

**NLWJC - Kagan**

**Counsel - Box 036 - Folder 018**

**Health and Human Services Plan  
Submission and Approvals**



FORTUNA\_D @ A1  
12/12/96 11:40:00 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: MAYS\_C @ A1@CD@LNGTWY

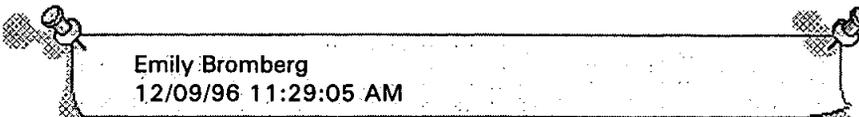
Subject: New York state TANF plan

HHS has almost resolved the New York state tanf plan certification. New York (Bryan Wing) sent HHS an outraged, angry letter, but it included a sentence on the state's intention to comply with the time limits that essentially satisfies HHS's concerns and allows them to offer NY the same deal we offered California. As a result, HHS is anxious to wrap this up and certify the state's plan as complete. This will happen as soon as later today or tomorrow. I will assume you don't have a problem with this unless you let me know.

Message Sent To:

---

Keith J. Fontenot  
Alison E. Bracewell  
Emily Bromberg  
Elena Kagan  
RASCO\_C @ A1@CD@LNGTWY  
REED\_B @ A1@CD@LNGTWY  
BENAMI\_J @ A1@CD@LNGTWY



Emily Bromberg  
12/09/96 11:29:05 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: ny /nj

Rich Tarplin spoke to Ron Haskins, Moinihan, and Rangel about the NY state plan. They are all fine with the HHS Regional Administrator calling her contact at the NY Dept of Social Services to say the following:

HHS is unable to certify your plan complete because you say you need legislation to implement the 5 year time limit. You can cure this by telling us that you understand that you can only use federal funds for 5 years (the Regional Administrator will explain that Ca has just done this and their plan was certified complete). If NY can tell HHS this by feb 1, NY will get TANF funds retroactive to the date of plan submission.

This call is scheduled for 1:30 pm. The same call will be made to NJ. Rich spoke to Ron about NJ but felt that the NJ delagation would not be a problem.

Let me know if you have any problems/questions.

Message Sent To:

RASCO\_C @ A1 @ CD @ LNGTWY  
REED\_B @ A1 @ CD @ LNGTWY  
BENAMI\_J @ A1 @ CD @ LNGTWY  
FORTUNA\_D @ A1 @ CD @ LNGTWY  
Kenneth S. Apfel/OMB/EOP  
Elena Kagan/WHO/EOP

OFFICE OF INTERGOVERNMENTAL AFFAIRS  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
200 Independence Avenue, SW  
Room 630F  
Washington, DC 20201



F A X C O V E R S H E E T

DATE: 10/31/96

TO: *Jeremy Ben Ami*  
*Bruce Reed*  
*Diana Fortuna*  
*Emil Bromberg*

PHONE:  
FAX:

FROM: John Monahan  
Director

PHONE: (202) 690-6060  
FAX: (202) 690-5672

RE:  
CC:

Number of pages including cover sheet:

9

Message:

*cc Elena*  
*Kagan*  
*Rm/25*

OFFICE OF THE SECRETARY  
EXECUTIVE SECRETARIAT

DUE DATE:

10-30-96  
12:00 N O O N

CLEARANCE FORM

RUSH

SUBJECT: TANF letters to OH, AZ, OR, and OK certifying completeness of State Plans

LETTER/MEMO DATE:	DATE TO CLEARANCE: 10-29-96	CONTROL NO.:
ORIGINATOR: ACF	ADDRESSEE:	

REFERRED TO OFFICE OF:

	Immediate Office of the Secretary		Assistant Secretary, Health (ASH)
	The Under Secretary (UNS)		Assistant Secretary, Human Development (AHD)
AB	General Counsel (OGC) RABB / DURAND		Commissioner, Social Security Administration (SSA)
	Assistant Secretary, Personnel Administration (PER)		Administrator, Health Care Financing Administration (HCFA)
AB	Assistant Secretary, Employment and Retirement (AMB)		Director, Office of Refugee Resettlement (ORR)
AB	Assistant Secretary, Legislative Affairs (ASA)	AB	Deputy Secretary for Intergovernmental Affairs (DUSIGA)
AB	Assistant Secretary, Public Affairs (APA)		Office of International Affairs
AB	Assistant Secretary, Policy Evaluation (ASPE)		
AB	Office of Intergovernmental Affairs (OIGA)		
	Office of Consumer Affairs (OCA)		
	Office of Inspector General (OIG)		
	Regional Directors		

PURPOSE:

A-COMMENT OR RECOMMENDATION	D-COORDINATE WITH ACTION ADDRESSEES AS NECESSARY
B-CLEARANCE (INITIAL) AND RETURN.	
C-INFORMATION	

REMARKS:

PLEASE TELEPHONE YOUR CONCURRENCE OR HAND DELIVER YOUR COMMENTS TO Michele Harris-Gammon

Total 8 pgs

Kristin Siebenaler

Executive Secretariat

690-8475

Extension

627-H

Room

10/23

The Honorable Fife Symington  
Governor of Arizona  
Executive Office  
1700 West Washington  
Phoenix, Arizona 85007

Dear Governor Symington:

I am pleased to inform you that, as of October 1, 1996, Arizona qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding the TANF program, the Secretary has found that Arizona submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Arizona is now an eligible State, the Secretary is authorizing funding for FY 1997 in the amount of \$222,419,988. In addition to triggering funding, becoming an eligible State means that Arizona came under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective October 1, 1996.

