER: Mr. Chairman?
20 COUNCILMAN COHEN: I hate to call it a
21 "witness chair."
22 Yes, Councilman Nutter?
23 COUNCILMAN NUTTER: I'm sorry, Mr.
24 Chairman. Did I understand the Mayor to indicate
25 that either Donna Cooper or someone else from --

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2 COUNCILMAN COHEN: They will be next.
3 COUNCILMAN NUTTER: Okay.
4 COUNCILMAN COHEN: After this
5 presentation.
6 COUNCILMAN NUTTER: All right.
7 (Mr. Finney and Ms. Raffel come
8 forward.)
9 COUNCILMAN COHEN: Mr. Finney and Miss
10 Raffel, would you be good enough to identify
11 yourselves for the record and then proceed in the
12 order you wish to.
13 MR. FINNEY: Yes, sir. Honorable
14 members of Council, I'm Graham Finney, President
15 of the 21st Century League. Janet Raffel, to my
16 right, is a consultant to the League, directing
17 our ongoing monitoring project of the evolving new
18 welfare system.
19 We are very grateful for the chance to
20 help explain the context in which we're working.
21 And in our remarks, we'll try only to augment that
22 which the Mayor has already put on the record.
23 The League, as you may or may not know,
24 is a small, nonpartisan, modestly-funded agency
25 that, two and a half years ago, started looking at

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2 the effect of devolution and downsizing at the
3 federal level upon this city and this region.

4 As a part of that, we have undertaken
5 an extensive effort to understand it, and by
6 understanding it ourselves, to be a source of
7 credible information, a catalyst for change, and a
8 facilitator in this massive turnaround that's
9 occurring in the welfare system.

10 One of the biggest points that I want
11 to leave to you is to reiterate a point already
12 made -- that the full extent of the changes that
13 are now occurring really do have economic effects on
14 the city as well as many individuals within it,
15 rival, and over time, will be much larger than the
16 positive economic effects of a new Performing Arts
17 Center or even the one-time Republican
18 convention. We approach this as a matter that
19 requires urgent attention.

20 I would like to have Janet Raffel,
21 therefore, give you some of the background facts
22 and figures that lead us to that conclusion and
23 cause us to hope that a higher level of concern
24 and joint action -- local, city and, state -- will
25 occur as the witching day of March next year fast

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2 approaches.

3 COUNCILMAN COHEN: Miss Raffel, will
4 you identify yourself for the record, and then
5 proceed.

6 MS. RAFFEL: My name is Janet Raffel,
7 and I'm a consultant to the 21st Century League,
8 who conducted the study of the first-year
9 experiences under welfare reform.

10 My remarks, I'm going to try to keep
11 them very brief, and so I provided you with a
12 handout of a much more extensive presentation of
13 what we found from the first year of welfare
14 reform in the greater Philadelphia region.

15 Let me start by saying how massive this
16 transaction was. Philadelphia started with 71,600
17 people that are heads of household in the case
18 load. Those numbers declined to 61,300 by August
19 of '98. Fourteen percent of the case load has
20 declined in Philadelphia as opposed to 24 percent
21 in the state of Pennsylvania. But 15,800 of those
22 families are subject to the time limits and the
23 work requirements imposed by the new law.

24 Who are the people on welfare? Most
25 welfare clients do want to work. The typical

2 pattern is that people's cycle on and off of
3 welfare for a host of personal, family, and
4 economic reasons, but many of the TANF clients do
5 face very serious barriers to employment, as the
6 Mayor mentioned.

7 About 30 percent are functionally
8 illiterate, 21 percent lack English proficiency,
9 more than 50 percent lack a high school diploma,
10 and 40 percent may be addicted to drugs or
11 alcohol. And thousands more have been subject to
12 domestic violence. And all of these barriers
13 require some attention if an individual is going
14 to achieve self-sufficiency, which is the goal of
15 welfare reform, within the five years that is
16 allowed by law.

17 I might point out that the income that
18 is required to achieve self-sufficiency, according
19 to a very important study by Wider Opportunities
20 for Women, in the greater Philadelphia area, a
21 single mom with one child would need to earn
22 \$12.27 an hour for full-time work in order to be
23 self-sufficient. For a single mom with three
24 children, that wage goes up to \$20.83 an hour. So
25 from welfare dependency to a minimum-wage job to

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2 those wages requires a fairly substantial
3 transition.
4 I now want to call to your attention
5 the chart that we have developed, which is the
6 path to self-sufficiency. Do I need to be at the
7 mike or can I just come over and point to the
8 chart very quickly.
9 COUNCILMAN COHEN: Very good.
10 MR. FINNEY: While Janet is doing that,
11 if I may interrupt, the work that we've done thus
12 far has been done with the very good cooperation
13 both of the state and now with the city, and as
14 proceed into the second year, we'll be looking
15 just as hard at Greater Philadelphia Works, the
16 city model, as we have thus far at the state's in
17 the hope of pointing out the next steps that need
18 to be taken.
19 And as Janet explains the chart, you
20 will see that we clearly are in the middle of an
21 extraordinary complex and addition to what was the
22 old system.
23 MS. RAFFEL: So this chart is a draft
24 and is a work in progress, just as the new welfare
25 system in Philadelphia is a work in progress.

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2 The TANF recipient has to come through
3 the County Assistance Office, and there's 19
4 district offices where they will be cycled through
5 the system.

6 In the first stage, in a workfare
7 state, which is what Pennsylvania is, the process
8 has to begin with an independent job search or a
9 quick attachment program. There were slots
10 available in programs to support people for about
11 18 percent of the case load in Philadelphia.

12 They are also assisted by the job
13 centers, and there are nine contractors where
14 somebody could be referred to that quick
15 attachment search. This is also at the County
16 Assistance Office level, this is where people
17 learned about what the new laws are, what the,
18 what the referral opportunities are, the time
19 limits, and the requirements.

20 After someone completes their job
21 search, if they didn't get a job, then they go
22 back to the County Assistance Office to a career
23 development unit, which is a new unit created by
24 the County Assistance Offices, where they hear
25 about all their other options. And in

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2 Philadelphia, there are choices about what options
3 you can make. Nobody can be required.

4 There are 3600 slots in the
5 (unintelligible) program, which is referrals to
6 employment and training programs operated by 45
7 different contractors in the city. Communicate
8 Solutions has about 2700 slots. There's
9 independent job searches, which is where the
10 majority of the case load ends up, working on
11 their own to try to find a job.

12 Education is this little box down
13 here. If they are told that they're allowed to
14 attend education programs, they can put that in
15 their agreement of mutual responsibility. And
16 now, starting in the fall, is this new Greater
17 Philadelphia Works program, which you've heard
18 about.

19 I'll point out that there are 45
20 contractors here, 23 contractors here, 7 regional
21 centers, which each have partners, and then
22 Philadelphia At Work down here.

23 It's a fairly awesome set of choices
24 that a client needs to make to understand. And
25 their ability to make good choices, to some

2 extent, depends upon the information that get at
3 this year development unit at the County
4 Assistance Office right here.

5 And as I'm heading back, I will say
6 that the County Assistance Office workers were not
7 trained initially. And when I say that this is a
8 system in transition, the County Assistance Office
9 workers were not really trained initially to be
10 case workers and job developers; they were trained
11 initially to be income maintenance workers. And
12 so it's a whole new set of responsibilities
13 required at that level.

14 The results in Philadelphia that we
15 have seen with the case load decline and people
16 getting jobs need to be interpreted carefully. We
17 know that a robust economy was able to absorb
18 these workers. The first year appears to have
19 mobilized people who are most ready. And, as the
20 Mayor points out, the client base that is left is
21 likely to be much more challenging.

22 But I will also point out that there is
23 no information available on the status of people
24 who leave the case load. We don't know how many
25 people are still employed, what wages they're

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2 earning, and whether they're on a path to
3 self-sufficiency.

4 So the cries or the situation doesn't
5 just involve the people who are facing the
6 deadline who are not meeting the work
7 requirements; it's also this five-year charge of
8 whether the entire case load is going to be
9 self-sufficient.

10 Some challenges remain in the system.
11 One is that the success of this emerging system
12 depends upon DPW case workers who are overwhelmed
13 by heavy case loads in a confusing welfare system.
14 The program slots in Philadelphia can serve about
15 40 percent of the case load, leaving the balance
16 to be on their own to find their way in that
17 pathway.

18 Assessment and case management to
19 support people in their trek towards
20 self-sufficiency is only available to some of the
21 clients enrolled in some of the programs there.
22 And the data systems to track clients and inform
23 the public about welfare outcomes are not fully
24 operational. As a consequence, there's a mystery
25 here about where we stand.

2 Another serious concern is that the
3 programs that were developed in the first year of
4 welfare reform -- and to some extent, those that
5 were created in the second year -- fail to address
6 major barriers to employment. There was minimal
7 support for education. And, in fact, what we
8 heard through the first year was that people who
9 tried to enroll in education programs were told
10 that this is a work-first state, and education is
11 over, you have to go get a job.

12 And while I understand that that has
13 changed to some extent, there's still a lot of
14 confusion about how people are going to be working
15 part-time or 30 hours a week and add on skill
16 development, literacy training, etc. And it's a
17 particular problem for people who don't speak any
18 English.

19 Another issue is that there's no DPW --
20 COUNCILMAN COHEN: Miss Raffel, I'm
21 going to have to ask you to summarize.

22 MS. RAFFEL: Okay, I'll summarize by
23 saying that for the 26,000 clients and their
24 families who face the deadline, there could be a
25 very serious crisis. But there's also thousands

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2 more who are going to be facing that deadline in
3 the months that follow, so we can't just focus on
4 the March people.

5 And I will close by saying that to
6 date, there's no known contingency plan for
7 clients facing welfare cutoffs, how sanctions are
8 going to be enforced, how many additional work
9 slots are going to be created to enable people who
10 want to work to get work, and how exemption
11 policies are going to be enforced.

12 Thank you very much.

13 COUNCILMAN COHEN: We thank you both.

14 MR. FINNEY: Mr. Chairman, may I --

15 COUNCILMAN COHEN: Mr. Finney, before
16 you begin, isn't it true -- and tell me if I'm
17 wrong -- that at the end of the day, the real
18 problem is the lack of jobs, that all of the other
19 problems that Miss Raffel and you talked about can
20 be dealt with, you're working on them.

21 But that the one solution we have not
22 found is how do we produce enough jobs. And, as
23 my colleagues are reminding me, jobs of a living
24 wage.

25 MR. FINNEY: Let me make these

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2 comments.

3 I think that's correct. Everyone we
4 talk to fears the downturn in the economy. The
5 future is dependent on a workforce development
6 strategy that arms and mobilizes everybody.

7 But I don't want to leave, sir, without
8 making two more points.

9 COUNCILMAN COHEN: Go ahead, sir.

10 MR. FINNEY: One is this, that we've
11 got to respect the fact that all of these systems
12 are in transition. And what's required here is a
13 level of intimate cooperation between city and
14 state, and to a lesser degree, the federal
15 government and the nonprofit community, which is
16 being depended upon to deliver these services at a
17 level that we have not had in the past.

18 That seems to us to require having this
19 issue dealt with in the same manner that the state
20 and city have cooperated on the Kvaerner project,
21 and more recently, on the convention. It means
22 the Mayor and the Governor, at their level,
23 grabbing hold and having some of the difficulties
24 and absences here corrected in the months
25 remaining.

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2 What we've got basically here are two
3 questions. A huge management problem. We have a
4 two-year clock and a five-year management
5 transition. To do it all well is going to require
6 a much harder and bigger effort on all points,
7 picking up on many of the points that the Mayor
8 made.

9 Come March -- and this goes to Janet's
10 point about a contingency plan -- we not only will
11 a management issue of major proportion that will
12 be ongoing, but we will have, very frankly, a
13 political, social, and moral issue as to who
14 assumes the responsibility for those who are left
15 without finding work and able to make the
16 transition that the law requires.

17 Is this to be thrust upon the city
18 government or its limited philanthropic and
19 nonprofit sources? Are there steps that the state
20 can take, as have other governors have taken and
21 other steps in other states to cushion these
22 changes?

23 Together, they make us, trying to be
24 civic and not representing any special interest,
25 call to your attention, which this hearing

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2 suggests you already have, the need to elevate
3 this discussion and to regard it as a much more
4 serious and profound set of questions than has
5 been given to them in the past.
6 And we thank you for allowing us to
7 testify.
8 COUNCILMAN COHEN: Well, thank you.
9 And each member, since I'm confining myself to a
10 question, which is a very difficult for me to do,
11 I'm going to impose that on each of the
12 Councilmen.
13 Councilman Nutter, any question?
14 COUNCILMAN NUTTER: Yes, Mr. Chairman.
15 I respect the single-question request.
16 COUNCILMAN COHEN: You can use a
17 semicolon if necessary.
18 COUNCILMAN NUTTER: I appreciate it.
19 I'll just ask a long question.
20 First, with regard to the chart, it's
21 stated that there is a certain income level
22 required for self-sufficiency in Philadelphia,
23 12.27 an hour, according to the graphic, for a
24 mother with one child, and \$20.83 an hour for a
25 mother with three children.

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2 Can you tell me what average wage rate
3 you're finding placements for?

4 MS. RAFFEL: I don't have a definitive
5 number, and perhaps Dr. Heller will be able to
6 answer that. What I've heard around is 6.50 to
7 6.70 an hour is the typical placement rate in the
8 quick attachment programs.

9 COUNCILMAN NUTTER: And is it your
10 experience that that wage, or anyone's wage in
11 particular, is generally determined by the
12 potential employer to have some relationship
13 between what they can afford and what they think
14 the person is, by way of qualifications, eligible
15 for?

16 MS. RAFFEL: Yes.

17 COUNCILMAN NUTTER: -- versus a
18 predetermined what you need to survive. There's
19 obviously a gap between those two numbers.

20 MS. RAFFEL: That's correct.

21 COUNCILMAN NUTTER: How do you, I
22 guess, either fill that gap, or what do you
23 propose people to do?

24 I mean, should someone just coming
25 right out make 12.27 an hour, regardless of what

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2 their background or qualifications are or. . .
3 MS. RAFFEL: No. I believe that there
4 needs to be a very clear strategy for having
5 support clients from that first being work-ready.
6 I mean, some people aren't even are ready for that
7 \$5.15, and employers in the region have made it
8 very clear that they will not employ people who
9 are not work-ready. So that's one threshold but.
10 But then, once people get the first
11 job, then there needs to be ongoing support to
12 increase a person's skill level to be able to get
13 that next job and the next job. And while the
14 state has promised to do career advancement and
15 retention support programming, it has not been
16 made available as of this date.
17 COUNCILMAN NUTTER: Thanks, Councilman.
18 COUNCILMAN COHEN: Mr. Nutter, thank
19 you very much.
20 Councilman Ortiz?
21 COUNCILMAN ORTIZ: The other Sunday, I
22 had a briefing with Council in the caucus room.
23 Part of what you said and what Joan Reeves, the
24 Commissioner of DHS for the city, stated is that
25 it went to the management problem, the

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2 communication between the different agencies and
3 departments and offices, and that it may not be
4 structured and it's not in place.

5 And could you go into that a little bit
6 more in terms of the record? Because I think
7 those aspects are a part of the big wrench that
8 can be thrown into any effort we may have.

9 We may have some money to be spent and
10 really face an inability because the caseworker is
11 not communicating with the career development unit
12 or somebody else or whatever it is happening, and
13 they don't have a clear picture, or the DHS worker
14 or the DPW worker may not be fully trained, and I
15 don't know what programs to train this huge work
16 force are in place by the state and the city to
17 begin to be able to take care of these problems.

18 So if you can give us what you found,
19 you know, because we're going to have other
20 witnesses, what you found it to be in terms of
21 that.

22 MR. FINNEY: Speaking for the League,
23 on the basis of the work that Janet and her
24 colleagues did last year, what we found was what I
25 pretty much said, that the building of this new

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2 system is a prodigious effort. We came away with
3 enormous sympathy for the state case workers whose
4 jobs have turned around and who are now working in
5 a very different environment, required among other
6 things to work intimately with partners on the
7 local systems with whom they have never had cause
8 to interface before.

9 But at the same time, we found that
10 there is the natural distance that has always been
11 there, let's face it, between the city and the
12 state on all sorts of dollar and other
13 politically-charged issues.

14 There's no question that a current need
15 is a management information system and a public
16 information system that better connects all of the
17 many, many moving parts that need to be put in
18 place solidly, and to get rid of the
19 misinformation and the rumors and the number of
20 folk, for example, who come to us all the time,
21 asking us to interpret what's going on. These are
22 people who are actively involved as contractors,
23 as officials, etc.

24 So it's not a knock on anybody. I
25 think there are major efforts under way. The

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2 problem is that the clock is out of whack with the
3 effort and the dollars for a lot of these
4 absolutely essential add-ons to the transition in
5 education, in dealing with special populations are
6 not well-tuned, and in some cases, are not in
7 place.

8 That's why I said that we need to
9 address this. After all, the city's program is
10 only several months old. When we do our study
11 next year, I am sure we will find some with the
12 same weaknesses and omissions as we found in a
13 civic voice when we looked at the state's work in
14 the first year.

15 Come on, we've got to recognize that
16 the laws of the land have thrust upon everyone in
17 this room brand-new assignments, and it's going to
18 take some doing to do it in a way that does not
19 hurt this population, which we estimate to be the
20 size of the city of Scranton, from getting work
21 and making this major transition in their lives.

22 COUNCILMAN COHEN: Mr. Finney, we thank
23 you both.

24 MR. FINNEY: Thank you.

25 COUNCILMAN COHEN: But I want to note

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2 that the first hearing of this committee was one
3 year and nine months ago, so that there has been a
4 lot of time available to the city and to the state
5 and to the federal government to understand the
6 need for these things.

7 I find that what I'm looking for is,
8 how are we going to get the jobs? I think every
9 other problem is manageable. I think you point
10 out very important issues that have to be dealt
11 with.

12 But I don't think the problem is with
13 the labor force; I think the problem is with the
14 people who we expect to get jobs from, and I think
15 we've got to have some clear indications where
16 these jobs are coming from.

17 I think we're in the right direction
18 when we move towards jobs, but the answer that I
19 don't see at all is any real serious approach to
20 provide enough jobs.

21 MR. FINNEY: I think others that follow
22 will speak to that point, sir.

23 COUNCILMAN COHEN: Thank you very, very
24 much. The next panel --

25 (Applause.)

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2 COUNCILMAN COHEN: Councilwoman, did
3 you want to ask a question?

