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CLASS ACTION LAWSUIT FILED

CHALLENGING STATE OF NEBRASKA'S SHORTENING

OF TWO YEAR TIME LIMIT FOR WELFARE BENEFITS

On July 31, the Nebraska Appleseed Center for Law in the Public Interest's Welfare Due Process Project filed a class action lawsuit in Lancaster County District Court challenging the way the State of Nebraska is counting the two-year time limit for welfare benefits. This suit alleges the state has violated state law and the constitution by creating rules shortening the two year time limit. These unlawful rules have caused low-income families across Nebraska to lose months of eligibility for ADC cash assistance and related services and opportunities for economic self-sufficiency. The Welfare Due Process Project estimates there have been between 7,000 to 11,000 families affected by these unlawful rules.

In the mid-1990's, the Nebraska Legislature passed the Welfare Reform Act, which among other things limits eligibility for cash assistance for low-income families (Aid to Dependent Children) to a two year time period. This time limited period was intended by the Nebraska Legislature to apply <u>only</u> to families that have created and signed an enforceable "self-sufficiency contract." Under the Welfare Reform Act, the two year time limited period starts when an individualized "self-sufficiency contract" is signed by both the low-income family and the state.

This lawsuit challenges the State of Nebraska=s implementation of unlawful rules in direct conflict with the Welfare Reform Act. These rules shorten the two year time limit by beginning the calculation of the time limited period <u>prior</u> to the signing of a "self-sufficiency contract" or the completion of the process mandated by the Welfare Reform Act leading to a "self-sufficiency contract."

The Plaintiffs, from Lincoln, Kearney, and Omaha, are all low-income parents of small children. Each of their families are eligible for public assistance, including aid to dependent children (ADC) cash assistance. Each are moving towards economic self-sufficiency, and are cooperating with the welfare program. But each family has unlawfully lost months of eligibility for ADC, and therefore benefits, services and opportunities for economic self-sufficiency mandated by the Nebraska Welfare Reform Act.

The State's actions shortening the time families may receive assistance has caused great injury to the health and well-being of the Plaintiffs and the class. For example, families are being terminated from necessary subsistence benefits; denied the opportunity for a comprehensive assets assessment process to identify and work on barriers to economic self-sufficiency, such as homelessness, educational needs, and child care problems; denied self-sufficiency contracts based on the results of such comprehensive assets assessments; denied job training and educational opportunity; and denied services designed to help remove barriers to economic self-sufficiency. Each of the named Plaintiff's stories are more fully described in the petition, and are representative of the experiences of thousands of families across Nebraska. The Plaintiffs are Kelly Jones, Lincoln; Janice Montgomery, Omaha; Aquarius Hopkins, Lincoln; Sarah Engelhart, Lincoln; and Lynn Houseman, Kearney.

"The State has made a great deal out of the lowering of the welfare rolls," said D. Milo Mumgaard, Executive Director of Nebraska Appleseed. "But behind this lurks the reality of thousands of families pushed off the rolls with little to no help to become self-sufficient. The irony is this circumstance is exactly the opposite of the goal of Nebraska's welfare reform program. We are supposed to be helping families get off welfare for good, not just for the time being."

To show the importance of this suit, Mumgaard cites to a recent survey of several hundred low-income families across Nebraska, which revealed that low-income Nebraskans are not doing well and have suffered as a result of welfare reform changes. "Voices of Nebraska's Poor: Family Health and Well Being After Welfare Reform," May, 2000. The study found that many low-income families are no better off than they were before, and many more are struggling to make ends meet. "We believe that the true success of welfare reform is indicated not by the drop in numbers of families receiving cash and other benefits, but by how many families have actually moved up and out of poverty," said Mumgaard.

"The rules the state has put into place on time limits have no basis in state law, but are a clear policy choice by the administration to push needy families off welfare," said Sue Ellen Wall, staff attorney of the Welfare Due Process Project. "We have tried over the last year to negotiate a resolution to this problem, but the state has been unwilling. So now we have had to sue to get these families the time and the opportunities they deserve under Nebraska law."

The lawsuit seeks a certification of the class, a declaration that the rules are null and void, an injunction requiring the Defendants to follow the Welfare Reform Act, an order that the affected class is entitled to a correct determination of their actual months of eligibility for ADC, notice of such determination and the right to individualized fair hearings, and the reinstatement of any eligibility for any ADC cash assistance benefits lost as a result of the application of the unlawful rules.

The Defendants are the State of Nebraska, the Nebraska Department of Health and Human Services, the state administrative agency charged with implementing the WRA, and Ron Ross, Director of Health and Human Services, who is responsible for the administration and supervision of the public assistance programs in Nebraska.