A finding that the plan is complete does not represent the concurrence of the Department with any claim by the State regarding its authority to delay implementation of any provision of PRWORA based on an inconsistency between that provision and one or more approved waivers. Future regulatory action pursuant to section 409 may provide further guidance. If this happens, States will have an opportunity to submit a new plan in order to come into compliance with the requirements.

I look forward to providing any additional assistance or information that would be useful to you and your staff. If you have any questions, please contact John W. Codington, Deputy Regional Administrator, at (415) 437-8402.

Sincerely,

Sharon M. Fujii  
Regional Administrator

cc. Linda J. Blessing

October , 1996

Mr. George A. Miller, Director  
Department of Human Services  
P.O. Box 25352  
Oklahoma City, OK 73125

Dear Mr. Miller:

I am pleased to inform you that, as of October 1, 1996, Oklahoma qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding the TANF program, the Secretary has found that Oklahoma submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Oklahoma is now an eligible State, the Secretary is authorizing funding for FY 1997 in the amount of \$148,013,558. In addition to triggering funding, becoming an eligible State means that Oklahoma came under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective October 1, 1996.

A finding that the plan is complete does not represent the concurrence of the Department with any claim by the State regarding its authority to delay implementation of any provision of PRWORA based on an inconsistency between that provision and your approved waiver, LEARNFARE. Future legislative or regulatory action may limit which provisions of TANF may be considered inconsistent with the waiver for purposes of determining penalties. If this happens, States will have an opportunity to submit a new plan in order to come into compliance with the requirements.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact your State Program Specialist, Betty Webb, at 214-767-1926, or the Program Manager, Roy Rodgers, at 214-767-6236.

Sincerely,

Leon A. McCowan  
Regional Administrator

Arnold R. Tompkins, Director  
Ohio Department of Human Services  
30 East Broad Street  
Columbus, Ohio 43266-0423

Dear Mr. Tompkins:

I am pleased to inform you that, as of October 1, 1996, Ohio qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding the TANF program, the Secretary has found that Ohio submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Ohio qualifies as an eligible State, the Secretary is authorizing funding for FY 1997 in the amount of \$727,968,260. In addition to triggering funding, becoming an eligible State means that Ohio came under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective October 1, 1996.

As we reviewed your plan, an issue within this Department's purview arose related to the State's coverage of non-citizens and the opportunity for consultation with local governments and private sector organizations. Although the matter of coverage of non-citizens was not included in your original consultation, you are to be commended for instituting a subsequent consultation period on this matter. This is not intended to be a comprehensive list of issues, and it does not necessarily reflect issues that relate to the jurisdiction of other Federal and State agencies. The clarifications submitted on October 22, 1996 satisfactorily addressed the issues cited above.

A finding that the plan is complete does not represent the concurrence of the Department with any claim by the State regarding its authority to delay implementation of any provision of PRWORA based on an inconsistency between that provision and one or more approved waivers. Future regulatory action pursuant to section 409 may provide further guidance. If this happens, states will have an opportunity to submit a new plan in order to come into compliance with the requirements.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact Kay Willmoth, Assistant Regional Administrator for Self-Sufficiency Programs, at 312/353-4439.

Sincerely,

Marion N. Steffy  
Regional Administrator

Gary W. Weeks, Director  
Department of Human Resources  
500 Summer Street N.E.  
Salem, OR 97310-1012

Dear Mr. Weeks:

I am pleased to inform you that, as of October 1, 1996, Oregon qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding the TANF program, the Secretary has found that Oregon submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Oregon is now an eligible State, the Secretary is authorizing funding for FY 1997 in the amount of \$167,924,513. In addition to triggering funding, becoming an eligible State means that Oregon came under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective October 1, 1996.

As we reviewed your plan, issues within this Department's purview arose. We brought several matters that we believed needed further clarification to your staff's attention. This was not intended to be a comprehensive list of issues, and did not reflect concerns that relate to the jurisdiction of other federal and State agencies. In a letter dated October 22, 1996, Jim Neely clarified these issues and provided additional information. With your agreement, we are incorporating Mr. Neely's letter into the State plan.

A finding that the plan is complete does not represent the concurrence of the Department with any claim by the state regarding its authority to delay implementation of any provision of PRWORA based on an inconsistency between that provision and one or more approved waivers. Future regulatory action pursuant to section 409 may provide further guidance. If this happens, States will have an opportunity to submit a new plan in order to come into compliance with the requirements. You should also note that the section 415 authority to delay implementation specifically excludes PRWORA section 103(c)(1) which repealed the

child care provisions of Social Security Act section 402(g) effective October 1, 1996.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact me at (206) 615-2547.

Sincerely,

Stephen S. Henigson  
Regional Administrator

cc: Jim Neely, Deputy Administrator, AFS

OFFICE OF INTERGOVERNMENTAL AFFAIRS  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
200 Independence Avenue, SW  
Room 630F  
Washington, DC 20201

**F A X C O V E R S H E E T**

DATE: 11/1/96

TO: *Jeremy Ben-Ami*

PHONE:

FAX: 456-7028

FROM: John Monahan  
DirectorPHONE: (202) 690-6060  
FAX: (202) 690-5672

RE:

CC:

Number of pages including cover sheet: 3

**Message:**

*Indiana LTR needs clearance  
ASAP. Please phone John ASAP.*

DRAFT      DRAFT      DRAFT      DRAFT      DRAFT      DRAFT      DRAFT

Cheryl Sullivan, Secretary  
Family and Social Services Administration  
402 W. Washington Street, W341  
Indianapolis, Indiana 46204

Dear Ms. Sullivan:

I am pleased to inform you that, as of October 1, 1996, Indiana qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding the TANF program, the Secretary has found that Indiana submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Indiana qualifies as an eligible State, the Secretary is authorizing funding for FY 1997 in the amount of \$206,799,109. In addition to triggering funding, becoming an eligible State means that Indiana came under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective October 1, 1996.