4 COUNCILWOMAN BLACKWELL: Oh, it's all
5 right, I want to make a comment while they're
6 leaving.

7 COUNCILMAN COHEN: Councilwoman
8 Blackwell wants to make a comment.

9 COUNCILWOMAN BLACKWELL: Thank you.

10 COUNCILMAN COHEN: Would you both come
11 in for a moment, Miss Raffel.

12 MR. FINNEY: Forgive us.

13 COUNCILWOMAN BLACKWELL: Not at all. I
14 certainly would like to thank you for the briefing
15 that Councilman Ortiz and Cohen called. I think
16 you really, really have done a thorough job at
17 trying to give us the latest information in an
18 objective slant.

19 I also agree with Councilman Cohen.
20 It's obvious that the rudder meets the road with
21 those people who can't read at the 8th-grade level
22 because there's no plans for any kind of job
23 training there and that we have got to provide, as
24 Leona Smith would agree with and said, we've got
25 to provide job training for those people at the

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2 bottom rung of the ladder who may not be
3 academically able to cut it in real-life survival
4 and in real-life jobs.
5 But I think that the information that
6 you've given us and that you approach and that you
7 work on this is excellent, and thank you.
8 MR. FINNEY: Thank you.
9 COUNCILMAN COHEN: Still stay seated,
10 please.
11 Councilwoman Tasco?
12 COUNCILWOMAN TASCO: I've just got a
13 question.
14 The Mayor mentioned that some cities
15 and states have spent more than normal welfare
16 funding to guarantee a program that could serve
17 the needs of the recipients. And have we done
18 that in Pennsylvania?
19 MR. FINNEY: We're still looking at
20 this. I think it's safe to say that a number of
21 states were out of the box more quickly than was
22 Pennsylvania in addressing this issue. They
23 accepted waivers to experiment in years before the
24 new acts were placed.
25 The one that's usually referred to is

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2 Wisconsin. Michigan is also referred to. In
3 Wisconsin in particular, Governor Thompson has
4 invested a considerable number of state dollars
5 into the process to reinforce their
6 welfare-to-work transition, noting that some of
7 these educational and other issues are just very,
8 very difficult to deal with.

9 We know that the state is looking at
10 other options, and we look forward to ways in
11 which it can round out the comprehensive set of
12 services that they know needs to be in place to
13 get us anywhere along this path to
14 self-sufficiency, which is the language that the
15 law sets in motion.

16 COUNCILWOMAN TASCO: Thank you.

17 COUNCILMAN COHEN: Thank you very much.

18 The next panel, there are eight names
19 I'm going to call. The first four, I would like
20 to ask to sit at the table. The next four, I'd
21 like to have sit in the back, and they will be
22 coming up shortly.

23 Mr. Charles Pizzi, President of
24 Philadelphia Chamber of Commerce.

25 Miss Rosemarie Greco, Co-chair of the

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2 Private Industry Council;
3 Ernest Jones, President and CEO of the
4 Private Industry Council;
5 And Donna Cooper, Deputy Mayor of the
6 Mayor's Office of Policy and Planning.
7 I would also like to have come within
8 the railing Mr. Mike Nardone, the Deputy Managing
9 Director for Special Housing;
10 Mike Lucas, the Assistant Health
11 Commissioner for the Department of Health;
12 Maxine Tucker, the Deputy Commissioner
13 of the Department of Human Services.
14 (Unidentified woman in audience, later
15 identified as Maddie Humphrey, raises hand.)
16 COUNCILMAN COHEN: Yes? I have a
17 question on procedure, Mr. Cohen?
18 COUNCILMAN COHEN: What's that?
19 MS. HUMPHREY: I represent three
20 organizations of mothers of Philadelphia, and I'd
21 like to know, given 1 o'clock as the next meeting
22 in this room, where will there be time for mothers
23 to speak to this issue?
24 COUNCILMAN COHEN: Do we have them on
25 the agenda?

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2 MS. HUMPHREY: Since this is continual
3 --
4 COUNCILMAN COHEN: I understand, and
5 I'm sure you're on the agenda, but I will be
6 checking on that.
7 MS. HUMPHREY: You have corporate
8 people to hear from first, and this is already a
9 continuing session. And I submit that there's
10 much to be said by and for mothers that does not
11 represent industry, does not represent jobs;
12 represents quality of life in this city. And
13 there's a major public investment that has already
14 been transferred from those mothers to the private
15 industrial sector.
16 (Applause.)
17 MS. HUMPHREY: So I want to know, where
18 is the time for mothers?
19 COUNCILMAN COHEN: You will --
20 (Applause.)
21 COUNCILMAN COHEN: You make your point.
22 MS. HUMPHREY: Since you're closed
23 tomorrow on behalf of VFW and World War II
24 children.
25 COUNCILMAN COHEN: You make your point

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2 very eloquently, and I think it's a correct
3 point. At the termination that I have just
4 called, we will listen to the mothers.
5 MS. HUMPHREY: Can you tell me when
6 that is by the clock, sir?
7 COUNCILMAN COHEN: What's that?
8 MS. HUMPHREY: Could you give me that
9 in clock numbers?
10 COUNCILMAN COHEN: I would say,
11 hopefully, no later than 12, preferably by --
12 MS. HUMPHREY: Thank you very much,
13 that's adequate.
14 COUNCILMAN COHEN: All right?
15 (Applause.)
16 COUNCILMAN COHEN: Mr. Pizzi, the four
17 of you can decide who ought to go in what order.
18 Why don't you identify yourself and then proceed,
19 Mr. Pizzi.
20 MR. PIZZI: Great. My name is Charlie
21 Pizzi. I'm here today as both the President of
22 the Philadelphia Greater Chamber of Commerce and
23 also the Co-chair of the Private Industry Council.
24 COUNCILMAN COHEN: Very good.
25 MR. PIZZI: To be sensitive to timing

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2 issues, let me just not read from the testimony,
3 but just hit on the salient points.

4 COUNCILMAN COHEN: Very good. Just so
5 long as it turns out not to be longer than the
6 written statement.

7 MR. PIZZI: I can assure you, Mr.
8 Chairman, you can put me on the clock.

9 The challenge before us today has been
10 -- I would like to say on behalf of the business
11 community and the Private Industry Council takes
12 it very seriously. We understand this is not just
13 about jobs, but it is about families.

14 But we must approach it in a very
15 opportunistic way. We must engage the private
16 sector in order for it to have success because we
17 all believe that the best program that you can
18 give the family is a job.

19 We at the Chamber have hired five
20 former welfare mothers and have had a successful
21 record of experience with them over the last five
22 years.

23 We need to not only call this attention
24 to the business community in Philadelphia, but
25 also to the suburban Philadelphia companies

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2 because the need is there, and we, with the help
3 and the cooperation of John Butler and Feather
4 Houston, can work together to engage that private
5 sector with the tax credits and with the wage
6 subsidies so that it's a win-win situation.

7 However, I just want to call to your
8 attention that we are looking at a timing issue
9 come March, whereby if we do not and are not able
10 to get these families and women into the system,
11 it will be a very difficult time, both for them
12 and the infrastructure that has been set up to
13 process those ladies for job training.

14 When the Mayor asked me to take over as
15 Chairman some time ago, about six month ago, it
16 was a very -- I took on the responsibility
17 seriously. But I can tell you that if it wasn't
18 for the help and the work of Rosemarie Greco to
19 restructure the Private Industry Council, along
20 with Deputy Mayor Cooper, we would not be in the
21 situation that we are in today.

22 We have revamped the system, the
23 structure for the intake of these women, that we
24 can provide the best and fastest -- best and fast
25 adequate processing for their needs and assessment

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2 of their needs. But this is not a fail-safe --
3 this is not a sure mechanism, nothing will be,
4 because we are dealing with the human element
5 here, and the need are vast and the opportunities
6 are small.

7 So I just want to say before I turn
8 this over to Rosemarie Greco, I want to publicly
9 thank you for taking on this responsibility for
10 the restructuring of the Private Industry Council.

11 COUNCILMAN COHEN: Good, Miss Greco,
12 you've had a fine introduction.

13 MS. GRECO: Thank you, Mr. Chairman.

14 COUNCILMAN COHEN: Please identify
15 yourself for the record.

16 MS. GRECO: Rosemarie Greco, Co-Chair
17 of the Private Industry Council.

18 There are several issues that I would
19 like to address but I will not because there are
20 people sitting directly behind me, the one such
21 person who addressed this group, focussing on the
22 true core issue of welfare-to-work -- the mothers
23 and their children. So I am going to skip over
24 those particular factors related to the heart of
25 this issue and deal instead very quickly with the

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2 management perspective of delivering service to
3 these families.

4 The Private Industry Council, as you
5 know, has as its charter workforce development,
6 and it inherited the responsibility for the
7 administration of Greater Philadelphia Works
8 through the welfare-to-work legislation. Much was
9 needed to be done at the Private Industry Council
10 in order to ready it for this extraordinary
11 challenge.

12 And I will tell you there is still more
13 work that needs to be done at the Private Industry
14 Council to make it a customer-focussed,
15 client-sensitive, enabling power in this city.

16 The work that has been done is
17 documented here in this manual. It tell you about
18 all the transitional and transformational changes
19 we made. It will also have in here a base audit
20 that Chairman Pizzi had come into effect six
21 months ago.

22 We know all the problems that are
23 inherent in the Private Industry Council. We've
24 set about fixing them with two customer bases in
25 mind: the workforce community and the employer

2 community. They are inextricably linked. You
3 cannot have economic viability unless you have
4 economic development with business, and you cannot
5 have business development without a competent
6 workforce.

7 We get confused in this city about what
8 is a qualified worker and especially when we focus
9 on some of the numbers that you recently heard
10 from the 21st Century League, and people are
11 defined necessarily honestly and objectively and
12 statistically in terms of literacy and work
13 experience. But the fact is we have qualifiable
14 people in the TANF population who can and will
15 become qualifiable provided that we make that gap,
16 we build a bridge over that gap between the
17 workforce community and the employer community.

18 Let me address two issues that were
19 raised here by your questioning. One is, where
20 are the jobs? The jobs, Mr. Chairman, are in the
21 city and mostly outside of the city for
22 entry-level workers. The impediments to those
23 jobs not the job openings or even necessarily the
24 skills of the potential workers, but the
25 impediments of every day life -- transportation,

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2 child care.

3 These are factors that are addressed in
4 the Greater Philadelphia Works Plan which takes a
5 wholistic approach to the individual who wants and
6 needs a job as well as to the employer community
7 who need successful workers without the
8 impediments and the worries of child care and how
9 do I get there from here.

10 You will hear more about Greater
11 Philadelphia Works, and so I will not continue to
12 stay on that subject.

13 One final comment. The transformation
14 at the Private Industry Council in terms of the
15 disciplines we use and the methods we employ and
16 the people who came and helped us -- many at no
17 charge, were shared with the state leadership. I
18 am told that there was only one such meeting of
19 this sort in people's memory at least. This past
20 summer, the leadership of the state, including
21 Secretary Houston and Deputy Secretary Heller and
22 the local leadership of the Philadelphia County
23 Assistance Office, Don Jose Stabal (ph.) and his
24 senior staff, the PIC senior staff, and the city
25 senior staff came together.

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2 And what we identified very clearly is
3 this has got to be, the implementation of Greater
4 Philadelphia Works will either be a win for the
5 state, a win for the city, and most critically, a
6 win for our families; or it will be a
7 lose-lose-lose.

8 Cooperative effort, sharing, alliances
9 and partnership between the city and the state
10 directed towards this TANF population in the City
11 of Philadelphia, which is nearly one half of the
12 state of Pennsylvania, needs to be focussed on.
13 It should be the highest priority of the Private
14 Industry Council, the County Assistance Office,
15 and the Department of Public Welfare, as it
16 relates to the City of Philadelphia its economic
17 viability, growth, and its care of its citizenry.

18 Without it, if we fail, we will be
19 addressing issues of more and deeper homelessness,
20 potential domestic violence and child abuse, crime
21 and despair. It will affect every small shop,
22 every large corporation, every entity, public and
23 private in our city.

24 Thank you.

25 COUNCILMAN COHEN: Thank you very much,

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2 Miss Greco.
3 (Applause.)
4 COUNCILMAN COHEN: Mr. Jones?
5 MR. JONES: Good morning, Mr. Chairman
6 and members of City Council. First, thanks for
7 the invitation to be here today. And I, like my
8 predecessor speakers, will be brief.
9 COUNCILMAN COHEN: Yeah, just identify
10 yourself first for the record.
11 MR. JONES: I am Ernest Jones, the
12 recently-appointed President and Chief Executive
13 Officer of the Private Industry Council. I've
14 been in that position for approximately five weeks
15 and, I must add, it has been a baptism under
16 fire.
17 You will hear shortly from Donna Cooper
18 Deputy Mayor on the Greater Philadelphia Works,
19 which is the Private Industry Council's and
20 Philadelphia's approach to welfare-to-work, so I
21 won't go into that.
22 Rosemarie also indicated that the
23 Private Industry Council internally is undergoing
24 and has undergone transformation and a
25 reorganization. We are doing that in the effort

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2 to improve our effectiveness as an organization.
3 I understand there have been some complaints in
4 the past about the performance at the PIC,
5 particularly in the area of contracting and
6 payment. We are doing this to address those and
7 other issues.

8 Again, I won't mention much more about
9 the reorganization other than to say that it is
10 ongoing and will probably be with us for at least
11 several other months.

12 Having to implement the largest
13 welfare-to-work program in the state, and, at the
14 same time, doing an internal restructuring, are
15 both monumental tasks.

16 There's a third item that I just want
17 to bring to your attention, which could make these
18 other two issues pale in comparison. And that is,
19 we are, effective July 1, 1999, going to be
20 operating under a totally different system of
21 workforce development as a result of the Workforce
22 Investment Act of 1998, which was signed by the
23 President in August. That calls for a total
24 restructuring of the way we at the Private
25 Industry Council carry out our business and others

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2 in this arena.

3 So we have these three concurrent
4 activities going on, which, I think, and I'm not
5 saying this necessarily to elicit sympathy --
6 although I would gladly accept it -- but to give
7 you a sense of the environment in which we are
8 working in trying to implement welfare-to-work.

9 Having to deal with all three of these
10 issues at the same time gives me some cause for
11 concern as to whether or not we will be as
12 successful as we want to be in finding jobs for
13 people. However, notwithstanding that, I'm sure I
14 speak for my two co-chairs in saying that we at
15 the Private Industry Council will give 110 percent
16 in making sure that folks are trained and are
17 given job opportunities within the next several
18 months.

19 At this time, unless there are
20 questions, I would ask Deputy Mayor Donna Cooper
21 to give you a more detailed discussion of the
22 Greater Philadelphia Works.

23 COUNCILMAN COHEN: Thank you, Mr.
24 Jones.

25 Donna Cooper. We're delighted to have

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2 you here, as always.

3 MS. COOPER: Thank you.

4 COUNCILMAN COHEN: And we're going to
5 have the questions at the end of the four
6 speakers.

7 MS. COOPER: Thank you, Councilman. My
8 name is Donna Cooper. I am Deputy Mayor for
9 Policy and Planning, and I appreciate Council
10 taking the time this morning to look at this
11 issue.

12 Before I go into the plan, I have two
13 sentences. One is that Graham Finney mentioned
14 that the Philadelphia plan for welfare recipients
15 had been operating seven months. I think he meant
16 seven weeks, so I just wanted to clarify the
17 record -- it has been seven weeks.

18 And the second thing is that vis-a-vis
19 the timing issues, I've spent considerable time
20 looking at the same social experiment that's going
21 on in Europe where the entire systems of social
22 supports are also being restructured. However,
23 the European government put no time limits on
24 individuals; they put time elements on themselves.
25 They said that within four years, the systems had

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2 to be restructured to enable people to achieve
3 self-sufficiency, and then they would trigger time
4 limits on individuals.

5 So it just seemed like a more rationale
6 approach to this problem.

7 (Applause.)

8 COUNCILMAN COHEN: We hope you'll
9 convince the Mayor to add that into his schedule.

10 MS. COOPER: Sure. Nevertheless, as
11 the Mayor pointed out, we have received federal
12 welfare-to-work funds that enable us to complement
13 the existing PIC resources that were shown to you
14 by Janet Raffel and the state resources that are
15 spent to help move welfare recipients to work in
16 Philadelphia.

17 Those resources total about
18 \$26 million a year for two years. It is simply a
19 two-year funding stream. Unless Congress
20 reauthorizes this, it will not exist in 24
21 (unintelligible).

22 Vis-a-vis jobs, we based our plan on
23 the premise that there were approximately 7500 to
24 8,000 entry-level job vacancies available for
25 welfare recipients in the region in a 12-month

2 periods. There may be more, that would be great;
3 our estimates don't demonstrate that. So I think
4 your first question about jobs is still the math
5 problem in all of this.

6 The first thing that we did with our
7 funds together with the state was to begin
8 planning for Philadelphia At Work, which is a jobs
9 program, creating 1500 transitional jobs, where an
10 individual can build a work history and gain a job
11 reference that will enable them to capture a job
12 in the private labor market.

13 That program is up and operating.
14 There are approximately 150 women in that program
15 now. By the end of January -- I'm sorry, by the
16 middle of February, there will be 750 women. In
17 any 12-month, there will be 1500 individuals in
18 that program. Forgive me if I say "women" all
19 the time. There are some men who are custodial
20 parents on the case load, but it's 99 percent
21 women.

22 The transitional jobs program is
23 operated by a newly-developed independent
24 nonprofit called "The Transitional Work
25 Corporation." There's a program called "Philly At

2 Work," and we would invite any Councilperson to
3 come to the city work sites that have welcomed
4 these individuals, including the Water Department,
5 L&I, Commissioner on Human Relations, Health
6 Department, School District, etc., where these
7 women are currently getting trained through work.

8 As the Mayor mentioned, we have a
9 public awareness campaign. We're doing direct
10 mail to welfare recipients to demonstrate to them
11 the financial rewards of even getting a job that
12 pays as low as \$6 an hour compared to staying on
13 public assistance because of the earned income
14 disregard.

15 Likewise, we're doing direct mail to
16 employer that showcases the success stories of
17 women who have very successfully entered the labor
18 force and have gotten promoted are valuable
19 employees in their companies.

20 We've purchased time on major broadcast
21 and print and radio outlets. In every case where
22 we're purchased time or space, we've gotten a
23 one-for-one contribution in the same time period
24 or placement slot. We've also asked all of those
25 media outlets to hire welfare recipients, and most

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2 of them have followed through with hiring at least
3 one part-time person from welfare.

4 That campaign should go through the
5 middle of next spring. And as the Mayor said,
6 it's been highly responded to.

7 We are also using some of our funds to
8 offer wage subsidies to employers. In fact, it is
9 state money that will pay the wage subsidies, and
10 we're grateful to the state to have those funds,
11 and we're using our money to market and fashion
12 those wage subsidies so they're easier for
13 employers to take advantage of.

14 If you take the wage subsidy which is
15 offered to jobs that pay over 6.50 an hour, offer
16 at least 30 hours at work a week, and the person
17 must stay at that wage rate, you know, thereafter,
18 we'll pay 50 percent. So if somebody gets paid
19 \$10 an hour, we'll pay \$5 of the wage subsidy. If
20 somebody gets paid 6.50, we'll pay 3.25. We'll do
21 that for up to eight months, and then the employee
22 has to go on the permit payroll of those
23 companies.

24 We have hopes that somewhere in between
25 2 to 3,000 companies may take advantage of this.

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2 However, what we hear from employers by and large
3 is that they don't really need the wage subsidy;
4 they need us to do a really good job of sending
5 workers to them who will show up to work and make
6 a good contribution in the labor force, so that's
7 our job, and that's what the bulk of funds used
8 for.

9 You may or may not know that the
10 federal law prohibits us from using any of this
11 new money for job training. So what we are trying
12 to do is -- Congress is so wise. What we're
13 trying to do is stretch the definition of
14 job-readiness to enable us to provide intensive
15 supports, both through personal job coaches -- you
16 may know them as case manager, but we call them
17 job coaches -- to reinforce the work aspect of
18 this. And with job coaches, people go through a
19 sets of seminars that we call job-readiness
20 training -- perhaps in the old days, it may have
21 been called, to some extent, general job training.

22 We obviously can't do any
23 skill-specific training with our resources, but we
24 are partnering with existing PIC programs and
25 existing programs through the Mayor's Commission

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2 on Literacy and other entities to get more skill
3 enhancement.
4 Fortunately, a lot can be done via
5 computers and the Web that looks like job
6 training, so we're taking advantage of that too.
7 Those services are being delivered through
8 regional job centers, our service centers. And,
9 as Janet Raffel pointed out, there are five
10 contractors.
11 Those centers are spread throughout the
12 city, and they are the place where people engage
13 in a customer-service, welcoming environment. We
14 sort of consider it a cross between an employment
15 agency and a union hall, where people can hang
16 out, find out information about jobs, get job
17 leads, get support, and also be linked to
18 employers.
19 The regional job centers also each have
20 a contract to identify all jobs along SEPTA lines
21 in their parallel suburb area and the city area.
22 So, for instance, if I am the regional job center
23 serving northwest Philadelphia, I (unintelligible)
24 find all entry-level jobs in northwest
25 Philadelphia as well as jobs that go out along the

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2 SEPTA routes from northwest Philadelphia.

3 Likewise for West Philly, South Philly, etc.

4 Our hope is that through those regional
5 job development efforts, we will identify the 7500
6 jobs that we think might be available in the
7 region.

8 We are looking forward to state funding
9 that will enable public assistance recipients in
10 the city to both combine work and training. We
11 understand that the state may release those
12 resources in a career advancement frame work.

13 We are also permitting regional service
14 centers to use some of their money to give people
15 funds to do training. For instance, if somebody's
16 working, a regional service center could pay the
17 \$95 that somebody might need to become a Microsoft
18 office-certified, you know, operator -- assuming
19 somebody has those literacy skills. So the
20 regional centers have some money to pay for
21 training certification.

22 As the Mayor mentioned, we've been
23 working very closely --

24 COUNCILMAN COHEN: Do you want to
25 finish now. You're overwhelming us.

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2 MS. COOPER: Oh, okay. Two more
3 things. We're working very closely with SEPTA.
4 We're expanding access to King of Prussia and the
5 airport corridor both from the city and when you
6 get there, and SEPTA will be operating an
7 on-demand service for people who get off work from
8 1 in the morning till 5 in the morning in the King
9 of Prussia and airport areas.

10 And we have a marginal cost incentive
11 for day-care providers to offer care as late as 11
12 at night and as early as 5 in the morning.

13 MR. PIZZI: I think one other aspect
14 that this whole plan was developed --

15 COUNCILMAN COHEN: Very briefly --

16 MR. PIZZI: That's it.

17 COUNCILMAN COHEN: Because I'm going to
18 announce -- I'm going to change my ruling. I want
19 to ask the four people waiting to be heard to be
20 patient 'cause I just have a sense that the next
21 group of witnesses, the mothers, are really at the
22 core of the whole thing.

23 And as soon as this panel -- I'm going
24 to ask the committee to withhold questions because
25 mothers have a real time problem, and I think

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2 we've got to hear from them because they have more
3 at stake than anyone has.
4 Could we hold your statement and do the
5 questioning later? Is that all right, Mr. Pizzi?
6 MR. PIZZI: Sure.
7 COUNCILMAN COHEN: For a few minutes,
8 let's all hear from the mothers.
9 All right, thank you very much. We're
10 going to call you back for some questioning very
11 soon.
12 Would the mothers -- I'm going to allow
13 the young woman who spoke to bring up with her
14 those who she wishes to have speak.
15 (Women representing mothers come
16 forward.)
17 COUNCILMAN COHEN: Miss Humphrey, are
18 there other people who you wish to bring to the
19 table?
20 COUNCILMAN COHEN: Okay, please be good
21 enough to. . . be good enough to identify
22 yourself.
23 Are the other two people going to be
24 joining you? Sheri Honkala, do you want to come
25 forward?

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2 We're going to go out of order because
3 I think, unless we hear from those who are most
4 directly affected, we're not going to be able to
5 deal effectively with the problems that are going
6 to exist.

7 Miss Humphrey, identify yourself for
8 the record and then proceed.

9 MS. HUMPHREY: My name is Maddie
10 Humphrey. I'm a nurse, I'm a business
11 administrator and a health planner, and I'm an
12 attorney, and I represent the mothers and other
13 family members of the incarcerated from
14 Pennsylvania. And I also was a mother myself in
15 the early sixties. I'm still a mother, only my
16 son is deceased.

17 And with me is Leona Smith. Please
18 identify yourself .

19 MR. SMITH: Yes, Leona Smith, the
20 Director of the Employment Project, and I'm in the
21 Union of the Homeless.

22 MS. HUMPHREY: Sheri?

23 COUNCILMAN COHEN: Sheri, identify
24 yourself on the microphone.

25 MS. HONKALA: Sheri Honkala, from the

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2 Kensington Welfare Rights Union. And Erica
3 Morrison.
4 COUNCILMAN COHEN: And the gentleman
5 who's with you, is he going to be speaking?
6 (Unidentified gentlemen shakes head.)
7 COUNCILMAN COHEN: Okay.
8 MS. HUMPHREY: Well, we only knew -- I
9 only knew last night that I would be joining the
10 group. And, Mr. Cohen, I want to go back to 1968,
11 when I raised the question about the health monies
12 that were being spent in Philadelphia 'cause
13 you're the only one in this room who was in the
14 room that day.
15 COUNCILMAN COHEN: Yes.
16 MS. HUMPHREY: What we are dealing with
17 now -- there are four points I want to make about
18 what has been said in terms of its cost. First of
19 all, it's because of the transition from the
20 factory age to the service age.
21 And those of us who are in the service
22 systems, which are not industries -- I, as a nurse
23 and planner, am in a service industry. It's not
24 like the hard industries that were in the
25 factories.

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2 And instead of us using the service
3 specialists to reframe our quality of life systems
4 we turn to the factory specialists to do that.
5 And what we have now is the results of taking a
6 factory mentality into the service age.
7 Therefore, we're totally moving from a mediocracy
8 (sic) into a technocracy, and we're depending on
9 data management rather than nurturing or tender
10 loving care, as we did under the quality of life
11 system.

12 So I'm very emotional about this
13 because it affects me as a mother, even though I
14 no longer have a living child on the planet.

15 And so we've also destroyed our back
16 fix senses. It was about 30 years ago when the
17 FCC froze the 40 largest markets in local
18 origination public-access cable television so that
19 we could no longer talk to one another as
20 neighbors about what we knew that was going on, so
21 that our popular culture lost its nurturing life.

22 And one result of that was the Osage
23 fire. Because the testimony given at the federal
24 trial in that the bull horns were used in 1985 on
25 Osage Avenue because the mothers had no way to let

2 people know that they were still suffering from
3 the 1978 ordeal. And the only way they could
4 communicate was by bull horns.

5 Today, we had passed that ordinance in
6 1983 for to us get that local origination
7 communication capacity, but we still haven't
8 implemented the ordinance and we've gone through
9 two of Mr. Goode and two administrations of Mr.
10 Rendell. So we're suffering from a lack of
11 communication. So what the mayor calls
12 "mismatches" is really the lack of communication
13 among the people who are affected by public
14 policy.

15 A third reason for our problem is, in
16 1968, we were under Region 2 of HEW, or the
17 federal government, where we were part of the
18 culture above the Mason-Dixon line. Today, we're
19 in a Region 3 or something else, where we're part
20 of the culture below the Mason-Dixon line. That
21 makes a tremendous difference in the quality of
22 life for African-Americans in the United States.

23 And, again, we have -- and since 1968
24 in Philadelphia, prioritized federal funds to
25 include a large component for research. So

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2 between big government, big business, and big
3 academia, we've taken our intergovernmental pool
4 of money and parlayed it so that it creates
5 business in order to serve the people instead of
6 serving the people so we can create business.

7 And I think from the point of view of a
8 mother, who also happens to be a professional, we
9 have got to go back to quality-of-life parameters.
10 We cannot operate by data management.

11 I'm also representing what I consider
12 to be the knowledge in Father Divine's righteous
13 government platform. And he indicated, as you
14 were talking about, the workers. No, it's not
15 jobs; it's quality of life.

16 And the quality of life for an infant
17 is the first nine months in the mother's womb,
18 which should be tonic rather than toxic. And in
19 Philadelphia, there are too many toxic pregnant
20 women walking around. We're not being well taken
21 care of emotionally as well as medically.

22 We also have a problem of, once the
23 child gets on the planet, of having a home without
24 a mother. We do not need to expand the number of
25 hours of childhood spent in a home without a

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2 mother, because the nurturing center of the mother
3 is what creates a decent citizen.

4 (Applause.)

5 MS. HUMPHREY: And the last thing I
6 want to say is that under what I consider to be
7 the Bill of Rights, the Ninth Amendment Coalition,
8 we have a right to have information relative to
9 the public policies that affect our quality of
10 life. We don't get it in Philadelphia. We have a
11 law saying we should it; we should implement that
12 law.

13 Father Divine's righteous government
14 platform says we should not let our lives be
15 controlled by the insurance industry, and we have
16 taken health out of the public health arena and
17 placed it into the insurance industry. And that
18 is a backwards step.

19 We can't change it here at the level of
20 the city, but we have to understand that if
21 mothers are forced to live under the industrial
22 concepts that are dominated by the insurance
23 industry, we are no longer essential to the life
24 on the planet, and that would be a mistake.

25 So I think Philadelphia, the cradle of

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2 liberty, is not like any of these other cities or
3 not like any of these other states. We have to
4 clear up once and for all whether we are a
5 free-market region of the Delaware Valley or
6 whether we are a five-county region of the state
7 of Pennsylvania, because that's where the
8 competition is killing the people.

9 COUNCILMAN COHEN: Thank you, Miss
10 Humphrey.

11 (Applause.)

12 COUNCILMAN COHEN: Would the young
13 woman please identify yourself for the record and
14 proceed.

15 MS. SMITH: Yes. My name is Leona
16 Smith, representing the Employment Project, and I
17 am the director of that agency.

18 I want to thank the members of Council
19 for allowing the issues at hand to be presented.
20 As I listened to the previous presenters who made
21 statements, in many areas, I kind of disagree with
22 the approach that is currently being taken. And
23 the reason why I disagree with it is because of
24 the population that we serve.

25 Many of the providers provide

2 opportunities if you have an eight-grade level or
3 above. Many of the clientele that our agencies
4 serve are on a fifth-grade level or below. Many
5 have never worked in their lifetime, has been on
6 welfare in terms of that dependency.

7 And I'm all for work, but at the same
8 token, I'm outraged that there are no training
9 dollars being made available as it should be.
10 Because what we are doing and what I'm seeing is
11 that a person is jumping over the hurdle without
12 any type of leadway (sic) to lead that person to
13 that hurdle.

14 Many of our people who don't have
15 skills, who have perhaps never even worked, there
16 is no -- enough money, let me say that, there is
17 not enough money to work with that individual.
18 And it is a process just like for everything else
19 to work with that person and guide them and work
20 through the entire process so that they can become
21 self-sufficient and work-ready.

22 There is a major, major concern. What
23 we all can agree on is the fact that we heard
24 numbers and statistics about how many jobs that's
25 coming into the City of Philadelphia, but what we

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2 haven't heard, we can take it to the bank, is the
3 fact that people are going to be taken off of
4 welfare, and it doesn't balance out.

5 What's going to happen to the people
6 who are not fortunate enough to get one of those
7 jobs? The bottom line is they're going to be
8 taken off, what is going to happen to that
9 clientele?

10 Statistically, in The New Observer,
11 that was done by the United Way, where it
12 indicated over 40,000 of different individuals
13 will become homeless, and over 100,000 will become
14 hungry and homeless by the March 3rd of the year
15 of 1999. So we are already dealing with a crisis,
16 and now we're talking about a situation that's
17 going to add on to the cries.

18 As I listened to the Mayor who said
19 about around the whole issue of shelter, and we
20 know for a fact that shelter closes in the
21 summertime, okay, because there's not enough beds,
22 and it's indicated that there's not enough money.
23 So what's going to happen, what's going to
24 happen?

25 And we've heard the problems -- well, I

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2 am not satisfied with some of the solutions to the
3 problem. I think the city has to target some of
4 those resources to bring those jobs back into the
5 City of Philadelphia.

6 Lastly, I am nervous because I strongly
7 believe that the way the current system is today,
8 it's going to put the working class against the
9 homeless individual, because it don't take a
10 rocket scientist --

11 (Applause.)

12 MS. SMITH: -- to add up that if they
13 can get a welfare mother to work for \$5.25 an hour
14 versus paying somebody that's working \$8 an hour,
15 that worker is going to lose that job, that
16 employer is going to get that wonderful incentives
17 that's being given out. And as a result of it,
18 they will be getting and two three for one off of
19 the backs of the poor and welfare recipients.

20 So I think that this process really
21 needs to be looked at more carefully. And I
22 think, on behalf of Donna Cooper and the rest of
23 the (unintelligible) that spoke up here, that they
24 should, if they're in a position, fight for more
25 training dollars for people who don't have the

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2 skills. You can't just say for us to get a job,
3 and we're up here when a whole lot of us are down
4 here.

5 COUNCILMAN COHEN: Thank you, thank you
6 very much.

7 (Applause.)

8 COUNCILMAN COHEN: I think we're
9 beginning to get to the heart of the problem.

10 MS. HUMPHREY: Thank you.

11 COUNCILMAN COHEN: Miss Honkala, would
12 you identify yourself for the record and then
13 proceed.

14 MS. HONKALA: My name is Sheri Honkala,
15 and I'm the Director of the Kensington Welfare
16 Rights Union, an organization made up of and run
17 by welfare recipients.

18 And we appreciate you skipping us
19 forward on the agenda, because around 1 and 2
20 o'clock is generally when women have to begin to
21 pick up their children from school.

22 We are an organization, like I said,
23 run by and for welfare recipients and other poor
24 and homeless people in the Kensington section of
25 Philadelphia. Our work with poor people has

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2 traveled beyond Philadelphia to Pennsylvania and
3 to the rest of the country.

4 And last week, our organization was one
5 of only four organizations cited in the United
6 Nations High Commissioner's Report. And I was
7 given the honor of speaking before the United
8 Nations on behalf of poor people in the United
9 States of America.

10 Since the enactment of welfare reform,
11 we have been defining in quotes welfare reform as
12 a violation of our human rights, using the
13 document signed in 1948, the Universal Declaration
14 of Human Rights.

15 We take these violations seriously and
16 have assembled a team of attorneys in New York at
17 the Center for Constitutional Rights, headed by
18 Peter Weiss, who are examining different legal
19 handles on this basis. And it is in this
20 framework that I will make my comments today.

21 The crisis that we are facing is
22 serious. The number of people that have entered
23 our office has tripled. Daily, we are seeking
24 jobs for people. Many of our folks have already
25 been sanctioned, and there has been an increase in

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2 hunger that is measurable in the Kensington area.
3 The amount of people that are now grappling with
4 trying to find housing is absolutely astounding.
5 People who are removed from the
6 day-to-day reality, caught up in the
7 bureaucracies, trying to develop the programs have
8 forgotten the faces, focus on the policies,
9 bickering over which program is going to get a
10 little bit of promise versus this program getting
11 this amount of promise. They are blinded to the
12 serious basic human rights violations that are
13 occurring in our very own city.
14 We are beginning to plan for what will
15 happen in March, because we don't think it's okay
16 that numbers of men, women, and children will
17 continue to line our streets and have no place to
18 go. It is not a success when the numbers do not
19 match, when people will enter the streets, and we
20 will highlight this program or that program as
21 being potentially successful. That is not enough.
22 Without real money for transportation,
23 child care, and literacy, I fear for our city.
24 You can't ask a group of people to adjust to
25 nothing, you just can't.

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2 We are a desperate people facing a
3 desperate situation, and we are prepared to do the
4 desperate things that we have to do. Nobody can
5 tell us that food, clothing, and housing is up for
6 negotiations. We will reclaim these things and
7 ensure that people do not go without food,
8 clothing, and housing in Philadelphia.

9 (Applause.)

10 MS. HONKALA: We recommend the
11 following:

12 That City Council urge DPW to begin to
13 see the faces, to take a tour with us, to look
14 into the eyes of what is going to happen to people
15 if we don't get serious about putting money behind
16 real transportation plans, behind putting real
17 money behind child care, and doing it quickly.

18 To make sure that DPW also takes up the
19 conversion model in guaranteeing people get money
20 for their work and to show that they are truly
21 committed to people going to work by really
22 providing the opportunity for people to be able to
23 work.

24 We need jobs that pay a living wage in
25 this city.

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2 We at Kensington Welfare Rights Union
3 are committed to seeing that we live in a city
4 that doesn't exempt itself from meeting basic
5 human rights, and that we are ensured that we will
6 uphold the Universal Declaration of Human Rights
7 this 50th anniversary by ensuring nobody continues
8 to go hungry and that we can build a society in
9 which people are free from unemployment and
10 homelessness.