As we reviewed your plan, an issue within this Department's purview arose related to the State's coverage of non-citizens and the opportunity for consultation with local governments and private sector organizations. The clarifications submitted by you on October 24 and October 31, 1996, satisfactorily addressed these issues. This review is not intended to be comprehensive, and it does not necessarily reflect issues that relate to the jurisdiction of other Federal and State agencies.

A finding that the plan is complete does not represent the concurrence of the Department with any claim by the State regarding its authority to delay implementation of any provision of PRWORA based on an inconsistency between that provision and one or more approved waivers. Future regulatory action pursuant to section 409 may provide further guidance. If this happens, States will have an opportunity to submit a new plan in order to come into compliance with the requirements.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact Kay Willmoth, Assistant Regional Administrator for Self-Sufficiency Programs, at 312/353-4439.

Sincerely,

Marion N. Steffy  
Regional Administrator

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

18-Oct-1996 05:01pm

TO: Diana M. Fortuna

FROM: Jeremy D. Benami  
Domestic Policy Council

CC: Bruce N. Reed  
Emily Bromberg  
Elena Kagan

SUBJECT: RE: Meeting Monday and Calif issue

I think we definitely should bring it up - it's only HHS and us,  
and this is exactly the sort of issue we need to discuss. It's  
total BS to not bring it up!!!!!!!!!!

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

18-Oct-1996 04:29pm

TO:           Bruce N. Reed  
TO:           Emily Bromberg  
TO:           Jeremy D. Benami  
TO:           Elena Kagan  
  
FROM:         Diana M. Fortuna  
              Domestic Policy Council

SUBJECT:     Meeting Monday and Calif issue

Monahan is saying that they don't want to discuss Calif. situation much at Monday's meeting. He says there are a lot of complex financial issues in the state plan, and we should discuss it later. Plus, they don't plan action on it for a few weeks.

I just left him a message saying that we don't need to have a fulsome discussion of Calif's entire plan, but that Elena was interested in Harriet's read on what in the law makes this even a possibility; and that, since other states (NJ, maybe NY) may be picking up on this theme in the coming days and weeks, this does merit some earlier focus.

EXECUTIVE OFFICE OF THE PRESIDENT

11-Oct-1996 06:06pm

TO: Jeremy D. Benami  
TO: Bruce N. Reed  
TO: Elena Kagan  
TO: Emily Bromberg  
  
FROM: Diana M. Fortuna  
Domestic Policy Council

SUBJECT: Calif. and TANF issue

Re: One of the issues Elaine Ryan raised in our Wed. meeting:

California just filed its state plan. It asks that the state be permitted to enter the TANF program now so as to get the extra money but that, because they propose to spend only state dollars for a period, they not be subject to the work requirements, etc., until the first Federal dollar is drawn down. Logically, this could be 6 months.

HHS is examining this from a legal and policy standpoint. I don't think OMB cares. I have a feeling HHS may lean toward allowing this, because it would give Calif. more time to compile a "thoughtful" plan.

Hope I'm not micro-managing again, but what do you think?

See 407a1 - lines 27-28 - looks like can't do unless we pay the rates  
407c - same as B penalties

Ch 107

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

18-Oct-1996 11:09am

TO:           Diana M. Fortuna

FROM:         Bruce N. Reed  
              Domestic Policy Council

CC:           Jeremy D. Benami  
CC:           Elena Kagan  
CC:           Emily Bromberg

SUBJECT:     RE: Calif. and TANF issue

I don't think we should let Calif. do this. They shouldn't get money unless they're living under the rules.

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

17-Oct-1996 06:42pm

TO:           (See Below)

FROM:         Jeremy D. Benami  
              Domestic Policy Council

SUBJECT:     Monday meeting with Olivia Golden

For those of you wondering what the Monday meeting with Olivia Golden at 12:30 is about - it is a meeting we had discussed a while back to get from her and some of the other HHS folks a better sense of how they are going to be reviewing state plans for completeness. What their process will be, the questions they will be asking etc. This is the opportunity to raise concerns about the level of information being obtained from states about what they are doing.

Distribution:

TO:   Kenneth S. Apfel  
TO:   Bruce N. Reed  
TO:   Diana M. Fortuna  
TO:   Emily Bromberg  
TO:   Elena Kagan

CC:   Carol H. Rasco

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

18-Oct-1996 10:18am

TO: (See Below)

FROM: Emily Bromberg  
Intergovernmental Affairs

SUBJECT: RE: Monday meeting with Olivia Golden

i'd like to talk about the very creative CA state plan (and NJ too) and see how hhs is proposing to approach those. I think these state propose something like locking in block grant now, spending only state funds now, not complying with policy requirements in the law now)

Distribution:

TO: Jeremy D. Benami

CC: Kenneth S. Apfel

CC: Bruce N. Reed

CC: Diana M. Fortuna

CC: Elena Kagan

CC: Carol H. Rasco

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

18-Oct-1996 12:42pm

TO:           Bruce N. Reed

FROM:         Diana M. Fortuna  
              Domestic Policy Council

CC:           Jeremy D. Benami  
CC:           Elena Kagan  
CC:           Emily Bromberg

SUBJECT:     RE: Calif. and TANF issue

FYI, New Jersey has now also asked for this; and New York may as well. It is hard to see why more states wouldn't follow suit.