11 (Applause.)

12 COUNCILMAN COHEN: Thank you, thank you
13 very much.

14 Identify yourself for the record,
15 please.

16 MS. ORTIZ: My name is Elizabeth Ortiz,
17 and I'm from Kensington Rights, and I'm here for
18 the Latinos, that they don't read, write or what.
19 And I feel as this way, I'm here to represent them
20 because I have a parent, my mom like that, she
21 don't know reading, she don't know how to function
22 out here.

23 So I'm here to represent us to see what
24 we can do about us people, us Puerto Ricans, you
25 know, because it's hard, even hard to read a

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2 letter to get through what we have to do.
3 So that's why I'm here, to stand for
4 everyone, plus the Latinos, because I'm one too.
5 COUNCILMAN COHEN: Thank you very much.
6 MS. ORTIZ: You're welcome.
7 (Applause.)
8 COUNCILMAN COHEN: Please identify
9 yourself and speak in the microphone.
10 MS. MORRISON: Hello. I'm Erica
11 Morrison, and I'm a member of the Kensington
12 Welfare Rights Union.
13 I've been with this union for the past
14 year now. And if it wasn't for the Kensington
15 Welfare Rights Union, I would still be on the
16 streets, with my three children.
17 I'm a welfare recipient. I'm not lazy
18 or shiftless or crazy. And I've been through an
19 eight-week job search and haven't been able to
20 find a job, especially one that's going to be
21 paying for child care or any of that.
22 And I've worked very hard day-to-day,
23 helping people with their -- that have problems
24 like homelessness and things. And we are
25 dedicated to fighting for these basic human

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2 rights.

3 And basically, that's all I have to
4 say.

5 (Applause.)

6 COUNCILMAN COHEN: Well, we thank all
7 of you because we think you put reality into this
8 and have moved us away from theory, because I may
9 be the only person in the room that lived through
10 the only other major economic crisis that
11 threatened the stability of the government, and
12 that was when the banks closed in 1932, shortly
13 after Franklin Delano Roosevelt was elected
14 president.

15 We obviously cannot tolerate a
16 situation in which thousands of people, including
17 women and children, are going to be homeless on
18 the streets of Philadelphia, and you've added a
19 real touch of urgency to the situation, and we
20 thank you very much for that.

21 MS. HUMPHREY: In our communities, we
22 consider ourselves to be the Department of Civil
23 Peace, because as families of the incarcerated, we
24 are primarily victims of them as well. We're
25 usually the first one that gets the frustration

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2 and anger from a family member who faces the
3 confusion out here because we're the one closest
4 to them at home.

5 So we do have a central position and
6 are ready to work for and with the government,
7 first of all, to be able to speak to the system.
8 We cannot allow corporate America to speak for us.

9 COUNCILMAN COHEN: Thank you.

10 (Applause.)

11 MR. SMITH: I was devastated when I
12 attended a brief hearing last week, and I think
13 that the public here and everybody here needs to
14 know that it was discussed how our children -- and
15 I think that needs to be raised -- will be taken
16 away from us, particularly if there's one child
17 that is in the system of DHS and if that parent
18 don't find a job within the 12-month period being
19 on public welfare, then our children are going to
20 be taken away from us.

21 COUNCILMAN COHEN: We'll not permit
22 that to happen.

23 MR. SMITH: So I'm saying to myself
24 everyone here needs to know 'cause I was at that
25 briefing. If that welfare mother don't find a job

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2 within 12 months, they will remove all of the
3 siblings from the household. I think everybody
4 needs to know that and take that information back
5 to the communities and organize. We're not going
6 to let that happen, that's the first thing.

7 And, secondly, I just want to raise in
8 particular with the Latino and Asian community,
9 many times we get calls because they really are
10 not getting the adequate services that they need.
11 People who cannot speak language have no clue if
12 their family's going to be taken off of welfare.

13 So I urge those in power, in control of
14 the dollars in a sense -- many of them are my
15 friends, and they can't help it that they don't
16 speak the language, so supportive services need to
17 be increased in the Latino community as well as
18 the Asian, because welfare being taken away is
19 going to affect them.

20 MS. HUMPHREY: National Public Radio
21 just finished a series on people in Philadelphia.
22 I think everybody in Philadelphia ought to get a
23 copy of that series and listen to it.

24 Thank you.

25 COUNCILMAN COHEN: Councilwoman

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2 Blackwell?

3 COUNCILWOMAN BLACKWELL: Thank you very
4 much certainly to Leona Smith and Maddie Humphrey
5 and Sheri Honkala and the other two guests whom I
6 just met today. We think your testimony was very,
7 very important.

8 And I took the mike to say to Maddie
9 that from '68 to now, quality of life changed.

10 MS. HUMPHREY: Absolutely.

11 COUNCILWOMAN BLACKWELL: Quality of
12 life no longer means the enhancement of life, but
13 it means the taking away of rights that we
14 consider America. And we have a lot of laws on
15 the books certainly that some of us fought
16 against, new laws on the books that take away
17 those rights.

18 So now when we say "quality of life,"
19 the meaning has taken on the opposite, it has
20 taken on -- it's taken on the opposite meaning.
21 So we just wanted to say that again.

22 And I thank you and I think that your
23 testimonies mean that we have to be ever-vigilant,
24 and we have to work closely together to try to
25 protect victims. All of us are victims of these

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2 new systems.

3 MS. HUMPHREY: Right. Thank you.

4 COUNCILMAN COHEN: Thank you very much
5 to the whole panel, thank you.

6 (Applause.)

7 COUNCILWOMAN BLACKWELL: May I, Mr.
8 Chair, while we are here, acknowledge the presence
9 of Jerry Mondesire, President of the NAACP, and
10 certainly Tom Cronin, President of District
11 Council 47. Thank you both.

12 COUNCILMAN COHEN: I think both
13 gentlemen are here to mostly hear, but if they
14 wish to be heard at any stage, the Chair will
15 certainly be happy to hear them.

16 Would the previous panel come back, or
17 those who are still here, that consists of Mr.
18 Pizzi, Miss Greco, Mr. Jones, and Miss Cooper,
19 just for a few minutes to see if there are any
20 questions.

21 MS. COOPER: I don't know if -- did
22 Ernie stay?

23 COUNCILMAN COHEN: Maybe you're going
24 to speak for all of them.

25 MS. COOPER: Yeah. Well, I'll try,

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2 yeah. I'm not certain.
3 COUNCILMAN COHEN: I think you could do
4 it very ably.
5 MS. COOPER: I can answer questions
6 about my presentation or --
7 COUNCILMAN COHEN: Is there any
8 questions that any member of the committee has?
9 Councilman Ortiz? Councilman Nutter?
10 COUNCILMAN NUTTER: Thank you, Mr.
11 Chairman.
12 Miss Cooper, I was out of the room for
13 a little while. If any of these questions are
14 redundant, you'll tell me they are, and I'll
15 accept that.
16 This is based on the presentation made
17 by Miss Raffel and pursuant to the Mayor's
18 presentation. One, was there a -- or do you have
19 a handout of the items or points that the Mayor
20 made with regard to his recommendations?
21 At the end of hi testimony, he kind of,
22 in his own mayoral way, in a rapid-fire fashion,
23 laid out about a half a dozen things. And I think
24 some of us were only able to get about four of
25 them. Can you get that material to the various

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2 chairs so we can see exactly --
3 MS. COOPER: Sure. This afternoon,
4 I'll do that.
5 COUNCILMAN NUTTER: All right, thank
6 you.
7 And in the intervening time, are there
8 particular industries, I guess, that we're trying
9 to target for these particular jobs? And can you
10 share any information about skill level, wages,
11 and ability for any kind of career opportunities
12 in those types of jobs?
13 MS. COOPER: The biggest response that
14 we've gotten from employers is obviously in the
15 retail sector, because there's dramatic demand for
16 new workers in the retail sector as well as in the
17 nursing assistance sector of home care and nursing
18 home care.
19 Our effort to target jobs -- that's
20 who's responded to us. Our effort to target jobs
21 has been in -- particularly around hospitality and
22 tourism, and not simply related to the new hotel
23 development, but to the airport expansion, the
24 American Airlines and U.S. Air expansions in
25 Philadelphia, which offer a number of good-paying

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2 jobs.
3 We're also looking at jobs in
4 data-intensive fields. Typically, those jobs
5 start at about 7.50 an hour.
6 So our outreach efforts are where we
7 perceive lower barriers to entry, where the
8 entry-level wage rate is at least over 6.50 and
9 closer to 7.
10 We are also finding opportunities -- so
11 when I say "data-intensive," that also includes
12 things like call centers.
13 COUNCILMAN NUTTER: Right.
14 MS. COOPER: You may be familiar, for
15 instance, with PRWT. They have hired a number of
16 public assistance recipients with us.
17 COUNCILMAN NUTTER: Do you have any
18 information with regard to whether those jobs have
19 benefits or limited benefits or no benefits?
20 MS. COOPER: The Private Industry
21 Council's experience last year, which was the
22 first year in which people were really mandated to
23 engage in work activities, demonstrated that
24 people started jobs at about 7 -- the average wage
25 rate of entry was about 7.30, and 50 percent of

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2 the job had health benefits.

3 I should point out that some of those
4 health benefits do have a copay that may, in fact,
5 put the health benefits out of the reach of the
6 individual. But nevertheless, the employer listed
7 that they had health benefits.

8 Another alternative is looking at how
9 Medicaid income guidelines could be expanded so
10 that more people would have health-care coverage.

11 COUNCILMAN NUTTER: Okay. Lastly, and
12 I had a brief conversation with the Mayor's chief
13 of staff, Greg Ross, about this. It's kind of a
14 public policy matter of when we get into the wage
15 rates, what the employers pay versus what it
16 really costs to kind of function at a decent level
17 in Philadelphia, and the gap in between what the
18 person may make versus what they need to make,
19 that argument.

20 Can you shed any light on the public
21 policy implications or view of does it make sense
22 to have people in jobs that are at a wage level
23 that either still places them technically under
24 poverty guidelines or continues, even with work,
25 to make them eligible for some level of benefits

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2 or aid from some other sector?

3 So the person is working but it's at an
4 level that still makes them eligible for some
5 other form of assistance. And does that make any
6 sense? Or does it make more sense to have them
7 just working at a level that essentially makes
8 them ineligible for other benefits because that
9 level is so high that, technically, they could
10 take care of themselves or be at
11 self-sufficiency?

12 MS. COOPER: Well, I mean, it seems to
13 me that society benefits when people are not
14 reliant on public assistance and have a sense of
15 independence. However, I'm not certain that an
16 entry-level wage rate of approximately \$12 an
17 hour, which is what would be required just to
18 support a family of two, is reasonable.

19 In my work with public assistance
20 recipients and with working poor families, people
21 would rather work than be on assistance as long as
22 they can get child-care support and health-care
23 coverage.

24 A growing problem is the cost of mass
25 transit, that if you have a job in the suburbs,

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2 your transpass costs you \$109 a month. When you
3 add that to your child-care co-pay and your
4 health-care co-pay, you're having a hard time.
5 So the question, it seems to me is,
6 yeah, it's much better to just move people in the
7 labor force if they can sustain themselves at
8 least while the economy is expanding because at
9 least children see them working, they have a
10 better sense of dignity, but I think we have a
11 responsibility of figuring out how we close those
12 gaps to stop people from dropping out of the
13 workforce really fast.
14 COUNCILMAN NUTTER: Lastly -- and thank
15 you, Mr. Chairman -- Miss Cooper, you and I have
16 had either ongoing discussion, if not some level
17 of debate, about the prospect of moving people
18 transportation-wise out to jobs in the suburbs
19 versus the ability of having those folks work in
20 the city.
21 And has any of your view expanded or
22 changed on that? And what are we doing to ensure
23 that there are actually more jobs in the city for
24 folks as opposed to outlying areas?
25 MS. COOPER: Well, I mean, I think that

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2 the development of the tourism industry here is
3 going to create new entry-level vehicles into the
4 labor force. I know that, you know, my first job
5 was a waitress at the Watergate Hotel in
6 Washington, D.C. -- not when all the excitement
7 was happening.
8 But nevertheless --
9 COUNCILMAN NUTTER: We'll be checking
10 on that.
11 MS. COOPER: Huh?
12 COUNCILMAN NUTTER: We'll be checking
13 on that.
14 MS. COOPER: Yeah. The tourism
15 industry is a great way to get into the economy.
16 The goal of, I think, all of us, is to help people
17 build skills so they can get on to either
18 promotions in that industry or in other
19 industries. So that building of the downtown
20 hotels, I think, is going to be a step in the
21 right direction.
22 In addition, I mean, I think that
23 you've probably heard enough from Bill Hankowsky
24 and Steve Mullin and the Mayor on efforts to try
25 and attract businesses to the city. We continue

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2 to have an extraordinarily high business tax rate
3 in the city when you combine the federal, state,
4 and local taxes. That's an impediment to urban
5 growth.

6 In addition, there are reasons why it's
7 cheaper to build in the suburbs, on pristine land
8 than in cities on brown fields.

9 And so the issues are so much more
10 complicated and bigger than sort of does it make
11 sense to have people working in the city. Sure,
12 but I think, at this point, we are a region, and
13 we need to be looking at how transit links this
14 region in two directions so that people can get to
15 all sorts of growth industries that are located in
16 the city and around the city.

17 COUNCILMAN NUTTER: Thank you.

18 COUNCILWOMAN TASCO: Thank you. I'd
19 like to follow up on that question in terms of the
20 jobs in Philadelphia.

21 What collaborations have you with the
22 Commerce Department, PIDC, PCDC, to develop jobs
23 in the neighborhoods? And what incentives are
24 given to small businesses in the neighborhoods?
25 'Cause neighborhoods really -- small businesses

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2 really are the life blood of our life here in
3 Philadelphia.

4 So rather than move first to the
5 suburbs, what are you doing to link -- to provide
6 those linkages with the small businesses here in
7 Philadelphia? And how do you communicate with
8 small businesses to let them know that they can
9 participate in this program?

10 MS. COOPER: Good question. I don't
11 want to mislead Council to think that we're doing
12 the suburbs. There's first two simultaneous
13 efforts: both city jobs in the neighborhoods and
14 downtown, and outside, but since we seldom think
15 about outside, I wanted to highlight that.

16 Specifically to your question, PCDC,
17 PIDC, and Commerce have been intimately involved
18 in the planning for welfare reform since January,
19 when we all began to meet.

20 PIDC, as you know, tends to work with
21 larger businesses. As they make their
22 transactions, they immediately link up all of
23 those businesses with the employer services unit
24 of the Private Industry Council, which identifies
25 with the business all the job openings in the

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2 business and then begins to alert the different
3 systems about the opportunities, and host job
4 fairs for those folks.

5 And my experience in the last six
6 months in observing that is there's a very high
7 level of employer services and a lot of people
8 getting jobs. We have a lot of job orders right
9 now at the Private Industry Council.

10 In terms of neighborhood businesses,
11 the first thing that we've trying to do is with
12 the regional service centers, their job developers
13 will first develop jobs in the neighborhood,
14 because they're the jobs easiest for people to get
15 to, so that the hours that it might take to get to
16 the suburbs are eliminated, and the cost of
17 transportation is obviously less.

18 So the regional service centers are
19 working with neighborhood job banks and
20 neighborhood job developers in identifying the
21 opportunities for employment in their
22 neighborhoods. And they are paid for each job
23 opening that they identify that we put somebody
24 from public assistance into successfully.

25 COUNCILWOMAN TASC0: Who's paying, the

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2 regional centers?

3 MS. COOPER: The regional centers, and
4 they also pay the neighborhood job banks. They
5 transfer their per-payment fee to the neighborhood
6 job banks.

7 So we're trying to create more
8 resources that are in the neighborhood to continue
9 to look for jobs and build partnerships with
10 employers.

11 In the empowerment zones or where
12 there's an organized business consortium, like a
13 neighborhood chamber, or the West Philadelphia
14 chamber, etc., where there's an organized business
15 community, we've been working with the empowerment
16 zone staff and other parts of commerce to make
17 ongoing presentations.

18 I think the biggest engagement will be
19 when we do the direct mail to employers, which
20 includes the Chamber of Commerce mailing list, and
21 all the smaller chamber mailing lists, both inside
22 and outside the city, where we mail to them about
23 the success stories and talk to them about the
24 wage subsidies.

25 It's the perspective of the Commerce

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2 Department and the Mayor that the businesses that
3 are most likely to take advantage of the wage
4 subsidies will the small businesses because there
5 margins are so narrow that this will be a big
6 benefit to them.

7 COUNCILWOMAN TASC0: Are they all
8 members of the Chamber of Commerce? How do you
9 reach those businesses that are not?

10 MS. COOPER: Well, what we're doing is
11 about an 11,000-piece direct mail and we're
12 combining that with the neighborhood job
13 developers who are going out.

14 So, you know, if you have or other
15 people have other suggestions, obviously, we're
16 buying media time, print ad time, neighborhood
17 newspaper placements. So if there's opportunities
18 to try and reach them that we haven't thought of,
19 we need to continue to develop that over the
20 year.

21 As I mentioned, the efforts that we're
22 doing are about seven weeks old, and we'll
23 continue to rule out more outreach strategies. We
24 want to see if these job developers can really
25 identify all those jobs at the neighborhood level.

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2 And, again, I think the one indicator
3 is going to be the use of the wage subsidies. But
4 it's also, a lot of times, even the neighborhoods
5 say to us, I just really need somebody who's going
6 to come and be here and get support from you guys
7 to make sure their child care doesn't fall apart.

8 COUNCILWOMAN TASC0: You said that
9 there's going to be about 52 million? We keep
10 hearing different numbers. It's 26 million for
11 two years?

12 MS. COOPER: Each year.

13 COUNCILWOMAN TASC0: So it's
14 \$52 million.

15 MS. COOPER: It's 25.6 each year, for
16 two years.

17 COUNCILWOMAN TASC0: So what is your
18 target area? How many people have you targeted to
19 place?

20 MS. COOPER: 7500.

21 COUNCILWOMAN TASC0: How much does that
22 come down to per person?

23 MS. COOPER: I knew that was going to
24 be your next question. I'm sorry I don't have
25 that off the top of my head.

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2 We have that back at our office, but I
3 didn't bring that with me. I can bring that this
4 afternoon and give it to you later.

5 COUNCILWOMAN TASC0: Let us know that,
6 please.

7 MS. COOPER: Sure. In order to place
8 7500, we anticipate serving somewhere around
9 11,000 folks.

10 COUNCILWOMAN TASC0: The regional
11 centers, how many regional centers are there? How
12 were they selected? And how were people notified
13 that the regional centers would be set up so that
14 they could apply to be a regional center?

15 MS. COOPER: Sure, mm-hmm. The
16 regional centers, there are five organizations
17 that now have contracts for regional centers, and
18 several of them have more than one location.

19 So that, for instance, the regional
20 center operated in the Kensington and northeast
21 sections of the city is operated by JEVS. They
22 have a partnership agreement with Congreso and
23 impact for two additional locations in their
24 geographic area.

25 So the total number of locations, I

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2 think, is somewhere around 11, but I could also
3 deliver a list. I should have attached that to my
4 presentation.

5 COUNCILWOMAN TASC0: We would like to
6 have that.

7 MS. COOPER: PIC sent out an RFP for a
8 regional center, you know, structure. The actual
9 RFP was for employment-advising services. And the
10 Private Industry Council staff have departed, but
11 my recollection is that went out to somewhere
12 between 4 to 500 agencies. Again, I'd be happy to
13 provide Council with the mailing list. That was
14 one RFP that went out.

15 Then there was another RFP that had a
16 number of other welfare-to-work services that
17 included the job placements aspect. And, again,
18 it went out to the same mailing list.

19 And then from those responses, the PIC
20 reviewed those proposals, and Rosemarie was the
21 head of that review process.

22 COUNCILWOMAN TASC0: And out of that,
23 you selected five centers?

24 MS. COOPER: Yes. We were -- we
25 actually had originally expected to select seven.

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2 Actually, we did select seven, but through the
3 contract negotiations, because our per-head
4 placement rate is relatively low for the level of
5 services that we're asking, although we're hoping
6 that it will suffice, two of the contractors
7 selected not to continue to engage.

8 COUNCILWOMAN TASCO: You have said that
9 you are going to do the direct mail piece to the
10 employers. And you also -- there is a marketing
11 program to inform welfare recipients that this
12 deadline is coming.

13 What funds will be made available to
14 the regional centers for community marketing
15 campaigns so that they can notify individuals in
16 their service district?

17 MS. COOPER: Sure. The regional
18 centers are on a performance-based budget. They
19 get a flat dollar-fee from us for their overall
20 number of people they're going to serve. They can
21 use those funds as they wish.

22 So when the regional center submitted a
23 budget to us, most of them had money for the
24 printing of flyers and handing out door-to-door
25 information and going to neighborhood meetings.

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2 So that it's really up to each regional center to
3 determine how much of their resources they want to
4 use for outreach.

5 Given the response to the hotline, and
6 we meet with the regional seniors pretty much
7 every Monday, they have lots and lots of people
8 calling them. In order to access services, the
9 individuals have to go to the DPW offices in the
10 neighborhood.

11 And so over the last several weeks,
12 people have been going to the DPW offices. And
13 then, if it makes sense for them, getting referred
14 back to the regional center so they can begin to
15 engage.

16 But some people who call us haven't
17 done their eight-week job search yet or may still
18 be eligible for more intensive job training
19 services. So that all those people that we refer
20 there may not all come back to us.

21 But my sense is, at this point, based
22 on our meeting last week, that people are
23 beginning to see, you know, increasing numbers of
24 referrals. We would like there still to be more
25 people engaged.

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2 COUNCILWOMAN TASC0: So, therefore, a
3 regional center would have to use their -- they
4 have to develop their own budget to develop their
5 marketing plan? What is your marketing budget?
6 What is their marketing budget for the program?

7 MS. COOPER: Just so I can clarify
8 that. That was in the RFP when we put out the
9 requirement for services that, you know, community
10 outreach would be the expectation on the
11 provider.

12 The money that we're spending for the
13 commercials, the radio broadcast, TV, and direct
14 mail to clients and employers, is a little over a
15 million dollars.

16 COUNCILWOMAN TASC0: Of the many
17 vendors that you have and the services that you
18 provide, how much money is provided to minorities
19 and women?

20 MS. COOPER: I couldn't -- well, all of
21 the services are going to women.

22 COUNCILWOMAN TASC0: No, but I mean
23 your vendor services, the money that's being --

24 COUNCILMAN COHEN: Contracting out.

25 COUNCILWOMAN TASC0: -- Contracted

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2 out. You have \$53 million.
3 MS. COOPER: Right.
4 COUNCILWOMAN TASC0: A lot of that's
5 going to private vendors?
6 MS. COOPER: Right.
7 COUNCILWOMAN TASC0: Businesses.
8 MS. COOPER: Correct.
9 COUNCILWOMAN TASC0: And we want to
10 know how much of that is being given to women.
11 MS. COOPER: Sure.
12 COUNCILWOMAN TASC0: And we'd like to
13 have that.
14 MS. COOPER: Sure.
15 COUNCILWOMAN TASC0: If you don't have
16 it right now, we'd like to have that information.
17 MS. COOPER: Sure.
18 COUNCILWOMAN TASC0: We'd like to know,
19 who is your marketing firm, what ratio of that
20 would be for women and minorities.
21 MS. COOPER: No problem.
22 COUNCILWOMAN TASC0: And all the other
23 aspects of doing business --
24 MS. COOPER: Right.
25 COUNCILWOMAN TASC0: -- of this

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2 program.

3 MS. COOPER: No problem.

4 COUNCILWOMAN TASCO: What other
5 governmental services will be provided to the
6 regional centers that will enhance the one-stop
7 employment and human development service system?
8 How are they linked to gaining Social Security
9 cards, other information, birth certificates? Are
10 their linkages there?

11 MS. COOPER: The biggest link that
12 we've created is together with our behavioral
13 system, and the Health Department will speak a
14 little bit to that in their testimony as well as
15 to emergency service systems vis-a-vis housing and
16 the shelter system and the Department of Human
17 Services supports.

18 Last week, we were beginning to talk
19 about impediments to service that were more
20 bureaucratic like Selective Service, Social
21 Security cards, and things like that. So we've
22 begun to reach out to the federal agencies that
23 represent that infrastructure so that we can get
24 people into the programs.

25 The Selective Service issue is

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2 particularly important as it relates to
3 non-custodial parents, which we hope to serve over
4 500. And if they didn't sign up for Selective
5 Service, when it happened, you know, in 1979,
6 since then, then we have a problem getting people
7 engaged, and we're trying to work with Selective
8 Service on waivers to that.

9 We're also trying to replicate a
10 program that's in place in Florida to sort of
11 expunge certain aspects of people's background
12 records so that there's less of an impediment to
13 jobs. You can do that on certain parts of
14 somebody's record, not all of it, and so we have a
15 task force of agencies that are working on the
16 record-expunging process.

17 COUNCILWOMAN TASCO: Okay. Thank you.
18 I'll stop now, and Councilman Ortiz has some
19 questions.

20 COUNCILMAN ORTIZ: Let me go first.

21 COUNCILMAN COHEN: You know, we have a
22 tremendously long list of witnesses to cover, so
23 I'm just going to urge all of my colleagues on
24 Council and all of the speakers to be very, very
25 brief. We'd like to hear from everyone.

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2 COUNCILMAN ORTIZ: All right. Miss
3 Cooper, two questions.

4 One is about the accessibility of day
5 care. We have most of the day care centers,
6 whether they be family and group day care homes
7 and family child care and so on, at the present
8 time, according to a study my staff is doing --
9 and Andy Goldenberg here is doing that with Kara
10 Gerry (ph.) Of the Delaware Valley Child Care
11 Council in my office -- are really at capacity.

12 Now, Leona Smith referred to, one, the
13 population that you're targeting in terms of the
14 7500, and I'd like you to speak to that a little
15 bit.

16 But once you identify that population
17 and once they go into jobs, how are they --
18 there's two problems that you had, and you
19 mentioned them both, and they were the aspect of
20 the health care and the subsidized child-care
21 facilities that may not be available for these
22 7500 individuals that you're targeting.

23 MS. COOPER: We did a study about a
24 year and a half ago of all existing regulated
25 centers to see if they -- what maximum capacity

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2 would mean. And it was for a total of 2,000
3 additional kids could be added to existing
4 centers. Now, that doesn't speak to homes or
5 unregulated care.

6 So I think that it perhaps would make
7 sense for Council to ask for the child-care
8 referral service that's operated by the state that
9 manages the subsidy system to speak to that issue,
10 because the city obviously does not fund or manage
11 the child-care system, but it is a significant
12 impediment.

13 We work very closely with the state on
14 this issue and have a good working relationship
15 with --

16 COUNCILMAN ORTIZ: But the answer
17 clearly is --

18 MS. COOPER: Is a huge problem.

19 COUNCILMAN ORTIZ: We don't have the
20 slots, right?

21 MS. COOPER: Correct. Well, in
22 regulated care.

23 COUNCILMAN ORTIZ: Yeah, let's make the
24 answers shorter -- we don't have the slots.

25 MS. COOPER: Yes. We do not have the

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2 slots in regulated care.

3 COUNCILMAN ORTIZ: Okay. The second
4 question I have is, Rudolph Giuliani, the Mayor of
5 New York City, has employed over 38,000
6 individuals in terms of welfare-to-work programs.
7 And whether we like it or not, that has been one
8 of his main claims to fame across the United
9 States.

10 But there has been studies that they
11 have actually replaced a lot of formerly-
12 unionized workers in slots that were vacated,
13 where people retired and so on. And Leona Smith
14 also spoke to this, and I saw you shaking your
15 head in terms of -- 'cause I know where you're
16 coming from.

17 What are the city plans for
18 welfare-to-work in terms of city jobs and whether
19 we are going to be following the Giuliani model?
20 And if we're not going to follow the Giuliani
21 model, what model are we looking at? And how many
22 jobs are we looking at in terms of public service
23 jobs that we're going to be allocating in terms of
24 the welfare-to-work situation?

25 MS. COOPER: In the transitional jobs

2 program that we put together, we worked very
3 closely with both District Council 47, 33, and
4 1199-C, so that would be with all three, not both.

5 But nevertheless, we will continue to
6 plan together with the unions. We do not want to
7 create the same situation in New York vis-a-vis
8 the union or vis-a-vis the public assistance
9 recipients. We are trying to look at jobs where
10 people will actually learn skills as the basis for
11 which we continue to expand any kind of public
12 jobs program.

13 We currently don't have any money at
14 this point to expand public jobs programs. So the
15 difference in New York is that Rudy Giuliani has
16 control of the county welfare budget in New York
17 City, 'cause that is the county.

18 And we know that the state continues to
19 plan -- and they talk to us regularly about this
20 -- for an expansion in community service
21 employment. And we hope that this will be a
22 wage-based system which will put a set of certain
23 incentives together and regulations that will, I
24 think, protect from us building a New York City
25 model.

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2 I think people are testifying later
3 that could speak to that more directly so that
4 your time is saved a little bit here if that's
5 okay.

6 COUNCILMAN COHEN: All right, thank
7 you.

8 Actually, you know, we applaud the kind
9 of love relationship that seems to exist between
10 the Governor's office and the Mayor's office, but
11 sometimes, when you need action, you've got to
12 move more directly, and we hope that the city will
13 prevail upon the Governor very quickly to make
14 money available.

15 There are two big surpluses around, and
16 everybody talking about them. There's a surplus
17 at the state level of hundreds of millions of
18 dollars. There's a surplus at the city level of
19 \$169 million. I've yet to hear a word from any
20 representative of the city or state government --
21 and Deputy Commissioner Heller will be on very
22 shortly to testify.

23 But I'd like to hear that we're
24 actually using the surplus for very important
25 purposes, the kind of purposes we're talking about

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2 today. Please communicate the message.
3 Thank you.
4 (Applause.)
5 COUNCILMAN COHEN: Can we have the next
6 panel -- Mr. Nardone, Mr. Lucas, Miss Tucker.
7 Miss Tucker, why don't you introduce
8 yourself, and then have the other members of the
9 panel and then proceed.
10 Mr. Nardone is Deputy Manager Director
11 for Special Housing, Mr. Lucas is Assistant Health
12 Commissioner of the Department of Health, and Miss
13 Tucker is a Deputy Commissioner of Health of the
14 Department of Human Services.
15 COMMISSIONER TUCKER: Good afternoon.
16 Thank you for inviting us here.
17 COUNCILMAN COHEN: And you have to give
18 your name again.
19 COMMISSIONER TUCKER: Good afternoon.
20 I'm Maxine H. Tucker, Deputy Commissioner for the
21 Department of Human Services Children and Youth
22 Division. Commissioner Reeves would have been
23 here today, but she had a commitment that was
24 schedule prior to this hearing.
25 Again, as I said, I want to thank you

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2 for the opportunity of being here. And what I'm
3 going to try to do is very, very briefly highlight
4 some critical points after my two colleagues have
5 introduced themselves.

6 MR. NARDONE: Good morning. My name is
7 Mike Nardone, Deputy Managing Director for Special
8 Needs Housing.

9 MR. LUCAS: Good afternoon. My name is
10 Mike Lucas. I'm the Assistant Health Commissioner
11 for the Department of Public Health.

12 COMMISSIONER TUCKER: Based on the
13 number of families that have been possibly
14 indicated that may fail to meet the work
15 requirements for the 24-month time limit that's
16 due in March, for those 26,000 families with
17 60,000 children, we are looking at conceivably
18 having at least 426 of those children who may
19 enter the child welfare system. It could be as
20 high as 672. We have put a request in our budget
21 to the state for FY '99 to service those
22 additional children if that, in fact, becomes a
23 reality.

24 As of 9/30 of this year, we were
25 purchasing in-home services for 7,508 dependent

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2 children and 2,548 families, and another 8,140
3 children in placement, of which 88 percent of
4 those children are eligible to receive TANF. Of
5 the 1,275 children in placement -- of the 8,000
6 children in placement, 1,275 of them are living in
7 kinship-care arrangements. We do not know at this
8 particular time what the -- how many of those
9 children will be affected by the TANF deadline.

10 COUNCILMAN ORTIZ: Miss Tucker, we'll
11 make your statement a part of the record. We had
12 a briefing in which Commissioner Reeves was with
13 us. She expressed a great deal of our questions,
14 and she was really troubled because there were not
15 a lot of answers that had been given to the
16 Department, either by the state or the city or
17 otherwise.

18 But the one thing that really disturbed
19 me out of it was when she spoke about the Federal
20 Protection Act and the -- actually, the thing that
21 -- the situation that Miss Leona Smith referred
22 to, in which individuals, after 12 months, that
23 have not be able to get either a job placement,
24 whatever it is, that their children and their
25 parental rights may be terminated of that child

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2 that is currently within the DHS system and then
3 all of the other children, even though they may
4 not be in the system or whatever.

5 And that is really a disturbing fact,
6 and it's really something that Miss Reeves was
7 incredibly concerned about and really shocked a
8 lot of us, this little clause in there that really
9 goes to the termination of parental access. Very
10 few of us had been aware of it.

11 MS. TUCKER: Yes, it is. And what I
12 brought along today for Council are copies of a
13 recent brochure we have put together in terms of
14 trying to educate the parents of children who are
15 already in our system as well as educate the
16 parents where potentially the children may come in
17 our system.

18 There are four groupings of children
19 that are impacted at this point. Certainly, the
20 first group, where the time clock of 12 months is
21 running, has to do with children who came into the
22 child welfare system in out-of-home placement as
23 of November 19, 1997, which is the date that the
24 law came into effect. As of the end of October,
25 of those children who came in on or after, there

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2 are 2100 of them who are still in out-of-home
3 placement.

4 The law requires that for those
5 children who have come in on or after that date,
6 that there is a 12-month time clock that says that
7 there must be a permanent plan for these children,
8 and that permanent plan has to be either children
9 returned to their own homes with their families,
10 or that we will show cause as to why their
11 parental rights should not be terminated and those
12 children adopted. So that's one group of
13 children.

14 The children who were in placement
15 prior to November --

16 COUNCILMAN ORTIZ: But that impacts on
17 all the other siblings that that mother may have
18 in the home, even though they may not be in
19 placement with DHS. That's what Miss Reeves told
20 us.

21 COMMISSIONER TUCKER: This law only
22 affects those children who are in out-of-home
23 placement, not the children who are already at
24 home. And, hopefully, we will all do everything
25 we can to support those parents in a way they need

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2 to be supported to take care of their own
3 children. I have some brochures that we'll try to
4 get to parents.

5 Now, the critical piece is that there
6 are three other groups of children in which a
7 deadline will affect them. By May 30th of 1999,
8 the first third of children who have been in care
9 the longest, who have been in care 15 out of 22
10 months, must have a permanent plan for those
11 children, or their parental rights may be
12 terminated.

13 Now, one of the requirements that not
14 only the Department has to be a part of, but we as
15 a human service system have to be a part of, is
16 that if those families have not received the
17 services that they need to be able to take their
18 children home, then we cannot just automatically
19 terminate their rights.

20 But if we've provided the service --
21 and when I talk about "we," I talk about the
22 collective we. If it's drug and alcohol, if it's
23 mental health or what have you, if we have offered
24 the service, and families or parents, for whatever
25 the reasons, have not taken those services, then

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2 their personal rights will be terminated. And I
3 think I have to be very honest with you, the law
4 does not allow us to do anything different.
5 The next third of children --
6 COUNCILMAN COHEN: Would you go over
7 that last statement again? The law does not allow
8 you to do anything different as to what?
9 COMMISSIONER TUCKER: If the services
10 that the parents need in order to take their
11 children home and take 'em home and keep 'em
12 safely, if the service had been provided, or the
13 opportunity for the services had been offered, and
14 parents have not taken advantage of them, then the
15 law does not give us any leeway (sic) in not
16 terminating the parents' parental rights.
17 COUNCILMAN COHEN: I just think the
18 Department ought to be very, very careful to make
19 sure that the paperwork is accurate and that
20 parents have been communicated with frequently so
21 that you have a full record of a parent refusing.
22 Because my experience with various agencies is not
23 one that gives me confidence that they will really
24 know whether or not the parent had full
25 opportunity to utilize those services.

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2 I hope you don't follow the examples of
3 the Water Department and the gas company, which
4 send out letters to people who often can't read,
5 does absolutely nothing to check on the actual
6 status, and then draws the conclusion that the
7 people have not taken advantage of benefits
8 offered to them.

9 We will be demanding that in any case
10 in which you find that a parent has not taken
11 advantage of services, that there be a complete
12 record establishing the number of efforts made,
13 the outreach efforts, if the folks are folks that
14 don't know English, that the Department has taken
15 the steps to make sure that there were people who
16 spoke the language of the people involved.