Are you coming to the meeting with Olivia and Carol on Monday on state plans? You should if possible. I think Emily is right that we should discuss this.

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

03-Oct-1996 05:25pm

TO: Carol H. Rasco  
TO: Jeremy D. Benami  
TO: Diana M. Fortuna  
TO: Elena Kagan

FROM: Emily Bromberg  
Intergovernmental Affairs

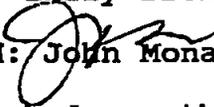
SUBJECT: florida

i've had several conversations with hhs and with debbie in florida's washington office. obviously, our major problem is that hhs has had florida's plan since sept. 20--and in that plan florida clearly states its intent to implement on oct 1--and florida has talked to the hhs regional office multiple times to let them know that they wanted to implement on oct 1. the governor feels very sure that he is right on this issue and is very worried about the political fall-out.

i've told hhs that they must solve this problem in a way that does not embarrass the governor or make us look totally incompetent. they are talking to the secretary now about possible options. i think i bought hhs another 24 hours with florida--but they do expect an answer tomorrow early in the day.

once hhs is ready to discuss the policy options with us i will let you know.

TO: Bruce Reed  
Jeremy Ben Ami  
Diana Fortuna  
Emily Bromberg

FROM:  John Monahan

Attached are the following items:

1. Final draft letter approving Wisconsin's TANF plan
2. Final draft letter denying Wisconsin's Medicaid waiver
3. Final draft letter approving Wisconsin's 1915b Medicaid waiver
4. Final draft letter approving Michigan's TANF plan
5. Draft talking points for Administration officials regarding the treatment of waivers pursuant to the "inconsistency" provision of PRWORA.

With regard to the Michigan and Wisconsin letters, our intention is to release them at 2 p.m. on Monday afternoon and to alert appropriate Congressional, state, and local officials in those states of our impending approvals commencing at 10 am on Monday morning. We will not release paper to anyone until 2 p.m.

9/27

Wisconsin Draft: 9/27/96-3

Richard Wegner, Secretary  
Department of Workforce Development  
Michigan

Dear Mr. Wegner:

I am pleased to inform you that, as of September 30, 1996, Wisconsin qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding TANF, the Secretary's delegate has found that Wisconsin submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary's delegate neither approves nor disapproves the policies and practices outlined in the plan. Since Wisconsin is now an eligible State, the Secretary's delegate is authorizing funding for FY 1996, computed from the date of receipt of your plan, in the amount of \$33,905,302 and funding for FY 1997 in the amount of \$318,188,410. In addition to triggering funding, Wisconsin's becoming an eligible state means that Wisconsin will come under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective September 30, 1996. Also as of that date, Wisconsin's participation in the Aid to Families with Dependent Children, Emergency Assistance, and Job Opportunities and Basic Skills training programs will terminate.

Because the AFDC policies proposed by the state of Wisconsin under its waiver application are incorporated into the state's TANF plan, Wisconsin no longer needs the waiver to implement its proposed reforms. Therefore, the Department now considers the AFDC portion of your waiver application moot. The Health Care Financing Administration will be communicating with you by separate letter about the Medicaid portion of your waiver application.

As we reviewed your plan, issues within this Department's purview arose. We bring the key concerns to your attention. This is not intended to be a comprehensive list of issues, and it does not necessarily reflect issues that may relate to the jurisdiction of other federal and state agencies. First, Wisconsin proposes in this plan to require families to reside in Wisconsin for 60 days before they become eligible for benefits and services. This policy raises Shapiro v. Thompson, 394 U.S.

618 (1969), constitutional questions and statutory concerns arising out of a possible conflict between the proposed policy and section 404(c) of the Social Security Act, as amended.

Second, Wisconsin states that it plans to include in its definition of "income" for determining TANF eligibility the benefits received from a specified list of federal programs. We note that the statutes authorizing some of those programs do not allow the benefits to be counted in determining eligibility for a means-tested program and suggest that you review the authorizing statutes.

The Wisconsin State plan will remain in effect for the two-year period from August 22, 1996 through August 21, 1998. The State may amend its plan at any time, provided the plan remains complete under the terms of section 402. In accordance with section 402(b) of the amended Social Security Act, the State shall make available to the public a summary of its State plan.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact Kay Willmoth, Assistant Regional Administrator for Self-Sufficiency Programs, at 312/353-4439.

Sincerely,

Marion N. Steffy  
Regional Administrator

Human Services Secretary

~~Tommy G. Thompson~~

~~Governor~~

~~1 State Capitol Building~~  
Madison, Wisconsin 53701

Dear Governor Thompson:

I am writing to provide an update on the status of your Wisconsin Works (W-2) waiver requests relating to Medicaid. As you know from correspondence from the Administration for Children and Families, Wisconsin will be able to pursue virtually all of its welfare reform waivers under the new flexibility guaranteed to states to design their own welfare reform programs under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. However, we must convey that your Medicaid proposal is not approvable in its current form because it runs counter to this Administration's clear commitment to maintain an enforceable federal guarantee of health care for low-income persons. Our position is consistent with the new welfare law which ensures the continuation of the Medicaid guarantee for current eligible populations. In addition, the passage of the new legislation will complicate the demonstration of budget neutrality, which is required for all demonstrations, and we will need time to measure the impact of the new law on W-2.

I wish to be clear that the Administration shares Wisconsin's desire to expand coverage for low-income, uninsured persons, especially those who are leaving welfare for work. As we have done with 13 other states, we would be pleased to work with you to design a Medicaid demonstration that expands coverage to those families working under W-2, consistent with the Administration's policy to maintaining the guarantee for eligible families and assuring budget neutrality for federal taxpayers. Your staff should call Lu Zawistowich at (410) 786-6650 to initiate further discussion.