17 So I'm hoping that before any rights
18 are terminated, that all of these steps be taken.
19 And I would hope that you develop a system which
20 enables to you inform the Council of your proposed
21 actions before they are followed out. Because
22 we're going to be watching very, very carefully.

23 We don't want homes broken up or not
24 fully united as a result of a provision in the law
25 that may be a technical provision and that may not

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2 be in the best interests of everyone.

3 COMMISSIONER TUCKER: You're absolutely
4 right.

5 One of the things that we have begun to
6 do already is to, in terms of trying to publicly
7 educate not only the parents but publicly educate
8 those who provide service with the parents or who
9 even know the parents, by putting together this
10 brochure, which is also -- this brochure is in
11 Spanish as well.

12 COUNCILMAN COHEN: Well, I can just
13 tell you, Miss Tucker, that if any parents' rights
14 are terminated, that probably a hearing will take
15 place as quick as we can put it together, probably
16 within 48 hours.

17 (Applause.)

18 COUNCILMAN COHEN: Because this
19 committee's going to be a continuing committee,
20 and we're going to continue to recess for just a
21 few days at a time so that we are in a position to
22 act immediately. And I hope all of these City
23 departments take notice.

24 I've discussed this with my co-chair,
25 and she has agreed that this committee has to be

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2 an ongoing, continuing committee.
3 COUNCILWOMAN TASCO: A monitoring
4 committee.
5 COUNCILMAN COHEN: Monitoring day by
6 day what's happening.
7 (Applause.)
8 COUNCILWOMAN TASCO: Miss Tucker, could
9 you just answer, under what authority does this
10 action take place in terms of terminating parental
11 rights?
12 COMMISSIONER TUCKER: We have to
13 provide the documentation to the Family Court
14 Juvenile Division. We're in court a minimum of
15 every six months to report to the court what
16 actions we have taken in terms of planning for
17 children, planning either for them to go home or
18 planning some other permanent placement.
19 So it is clear that the final decision
20 about whether or not a parent's parental rights
21 are terminated rests with the Family Court judge
22 that hears the case based on the information that
23 has been provided by the Department in terms of
24 the services that have been provided and the
25 outreach that we have made.

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2 This piece of legislation, more than
3 any piece of legislation in my experience,
4 definitely challenges everybody to present the
5 documentation. If you don't have the
6 documentation, then the actions will not occur.

7 COUNCILWOMAN TASCO: Who works with the
8 parent? Is that your department, or are there
9 other agencies that work with the Department?

10 And who's coordinating that mother or
11 father who is responsible for getting these
12 services? Who's paying attention to that
13 individual to make sure that they get adequate
14 information to know where they're going to get the
15 services and all of that?

16 COMMISSIONER TUCKER: Ninety-five
17 percent of the services to children in out-of-home
18 care are provided through our contracted
19 agencies. So it's the contracted agencies who are
20 responsible for the direct day-to-day work with
21 the parents and for the outreach to those parents.

22 The Department's role in this is a case
23 management one. In other words, we provide the
24 oversight, we monitor whether or not the services
25 for which we contracted for for those families are

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2 actually provided.

3 Every six months, we do family service
4 plan revisions. We get quarterly reports from the
5 agency to track what kinds of services and whether
6 they're appropriately done. So we should be
7 having a face-to-face with parents and
8 age-appropriate children at least every six months
9 in preparing for that court hearing, which, as I
10 said, we must go to court a minimum of every six
11 months to report out what we and the private
12 agencies have done in providing the needed
13 services for those families.

14 COUNCILWOMAN TASC0: Could I go to Mr.
15 Lucas? He hasn't been heard yet, but I just
16 wanted to ask you a question because the services
17 provided because a lot of parents probably -- I'm
18 not saying all of them are, but probably have some
19 substance abuse.

20 COMMISSIONER TUCKER: Absolutely.

21 COUNCILWOMAN TASC0: Okay. Are there
22 enough dollars to provide the services to these
23 families -- I mean to these individuals, to these
24 parents to get the services they need to address
25 the substance issue?

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2 MR. LUCAS: Mark Bencivengo is here.
3 He might be the appropriate person to address that
4 question.
5 COUNCILWOMAN TASC0: Okay.
6 MR. LUCAS: If you'd like. Mark?
7 COUNCILWOMAN TASC0: Yes, because it
8 all ties in with the requirement to receive the
9 services and the ability of the agencies to
10 deliver and also in view of the cutback of the
11 HMOs and health providers to provide one-shot
12 service --
13 COMMISSIONER TUCKER: That's right.
14 COUNCILWOMAN TASC0: -- benefits to
15 individuals for substance abuse.
16 COUNCILMAN COHEN: Madame Co-chair,
17 could I interrupt at this moment? At 1 o'clock,
18 this hearing is going to end today. It's going to
19 be recessed until Monday, at 10 o'clock a.m.
20 Among the witnesses who are scheduled
21 to testify today, if they prefer, they can go to
22 the staff table in the back and tell what is the
23 best time. We hope that the hearing on Monday
24 will run from 10 o'clock till 1 p.m., but we're
25 not going to be able to hear all of the

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2 witnesses.

3 We'd like to know from Dr. Heller,
4 whether she prefers to be heard Monday rather than
5 today. And any other witnesses that are
6 schedule.

7 We're sorry but we want everybody to be
8 heard, and we need all of this information, but
9 there's a Finance Committee scheduled at 1
10 o'clock, there's an Economic Development Committee
11 scheduled at 2 o'clock today.

12 But we're hoping that you're going to
13 be able to accommodate yourself to everybody's
14 need so that we can, you know, get a full hearing
15 on everything now.

16 But be prepared for continuing
17 hearings, if necessary, even on a daily basis
18 until we find some solid answers to the questions
19 that are being raised and discussed today. Thank
20 you.

21 Any witnesses who prefer Monday to
22 today can just go to the staff table now and sign
23 up for that.

24 Okay? Sorry, Councilwoman Tasco. Mr.
25 Lucas, I think, directed a question to you.

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2 And to the gentleman, identify yourself
3 for of the record first.

4 MR. BENCIVENGO: My name is Mark
5 Bencivengo. I'm Assistant Health Commissioner
6 with responsibility for the drug and alcohol
7 programs within the Philadelphia Department of
8 Public Health.

9 In response to your question regarding
10 sufficient substance-abuse treatment capacity and
11 dollars -- I think that was the thrust of the
12 question -- dollars to service this population, we
13 believe that the majority of these women will be
14 Medicaid-eligible; i.e., they will be enrolled in
15 Health Choice.

16 And I'm on the board of CBH, as is
17 Commissioner Reeves and, of course, Commissioner
18 Richman and Deputy Commissioner Covone, and we've
19 worked with Judge Ransom in Family Court to have
20 an assessor down there and to make a linkage for
21 services with CBH, and that CBH will place these
22 individuals into drug and alcohol treatment
23 services. And as an entitlement, CBH would then
24 pay for the services while the woman or man is in
25 treatment.

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2 COUNCILMAN COHEN: All right. I'm
3 going to ask this panel -- I don't like to do it,
4 but I don't think we have any choice. The Deputy
5 Commissioner of Human Services -- I think still
6 call it the "Department of Welfare" at the state
7 level -- cannot be here on Monday, and I think
8 very important we hear from her now.

9 I would ask this panel to come back
10 Monday at 10 o'clock. Thank you. We'll continue
11 with your testimony and the questioning on Monday.

12 (Commissioner Sherri Heller comes
13 forward.)

14 COUNCILMAN COHEN: Commissioner Heller,
15 I want you to know that with the special attention
16 being given to you and the state representatives
17 today, it means that the special attention is
18 going to continue to be focussed on the state as
19 well as on the city on a continuing basis so that
20 coming forward now may be a mixed blessing for
21 you. Because we think that everybody's feet,
22 including our own, have to be held to the fire
23 until get away from cataclysmic events that may
24 otherwise occur.

25 Commissioner, why don't you introduce

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2 yourself and have each person at the table
3 introduce themselves, and then you can proceed in
4 the manner you wish.
5 COMMISSIONER HELLER: Thank you very
6 much, Councilman.
7 COUNCILMAN COHEN: But this will be the
8 last panel that's going to be heard today.
9 COMMISSIONER HELLER: I appreciate your
10 courtesy very much. I appreciate the opportunity
11 to be back here today. I appreciate the many
12 remarks this morning acknowledging the strong
13 partnership and cooperation we've had the city and
14 the Private Industry Council since the time I was
15 last here.
16 COUNCILMAN COHEN: Well, we want that
17 partnership to continue and to be strengthened.
18 COMMISSIONER HELLER: Great.
19 COUNCILMAN COHEN: But it's got to
20 produce results.
21 COMMISSIONER HELLER: Understood.
22 My name is Sherri Heller. I'm the
23 Deputy Secretary for Income Maintenance at the
24 Department of Public Welfare.
25 I have with me Mr. David Flori (ph.),

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2 who's the Director of the Bureau of Employment and
3 Training Programs at the Department; and Mr. Don
4 Jose Staval (ph.), who is the Executive Director
5 of the County Assistance Office of Philadelphia.
6 I have provided you with copies of very
7 extensive testimony, which I'm not going to read
8 because I know that's not the way the day is going
9 for you.
10 COUNCILMAN COHEN: You've heard the
11 testimony today.
12 COMMISSIONER HELLER: Yeah. Let me
13 skip through parts of it and draw your attention
14 to the importance of the graphs that you have in
15 front of you because there is some data that
16 speaks to some of the questions that were raised
17 today.
18 COUNCILMAN COHEN: Excuse me, can
19 everybody hear the commissioner's voice clearly?
20 Okay, I want to make sure everybody hears it
21 because she is the top-ranking state official with
22 the responsibility for carrying out this program.
23 Go ahead, Commissioner.
24 COMMISSIONER HELLER: I just want to
25 draw your attention, skipping right over the prose

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2 to make this easy.

3 COUNCILMAN COHEN: Could you just hold
4 a minute till that awful noise. . .

5 COMMISSIONER HELLER: Certainly, of
6 course, of course.

7 COUNCILMAN COHEN: Go ahead
8 commissioner.

9 COMMISSIONER HELLER: I want to point
10 out the nice graph on page 3 of the testimony.
11 We've shown you the case load reduction of about
12 17 percent in the cash assistance cases
13 Philadelphia since welfare reform began in
14 Pennsylvania.

15 I think significantly, of the 64,000
16 adults who were receiving temporary assistance for
17 needy families or TANF cash assistance in
18 Philadelphia, when the 24-month clock so-called
19 began in March of '97, 61 percent have not been on
20 continuously, 61 percent are not subject to this
21 work requirement deadline we've been describing on
22 March 3rd of '99.

23 About 25,000 adults have received TANF
24 continuously and remain subject to that deadline.

25 You can see the case load reduction has

2 been pretty steady in Philadelphia since we began.
3 But we don't -- as you point out, results are what
4 matter. And we don't like to measure our success
5 just in terms of case load reduction. We have
6 been trying to follow more closely job placements,
7 and you see job placements in Philadelphia also on
8 that graph.

9 As you can see, job placements in
10 Philadelphia continue at a good pace of some 1500
11 to 2200 job placements a month this year. The
12 average wage of the jobs that our cash assistance
13 clients are getting during the second year of
14 welfare reform statewide is \$6.45 an hour.

15 And in Philadelphia, we're doing
16 slightly better than that. In Philadelphia, the
17 average wage of these jobs that folks are getting
18 is \$6.93 this year.

19 Because there was some interest, I
20 think, from Councilman Nutter before, let me just
21 mention that while the average wage at placement
22 is \$6.93 an hour for these jobs, if you add in the
23 equivalent of medical-assistance, food stamp
24 benefits, and the other benefits that continue
25 after people leave cash assistance, it's the

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2 equivalent of about a \$12 hour job.

3 The jobs that Philadelphia TANF
4 recipients are getting hired for have been in a
5 variety of field -- over 1200 medicine and health
6 occupations, plus another 2600 at-home health care
7 or geriatric care, 1900 in education-related
8 fields -- I'm going to skip over some of these
9 just for time, but there's a lot of data here for
10 you.

11 There were 7700 as cashiers and tellers
12 and another 1,000 in bookkeeping and accounting,
13 2300 cooks, waiters, and restaurant personnel.
14 1300 manufacturing, welding, and construction
15 jobs. There were placements at Westin Suites,
16 Bayada Nurses, UPS, Argon Bright Security, Penrose
17 Management Corporation, Mellon Bank, Genesis Elder
18 Care, and numerous other Philadelphia companies.

19 In Philadelphia right now, of course,
20 not everybody who got a job right off the bat got
21 a job that pays well enough to close the
22 cash-assistance welfare care. Right now, about
23 9,000 current cash-assistance recipients in
24 Philadelphia are working in paid jobs while also
25 getting cash assistance. About 7,000 are in

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2 education and training programs while receiving
3 cash assistance in Philadelphia.

4 About 600 Philadelphia TANF recipients
5 are studying for advanced degrees while on cash
6 assistance in Philadelphia. That 600 represents
7 more than half of the 1100 TANF recipients
8 enrolled in higher education statewide each month.

9 My assessment, to summarize, is that
10 the progress made by cash-assistance recipients in
11 terms of movement into employment in Philadelphia
12 so far and statewide is good, and we can probably
13 attribute the progress to date to three factors:
14 program and policy changes, which we won't go into
15 at length for time's sake here; an economy that's
16 doing pretty well and in which employers, as you
17 heard Miss Cooper say, are hungry for reliable
18 attending entry-level personnel; and I think the
19 rather energetic and creative work done by Mayor
20 Rendell and his staff and the Private Industry
21 Council to get a consistent message out -- much
22 more so than when I was here last time.

23 I think we have a very consistent
24 message going out in Philadelphia to TANF
25 recipients and to employers alike. And the

2 message is quite straightforward. Jobs are
3 available, parents who have been on welfare make
4 reliable employees, and the personal and financial
5 rewards for going to work are real and
6 substantial.

7 I want to draw your attention -- I'm
8 going to skip here a little for time's sake -- to
9 the little picture on page 6, which represents the
10 ways in which the Department of Public Welfare
11 purchases education and training services. We
12 refer to this as our continuum of employment and
13 training services, and we buy some services for
14 people who are not particularly job-ready, very
15 intensive case management and education and
16 training services like Single Point of Contact,
17 all the way to the Rapid Attachment programs that
18 we purchase for people who are more job-ready and
19 who need a couple of months perhaps of job search
20 assistance.

21 I want to emphasize to you that we
22 purchase employment and training services all
23 along this continuum, depending on what the
24 individual needs of the clients are.

25 In fact, if you look at the chart on

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2 the bottom of page 7 -- I'm skipping a lot of text
3 here, but I think the pictures tell the story --
4 you can see that we have changed the amount of
5 money we have spent in each of these categories
6 over time.

7 So when I came to talk to you last
8 time, we were spending some new money on so-called
9 Rapid Attachment services -- you know, helping
10 people do job search assistance, six or eight
11 weeks of assistance. And that got a lot of
12 attention at the hearing last time I was here.

13 But, as you can see, we increased our
14 investment in Rapid Attachment services in Fiscal
15 Year '97-'98. In Fiscal Year '98-'99, sharply
16 reduced the amount of money being spent on these
17 job search assistance programs; and, instead,
18 increased the amount of money that we've been
19 spending all along on very intensive education and
20 skills training programs for more needy
21 individuals.

22 In other words, the money that was
23 saved in the early going because some people got
24 Rapid Attachment help and got jobs quickly was put
25 back into the education and training program to

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2 provide more intensive services for people who
3 needed more services.

4 Additionally, as you can also see from
5 this graph, we are increasing our investment in
6 what we're calling "job retention and advancement
7 services." We're planning services that help
8 people who got entry-level jobs so they don't get
9 stuck at that first level on the career ladder.

10 That's pretty much -- oh, I should say
11 something about transportation and child care
12 because I know there was a lot of discussion on
13 that and because Councilman Ortiz asked me to in
14 his invitation.

15 We are providing transportation
16 allowances for about 6500 cash assistance clients
17 a month in Philadelphia now. These are
18 transportation allowances that support clients in
19 training programs and those who are looking for
20 work. We also purchased SEPTA transpasses for
21 clients at all 19 County Assistance District
22 Offices, about 1800 of them a month, up from 600
23 when we began this year.

24 There's been a lot of discussion on
25 child care, so I'll just mention briefly that DPW

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2 upset over \$43 million just for TANF families
3 making the transition from welfare-to-work last
4 fiscal year -- last year. That \$43 million
5 represented an increase of over 8 million above
6 the prior year.

7 COUNCILMAN COHEN: But, Commissioner,
8 isn't it true that it doesn't really matter what
9 you're spending; what's important is how much of a
10 need are you meeting.

11 As a result of that, can you tell us,
12 for example, that there will be sufficient
13 day-care programs for everyone for whom it's
14 necessary in order for that person to go to work.

15 COMMISSIONER HELLER: I am not able to
16 give you the kind of 100 percent assurance that
17 you like. I can tell you that right now, on the
18 Philadelphia TANF case load, fewer than 200
19 clients are claiming exemption from their work
20 requirements on account of inability to find
21 appropriate child care.

22 As you may know, there's extensive work
23 going on in Philadelphia to do needs assessment,
24 which will get more at the kind of sophisticated
25 question I think you're asking about, whether

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2 care's available at night, when the good job is on
3 the night shift. I think there's still questions
4 like that out there left to answer.
5 COUNCILMAN COHEN: Miss Cooper, could
6 you come forward for just a moment?
7 (Donna Cooper returns to the witness
8 table.)
9 COUNCILMAN COHEN: You just heard the
10 statement of Commissioner Heller that there are
11 only 200 people in Philadelphia who say they need
12 day care for which day care has not been
13 provided. Is that in line with your understanding
14 as to the situation in Philadelphia?
15 And then Councilwoman Blackwell has the
16 additional question of who's paying for it and how
17 is it being handled financially?
18 Is that right, Councilwoman Blackwell?
19 COUNCILWOMAN BLACKWELL: Yes.
20 COUNCILMAN COHEN: And you can
21 incorporate that in your --
22 MS. COOPER: Sure. Child care is a
23 state-funded system with a participant co-pay.
24 The experience that we have, I think Deputy
25 Secretary Heller must be correct, that only 200

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2 people have claimed exemption as a result of child
3 care.

4 However, there are, in our
5 understanding, significant numbers of people on
6 waiting lists for regulated care. Whether people
7 are able to then find an unregulated care
8 provider, either a family member or a neighbor or
9 something like that, is another question, but
10 there are waiting lists in the city, in certain
11 parts of city for regulated care providers. And
12 there continues to be problems with off-hour care.

13 Sometimes the public assistance
14 recipient is paying directly for that -- you know,
15 you have to \$15 for every hour you're late, just
16 like in a private day care system. So lots of
17 times people are able to use a subsidized care and
18 then they pay out of their pocket for when they
19 have to come late because their work shift ends
20 late.

21 What we find when we interview people
22 who went through either Spot, the PIC program,
23 Rapid Attachment, or Community Solutions, who did
24 not keep their jobs, the number one reason that
25 they said they could not keep their jobs was

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2 because of issues associated with child care. And
3 that's a big issue, you know, that's associated
4 with child care, a huge category. It could mean a
5 lot of things.

6 But I think it would be correct to
7 assume that if we successfully continue to move
8 thousands of people into the workforce, we will
9 encounter bigger and bigger child-care problems.

10 COUNCILMAN COHEN: Well, I'm just
11 wondering, is there a way of your working with
12 Commissioner Heller and her staff? And when I say
13 "you," I mean whatever other folks are needed
14 from Philadelphia.

15 MS. COOPER: Mm-hmm.

16 COUNCILMAN COHEN: To make sure that
17 realistically the problem is sharply decreased,
18 and we'd like to see it eliminated.

19 In other words, if the only thing
20 stopping someone from taking a job is day care, it
21 seems to me be the falsest kind of economy to deny
22 that person day care. And that's the kind of
23 question we're trying to direct our attention to.

24 COMMISSIONER HELLER: I think Miss
25 Cooper will agree that the kind of communication

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2 you're describing is, in fact, happening in
3 Philadelphia.
4 COUNCILMAN COHEN: Good.
5 COMMISSIONER HELLER: If these clients
6 are having trouble with child care, it's not for a
7 lack of resource.
8 I want to mention that what we're
9 spending this in year in Philadelphia for child
10 care represents another \$20 million increase over
11 the \$8 million that we increased, so it's not for
12 lack of resources.
13 There are -- let me be the first to
14 point out to you -- some gaps in the child-care
15 system because of sort of ancient regulations that
16 we're trying to change. So, for example, I know
17 you know about this, we could have an example
18 where somebody gets a job, it's a good enough job
19 to go off cash assistance and stop that clock from
20 ticking. She gets guaranteed transitional child
21 care for 12 months, then it's up, and she goes on
22 a waiting list, okay? That's the kind of client
23 that Miss Cooper's describes.
24 Those kind of artificial rules like
25 that 12-month limit on transitional child care, we

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2 have proposed regulations to change, and we have
3 every expectation that those changes will be in
4 place this winter.

5 MS. COOPER: Councilman Cohen, what
6 might be useful is to, when you come back on
7 Monday, I assume there will be a set of people who
8 are experts in the field of child care that would
9 also perhaps describe what other states are doing
10 to expand the pool. Pennsylvania is spending more
11 money.

12 But, again, as the Mayor pointed out,
13 if we are successful with Greater Philadelphia
14 Works, I think we're going to hit a pretty serious
15 child-care problem within regulated care.

16 COUNCILMAN COHEN: All right. I think
17 that's a very fine point.

18 COMMISSIONER HELLER: Yeah, it is a
19 fine point. And I imagine you'll hear -- you
20 should ask everybody this question, not just the
21 bureaucrats like Donna and me.

22 COUNCILMAN COHEN: We should ask whom?

23 COMMISSIONER HELLER: The moms you
24 talked to as well. Because in our experience in
25 talking to clients, we find that some very much

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2 want the reliability and so forth and the early
3 childhood expertise that come associated with
4 regulated care, especially if they're on night
5 shift and it's time for their baby to sleep and so
6 forth, seek out neighborhood care, and are very
7 interested in pursuing training for neighborhood
8 and neighborhood and relative caregivers so that
9 they get good quality care in those environments
10 as well.

11 So when you look at the child-care
12 availability issue, you have to look at regulated
13 and unregulated care.

14 Shall I keep going, or are we having
15 questions here?

16 COUNCILWOMAN BLACKWELL: Thank you.

17 Yeah, these are big questions because
18 mothers are really, really suffering. And, for
19 example, I understand that even in a lot of jobs,
20 they have to track folks for 90 days, and who
21 knows if people will even be working after 90
22 days.

23 We've got problems, for example -- and
24 I know we'll talk about this Monday -- in the
25 whole traditional housing phase, let alone that we

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2 don't have enough dollars for just homeless beds.
3 But the way it's happening is that a person goes
4 from welfare to traditional housing.

5 After they serve that time, they're
6 told to take out their savings, which they had to
7 save, so they take out a thousand dollars, which
8 makes them ineligible for shelter, and then they
9 don't have anyplace to go. So they're back in
10 shelter, and everybody's stuck. We spent all this
11 extra money because we don't have that next
12 phase.

13 And Commissioner Tucker and others have
14 talked about this really, really severe problem.
15 Mothers are really afraid of losing their children
16 because they don't have work and the implications
17 of this.

18 Are we really doing like 25,000 jobs a
19 year at 2200 a month? Are we really doing that
20 even for those who don't pass literacy tests and
21 can't read up to 8th grade?

22 Are we really doing -- giving what's
23 happening in March, are we expected to do that
24 this year? Are we realistically doing these jobs,
25 and do the records say these people have been

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2 retained?

3 COMMISSIONER HELLER: I heard about
4 five questions there. I'll do my best, and you
5 tell me if I'm unresponsive on any of them.

6 COUNCILWOMAN BLACKWELL: Thank you.

7 COMMISSIONER HELLER: First, I think
8 it's important to make a distinction between the
9 Adoption and Safe Families legislation, which
10 there was some discussion here this morning about
11 termination of parental rights, and the welfare
12 reform legislation.

13 Both of them have deadlines of sorts
14 coming up, and so I think there's some -- I would
15 hate to see there be too much confusion between
16 them, and so I'm not prepared to talk about the
17 Adoption and Safe Families Act, but it is distinct
18 from that.

19 COUNCILWOMAN TASC0: But doesn't that
20 tie into the whole issue of the welfare reform?
21 And is there any discussion between the two
22 entities to see where there's a clash?

23 COMMISSIONER HELLER: Well, certainly
24 within the Department of Public Welfare, there's a
25 lot of discussion about that. I spend a lot of

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2 time talking to my colleagues.

3 I think you make a good point,
4 Councilwoman. We have worked in a world where all
5 of these systems have sort of walls between them
6 so that if a given family had housing issues to
7 deal with, drug and alcohol issues and health-care
8 issues to deal with, job training and welfare
9 issues to deal with, child-care issues, and what's
10 happening is that welfare reform has sort of
11 changed the world so that families can't live like
12 that anymore.

13 The agencies have to be -- the plan, in
14 other words, that the children and your agency
15 might develop for a family to stay together has to
16 be compatible with the plan that we develop in the
17 welfare office for moving towards financial
18 sufficiency or else the family gets caught in the
19 middle, and that's the kind of thing you were
20 describing, and housing as well.

21 COUNCILWOMAN TASC0: I don't want to
22 take her question, but this is very important.
23 What is happening on the state level to bring
24 those departments together to talk about this?
25 Because if you have the Adoption Act and you have

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2 the welfare reform, and the departments aren't
3 talking, somewhere or another, something's going
4 to happen and somebody's going to get hurt.
5 COMMISSIONER HELLER: Right.
6 COUNCILWOMAN TASC0: Who can make that
7 happen?
8 COMMISSIONER HELLER: The people who
9 can make that happen are Deputy Secretary Joanne
10 Lower (ph.) In the Office of Children, Youth and
11 Families, and myself. And I can assure you that
12 the Secretary of Public Welfare, Feather Houston,
13 had created an environment which ensures that that
14 happens.
15 I mean, none of us can do anything
16 until we understand the impact that it's having on
17 the other office; or better yet, the impact of
18 what we're doing on a given family's ability to
19 deal with what's happening also in their lives.
20 And you see all kinds of -- I mean,
21 this juncture between children and youth services
22 and welfare reform is only one of them. You'll
23 see, for example, that we in welfare reform are
24 very involved with the experts in domestic
25 violence.

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2 I mean, think about the interaction
3 there, okay, where you have a woman trying to move
4 toward financial self-sufficiency and perhaps an
5 intimate partner who wants to remain in control.
6 There can be real dangers associated with this
7 move from welfare to work.

8 Substance abuse is another. You have a
9 lot of people who say, Oh, I can get a job, I'm
10 going to go right out there and I'm going to get a
11 job. And they might have even been in our early
12 statistics, but they have addictions they haven't
13 acknowledged yet, and they're going to lose those
14 jobs if we don't do a good job of coordinating
15 services.

16 These kinds of discussions are ones
17 that we are involved in all the time. So I don't
18 think we're being -- I don't think we're ignoring
19 those issues at all.

20 I do want to talk to you a little bit
21 about -- you talked about the 90 days job
22 retention. Our early contracts of Rapid
23 Attachment made final payments to the people whose
24 services we bought if jobs were retained for 90
25 days, but those are not the only contracts we have

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2 in our continuum of services.

3 For example, we have the Community
4 Solutions program, in which there's a lot more
5 money invested here in Philadelphia, where the
6 final payment is not made unless job retention is
7 for a year, 12 months. Plus the contractors don't
8 get paid unless the jobs are a certain amount per
9 hour, and 50 percent of them have to have medical
10 benefits.

11 So I don't -- that's why I said in the
12 beginning that the statistics aren't as meaningful
13 as the way we're thinking about the program.

14 COUNCILMAN COHEN: Miss Heller, may I
15 raise this?

16 COMMISSIONER HELLER: Please.

17 COUNCILMAN COHEN: I think it's very
18 important that at the hearing Monday, it would be
19 wonderful if you could be here, but if you could
20 not be, could there been knowledgeable people from
21 your staff here?

22 Because I understand that the questions
23 and answers are raising concerns in the advocacy
24 community, and I think it would be good because I
25 think a lot of different things have to coming

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2 together. And certain walls that you referred to
3 kind of have to be broken down, and we've got to
4 have a communication that permits us to achieve
5 the results.

6 Would it be possible for you -- and
7 maybe you can change your schedule? 'Cause we'd
8 love to have you back, but we need to have
9 representatives from your department.

10 COMMISSIONER HELLER: I'll certainly
11 ensure that knowledgeable folks are here to make
12 sure it's a productive session.

13 COUNCILMAN COHEN: Good. And if it's
14 possible for you to be here too. We just urge
15 upon you or Feather Houston, with whom I sat for
16 many years on the SEPTA Board. So maybe you can
17 speak to her and tell her, for Auld Lang Syne
18 reasons, maybe she or you ought to be here.

19 COMMISSIONER HELLER: I appreciate your
20 making us feel so appreciated.

21 COUNCILMAN COHEN: Okay, thank you.

22 COMMISSIONER HELLER: Just to finish up
23 the remaining points of the testimony.

24 COUNCILMAN COHEN: Right. And then I
25 think we're going to have to call it a day.

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2 COMMISSIONER HELLER: Okay.

3 COUNCILWOMAN BLACKWELL: Let me say,
4 Madame Chairwoman, that we know we worry Don
5 Staval to death. He has an excellent reputation
6 in our town and he works with community groups, so
7 we don't want to unduly pressure him.

8 But we're really concerned about --
9 we're really fearful of what we see happening very
10 early in the year in the year, in March, of our
11 own quality-of-life bills, of the convention
12 coming here and what else that means for poor and
13 homeless people, and for our lack of new homeless
14 dollars, notwithstanding mental health and DNA
15 funds, we don't have any new homeless dollars.

16 So all of those things impact us
17 greatly. And when we see that we're going to see
18 25,000 new jobs a year, it sounds great, but we
19 haven't heard here locally about any job training
20 for those people who absolutely can't read at the
21 minimum level.

22 And what do we do? You know, we all
23 kind of feel that we're stuck. These mothers are
24 afraid. They don't want to lose their children.
25 We know that DHS has their regulations, and we

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2 know that we've got a serious employment problem,
3 a serious housing problem.

4 Notwithstanding all the great things
5 are city is, I think we've come a long, long way,
6 but I don't want us to turn around and go backward
7 during these tough times.

8 So we try to appeal to those of you who
9 are at a state level and who can -- who are able
10 to hear us and impact on decisions that affect us
11 locally.

12 COMMISSIONER HELLER: I certainly
13 concur with about what you said not going
14 backwards when we get under pressure.

15 I would concur with Ms. Greco's
16 remarks, from the Private Industry Council, where
17 she said that we're in this together; we all win
18 or we all lose together. I don't think any of us
19 can ignore the kinds of concerns that you're
20 talking about and succeed.

21 Let me just say -- perhaps I can close.
22 You gave me a hint of what I should say since I
23 only a few minutes left.

24 Let me focus for a minute on this March
25 date that's riveting everybody's attention. As

2 you probably know, we have state regulations and
3 case law which are very prescriptive about the
4 kind of notices and the kinds of individualized
5 reviews of cases we have to do before anyone loses
6 cash assistance benefits.

7 So there's not going to be some
8 automatic cutoff where thousands of people lose
9 benefits all at once because they aren't working
10 for 20 hours a week in March.

11 Every case that appears in our records,
12 where the adult is not doing the requisite number
13 of activity, will be reviewed before anything
14 happens. There's procedures that we go through to
15 figure out why it's happening. People have an
16 opportunity to correct the situation.

17 So it's not as though all of a sudden,
18 on March 4th, there's going to be a looming loss
19 of benefits for thousands of people. Cases will
20 be called in, reviewed individually before people
21 lose benefits.

22 What we are going to be looking for --
23 well, let me say what we're going to -- we'll
24 provide as much guidance and as many supports as
25 we possibly can, but clients are expected to take

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2 personal responsibility for meeting this work
3 obligation. They're expected to make specific
4 plans to meet the work requirement and to move
5 towards self-sufficiency, and they're expected to
6 follow the steps in those plans.

7 Clients who do not take those steps
8 will lose cash-assistance benefits, but clients
9 who come in and explain their reasons and take
10 steps to remove the obstacles to meeting the work
11 requirements will not lose benefits.

12 So I think we're working on a very
13 reasonable individualized process that will take
14 some time. It won't happen all of a sudden in
15 March.

16 Of course, if there is a decision for
17 people's benefits to be cut, those decisions are
18 appealable. And there's a separate process for
19 that as well.

20 Let me just close, then, with a plea
21 for your help, if I might. One of the -- I've
22 spoken to you about some pieces of unfinished
23 business. One of the pieces of unfinished
24 business is to fix the child-care regulations.
25 Another piece of unfinished business is for us to

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2 complete work on alternative work activities for
3 those people who didn't find separate independent
4 employment.
5 But perhaps the most important piece of
6 unfinished business is to consistently get the
7 word out about how important it is for people to
8 not wait till March to take action, to come into
9 the County Assistance Office and see what the --
10 we have thousands of vacancies in our training
11 programs. And Greater Philadelphia Works has
12 more, as you heard.
13 COUNCILMAN COHEN: Commissioner, could
14 I interrupt you for a minute?
15 COMMISSIONER HELLER: By all means.
16 COUNCILMAN COHEN: I'd like to ask Mr.
17 Richard Weishaupt to come forward for a moment
18 because I'd like to have a clear indication.
19 On one hand, we're told cataclysmic
20 events are going to occur in March, unless many
21 things happen. And your testimony is to the
22 contrary.
23 Mr. Weishaupt, you heard Commissioner
24 Heller's statement about the hearing process
25 that's needed, that there will be no drastic

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2 cutoff of large numbers of people. Could you
3 identify yourself for the record and state your
4 agreement or disagreement.
5 We're trying to bring the issues to a
6 head so we know what we have to dealing with.
7 MR. WEISHAAPT: Good afternoon. My
8 name is Richard Weishaupt. Good afternoon.
9 COMMISSIONER HELLER: Good afternoon.
10 MR. WEISHAAPT: Well, part of the
11 problem is that it's November 10th, and the new
12 program goes into effect in less than four
13 months.
14 We're still in the planning phase, and
15 we still don't know what's going to happen. We
16 still don't even know where the work activity is
17 going to come from for 25,000 people in the City
18 of Philadelphia.
19 We do know that large numbers of them
20 will probably not have 20 hours of work activity
21 by March 3rd lined up. And the -- we're deathly
22 afraid that even if a small percentage of people,
23 for one reason or another, don't get their mail,
24 don't respond to a letter saying, Hey, you know,
25 you're in trouble, you haven't done your 20 hours,

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2 come in.

3 Every time that someone doesn't come in
4 on time, maybe because their kid was sick or maybe
5 because they overslept or maybe but they didn't
6 read the letter or maybe because they just didn't
7 want to come. Every one of those families is
8 going to be cut off assistance, and they cannot
9 get back on for at least 30 days under the plan
10 that Deputy Secretary Heller is contemplating.

11 And you heard Mayor Rendell talk about
12 how, Well, if there was 400 people that that
13 happened to, it would cost us you know
14 \$2.5 million in child welfare services, plus
15 another million in health services.

16 If the situation of people being
17 sanctioned stays at the current level, the number
18 will be four times higher than what the Mayor is
19 estimating. And if it goes up to 10 or 12
20 percent, it will be 5 or 6 times higher.

21 So we're looking at a very, very
22 serious possibility. And I don't want -- I will
23 consider it a personal failure if any family in
24 Philadelphia is denied the means to survive
25 because of missing an appointment or getting

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2 sanctioned. But we're not talking about one child
3 or one family; we're talking about, even under the
4 best of scenarios, hundreds of families.

5 And to tell you the truth, we need to
6 work collectively around the clock to make sure
7 that people are not sanctioned, penalized for
8 failing to comply with these work requirements.

9 I think that Americans of all different
10 income levels want to work, want to be
11 self-reliant, and that we need to do lots more to
12 help them rather than punish them.

13 COUNCILMAN COHEN: Commissioner, can we
14 take this point to recess the hearing?

15 COMMISSIONER HELLER: No, no, I think I
16 need to respond.

17 COUNCILMAN COHEN: Oh, would you like
18 to speak on it now?

19 COMMISSIONER HELLER: It would be
20 appropriate to respond. I'll be brief.

21 COUNCILMAN COHEN: Okay, because I
22 think we're getting to the crux of situations that
23 have to be dealt with, and this Council wants to
24 be in a position to assist all the parties.