Sincerely,

Bruce C. Vladeck  
Administrator

Peggy L. Bartels  
Director  
Bureau of Health Care Financing  
Department of Health and Social Services  
State of Wisconsin  
1 West Wilson Street  
P.O. Box 309  
Madison, Wisconsin 53701-0309

Waiver No.: WI01.R08

Dear Ms. Bartels:

The Health Care Financing Administration (HCFA) hereby grants approval to the State of Wisconsin to renew and expand its Medicaid HMO program. Relying upon the statutory authority of sections 1915(b)(1), (2), (3) and (4) of the Social Security Act (the Act), the waiver program is renewed effective July 1, 1996 through June 30, 1998. Sections of the Act waived for this program include 1902(a)(10)(B) (comparability of services) and 1902(a)(23) (beneficiary freedom of choice).

My decision is based on evidence submitted by the State documenting that the waiver program continues to be consistent with the purposes of the Medicaid program and continues to meet all statutory and regulatory requirements. It appears that access to quality, cost-effective, services by AFDC, AFDC-related, and Healthy Start beneficiaries will be equal, if not better, under the waiver program than under the prior fee-for-service system.

Please note that this waiver's renewal is contingent upon HCFA's receipt and approval of clarifying template information on the State's cost-effectiveness submission. As discussed on September 24 between Parashar Patel of OMB and Angelo Castillo of your office, all parties agree that HCFA and OMB's receipt of this material by October 31, 1996, should give your staff ample time to finish work on the templates.

Because this waiver program has been run effectively for at least two waiver periods, Wisconsin is not required to arrange for an independent evaluation of the waiver as part of any subsequent renewal applications. The State will continue to be required, however, to conduct its own assessment of the waiver program's quality, access, and

cost-effectiveness for the purposes of any future renewal request. Because of the age of the fee-for-service data upon which cost-effectiveness calculations have been based, the State will be required to work with HCFA and the Office of Management and Budget (OMB) in advance of the next renewal submission in order to develop valid estimates. HCFA and OMB are currently working on guideline material which will assist States with eroding fee-for-service markets in assessing the cost-effectiveness of their waiver programs.

I wish Wisconsin continued success as it now expands the HMO program to new regions across the State. Should you require additional assistance from HCFA, please contact Lucille Rinaldo in HCFA's Chicago Regional Office. Ms. Rinaldo may be reached at 312-353-9842.

Sincerely,

Rachel Block  
Director  
Medicaid Managed Care Team

cc: Associate Regional Administrator, Medicaid, Region V

Michigan Draft: 9/27/96-4

Gerald H. Miller, Director  
Michigan Family Independence Agency  
P.O. Box 30037  
235 South Grand Avenue  
Lansing, Michigan 48909

Dear Mr. Miller:

I am pleased to inform you that, as of September 30, 1996, Michigan qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding the TANF program, the Secretary has found that Michigan submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Michigan is now an eligible State, the Secretary is authorizing funding for FY 1996, computed from the date of receipt of your plan, in the amount of \$74,145,765 and funding for FY 1997 in the amount of \$775,352,858. In addition to triggering funding, Michigan's becoming an eligible state means that Michigan will come under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective September 30, 1996. Also as of that date, Michigan's participation in the Aid to Families with Dependent Children, Emergency Assistance, and Job Opportunities and Basic Skills training programs will terminate.

Because the AFDC policies proposed by the state of Michigan under its waiver application are incorporated into the state's TANF plan, Michigan no longer needs the waiver to implement its proposed reforms. Therefore, the Department now considers the AFDC portion of your waiver application moot. It is our understanding that the Health Care Financing Administration is in continuing discussions with you about the Medicaid portion of your waiver application.

As we reviewed your plan, issues within this Department's purview arose. We bring a key concern to your attention. This is not intended to be a comprehensive list of issues, and it does not necessarily reflect issues that may relate to the jurisdiction of other federal and state agencies. First, it is not clear from the plan submission what policy the State intends

to implement regarding notice of adverse actions. The waiver request submitted in June 1996, to the Department and incorporated into the TANF plan submission notes that the State intends to immediately impose any negative actions. Benefits would be restored to the previous level if an administrative hearing is requested within 10 days. We believe such a policy may implicate Goldberg v. Kelly, 397 U.S. 254 (1970).

The Michigan State plan will remain in effect for the two-year period from August 26, 1996 through August 25, 1998. The State may amend its plan at any time, provided the plan remains complete under the terms of section 402. In accordance with section 402(b) of the Social Security Act, as amended, the State shall make available to the public a summary of its State plan.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact Kay Willmoth, Assistant Regional Administrator for Self-Sufficiency Programs, at 312/353-4439.

Sincerely,

Marion N. Steffy  
Regional Administrator

**DRAFT**

Draft Talking Points

State Welfare Waivers and the New Welfare Reform Legislation

- o We are moving ahead rapidly with the Congress and our state partners to implement the new welfare reform legislation and achieve our goals of moving families from welfare to work, promoting parental responsibility, and protecting children.
- o The new legislation provides states with broad new flexibility to design their own programs. It allows them to decide how they can best move families to work -- while containing clear requirements that they must move families from welfare to work.
- o We are working with the Congress to clarify statutory provisions which allow states to continue existing waivers that are "inconsistent" with the new statute. Because there is some ambiguity in the statutory language, the Administration and the Congress have agreed to a process under which states will include in their state plans a list of any waiver provisions that they believe are "inconsistent" with the statute and that they would like to continue.
- o This approach will allow the Administration, the Congress, and the states to make thoughtful decisions about how to interpret the ambiguous language, based on real examples of the policies that states would like to put in place.
- o We do not expect states to use this provision to gut the commitments to work requirements and time limits that are at the core of this legislation. We believe that these commitments are central to true welfare reform and will work with Congress to ensure their integrity.

Draft: 9/27/96

Dear [? Secretary? Governor? who signed their plan letter?]:

I am pleased to inform you that, as of September 30, 1996, Wisconsin qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

Within her authority regarding TANF, the Secretary has found that Wisconsin submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Wisconsin is now an eligible State, I am authorizing funding computed from the date of receipt of your plan, in the amount of \$LOTS. In addition to triggering funding, Wisconsin's becoming an eligible state means that Wisconsin will come under the requirements of TANF, such as the five-year lifetime limit on welfare receipt, effective September 30, 1996.

I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Because the AFDC policies proposed by the state of Wisconsin under its waiver application are incorporated into the state's TANF plan, Wisconsin no longer needs the waiver to implement its proposed reforms. Therefore, the Department now considers the AFDC portion of your waiver application moot. The Health Care Financing Administration will be communicating with you by separate letter about the Medicaid portion of your waiver application.

As we reviewed your plan, issues within this Department's purview arose. We bring the key concerns to your attention. This is not intended to be a comprehensive list of issues, and it does not necessarily reflect issues that may relate to the jurisdiction of other federal and state agencies. First, Wisconsin proposes in this plan to require families to reside in Wisconsin for 60 days before they become eligible for benefits and services. This policy raises Shapiro v. Thompson, 394 U.S. 618 (1969), constitutional questions and statutory concerns arising out of a possible conflict between the proposed policy and section 404(c) of the Social Security Act, as amended.

Second, we do not have authority to waive the eligibility requirements under Title IV-E of the Social Security Act (foster care and adoption assistance). Therefore, the provisions of the state plan that propose a shift of child-only cases to Title IV-E are subject to the requirements of that section of the law.

Third, Wisconsin states that it plans to include in its definition of "income" for determining TANF eligibility the benefits received from a specified list of federal programs. We note that the statutes authorizing some of those programs do not allow the benefits to be counted in determining eligibility for a means-tested program and suggest that you review the authorizing statutes.

I look forward to providing any additional assistance or information that would be useful to you or your staff.

Sincerely yours,

Marion Steffy  
Regional Administrator

9/27

Wisconsin Draft: 9/27/96-3

Richard Wegner, Secretary  
Department of Workforce Development  
Michigan

Dear Mr. Wegner:

I am pleased to inform you that, as of September 30, 1996, Wisconsin qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding TANF, the Secretary's delegate has found that Wisconsin submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary's delegate neither approves nor disapproves the policies and practices outlined in the plan. Since Wisconsin is now an eligible State, the Secretary's delegate is authorizing funding for FY 1996, computed from the date of receipt of your plan, in the amount of \$33,905,302 and funding for FY 1997 in the amount of \$318,188,410. In addition to triggering funding, Wisconsin's becoming an eligible state means that Wisconsin will come under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective September 30, 1996. Also as of that date, Wisconsin's participation in the Aid to Families with Dependent Children, Emergency Assistance, and Job Opportunities and Basic Skills training programs will terminate.

Because the AFDC policies proposed by the state of Wisconsin under its waiver application are incorporated into the state's TANF plan, Wisconsin no longer needs the waiver to implement its proposed reforms. Therefore, the Department now considers the AFDC portion of your waiver application moot. The Health Care Financing Administration will be communicating with you by separate letter about the Medicaid portion of your waiver application.

As we reviewed your plan, issues within this Department's purview arose. We bring the key concerns to your attention. This is not intended to be a comprehensive list of issues, and it does not necessarily reflect issues that may relate to the jurisdiction of other federal and state agencies. First, Wisconsin proposes in this plan to require families to reside in Wisconsin for 60 days before they become eligible for benefits and services. This policy raises Shapiro v. Thompson, 394 U.S.

618 (1969), constitutional questions and statutory concerns arising out of a possible conflict between the proposed policy and section 404(c) of the Social Security Act, as amended.

Second, Wisconsin states that it plans to include in its definition of "income" for determining TANF eligibility the benefits received from a specified list of federal programs. We note that the statutes authorizing some of those programs do not allow the benefits to be counted in determining eligibility for a means-tested program and suggest that you review the authorizing statutes.

The Wisconsin State plan will remain in effect for the two-year period from August 22, 1996 through August 21, 1998. The State may amend its plan at any time, provided the plan remains complete under the terms of section 402. In accordance with section 402(b) of the amended Social Security Act, the State shall make available to the public a summary of its State plan.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact Kay Willmoth, Assistant Regional Administrator for Self-Sufficiency Programs, at 312/353-4439.

Sincerely,

Marion N. Steffy  
Regional Administrator

Human Services Secretary

~~Tommy G. Thompson~~

~~Governor~~

~~1 State Capitol Building~~

Madison, Wisconsin 53701

Dear Governor Thompson:

I am writing to provide an update on the status of your Wisconsin Works (W-2) waiver requests relating to Medicaid. As you know from correspondence from the Administration for Children and Families, Wisconsin will be able to pursue virtually all of its welfare reform waivers under the new flexibility guaranteed to states to design their own welfare reform programs under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. However, we must convey that your Medicaid proposal is not approvable in its current form because it runs counter to this Administration's clear commitment to maintain an enforceable federal guarantee of health care for low-income persons. Our position is consistent with the new welfare law which ensures the continuation of the Medicaid guarantee for current eligible populations. In addition, the passage of the new legislation will complicate the demonstration of budget neutrality, which is required for all demonstrations, and we will need time to measure the impact of the new law on W-2.

I wish to be clear that the Administration shares Wisconsin's desire to expand coverage for low-income, uninsured persons, especially those who are leaving welfare for work. As we have done with 13 other states, we would be pleased to work with you to design a Medicaid demonstration that expands coverage to those families working under W-2, consistent with the Administration's policy to maintaining the guarantee for eligible families and assuring budget neutrality for federal taxpayers. Your staff should call Lu Zawistowich at (410) 786-6650 to initiate further discussion.

Sincerely,

Bruce C. Vladeck  
Administrator

Peggy L. Bartels  
Director  
Bureau of Health Care Financing  
Department of Health and Social Services  
State of Wisconsin  
1 West Wilson Street  
P.O. Box 309  
Madison, Wisconsin 53701-0309

Waiver No.: WI01.R08

Dear Ms. Bartels:

The Health Care Financing Administration (HCFA) hereby grants approval to the State of Wisconsin to renew and expand its Medicaid HMO program. Relying upon the statutory authority of sections 1915(b)(1), (2), (3) and (4) of the Social Security Act (the Act), the waiver program is renewed effective July 1, 1996 through June 30, 1998. Sections of the Act waived for this program include 1902(a)(10)(B) (comparability of services) and 1902(a)(23) (beneficiary freedom of choice).

My decision is based on evidence submitted by the State documenting that the waiver program continues to be consistent with the purposes of the Medicaid program and continues to meet all statutory and regulatory requirements. It appears that access to quality, cost-effective, services by AFDC, AFDC-related, and Healthy Start beneficiaries will be equal, if not better, under the waiver program than under the prior fee-for-service system.

Please note that this waiver's renewal is contingent upon HCFA's receipt and approval of clarifying template information on the State's cost-effectiveness submission. As discussed on September 24 between Parashar Patel of OMB and Angelo Castillo of your office, all parties agree that HCFA and OMB's receipt of this material by October 31, 1996, should give your staff ample time to finish work on the templates.

Because this waiver program has been run effectively for at least two waiver periods, Wisconsin is not required to arrange for an independent evaluation of the waiver as part of any subsequent renewal applications. The State will continue to be required, however, to conduct its own assessment of the waiver program's quality, access, and

cost-effectiveness for the purposes of any future renewal request. Because of the age of the fee-for-service data upon which cost-effectiveness calculations have been based, the State will be required to work with HCFA and the Office of Management and Budget (OMB) in advance of the next renewal submission in order to develop valid estimates. HCFA and OMB are currently working on guideline material which will assist States with eroding fee-for-service markets in assessing the cost-effectiveness of their waiver programs.

I wish Wisconsin continued success as it now expands the HMO program to new regions across the State. Should you require additional assistance from HCFA, please contact Lucille Rinaldo in HCFA's Chicago Regional Office. Ms. Rinaldo may be reached at 312-353-9842.

Sincerely,

Rachel Block  
Director  
Medicaid Managed Care Team

cc: Associate Regional Administrator, Medicaid, Region V

Michigan Draft: 9/27/96-4

Gerald H. Miller, Director  
Michigan Family Independence Agency  
P.O. Box 30037  
235 South Grand Avenue  
Lansing, Michigan 48909

Dear Mr. Miller:

I am pleased to inform you that, as of September 30, 1996, Michigan qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding the TANF program, the Secretary has found that Michigan submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Michigan is now an eligible State, the Secretary is authorizing funding for FY 1996, computed from the date of receipt of your plan, in the amount of \$74,145,765 and funding for FY 1997 in the amount of \$775,352,858. In addition to triggering funding, Michigan's becoming an eligible state means that Michigan will come under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective September 30, 1996. Also as of that date, Michigan's participation in the Aid to Families with Dependent Children, Emergency Assistance, and Job Opportunities and Basic Skills training programs will terminate.

Because the AFDC policies proposed by the state of Michigan under its waiver application are incorporated into the state's TANF plan, Michigan no longer needs the waiver to implement its proposed reforms. Therefore, the Department now considers the AFDC portion of your waiver application moot. It is our understanding that the Health Care Financing Administration is in continuing discussions with you about the Medicaid portion of your waiver application.

*Obtain*

*Our immediate concern is that*

~~In particular, we identify here~~  
As we reviewed your plan, issues within this Department's purview arose. ~~We bring a key concern to your attention. This is not intended to be a comprehensive list of issues, and it does not necessarily reflect issues that may relate to the jurisdiction of other federal and state agencies. First, it is not clear from the plan submission what policy the State intends~~

*although in so doing we*

*There may be additional*

*of which you should be aware,*

*do not intend to imply that this is the only*

~~Be...~~

As we understand it,

to implement regarding notice of adverse actions. The waiver request submitted in June 1996 to the Department and incorporated into the TANF plan submission notes that the State intends to immediately impose any negative actions. Benefits would be restored to the previous level if an administrative hearing is requested within 10 days. We believe such a policy may implicate Goldberg v. Kelly, 397 U.S. 254 (1970),

The law of proced DP.

The Michigan State plan will remain in effect for the two-year period from August 26, 1996 through August 25, 1998. The State may amend its plan at any time, provided the plan remains complete under the terms of section 402. In accordance with section 402(b) of the Social Security Act, as amended, the State shall make available to the public a summary of its State plan.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact Kay Willmoth, Assistant Regional Administrator for Self-Sufficiency Programs, at 312/353-4439.

Sincerely,

Marion N. Steffy  
Regional Administrator

principles  
the basis of procedural  
due process

In this respect + in others,

You will ~~of course~~ ~~want~~ <sup>should</sup> want to ensure that the plan conforms to all applicable const regs.

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it  
confirms  
to  
applicable  
constitutional  
requirements



## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

Administration for Children and Families  
Chicago Regional Office

Refer To: KD5C3

September 30, 1996

Gerald H. Miller, Director  
Michigan Family Independence Agency  
P.O. Box 30037  
235 South Grand Avenue  
Lansing, Michigan 48909

Dear Mr. Miller:

I am pleased to inform you that, as of September 30, 1996, Michigan qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding the TANF program, the Secretary has found that Michigan submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary neither approves nor disapproves the policies and practices outlined in the plan. Since Michigan is now an eligible State, the Secretary is authorizing funding for FY 1996, computed from the date of receipt of your plan, in the amount of \$76,264,215 and funding for FY 1997 in the amount of \$775,352,858. As soon as expenditure estimates are available for the Aid to Families with Dependent Children, Emergency Assistance, and Job Opportunities and Basic Skills Training programs for the period between August 26, 1996 and September 29, 1996, we will offset these from your TANF funding for FY 1996. In addition to triggering funding, Michigan's becoming an eligible state means that Michigan will come under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective September 30, 1996.

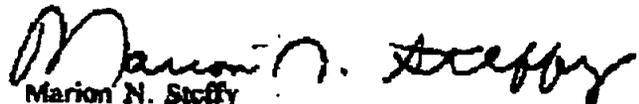
Because the AFDC policies proposed by the state of Michigan under its waiver application are incorporated into the state's TANF plan, Michigan no longer needs the waiver to implement its proposed reforms. Therefore, the Department now considers the AFDC portion of your waiver application moot. It is our understanding that the Health Care Financing Administration is in continuing discussions with you about the Medicaid portion of your waiver application.

2

As we reviewed your plan, certain issues within this Department's purview arose. (We do not address issues that may relate to the jurisdiction of other federal and state agencies.) In particular, it is not clear from the plan submission what policy the State intends to implement regarding notice of adverse actions. The waiver request submitted in June 1996 to the Department and incorporated into the TANF plan submission notes that the State intends to immediately impose any negative actions. As we understand it, benefits would be restored to the previous level if an administrative hearing is requested within 10 days. We believe such a policy may implicate principles of procedural due process. In this respect, and as with others, you should ensure that the plan conforms to all applicable constitutional requirements.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact Kay Willmoth, Assistant Regional Administrator for Self-Sufficiency Programs, at 312/333-4439.

Sincerely,

  
Marion N. Steffy  
Regional Administrator

**DEPARTMENT OF HEALTH & HUMAN SERVICES**Administration for Children and Families  
Chicago Regional Office**Refer To: KD5C3**

September 30, 1996

Richard C. Wegner, Acting Secretary  
Department of Workforce Development  
201 East Washington Avenue  
P. O. Box 7946  
Madison, Wisconsin 53707-7946

Dear Mr. Wegner:

I am pleased to inform you that, as of September 30, 1996, Wisconsin qualifies as an "eligible State" for purposes of receiving block grant funding under the Temporary Assistance for Needy Families (TANF) program authorized by the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). I congratulate you on your early and continued commitment to welfare reform that is about work, responsibility, and protecting children.

Within the Department's statutory authority regarding TANF, the Secretary's delegate has found that Wisconsin submitted a plan that includes the necessary elements listed in section 402 of the Social Security Act, as amended. By this finding, the Secretary's delegate neither approves nor disapproves the policies and practices outlined in the plan. Since Wisconsin is now an eligible State, the Secretary's delegate is authorizing funding for FY 1996, computed from the date of receipt of your plan, in the amount of \$34,774,689 and funding for FY 1997 in the amount of \$318,188,410. As soon as expenditure estimates are available for the Aid to Families with Dependent Children, Emergency Assistance, and Job Opportunities and Basic Skills Training programs for the period between August 22, 1996 and September 29, 1996, we will offset these from your TANF funding for FY 1996. In addition to triggering funding, Wisconsin's becoming an eligible state means that Wisconsin will come under all the requirements of TANF, including the participation and work requirements and the five-year lifetime limit on welfare receipt, effective September 30, 1996.

Because the AFDC policies proposed by the state of Wisconsin under its waiver application are incorporated into the state's TANF plan, Wisconsin no longer needs the waiver to implement its proposed reforms. Therefore, the Department now considers the AFDC portion of your waiver application moot. The Health Care Financing Administration will be communicating with you by separate letter about the Medicaid portion of your waiver application.

2

As we reviewed your plan, issues within this Department's purview arose. We bring the key concerns to your attention. This is not intended to be a comprehensive list of issues, and it does not necessarily reflect issues that may relate to the jurisdiction of other federal and state agencies. First, Wisconsin proposes in this plan to require families to reside in Wisconsin for 60 days before they become eligible for benefits and services. This policy raises Shapiro v. Thompson, 394 U.S. 618 (1969), constitutional questions and statutory concerns arising out of a possible conflict between the proposed policy and section 404(c) of the Social Security Act, as amended.

Second, Wisconsin states that it plans to include in its definition of "income" for determining TANF eligibility the benefits received from a specified list of federal programs. We note that the statutes authorizing some of those programs do not allow the benefits to be counted in determining eligibility for a means-tested program and suggest that you review the authorizing statutes.

I look forward to providing any additional assistance or information that would be useful to you or your staff. If you have any questions, please contact Kay Willmoth, Assistant Regional Administrator for Self-Sufficiency Programs, at 312/353-4439.

Sincerely,



Marinn N. Stoffy  
Regional Administrator