25 I don't think we want a single

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2 Philadelphia to go without food or shelter as a
3 result of the application of laws. We've just got
4 to make sure that that doesn't happen.
5 (Applause.)
6 COUNCILMAN COHEN: Commissioner Heller.
7 COMMISSIONER HELLER: Okay, a couple
8 quick points to respond.
9 One, we have regulations in place. We
10 have had and we continue to have regulations in
11 place which enable people who miss appointments
12 for good cause to not be sanctioned. So I think
13 to throw up the specter of people losing their
14 means of sustenance because of a circumstantial
15 event really misrepresents the seriousness of the
16 situation.
17 On the other hand, I confess to you,
18 I'm of two minds as to whether to close on a very
19 reassuring note or to echo the note of alarm you
20 heard from Mr. Weishaupt.
21 On the reassuring part, I stand by what
22 I said -- you're not going to see massive cutoff
23 of benefits in March. Every case will be
24 individually reviewed, and we will be examining to
25 see whether the client, whether the mom, the

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2 family member -- we won't be artificial and just
3 say "client" -- is actively trying to become
4 self-sufficient; planning for self-sufficiency and
5 taking the steps in her plan.

6 I don't want to be overly reassuring on
7 the other hand, because to be frank, I'm worried
8 about the people who are just waiting to see what
9 happens. I would like to see them come in now.
10 We have vacancies, we have training programs, we
11 have job search assistance for people. And if
12 they just sit around and wait to see what happens,
13 they will get caught up sort and there will be
14 some consequences like lost benefits that we don't
15 want to see.

16 So I think the appropriate note is to
17 say there's not going to be chaos in March. Every
18 circumstance will be reviewed individually.

19 On the other hand, for people who
20 cannot, or will not, respond to the message and
21 take advantage of the opportunities that we can
22 make available, there will be lost benefits.

23 COUNCILMAN COHEN: Well, can I ask one
24 other participant to join the group -- Ed
25 Schwartz, former Councilman Schwartz.

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2 I just want to close on a note which is
3 a good note for beginning Monday. We want to nail
4 down this question. For example, Commissioner
5 Heller, Commissioner Heller?

6 COMMISSIONER HELLER: Yes.

7 COUNCILMAN COHEN: It strikes me -- I
8 don't know who's going to be right, but I think
9 we'd like to see that before somebody's cut off,
10 some agency, some advocacy group -- maybe the
11 community legal service -- somebody ought to be
12 notified so that before the effective date of
13 cutoff, if there's any sound reason why the
14 person should not be cut off, even though the
15 record, you know, appears that a cutoff would be
16 justified, some procedure like that might be able
17 to be worked out.

18 And I just raise that for your
19 thinking. I don't ask you to give me an answer to
20 that.

21 (Ed Schwartz comes forward.)

22 COUNCILMAN COHEN: Mr. Schwartz, if you
23 could briefly join this discussion. Just identify
24 yourself. It's former Councilman Schwartz, but
25 identify yourself. I'm told you're entitled to

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2 use that title.

3 MR. SCHWARTZ: Yeah, I've used it when
4 it's appropriate.

5 COUNCILMAN COHEN: Okay.

6 MR. SCHWARTZ: And I don't use it when
7 it's going to cause a problem.

8 COUNCILMAN COHEN: Right.

9 MR. SCHWARTZ: I am former Councilman
10 Ed Schwartz, Head of the Institute for the Study
11 of Civic Values. We've been paying very close
12 attention to these issues and have organized a
13 sizeable coalition around it.

14 I have a few comments. One, March is
15 the beginning of a process -- not the beginning
16 and end of a process; meaning that people's
17 16-month or 24-month consecutive limit continues
18 to run out on March 4th and 5th and 6th. So to
19 ask what happens in March and say, Well, we're not
20 going to have chaos in March doesn't really
21 address what we're facing.

22 In 1981, when the Reagan budget passed,
23 there were no homeless people lying in the
24 streets. When I served on City Council, there
25 were 4,000 and 500 people in the streets. And if

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2 we said that in 1981, we would have looked like
3 maniacs, but that's where it was.

4 Now, the one thing that was obscured
5 this morning that I don't think you yet maybe
6 fully understand -- Commissioner Heller had
7 certainly referred to it -- the State Act 35 has a
8 very precise definition of work that is much more
9 restrictive than the federal definition of
10 work-related activities.

11 Under the federal definition, you can
12 continue to pursue job training, vocational
13 education, and certain other things while looking
14 for a job as work-related. But the state's
15 definition, passed by the legislature, that
16 defines this for Pennsylvania, is that people must
17 be working -- work, what you and I would call a
18 job for 20 hours a week. Starting March 3rd, that
19 begins, all those with 24 months.

20 Now the number of people who will be
21 vulnerable to that has shifted around in these
22 projections for the last six months per year. The
23 most conservative number that we've heard is
24 15,000 in Philadelphia will be eligible, will be
25 vulnerable to that as of March 3rd.

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2 COUNCILMAN ORTIZ: The Mayor said 26.

3 MR. SCHWARTZ: I know he said 26, but
4 I'm using the cautious number that's been given
5 most recently because they can exempt a certain
6 number of people and all of this.

7 COUNCILMAN ORTIZ: Well, the mayor was
8 being cautious.

9 MR. SCHWARTZ: Well, I know. I'm just
10 saying what the state has said. And 15,000, by
11 the way -- I mean, we get used to these numbers as
12 is if -- 15,000 is 2/3 of the entire workforce of
13 the City of Philadelphia. So 15,000 would be
14 alarming enough, and it's obviously going to grow.

15 Now, we have one of two choices here.
16 You can either believe that somehow, all of these
17 placements processes are going to yield enough
18 reduction in the vulnerable people by March 3rd,
19 that we won't have a problem. I don't believe
20 that.

21 Or we can do what the job policy
22 network is asking and what we enjoin and others
23 are asking is for the state legislature to revisit
24 its definition of work and include education and
25 looking for work request. If that happened, then

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2 we would be able to solve the problem.

3 What we hear here is that we're not
4 going to change the definition of work, but
5 there's going to be some kind of grace period of
6 good intentions on the part of the recipient where
7 we won't sanction them.

8 But how long can that go on? Is the
9 Welfare Department in Philadelphia going to
10 endlessly disobey the law? The law requires that
11 people work for 20 hours a week.

12 And here is the conundrum that the
13 state is faced with. We are a work-first state.
14 Every other state with the work-first philosophy
15 has added a huge workfare program to go along with
16 it. So they guarantee a job.

17 As Councilman Ortiz points out, 38,000
18 people in the city of New York are working for the
19 city, under workfare. And the welfare reform
20 advocates with whom I met last summer there are
21 focussed entirely on workfare.

22 What shoe we are all waiting to hear
23 drop is the so-called work net program which is,
24 in fact, described very generally here. There
25 will be no way of solving this problem unless they

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2 change the law, in which case all sorts of
3 education and training become eligible without a
4 massive community service jobs component that
5 permits people to work 20 hours a week. There may
6 be grace periods that they're willing to provide
7 for good intention.

8 If they say they'll provide that good
9 intention forever, as long as somebody seems to be
10 trying to, you know, get a job, then, of course,
11 they've found a way out from under what the law
12 requires. But the law requires that everyone who
13 reaches welfare for 24 consecutive months ends up
14 having to work 20 hours a week.

15 And what's marvelous about these
16 statistics that I was looking at is that if you
17 add up the number of people who got placed in
18 jobs, that's 24,215 over the 19 months they're
19 looking at. The case load itself dropped by
20 significantly less than that.

21 So the questions are --

22 COUNCILMAN ORTIZ: It's 14 percent in
23 Philadelphia.

24 MR. SCHWARTZ: Well, but I'm just using
25 real numbers as opposed to the percentages. The

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2 24,000 -- the real case load drop was about 10 or
3 11,000, something like that.

4 So that means one of three things. It
5 means that new people were coming on welfare to
6 uptake the case load, and some of that is there.
7 It means that some of these people are working at
8 jobs whose income is so low that, in fact, they're
9 still receiving TANF under the earned-income
10 disregard because that disregard means you still
11 get federal welfare money and, therefore, you're
12 still on welfare, as far as the federal law is
13 concerned, and your five-year clock is still
14 ticking placed.

15 Or it means a certain number of these
16 people are placed in jobs and, in fact, they ended
17 up back on welfare two, three months later.

18 So if we're really looking at what
19 we're up against, we have to look at the reduction
20 in the case load.

21 The fact is, as of March 3, 1997, we
22 needed to reduce the case load by 890 a month in
23 order to reach the goal of 20 percent of people,
24 with just about everybody off of welfare in 24
25 months by the year 1002. And we are, not even in

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2 these best of times, doing that.

3 But the bottom line for March 3rd is, a
4 law has been passed, and we should forget the word
5 "welfare." People who are working are not on
6 welfare.

7 So what we're talking about is a
8 workforce expansion program. We are expanding the
9 workforce by another 50 to 60,000 people over the
10 5-year period who right now, as welfare
11 recipients, weren't even counted as part of the
12 workforce.

13 So we're expanding this workforce by
14 anywhere from 15 to 25,000 people by March in
15 part-time jobs.

16 COUNCILMAN COHEN: Unless the --

17 MR. SCHWARTZ: And if there are not the
18 jobs available for them in the government or the
19 private sector --

20 COUNCILMAN COHEN: Councilman, let me
21 give Commissioner Heller the last word for today.

22 MR. SCHWARTZ: Fine.

23 COUNCILMAN COHEN: And then we're going
24 to be recessing till 10 o'clock on Monday.

25 Commissioner Heller, is there anything

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2 you want to say?
3 COMMISSIONER HELLER: Sure. I think
4 the most important thing to do is to correct a
5 slight factual inaccuracy that might mislead
6 people.
7 MR. SCHWARTZ: All right.
8 COMMISSIONER HELLER: It is not the
9 case that the only hours of work activity that
10 maintain eligibility after 24 months of cash
11 assistance is a job. That is not correct, okay?
12 MR. SCHWARTZ: What else is there?
13 COMMISSIONER HELLER: Work activity
14 could include subsidized employment.
15 MR. SCHWARTZ: That's a job.
16 COMMISSIONER HELLER: Paid or unpaid
17 work experience.
18 MR. SCHWARTZ: That's a job.
19 COMMISSIONER HELLER: Community
20 service.
21 MR. SCHWARTZ: That's a job.
22 COMMISSIONER HELLER: I thought I was
23 going to get the last word here, my friend.
24 MR. SCHWARTZ: Not in misleading
25 people, you're not.

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2 COMMISSIONER HELLER: And --
3 MR. SCHWARTZ: Not while I'm sitting
4 here, you're not going to continue to mislead
5 these people. That's all work.
6 You see, they've got different
7 definitions. A job is somebody that's an employer
8 that pays you. This is all work, as opposed to
9 sitting in a classroom, going on a job search, or
10 going on job training.
11 COMMISSIONER HELLER: No, it's a --
12 okay, no --
13 MR. SCHWARTZ: Are any of those three
14 activities -- looking for a job, job training or
15 vocational education are any of those considered
16 work under the state law? Are they?
17 COMMISSIONER HELLER: Let's clear up
18 the --
19 MR. SCHWARTZ: No, you've been sitting
20 here for two years misleading this city with
21 statistics that, in fact, don't make any sense.
22 (Applause.)
23 MR. SCHWARTZ: I assure you, Madame, I
24 know at least as much about all of this as you do
25 and ran programs of this magnitude. So you're not

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2 going to get away with it here.

3 Does job training, vocational
4 education, or job search count as "work" under Act
5 35?

6 COMMISSIONER HELLER: Let me be as
7 precise as I can.

8 A work activity looks more like a job
9 than it does like classroom instruction; there is
10 no ambiguity about that, all right?

11 Work experiences provided in the
12 context of an educational program will count.

13 So, for example, anybody who would come
14 into the County Assistance Office now and sign up
15 for a Community Solutions education program, a
16 Single Point of Contact education program, or any
17 of the other contract that DPW has with education
18 and training providers, would, as part of that
19 contractual arrangement, include 20 hours of work
20 activity, subsidized employment, internship sorts
21 of activities, so that a person does not have to
22 choose between such an education program and
23 meeting the work.

24 There is no ambiguity, however, that
25 that's a lot of hours for a single parent to do

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2 the 20 hours of work activity and to get education
3 is hard. That's why it's so important that people
4 come in before their 24 months are up and take
5 advantage of the education and training programs
6 that we have to offer.

7 MR. SCHWARTZ: And all I am saying in
8 response to that is that the programs that are
9 being described are those that are 35-hour-a-week
10 programs so they include 20 hours of community
11 work experience. I am running that program, so I
12 know what it looks like. It's not under their
13 contract. We have a program where recipients work
14 for 20 hours a week, so we're qualified under
15 this.

16 But the difference between the federal
17 law and the state law is that somebody sitting in
18 a classroom training program for vocational
19 education, preparing to be something else, but
20 they're sitting there, under the federal law, that
21 is still qualified as a work-related activity.
22 And under the state law, it is not qualified.

23 So all of the PIC training providers
24 were brought together a month ago by the PIC, and
25 they were told by the PIC that if they were

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2 running training programs, they had to completely
3 throw out their classroom models.
4 (Applause.)
5 MR. SCHWARTZ: And it turn on its head
6 in order to be able to accommodate 20 hours a week
7 of work.
8 So that's what I'm saying. And we have
9 just heard in response to that, again, obscuring
10 what's going on, that we are running certain
11 programs that involve 20 hours a week.
12 But that's not what we're up against.
13 We're up against 15,000 people who need to be
14 working 20 hours a week under some arrangement,
15 whatever else they do. And who is supposed to
16 provide those jobs, as Councilwoman Tasco asked?
17 I've spent most of my quarter looking
18 at economic development. I'm on the architect
19 program, and I can tell you from that experience
20 that there is not a shred of possibility that
21 enough jobs will be created in the City of
22 Philadelphia alone to accommodate this workforce,
23 so it's time to stop obscuring the magnitude of
24 the problem.
25 The city is involving this program for

2 precisely 750 people at any given moment. That is
3 the number of people who, at any given moment, are
4 going to be working in the public works part of
5 it. Everyone else is looking for work. Those
6 6,000 people a year, they're all looking for
7 work. And if their 24-month time limit expires as
8 of March 3rd of next year, you know what, they've
9 got to be looking for work while they're working
10 for 20 hours a week.

11 So we, again, are all very interested
12 in what the work net program will look like,
13 because that is where, in fact, the state is
14 talking about responding to the problem, which is
15 to create a framework for community service work
16 that gives people 20 hours a week of work
17 experience.

18 And, by the way, not only don't I have
19 I have a problem with that; I have been running
20 that program for five years. And I don't have
21 this view that a person who is working for our
22 communities, working for the good of the community
23 or the city, is doing something other than work or
24 a job.

25 We are expanding the workforce, and it

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2 seems to me, we need to expand what we mean by
3 "work."
4 (Applause.)
5 MR. SCHWARTZ: And that is anything
6 that involves improving the value of our life in
7 the community. And that's something that neither
8 the city program nor the state program has yet
9 come to grips with.
10 COUNCILMAN COHEN: Commissioner Heller,
11 I think this is a pretty good place to stop the
12 discussion today.
13 We'd like to know, from the state's
14 point of view, whether you believe Councilman
15 Schwartz is right. If he's right, then we would
16 hope that there would be a recommendation from the
17 Governor to the State Legislature to change the
18 state law.
19 If it's not right, then we'd like to
20 understand why he's not right.
21 COMMISSIONER HELLER: Yeah. I think
22 the gentleman made about 15 points in his remarks,
23 so it's impossible for me to just give you a
24 thumbs-up or a thumbs-down about whether I agree.
25 Let me reassure you, however, that

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2 there is no intention to obscure what the
3 requirement is, all right? Work activity, whether
4 it's paid or unpaid, looks like work; it don't
5 look like classroom instruction.

6 And the General Assembly, in Act 35,
7 was unambiguous that they expected people who
8 remain on cash assistance longer than 24 months to
9 be doing some sort of work activity to remain
10 eligible for those cash-assistance benefits.

11 COUNCILMAN COHEN: Councilman Ortiz,
12 the last word.

13 COUNCILMAN ORTIZ: Mr. Chairman, Madame
14 Chairwoman, obviously, I think, as the Mayor
15 stated and I stated, this is probably the biggest
16 public policy problem that we're going to be faced
17 as a city within the next five years.

18 We as a legislative body, as the Mayor
19 again stated, have not looked at this in any
20 in-depth form. We looked at it a year and a half
21 ago, we looked at it today.

22 Meanwhile, throughout the whole period
23 of time, notwithstanding the fact, our homeless
24 program has not been reformed, we have not looked
25 at how we are spending that type of money.

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2 We approved a sidewalk behavior bill,
3 that if this goes through and the effects of this
4 reform happen, we are not going to need a
5 sidewalk; we're going to need a highway behavior
6 bill, because that's what's go to be happening.

7 (Applause.)

8 COUNCILMAN ORTIZ: Our answers to the
9 problem have been to put into place legislation
10 prohibiting things instead of looking at the way
11 that we can resolve the issues of employment,
12 joblessness and training that we have.

13 And I hope -- I hope that -- this is
14 not the end because we should have had -- I've had
15 -- I have seven pages of questioning for you
16 here, Madame Secretary, which we're not going to
17 get into because of time.

18 So I would hope that we continue this
19 hearing immediately, that everybody comes back,
20 they we do what the Mayor said, that we keep on
21 doing exactly what we did today -- clarifying,
22 taking the obscurity out of this issue, the
23 obfuscation that has happened on the issue, to
24 take the semantics out of it. A job is a job is a
25 job is a job.

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2 And that's what we should be looking
3 at. And a living-wage-paying job is a job.

4 (Applause.)

5 COUNCILMAN ORTIZ: So I would hope, Mr.
6 Chair, that we have the proximate hearing, and
7 that nothing else is scheduled, so that the people
8 can come in here, so that the Secretary can come
9 back, so that everybody can get a full
10 understanding, and the City Council can get a full
11 understanding of this so that we don't have six
12 hearings in one day.

13 COUNCILMAN COHEN: The joint committees
14 stand in recess until Monday morning, at 10
15 o'clock.

16 Thank you.

17 (Adjourned at 1:35 p.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Tuesday, November 10, 1998, were
reported and accurately by me, and that this is a
correct transcript of same.

RE: JOINT COUNCIL COMMITTEE ON
PUBLIC HEALTH & HUMAN SERVICES
AND LAW & GOVERNMENT
RESOLUTION NO. 960671

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter