

NLWJC - Kagan

Counsel - Box 037 - Folder 007

**Miscellaneous Agency Guidance /
Materials [3]**

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DRAFT
PRELIMINARY

"...our nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power and the ethic of work. Today, we are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life." President William J. Clinton

STATE GUIDANCE

FOR

THE PERSONAL RESPONSIBILITY

AND

WORK OPPORTUNITIES RECONCILIATION ACT OF

1996



Department of Health and Human Services
Administration for Children and Families
370 L'Enfant Promenade, S.W., Washington, D.C. 20447
August 1996

STATE PLAN GUIDANCE

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

BACKGROUND

On August 22, 1996, President Clinton signed one of the most important pieces of social legislation enacted in the last 60 years. It gives States the historic opportunity to transform the welfare system into one that promotes work and responsibility. The legislation gives States the flexibility to design and implement a work-oriented program that responds to the specific needs of their communities and residents. With this opportunity comes the need for strategic planning and the development of a well-thought-out, comprehensive State plan. This document is a guide for States to use in preparing a State plan to implement the TANF program. It also reviews the State plan requirements of title IV-A of the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193.

EFFECTIVE DATE OF TANF

States are required to implement the provisions of the new law by July 1, 1997. However, if a State wishes to accelerate implementation, it may, at any time, submit to its appropriate Regional Office a State plan to administer and operate the TANF program.

DETERMINING AN IMPLEMENTATION DATE

Financial Considerations A State may begin to draw down its block grant only once the Secretary has found the State's plan to be complete, although funding will be retroactive to the date of receipt of the plan. Until it begins implementing the new statutory provisions, a State will remain subject to the requirements of the AFDC, EA and JOBS statutes and will receive funding under those statutes. A State is only authorized to receive a total of Federal obligations under the AFDC statute for FY 97 that do not exceed an amount equal to what the State family assistance grant would be under the new block grant.

In States with reduced caseloads, expenditures under the AFDC, EA and JOBS programs may be less in FY 97 than the amounts the States would receive under the new block grant. Thus, it may be financially advantageous for some States to opt to accelerate their effective date in either FY 96 or FY 97. For such States, the legislation sets out a formula for determining the amount of total Federal obligations the State may receive under the new block grant program in each year of eligibility.

In FY 1997, the total Federal obligations to a State will be (1) any AFDC and JOBS

expenditures during that portion of the year in which they are still in effect, plus (2) the State family assistance grant, multiplied by 1/365 of the number of days the TANF plan is in effect in FY 1997, to the degree that it does not exceed the total State family assistance grant.

Initial Plan Submittal Strategy Financial implications may motivate States to submit State plans and implement the new program quickly. However, States must also weigh other considerations in determining when to implement the new program. For example, ~~once the State submits its plan, the work requirements and the 5-year time limit begin~~ Also, penalty and data collection requirements begin July 1, 1997 or 6 months after the plan has been submitted, whichever is later. Thus, premature implementation of the program may make it difficult for States to meet ~~the~~ requirements, potentially resulting in a penalty.

work (and other?)
We recognize that the time frame for implementing these significant changes is short. Therefore, we encourage States that submit plans early to subsequently begin an in-depth planning process, as discussed below, and submit amendments to their plans.

STATE PLAN REQUIREMENTS

As required under section 402(a) of the Social Security Act, as amended, a State must submit a plan every two years that the Secretary of the Department of Health and Human Services has found to include an outline of its TANF program and certain, specified certifications. Attachment A lists the State plan requirements of the statute.

Phase-in of Plans Under the statute, the program can vary in different areas within the State. Because of this, States can phase-in implementation of the plan, and the new provisions do not have to be in effect in all parts of the State by the State's effective date.

Frequency of Submittal States are required by the statute to submit plans every two years. Amendments to keep the plan current may be submitted whenever the State wishes to make changes in the administration or operation of the program. As a convenience to everyone who has an interest in the plan, we will develop a method of notating plan pages in some way that will permit identification of up-to-date plan provisions.

Plan Format The new State plan should be an improvement over the old in that it should be easy to read and should give everyone, including the general public, a better picture of how the program will provide assistance to needy families, strengthen families, and help families to become self-sufficient through work. To facilitate this, and to ensure that States address the areas required by the statute, we have developed an outline and questions in Attachments B and C which may be useful to States in developing their plans. States may submit their plans in the format of their choosing. However, we suggest that States use the forms in Attachment B for the required certifications.

Sharing Additional Information In recognition of our partnership with States, we would like States to share with us their operating instructions or program manuals along with their State plans. These will not be part of the State plan, but will give us the additional information we need as a learning tool, and for the purpose of facilitating the sharing of information.

PLANNING

Basis for Need This new legislation provides an extraordinary opportunity for States to strengthen and refocus their welfare program. Since it requires changes in vision, in philosophy, and in the design and delivery of services, comprehensive planning is especially critical. The State plan will be the vehicle for the State to articulate its vision and strategy, and will identify the services necessary to respond to the needs of families within the State. We believe that a thoughtful, collaborative, strategic planning process is the best way to develop a comprehensive plan that promotes work and strengthens families.

Outreach and consultation with an array of partners can help States develop of new and more effective service approaches, assess family and community needs, identify service overlaps and gaps, identify available resources (expertise, money, facilities, staff) that might help to meet needs, and develop strategies for common application forms, or simplified case management procedures across programs. Such efforts will also facilitate the development of varying program designs within the State to meet the specific needs of local communities.

Broad Involvement Key partners in the process should be:

- ▶ State and local public agencies, non-profit private agencies, charitable organizations, religious organizations, and other community-based organizations;
- ▶ employers and other business and industry leaders;
- ▶ State and local agencies administering programs such as employment programs, housing, education, SSI, Child Support Enforcement, child welfare, Food Stamps, WIC, the Social Services Block Grant, the Community Services Block Grant, and the Child Care and Development Block Grant;
- ▶ Regional office staff;
- ▶ representatives of Indian Tribes;
- ▶ parents and other consumers; and
- ▶ representatives of professional and advocacy organizations, including foundations and national resource centers with the expertise to assist States and

Is this
a statutory
req? If not,
why include?

communities with job creation and placement.

Availability of Assistance HHS Regional staff are available and interested in assisting States in all aspects of planning and implementation. They can be involved in ongoing discussions, consultations, and negotiations and in the actual development of the State's plan and plan amendments. In addition, Federal guidance and technical assistance are available after the State plan has been developed and put in place.

PUBLIC INVOLVEMENT

The State must certify to the Secretary that local governments and private sector organizations have been consulted regarding the plan and the design of services in the State, and that they have had at least 45 days to submit comments. The State also must make available to the public a summary of any plan that is submitted to the Secretary. The requirement for consultation and review also applies to any plan amendments that are developed and submitted.

We expect the State to provide in its plan an explanation of how, and to what extent, the public has been involved. Although many States have engaged in considerable consultation with the public in developing waiver applications, that consultation process occurred in a very different environment and under different statutory provisions. Therefore we are requiring States to go through another 45-day comment period before submitting their TANF plans.

But what if the plan is the same?

EFFECTIVE DATE OF PLANS

Generally, the date the plan is received in the Regional Office will be the effective date of the plan. However, if it chooses, a State may submit its plan prior to when it wants to implement and establish a later effective date.

The Secretary is required to determine whether a plan is complete. It is our goal that a determination that the plan is, or is not complete will be made within 30 days of its official submittal to the Regional Office. We will respond to the State quickly if there are any omissions, and will work with the State to remedy any problems. If a State involves the public throughout the planning process, and appropriately consults with Regional Office staff, it is unlikely that any problems will occur that cannot easily be negotiated and resolved.

PAPERWORK REDUCTION

The information collection in the State TANF plan is collected in accordance with sections 402, 403, 404, 407, 408, 409, 415 and 1115 of the Social Security Act, as amended.

Information received in the State plans sets forth how the TANF program will be administered and operated in the States.

The response burden for this collection of information is estimated to be ***** hours per response, including the time for reviewing the statute, these instructions, gathering and preparing the information, and reviewing the information.

The information collected is mandatory in accordance with the above-mentioned citations.

This information is not considered confidential; therefore, no additional safeguards are considered necessary beyond that customarily applied to routine government information.

INQUIRIES

—Inquiries should be addressed to the appropriate Regional Administrator, Administration for Children and Families.

ATTACHMENTS: (A) Summary of statutory requirements.
(B) Suggested State plan format.
(C) Checklist.

ATTACHMENT A

SECTION 402 -- STATE PLAN REQUIREMENTS

(a)(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.-

(A) General Provisions.-A written document that outlines how the State intends to:

- (i) Conduct a program, designed to serve all political subdivisions in the State (not necessarily in a uniform manner), that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.
- (ii) Require a parent or caretaker receiving assistance under the program to engage in work once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months, whichever is earlier.
- (iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.
- (iv) Take steps to restrict the use and disclosure of information about individuals and families receiving assistance.
- (v) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State for calendar years 1996 through 2005.
- (vi) Conduct a program that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

(B) Special Provisions.-

- (i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.
- (ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.
- (iii) The document shall set forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including an explanation of how the State will provide opportunities for

recipients who have been adversely affected to be heard in a State administrative or appeal process.

(iv) Not later than 1 year after the date of enactment of this Act, unless the chief executive officer of the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for 2 months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.

(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.-A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

(3) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.-A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E, and that the State will take such actions as are necessary to ensure that children receiving assistance under such part are eligible for medical assistance under the State plan under title XIX.

(4) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.-A certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations-

(A) have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

(B) have had at least 45 days to submit comments on the plan and the design of such services.

(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.-A certification by the chief executive officer of the State that, during the fiscal year, the State will provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a tribal family assistance plan approved under section 412, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

(6) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE AGAINST PROGRAM FRAUD AND ABUSE.-A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts

of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

(7) OPTIONAL CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.-

(A) In General.-At the option of the State, a certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to-

(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

(ii) refer such individuals to counseling and supportive services; and

(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

(b) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.-The State shall make available to the public a summary of any plan submitted by the State under this section.

ATTACHMENT B

What does statute say re centers of plan?

EMPLOYMENT SERVICES

Section 402(a)(1)(A)(i) of the law provides that States "[c]onduct a program...that...provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient."

I. PROMOTING WORK

A. Work Activities

What work activities does the State intend to use to meet required participation rates?
Permissible work activities include:

- ▶ Unsubsidized Employment
- ▶ Subsidized Private Sector Employment
- ▶ Subsidized Public Sector Employment
- ▶ Work Experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector work is not available
- ▶ On-The-Job-Training
- ▶ Job Search and Job Readiness Assistance
- ▶ Community Service Programs
- ▶ Vocational Educational Training (not to exceed 12 months with respect to any individual)
- ▶ Job Skills Training directly related to employment
- ▶ Education directly related to employment work, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- ▶ Satisfactory Attendance at Secondary School or in a course of study leading to a certificate of general equivalency, in the case of a recipient who has not completed secondary school or received such a certificate
- ▶ The Provision Of Child Care Services to an individual who is participating in a community service program

Is this listed in statute?

B. Preparing For Work

- ▶ What criteria will the State use to determine if a parent or caretaker is ready to engage in work before 24 months?
- ▶ Will the State require parents or caretakers to participate in community service employment if they have received assistance for 2 months, are not exempt from the work requirements and are not engaged in work? If yes, how will the program work? (Note: the requirement is effective one year after the date of enactment. If the State does not intend to make this a requirement, the governor will be required to indicate that decision in writing to the Secretary.)
- ▶ Explain what "satisfactory attendance" means for teen heads of households who attend secondary school (or its equivalent) or education directly related to employment.
- ▶ How does the State define "making progress" for 2-parent families engaged in work?

C. Exemptions

- ▶ Who will the State exempt from the work requirement?

D. Employment Placement Program

- ▶ What employment placement services will the State provide?

II. GOALS AND PROCESSES

A. Goals

What are the State's numerical goals for participation in work activities and for placements?

B. Assessment

- ▶ Within what period of time will the State make an initial assessment of the skills, prior work experience and employability of individuals who are receiving benefits as of the effective date of this program? (The law permits up to 180 days)
- ▶ Within what period of time will the State make an initial assessment of the skills, prior work experience and employability of any other recipient of assistance? (The law permits up to 90 days.)

C. Redetermination for AFDC Recipients

- ▶ Will the State wait until redetermination before considering an individual who began receiving assistance under part A prior to the implementation of TANF as a TANF recipient for the purposes of calculating time requirements? (NOTE: Authority to wait until redetermination is under review by OGC)



D. Individual Responsibility Plans

- ▶ Will the State require individual responsibility plans? (If yes, please attach a sample individual responsibility plan.)

E. Penalties

- ▶ Describe the State's criteria for imposing penalties on individuals who refuse to engage in work.
- ▶ Describe any penalties the State will impose for failure (without good cause) to comply with the individual responsibility plan. List good cause exceptions.
- ▶ Describe how the State will impose penalties on individuals who refuse to engage in work (e.g., if using a pro rata reduction, describe the methodology). Describe how the State will notify such individuals of the penalties. List good cause exceptions.
- ▶ Describe any other sanctions or penalties associated with the Temporary Assistance for Needy Families Program.
- ▶ Describe how clients will be notified of the full range of good cause exceptions to which they may be entitled.

E. **Grievance Procedures**

- ▶ Describe the State's grievance procedures for resolving alleged violations for placing TANF participants in vacant positions.

III. **SPECIAL POPULATIONS**

- ▶ Describe how the State will treat any special populations under TANF. (e.g., individuals under a Tribal family assistance plan, noncustodial parents)

IV. **SUPPORTIVE SERVICES**

- ▶ Describe any supportive services the State will provide to help families become self-sufficient.

V. **INCENTIVES**

A. **Payments (e.g., Bonuses, Stipends)**

- ▶ Will the State pay bonuses or stipend to individuals engaging in work activities? If yes, what criteria will the State use?

B. **Individual Development Accounts**

- ▶ Will the State allow beneficiaries to establish individual development accounts (IDA)? Indicate the qualified purpose(s) for which IDAs can be used.

PROVISION OF ASSISTANCE

Section 402 (a)(1)(B)(iii) of the law requires that the State submit a written document that set[s] forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment. Given that States have flexibility in the design of the eligibility and payment process, the following guidelines may prove helpful in developing the plan.

I. APPLICATION AND REDETERMINATION

- ▶ Describe how needy families will access benefits and services.
- ▶ Describe the time frames for processing the application.
- ▶ Describe the frequency and method of redetermination.

II. ASSISTANCE UNIT

Section 419(2) defines a minor child as an individual who has not attained 18 years of age; or has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training). Section 408(a)(1)(A)(i) requires a minor child to reside with a custodial parent or other adult caretaker relative.

- ▶ Describe which individuals living in the home with the minor child must be included in the application as part of the family for the purposes of establishing eligibility and determining the amount of cash benefits.
- ▶ Section 408(a)(10) provides that a child may not be absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 or not more than 180 consecutive days. Specify the number of days a child may be absent from home and the good cause exceptions.

III. ELIGIBILITY

The statute is silent with regard to eligibility, levels of need, and benefit computation. States have flexibility in these areas. Suggested guidelines follow:

A. Income And Resource Factors Of Eligibility

1. Treatment of Income

- ▶ What income levels will be used to determine eligibility for assistance?
- ▶ Describe how the State will consider earned, unearned and in-kind income to determine eligibility and calculate benefits.
- ▶ Describe the disregards that will apply to earned and unearned (including in-kind) income.
- ▶ Describe any deeming of income requirements.

2. Treatment of Resources

- ▶ What resource levels, if any, will be used to determine eligibility for assistance?
- ▶ Describe how the State will count and/or disregard resources.

B. Factors Of Eligibility Not Related To Income Or Resources

- ▶ Section 408(a)(1)(A)(ii) allows assistance to pregnant women. What criteria will the State use, if any, for covering such individuals.
- ▶ Does the State have legislation that will exempt or limit the period of prohibition of an individual who is convicted of possession, use, or distribution of a controlled substance? Refer to section 115(d). } *how does this work?*
- ▶ Will the State have deprivation criteria? If yes, please explain.
- ▶ Section 402(a)(1)(B)(ii) allows a State to pay benefits to individuals who are not citizens of the United States as defined in section 431 of the statute. Provide an overview of how the State will provide benefits to such individuals, if appropriate.
- ▶ Describe any other conditions of eligibility not specified in the statute.

IV. BENEFIT LEVELS

- ▶ What benefits will be available to eligible units?
- ▶ Will benefits be provided in the form of cash, vouchers, services, wages, or other? Refer to sections 404(g) and 104(a)(1)(B).
- ▶ Describe the standard(s) for cash benefits and the basic needs included in this standard(s).
- ▶ Section 402(a)(1)(B) allows States to treat families moving into the State differently than other families under the program. If the State will treat these families differently, describe how.
- ▶ How often will assistance payments be issued in a month?
- ▶ Describe whether benefits will be issued as direct cash assistance, vouchers, or certificates. Also describe the electronic benefits transfer system, if applicable.
- ▶ Describe the method and process of recovering overpayments (e.g. uses of IRS tax intercept) and correcting underpayments to beneficiaries of the program.

V. SANCTIONS

- ▶ Describe any sanctions not included in the employment program.

VI. TIME LIMITS

Section 408(a)(7)(A) provides that no benefits be provided to a family in which the adult has received assistance for more than 60 months, whether or not consecutive. A State may exempt up to 20 percent of the average monthly number of families for reason of hardship.

- ▶ Describe the State's exemption criteria for the reasons of hardship or because an individual has been battered or subjected to extreme cruelty. Refer to section 408(a)(7)(C).
- ▶ Will the State have time limits for benefits less than 60 months?

WAIVERS

Section 415 establishes criteria for the treatment of welfare reform waivers currently being tested in States. Please identify those areas of your program design that are derived from your previously approved waiver(s) which may be inconsistent with the statute. In addition, please indicate if these provisions are statewide or in specific localities.

STRENGTHENING FAMILIES

Section 101 describes the sense of Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock births is very important. In addition, the promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children. When planning in this critical area, States may consider the following:

- ▶ Section 407(b)(5) allows a State to exempt a single custodial parent who cares for a child under 12 months of age from engaging in work. Describe whether or not the State will accept this option.
- ▶ Describe any programs that encourage non-custodial parents to participate in the rearing of their children.
- ▶ Describe your goals, programs, and initiatives to prevent or reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies. Include a description of any collaborative activities with State and local law enforcement officials, the education system, and relevant counseling services. Refer to sections 402(a)(1)(A)(v) and (vi).
- ▶ Section 402(a)(1)(A)(vi) requires a State to conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men. Please describe the program and specify when and where the program is offered.
- ▶ Section 402(a)(1)(B)(7) allows a State to establish and enforce standards and procedures to screen and identify individuals with a history of domestic violence, refer them to counseling and supportive services and waive other program requirements pursuant to a good cause determination. Describe whether or not the State will accept this option.
- ▶ Section 408(a)(4) allows States to deny assistance for teenage parents who do not attend high school or other equivalent training programs. Describe the sanction criteria.
- ▶ Section 404(i) allows States to sanction recipients for failing to ensure that minor dependent children attend school. Describe the sanction criteria.

The criteria
are stated
in the
statute, is?

See other places
This §. appears
as well.

- ▶ Section 404(j) allows States to sanction a family that includes an adult who is older than age 20 and younger than age 51, if such a person does not have, or is not working towards attaining, a secondary school diploma or its equivalent. Describe sanction criteria and exceptions to this requirement.
- ▶ Describe Family Preservation strategies and programs.

ditto

ADMINISTRATION

Section 402(a)(1)(A)(i) permits States to operate a Temporary Assistance for Needy Families (TANF) program that provides assistance to needy families with (or expecting) children and provide parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient. With regard to the administration of the program, section 402(a)(4) requires the specification of State agency or agencies which will administer and supervise the program. Under these provisions, States have the discretion to organize and operate the program in a manner that best serves their population. In describing the organizational and administrative structure, States should address the following areas:

I. ORGANIZATIONAL STRUCTURE

- ▶ What agency is responsible for the administration of the program.

II. RESPONSIBILITIES FOR DECISIONS

- ▶ If the program is county administered, identify which agency(ies) will be responsible for the supervision of the program and describe the role of the supervising agency.
- ▶ If the State agency has contracts with private, public, non-profit agencies, or religious organizations to administer the program, what will be their responsibilities? Describe the procedures and agreements that have been established to coordinate such efforts.

III. PROGRAM UNIFORMITY

- ▶ Describe whether or not the State will institute uniform program policies in all political subdivision. Describe the variations in policies.

IV. CLIENT PROTECTIONS

- ▶ Section 402(a)(1)(A)(iv) provides that the State take reasonable steps to restrict the use and disclosure of information about individuals and families receiving TANF. Describe how case information will be safeguarded and to what extent information will be disclosed.
- ▶ Section 402(a)(1)(A)(iii) requires the State to provide for recipients, who have been adversely affected to be heard in a State administrative or appeal process.

Describe the hearing process including an explanation of notice procedures and the criteria for appeal.

- ▶ Section 402(a)(5) requires that the State will provide each member of an Indian tribe who is domiciled in the State and not eligible for assistance under a Tribal Family Assistance Plan with equitable access to TANF assistance. Describe how the State will ensure that tribal families will have equal access to TANF assistance.

V. OPTIONAL USE OF GRANT

- ▶ Section 404(b)(2) allows the State to expend more than 15% of the grant for enhanced information technology and computerization needed for tracking and monitoring. If the State plans to expend funds for such purposes, describe the enhanced technology and computerization that will be utilized.
- ▶ Describe if the State will access additional public or private funding for the program and for what purposes the funding will be spent?

VI. CONSULTATIONS

- ▶ Describe your process and timeframes for consulting with local governments and private sector organizations regarding the plan and design of welfare services, including at least 45 days allowed for the submissions of their comments.

FUNDING

Section 403(a)(1)(A) provides that each eligible State shall be entitled to receive for each of the fiscal years 1996 through 20002, a grant in an amount equal to the State family assistance grant as defined in section 403(a)(1)(B)

I. Payments to Agency Administering the TANF Program

- ▶ Payments for the TANF program will be made to the organization managing the AFDC JOBS programs as of August 22, 1996 unless the State indicates that the TANF administering agency is changed. If a change is made, describe the name, address and EIN number of the new organization.

II. State Payments for TANF Program

- ▶ Section 405 requires that grants be paid to States in quarterly installments, based on State estimates. The State's estimate for each quarter of the fiscal year by percentage is:

For FY 1998 and Future Years-

<u>1st</u> <u>quarter</u>	<u>2nd</u> <u>quarter</u>	<u>3rd</u> <u>quarter</u>	<u>4th</u> <u>quarter</u>
_____	_____	_____	_____

- ▶ For FY 1997, States should note that the amount available for the TANF program is prorated, based on the number of days in the fiscal year that the State operates the TANF program. States should assume that this period begins with the date their State plans are received by ACF unless, at its option, a State informs ACF of a later effective date. Below, States should indicate the percentage requested for the quarters in which they plan to operate the program. Your quarterly percentage estimates should total 100%.

For FY 1997

<u>1st</u> <u>quarter</u>	<u>2nd</u> <u>quarter</u>	<u>3rd</u> <u>quarter</u>	<u>4th</u> <u>quarter</u>
_____	_____	_____	_____

III. CHANGES AND INQUIRIES

- ▶ If a State determines that these estimate require changes, a letter indicating the change in percentages should be sent to your ACF Regional Office and to ACF's Central Office. The Central Office address is:

The Administration for Children and Families
The Office of Program Support
The Division of Formula, Entitlement and Block Grants
6th Floor, Aerospace Building
370 L'Enfant Promenade
Washington, D.C. 20447

IV. TANF PAYMENT INSTRUCTIONS

- ▶ States may begin operation of their TANF programs in FY 1996. If a State does begin its program in FY 1996, the State need not submit estimates for FY 1996. ACF will determine the amount of the TANF grant. In making this determination, ACF will establish the date of receipt of the plan and determine the number of days remaining in FY 1996. If State indicates a later effective date, we will use that later date. The State Family Assistance Grant allotment will be multiplied by the appropriate number of days (including the date of receipt) over 366 days to establish the TANF Grant amount for FY 1996.
- ▶ States beginning their TANF programs during FY 1997 will receive AFDC and JOBS grants for those periods prior to the implementation of their TANF programs. TANF grants will be issued for the quarter beginning July 1, 1997 for all States, and earlier for those States that implement TANF prior to July 1, 1997.
- ▶ ACF will determine a State's TANF amount by determining the number of days in FY 1997 it will operate the TANF program in the manner indicated in the above paragraph. Once the number of days is determined, the State

Family Assistance Grant Amount allotment will be multiplied by the appropriate number of days over 365 to determine the TANF Grant amount for FY 1997.

- ▶ AFDC, JOBS and TANF grants for FY 1997 cannot not exceed a State's State Family Assistance Grant allotment amount for FY 1997. Instructions for making adjustments to AFDC and JOBS grant awards to insure that the SFAG allotment ceiling is not surpassed will be issued at a later date.

CERTIFICATIONS

The State will operate a program to provide Temporary Assistance to Needy Families (TANF) so that the children may be cared for in their own homes or in the homes of relatives; to end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and encourage the formation and maintenance of two-parent families.

This program is known as _____

Executive Officer of the State (Name) _____

In administering and operating a program which provides Temporary Assistance for Needy Families with minor children under title IV-A of the Social Security Act, the State will:

1. Specify which State agency or agencies will administer and supervise the program under part A in all political subdivisions of the State:

_____ is (are) the agency(ies) responsible for administering the program;

_____ is (are) the agency(ies) responsible for supervising the program;

2. Assures that local governments and private sector organizations:
 - (a) Have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and
 - (b) Have had at least 45 days to submit comments on the plan and the design of such services.
3. Operate a Child Support Enforcement program under the State plan approved under part D;

4. Operate a Foster Care and Adoption Assistance program in accordance with part E, and that the State will take all necessary actions to ensure that children receiving assistance are eligible for medical assistance;
5. Provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a Tribal Family Assistance plan approved under Section 412, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.
6. Establish and enforce standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.
7. Make available to the public a summary of the State plan; and

OPTIONAL CERTIFICATION

The State has established and is enforcing standards and procedures to:

- (1) Screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;
- (2) Refer such individuals to counseling and supportive services; and
- (3) Waive, pursuant to a determination of good cause, other program requirements such as time limits (for as long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in case where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

CERTIFIED BY THE CHIEF EXECUTIVE OFFICER OF THE STATE:

Date

Signature and Title

ATTACHMENT C

CHECKLIST
FOR STATE PLANS FOR THE
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
PROGRAM

This checklist includes required as well as optional provisions of the Personal Responsibility and Work Opportunity Act of 1996.

Have you addressed or considered the following in your State plan:

EMPLOYMENT SERVICES

I. Promoting Work

Work Activities Defined: Section 407(d)

- unsubsidized employment;
- subsidized private sector employment;
- subsidized public sector employment;
- work experience;
- on-the-job training
- job search and job readiness assistance;
- community service programs;
- vocational education training;
- job skills training directly related to employment;
- education directly related to employment;
- satisfactory attendance at secondary school or equivalent;
- provision of child care services to an individual who is participating in a community service program.

Preparing for Work

- Established criteria for determining whether a caretaker relative is ready to engage in work before 24 months. *State option.* Section (402(a)(1)(A)(ii))
- Established Community service employment for parents or caretaker relatives receiving assistance for 2 months who are not exempt and not engaged in work. *State option.* Section 402(a)(1)(B)(iv)
- Defined "satisfactory attendance" for purposes of counting participation for teen heads of households who attend secondary school or education directly related to employment. Section 407(c)(2)(C)
- Defined "making progress" purposes of counting participation for two-parent families engaged in work. Section 407(c)(1)(B)(i)

Exemptions from the Work Requirement

- Exempted single custodial parents who care for children under 12 months of age. *State option.* Section 407(b)(5)

- Any other exemptions from the work requirements. *State option.* Section 407(e)(2)
- Good cause exceptions from the work requirements. Section 407(e)(1)(B)

Employment Placement Program

- Established an employment placement program. *State option.* Section 404(f)

II. Goals and Processes

Goals

- Defined numerical goals for participation in work activities and for placements. *State option.*

Assessment

- Established period for initial assessment of individuals receiving benefits as of the effective date of this program. *State option.* Section 408(b)(2)(B)(i)
- Established period for initial assessment of other recipients. *State option.* Section 408(b)(2)(B)(ii)

Redetermination for AFDC Recipients

- Indicated intention regarding when to begin counting former AFDC recipients under TANF time frames. (*Subject to OGC approval*)

Individual Responsibility Plans

- Required Individual Responsibility Plans. *State option.* Section 408(b)(2)(A)

Penalties

- Established criteria and methodology for penalties on individuals who refuse to engage in work. Section 407(e)(1)
- Defined good cause from penalty for refusal to engage in work. Section 407(e)(1)
- Established criteria and penalty for failure without good cause to comply with Individual Responsibility Plan. Section 408(b)(3)
- Defined good cause exception from penalty for failure to comply with Individual Responsibility Plan. Section 408(b)(3)

- Described sanction criteria and methodology for a family that includes an adult that fails to ensure minor dependent children attend school. *State option.* Section 404(i)
- Described sanction criteria and methodology for a family that includes an adult who is older than 20 and younger than 51, if the adult does not have and is not working towards a high school diploma or equivalency diploma unless exempt. *State option.* Section 404(j)
- Described any other sanctions or penalties associated with TANF. *State option.*

Grievance Procedures

- Described the State's grievance procedures for resolving alleged violations of requirements for placing TANF participants in vacant positions. (Section 407(f)(3))

III. Special Populations

- Whether to include individuals who are receiving assistance under a Tribal family assistance plan in calculating the participation rates. (Section 407(b)(4))
- Whether to require noncustodial, non-supporting minor parents to fulfill community work obligations and attend appropriate parenting or money management classes after school. (Section 407(h))
- Described any other populations receiving special treatment under the program.

IV. Supportive Services

- Described any supportive services the State intends to provide.

V. Incentives

- Described any bonuses or stipends the State intends offer to individuals engaging in work activities.
- Described the criteria for bonuses or stipends.
- Whether the State will allow beneficiaries to establish individual development accounts (IDA). (Section 404(h)(2)(A))
- Indicated the qualified purpose(s) for which IDAs can be used. (Section 404(h)(2)(B))

PROVISIONS OF ASSISTANCE

I. Application and Redetermination

- Described how needy families will access benefits and services.
- Described the time frames for processing the application.
- Described the frequency and method of redetermination.

II. Assistance Unit

- Defined minor child. Section 419(2)
- Defined caretaker relative. Section 408(a)(1)(A)(i)
- Described which individuals living in the home with the minor child must be included in the application as part of the family for the purposes of establishing eligibility and determining the amount of cash benefits.
- Specified the number of days a child may be absent from home and the good cause exceptions. *State option.* Section 408(a)(10)

III. ELIGIBILITY

Factors Of Eligibility Not Related To Income Or Resources

- Described the criteria for covering pregnant women with no other minor children. *State option.* Section 408(a)(1)(A)(ii)
- Does the State have legislation that will exempt or limit the period an individual who is convicted of possession, use, or distribution of a controlled substance? *State option.* Section 115(d).
- Described any deprivation criteria?
- Described any other conditions of eligibility not specified in the statute.
- Provided an overview of how the State will provide benefits individuals who are not citizens of the United States as defined in section 431 of the statute if appropriate. *State option.* Section 402(a)(1)(B)(ii)

Income And Resource Factors of Eligibility

TREATMENT OF INCOME

- Described how the State will consider earned, unearned and in-kind income to determine eligibility and calculate benefits.
- Described the disregards that will apply to earned and unearned (including in-kind) income.
- Described any deeming of income requirements.

TREATMENT OF RESOURCES

- Describes how the State will count and/or disregard resources.

IV. BENEFIT LEVELS

- Described the benefit standard(s) and the basic needs included in this standard(s).
- Described the criteria for treating families moving into the State equally or differently than other families under the program. *State option.* Section 402(a)(1)(B)
- Described how often assistance payments will be issued in a month?
- Described whether benefits will be issued as direct cash assistance, vouchers, or certificates. Also describe the electronic benefits transfer system, if applicable. *State option.* Sections 404(g) and 104(a)(1)(B).
- Described the method and process of recovering overpayments (e.g. uses of IRS tax intercept) and correcting underpayments to beneficiaries of the program. *State option.*

IV. TIME LIMITS

- Described the State's exemption criteria for the reasons of hardship or because an individual has been battered or subjected to extreme cruelty. Refer to Section 408(a)(7)(C).
- Described any time limits for benefits less than 60 months. *State option.*

STRENGTHENING FAMILIES

- [] Described whether or not the State will exempt a single custodial parent who cares for a child under 12 months of age from engaging in work. *State option.* Section 407(b)(5)
- [] Described any programs that encourage non-custodial parents to participate in the rearing of their children. *State option.*
- [] Described your goals, programs, and initiatives to prevent or reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies. Include a description of any collaborative activities with State and local law enforcement officials, the education system, and relevant counseling services. Refer to sections 402(a)(1)(A)(v) and (vi).
- [] Described the sanction criteria if the State will deny assistance for teenage parents who do not attend high school or other equivalent training programs, if appropriate. *State option.* Section 408(a)(4)
- [] Described the sanction criteria if the State sanctions recipients for failing to ensure that minor dependent children attend school. *State option.* Section 404(i)
- [] Described the sanction criteria and exceptions if the State plans to sanction a family that includes an adult who is older than age 20 and younger than age 51, if such a person does not have, or is not working towards attaining, a secondary school diploma or its equivalent. *State option.* Section 404(j)
- [] Described Family Preservation strategies and programs. *State option.*

ADMINISTRATION

I. ORGANIZATIONAL STRUCTURE

- Provided an organizational chart which shows the agency unit(s) responsible for the administration of the program.
- Described the program unit(s) that will be responsible for responding to issues and questions regarding TANF.

II. RESPONSIBILITIES FOR DECISIONS

- Identified which agency(ies) will be responsible for the supervision of the program and describe the role of the supervising agency, if the program is county administered.
- Described the procedures and agreements that have been established to coordinate contracts and agreements between the State agency and other entities.

III. PROGRAM UNIFORMITY

- Described whether or not the State will institute uniform program policies in all political subdivision and any variations in policies. *State option. SITE*

IV. CLIENT PROTECTIONS

- Described how case information will be safeguarded and to what extent information will be disclosed. Section 402(a)(1)(A)(iv)
- Described the hearing process including an explanation of notice procedures and the criteria for appeal. Section 402(a)(1)(A)(iii)
- Described how the State will ensure that tribal families will have equal access to TANF assistance. Section 402(a)(5)

V. OPTIONAL USE OF GRANT

- Described how the State plans to expend more than 15% of the grant for enhanced information technology and computerization needed for tracking and monitoring purposes, if appropriate. Section 404(b)(2)
- Described how the State will access additional public or private funding for the program and for what purposes the funding will be spent, if appropriate.

VI. CONSULTATIONS

- Described your process and timeframes for consulting with local governments and private sector organizations regarding the plan and design of welfare services.

PROVISIONS OF ASSISTANCE

I. Application and Redetermination

- Described how needy families will access benefits and services.
- Described the time frames for processing the application.
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- Described which individuals living in the home with the minor child must be included in the application as part of the family for the purposes of establishing eligibility and determining the amount of cash benefits.
- Specified the number of days a child may be absent from home and the good cause exceptions. *State option.* Section 408(a)(10)

III. ELIGIBILITY

Income And Resource Factors of Eligibility

TREATMENT OF INCOME

- What income levels will be used to determine eligibility for assistance?
- Described how the State will consider earned, unearned and in-kind income to determine eligibility and calculate benefits.
- Described the disregards that will apply to earned and unearned (including in-kind) income.
- Described any deeming of income requirements.

TREATMENT OF RESOURCES

- Described what resource levels, if any, will be used to determine eligibility for assistance? *State option.*
- Described how the State will count and/or disregard resources.

Factors Of Eligibility Not Related To Income Or Resources

- Described the criteria for covering pregnant women with no other minor children. *State option.* Section 408(a)(1)(A)(ii)
- Does the State have legislation that will exempt or limit the period an individual who is convicted of possession, use, or distribution of a controlled substance? *State option.* Section 115(d).
- Described any deprivation criteria?
- Described any other conditions of eligibility not specified in the statute.
- Provided an overview of how the State will provide benefits individuals who are not citizens of the United States as defined in section 431 of the statute if appropriate. *State option.* Section 402(a)(1)(B)(ii)

IV. BENEFIT LEVELS

- Described benefits will be available to eligible units?
- Described if benefits will be provided in the form of cash, vouchers, services, wages, or other? *State option.* Refer to sections 404(g) and 104(a)(1)(B).
- Described the standard(s) for cash benefits and the basic needs included in this standard(s).
- Described the criteria for treating families moving into the State equally or differently than other families under the program. *State option.* Section 402(a)(1)(B)
- Described how often assistance payments will be issued in a month?
- Described the method and process of recovering overpayments (e.g. uses of IRS tax intercept) and correcting underpayments to beneficiaries of the program. *State option.*

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- Described the State's exemption criteria for the reasons of hardship or because an individual has been battered or subjected to extreme cruelty. Refer to Section 408(a)(7)(C).

- Described any time limits for benefits less than 60 months. *State option.*

STRENGTHENING FAMILIES

- [] Described whether or not the State will exempt a single custodial parent who cares for a child under 12 months of age from engaging in work. *State option.* Section 407(b)(5)

- [] Described any programs that encourage non-custodial parents to participate in the rearing of their children. *State option.*

- [] Described your goals, programs, and initiatives to prevent or reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies. Include a description of any collaborative activities with State and local law enforcement officials, the education system, and relevant counseling services. Refer to sections 402(a)(1)(A)(v) and (vi).

- [] Described the teenage pregnancy prevention program and the problem of statutory rape. *State option.* Section 402(a)(1)(A)(vi)

- [] Described whether or not the State will establish and enforce standards and procedures to screen and identify individuals with a history of domestic violence, refer them to counseling and supportive services and waive other program requirements pursuant to a good cause determinations. *State option.* Section 402(a)(1)(B)(7)

- [] Described the sanction criteria if the State will deny assistance for teenage parents who do not attend high school or other equivalent training programs, if appropriate. *State option.* Section 408(a)(4)

- [] Described the sanction criteria if the State sanctions recipients for failing to ensure that minor dependent children attend school. *State option.* Section 404(i)

- [] Described the sanction criteria and exceptions if the State plans to sanction a family that includes an adult who is older than age 20 and younger than age 51, if such a person does not have, or is not working towards attaining, a secondary school diploma or its equivalent. *State option.* Section 404(j)

- [] Described Family Preservation strategies and programs. *State option.*

ADMINISTRATION

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- Described the procedures and agreements that have been established to coordinate contracts and agreements between the State agency and other entities.

III. PROGRAM UNIFORMITY

- Described whether or not the State will institute uniform program policies in all political subdivision and any variations in policies. *State option.* SITE

IV. CLIENT PROTECTIONS

- Described how case information will be safeguarded and to what extent information will be disclosed. Section 402(a)(1)(A)(iv)
- Described the hearing process including an explanation of notice procedures and the criteria for appeal. Section 402(a)(1)(A)(iii)
- Described how the State will ensure that tribal families will have equal access to TANF assistance. Section 402(a)(5)

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- Described how the State plans to expend more than 15% of the grant for enhanced information technology and computerization needed for tracking and monitoring purposes, if appropriate. Section 404(b)(2)
- Described how the State will access additional public or private funding for the program and for what purposes the funding will be spent, if appropriate.

VI. CONSULTATIONS

- Described your process and timeframes for consulting with local governments and private sector organizations regarding the plan and design of welfare services.

HHS
cc Richard

To be sent on
8/26 Mon

DRAFT DRAFT DRAFT DRAFT DRAFT

Dear Commissioner X:

I have appreciated the opportunity in the last two weeks to begin a discussion with you and other welfare commissioners about implementation of the new federal welfare reform legislation. As you know, on August 22, President Clinton signed this bill into law.

Re P-R and W-O Reconciliation
Act of 1996

The enactment of this law is an opportunity to continue the work we have begun to change the culture of welfare in this country so that it focuses on work, provides the supports necessary to ensure a successful transition to work, and at the same time, demands greater responsibility from those participating in the system. I believe that as the welfare system undergoes significant change, we all share a responsibility to make sure that the most vulnerable among us are protected from harm.

As a first step in the implementation of this new law, we have prepared the attached table of state allocations for both the Temporary Assistance for Needy Families Block Grant (TANF) and child care funding. This is information I know you need to begin developing your state's plan. *or plan?*

We are also working on a number of immediate follow-up activities that, I believe, will be useful to you.

First, we are preparing a guide that addresses questions we have received and provides guidance on the submission of TANF state plans. I know that many states hope to submit state plans and begin drawing down block grant funding quite quickly. The guide should provide a basis for our working together to ensure that your plans are complete under the requirements of the law. We will forward that to you soon.

Second, *Your state's lead agency for the CCDBG* your governor will soon be receiving a letter outlining a simplified process under which your state can begin operating a more unified child care system and receiving the new child care funding authorized by the legislation.

Third, you or your state's IV-D director and staff will soon receive an invitation to a series of conferences, aimed at helping us work together on implementing the significant child support enforcement provisions of the new law.

Fourth, following the ~~American Public Welfare Association/~~ *A-P-W-A-* National Governors' Association/National Conference of State Legislators welfare reform implementation conference here in Washington on September 9-10, the Administration for Children and Families will hold a one-day "add-on" session to consult with you about rule-making and policy issues as well as to share with you new information on implementation. You will receive an official invitation to this session in the next week.

any necessary

The implementation of the new welfare reform law is an extraordinarily challenging opportunity, and we look forward to working on it in partnership with you. Our combined expertise and experience will help us achieve our shared vision of a welfare system that truly serves our nation's children and families.

Your ^{AcF} regional administrator and regional and central office staff will be in contact, and are available to help you in any way. And, please feel free to call me if I can be of additional assistance.

Sincerely

Mary Jo Bane
Assistant Secretary for
Children and Families

To be sent on
8/26



^{Officially}
DRAFT letter to State ~~Governors and the Mayor of the District of Columbia~~

Dear :

As you know, the President has just signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Title VI of the statute creates a new, integrated child care program under the Child Care and Development Block Grant. We are very excited that the program unites three child care funding streams in a way that validates the early effort of many States to construct a unified, seamless child care system out of multiple programs that often had conflicting rules. Attachment A summarizes the key provisions of this new Title. For administrative ease, we will refer to the combined three funding streams as the Child Care and Development Fund.

Title VI has an effective date of October 1, 1996. With its implementation, the former title IV-A child care funding streams related to Aid to Families with Dependent Children (AFDC child care, and Transitional and At-Risk child care) are discontinued. The funding for those three programs has been reconfigured as a single appropriation with a Mandatory Fund and a Matching Fund component. The Mandatory Fund is approximately equal to the amount of Federal funds States previously received for their AFDC child care, and Transitional and At-Risk child care programs. No State match is required for use of the mandatory funds. A State may only claim Matching Funds, however, through meeting the following requirements: obligating all Mandatory Funds by the end of the fiscal year, expending from the State's own funds an amount that is no less than the maintenance of effort (MOE) amount on the table found at Attachment C of this letter, and providing the State's share of the Matching Funds.

The statute provides that "notwithstanding any other provisions of law, [these] amounts . . . shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to the requirements and limitations of such Act."

I am writing to you, therefore, to lay out the process we have developed so you can start receiving the new child care funds as quickly as possible and to provide some initial information about the process for continuing to access those funds.

- o First, we are asking that, by September 20, 1996, you send us a simple interim application that will serve as the planning document to enable us to provide you with the initial installment of the Mandatory and Matching Funds for FY 1997 that become available to you on October 1. The details of this application are spelled out in Attachment B. In the near future, we will provide you with additional guidance on the child care funding process under the revised statute. We cannot begin releasing these funds until we receive this application.

- o Second, as required by the statute, Grantees should begin engaging in a comprehensive planning process, including a public hearing, that will culminate in a final, comprehensive child care plan and application due to us by July 1, 1997. The provisions of the plan will take effect on September 30, 1997, with the FY 1997 discretionary funds released on September 30, and will cover your integrated child care program for the following two years. Since the experience of so many States suggests that the quality and comprehensiveness of this planning process is extremely important to optimizing child care in your State and leveraging local resources, we will be consulting with you and your child care administrators regarding the nature and timing of the planning process and the kind of assistance we can provide.

Again, we at ACF are extremely excited by the integrated child care program envisioned by the new statute. We believe that this program offers a heretofore unparalleled opportunity to serve children and their parents for whom child care is a critical element in family growth and stability.

Sincerely,

Mary Jo Bane
Assistant Secretary
for Children and Families

Attachments:

- A - Key provisions of the Child Care and Development Block Grant Amendments of 1996
- B - Interim application process
- C - ACF regional administrators
- D - Preliminary allocation tables

Attachment A

Child Care and Development Block Grant Amendments of 1996

Funding

The Amendments authorize and appropriate a total of \$13.9 billion in mandatory funding for FYs 1997-2002 and authorize \$7 billion in discretionary funding for FYs 1996-2002. States would receive approximately \$1.2 billion of the mandatory funds each year as a capped entitlement based on federal IV-A child care expenditures in each state in FY94, FY95 or the average from FY 92-94 (whichever is greater).

The remainder of the mandatory funds (after an allocation to tribes) would be available for state match (at the 1995 FMAP rate) based on the At-Risk allocation formula . In order to be eligible for these new matching funds, a state must maintain 100% (maintenance of effort) of FY94 or FY95 state child care expenditures (whichever is greater) AND exceed the state set-aside described above.

Total funding, including mandatory funds and \$1 billion in discretionary funds for each year:

\$ 2.967 billion for FY 1997
\$ 3.067 billion for FY 1998
\$ 3.167 billion for FY 1999
\$ 3.367 billion for FY 2000
\$ 3.567 billion for FY 2001
\$ 3.717 billion for FY 2002

All funding would be subject to the requirements of the Child Care and Development Block Grant Act, as amended.

Effective Date

The effective date of the Child Care and Development Block Grant Amendments is October 1, 1996. The authorization of appropriations for the discretionary funds takes effect on the date of enactment.

Eligibility

Changes family income limit from 75% of State Median Income to 85%.

Lead Agency

The Amendments retain CCDBG lead agency requirements, but allows the lead agency to administer the program through other "governmental or nongovernmental" agencies.

Application and Plan

Under the Amendments, the parental choice provisions (requiring that parents be given the option to enroll their children in grant or contract slots or to receive a certificate) will apply to the entire program.

The Amendments expand the current law requirement for a public hearing on the state plan to specify that the state must provide sufficient time and statewide distribution of notice of the hearing.

Administrative Costs

The Amendments limit administrative costs to 5% of the aggregate funding and specifies that administrative costs shall not include the costs of providing direct services.

Report language clarifies that the Secretary should issue regulations that define and determine true administrative costs prior to the deadline for submission of State plans. Eligibility determination and re-determination, preparation and participation in judicial hearings, child care placement, the recruitment, licensing, inspection, reviews and supervision of child care placements, rate setting, resource and referral services, training, and the establishment and maintenance of computerized child care information should not be considered administrative costs.

Consumer Education

The Amendments replace the current law requirement that specific consumer education information be made available (concerning licensing and regulatory requirements, complaint procedures, and policies and practices relative to child care services within the State) with a general requirement that the state will collect and disseminate information that will "promote informed child care choices."

Quality

The Amendments set aside not less than 4% of total funds for activities that are "designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services.)" This provision replaces the current law description of activities to improve quality (r&r; grants or loans to meet state and local standards; monitoring of compliance with licensing and regulation; training; and compensation).

Compliance with State Licensing Requirements

The Amendments replace current law requirements that the State assure that all child care providers comply with state and local licensing or regulatory requirements, including

registration, with a requirement that states have in effect licensing requirements and provide descriptions of the requirements and how they are enforced. The Amendments eliminate registration requirements.

Health and Safety

The Amendments retain current law CCDBG Health and Safety requirements and applies them to all of the child care funds.

Payment Rates

The Amendments add a requirement that states provide a summary of the facts used to determine that rates are sufficient to ensure equal access.

It also eliminates the requirement that payment rates take into account variations in the costs of providing care in different settings and to different age groups, and the additional costs of providing child care for children with special needs.

Tribes

Set-Aside: The Amendments require a minimum set-aside for Tribes of 1% of the aggregate funding and allows the Secretary to set aside up to 2%.

Minimum Standards: The Amendments add a requirement that the Secretary, in consultation with tribes and tribal organizations, shall develop minimum child care standards for tribes and tribal organizations.

Construction or Renovation of Facilities: The Amendments give the Secretary authority to allow Tribes or tribal organizations to use program funds for construction or renovation purposes as long as that will not result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of services provided in the preceding fiscal year. The Secretary is directed to develop and implement uniform procedures for the solicitation and consideration of requests to use funds for this purpose.

Reallotment: The Amendments add a provision giving the Secretary authority to reallocate any portion of tribal set-aside grants to other tribes or organizations if she determines that the funds are not being used in a manner consistent with the statute and time period for which the grant or contract is made available.

Other Organizations: The Amendments add under the definition of tribal organizations, "Other organizations", which includes a Native Hawaiian Organization and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.

Territories

The Amendments eliminate the Trust Territory of the Pacific Islands from the list of eligible Territories and Possessions. The Amendments do not include territories in the definition of States eligible for mandatory and matching funds.

Enforcement

The Amendments eliminate the authority of the Secretary to terminate payments for failure to comply with the state plan or any provision of the law and replaces it with disallowance authority for improperly expended funds.

Reports & Audits

The Amendments replace the current law annual reporting requirement with requirements that states collect a specific list of data on a monthly basis and submit it to the Secretary quarterly. It also requires biannual reports from the states (beginning 12/31/97 and every six months after) containing other aggregate data. The data elements are substantially broader than current law reporting requirements.

The Amendments also require the Secretary to submit biennial reports to Congress beginning in 1997.

While the Amendments maintain current law audit requirements, it requires only that the audit entity be independent of the State, replacing the requirement that it be independent of "any agency administering activities that receive assistance under this subchapter."

Other Definitions

Child Care Certificates: The Amendments add child care deposits as an allowable use of a child care certificate.

Eligible Child: Changes family income limit from 75% of State Median Income to 85%.

Eligible Child Care Provider: Adds great grandparents and non-resident siblings to list of eligible providers and eliminates the requirement that relative providers be registered.

Other Organizations: The Amendments add under the definition of tribal organizations, "Other organizations", which includes a Native Hawaiian Organization and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.

Miscellaneous Deletions

The Amendments eliminate the CCDBG sections regarding the rationale for reductions in standards, review of state licensing and regulatory requirements, and supplementation/supplantation.

Strikes current law language specifying issues that may be considered during consultation with local governments on development of the State plan.

The Amendments eliminate the requirement that states dedicate funds to early childhood development or before and after school child care programs.

Related Child Care Provisions in Temporary Assistance for Needy Families (TANF)

Repeals

Repeals Title IV-A Child Care programs, thus eliminating guaranteed child care for needy individuals.

Funds Transfer

The TANF block grant allows states to transfer up to 30% of the temporary assistance funds into the child care or social services block grants. No more than a third of this amount may be used for the Social Services Block Grant.

Failure to Provide Child Care

The TANF block grant prohibits states from sanctioning a single parent who fails to participate in work because she cannot access child care for a child under age 6. The Secretary can impose a penalty of up to 5% of the family assistance grant amount on states that fail to maintain assistance to adult single custodial parents who cannot obtain child care for a child under age 6. The amount of the penalty will be based on the severity of the failure.

Meeting Participation Rates/Work Requirements

Meeting Work Requirements

Single parents with a child under the age of 6 are deemed to be meeting work participation requirements if the parent is engaged in work for 20 hours/week.

The TANF block grant adds to the definition of work activities: "the provision of child care services to an individual who is participating in a community service program."

Sense of the Congress

The TANF block grant includes a Sense of the Congress that encourages each state to assign the highest priority to requiring adults in 2-parent families and adults in single parent families that include older preschool or school-aged children to be engaged in work activities.

Two-Parent Families

With the exception of a disabled parent or families with a severely disabled child under the parent's care, the TANF block grant requires that if child care is provided by the State, both spouses in a two-parent family must work, but the second parent must only work a minimum

of 20 hours per week.

Optional Exemption

The TANF block grant includes a state option to exempt single parent families with a child under the age of 12 months from engaging in work. The state may disregard the parent in determining work participation rates for up to 12 months.

Title XX

The welfare reform bill reduces Title XX funding by 15% until FY 2002.

Attachment B

**Interim Application and Planning Document
Child Care and Development Block Grant Amendments of 1996**

To begin accessing the funds provided under title VI of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, a letter of application, signed by you, containing the following information is due to the appropriate addressees (listed below and in Attachment D) no later than September 20, 1996:

1. The name of the lead State agency as required by subsection (b) of Section 658D of the Child Care and Development Block Grant Act of 1990, as amended;
2. The Employer Identification Number (EIN) and appropriate suffix of the lead agency you designated under 1. above;
3. The name, address, telephone number, and, if applicable, FAX number of a contact person within the lead agency;
4. A brief description of how your State will operate an integrated child care program in compliance with Section 418 of the Social Security Act and the Child Care and Development Block Grant Act as amended. Include the activities to improve the quality of child care your State will carry out in FY 1997. Use section 658E(c), Requirements of a Plan, of the Child Care and Development Block Grant Act of 1990, as amended, as a guide for elements of information to be included.
5. Estimates of the percentage of the Mandatory Funds that you will need and are requesting each quarter of FY 1997. There is no State matching requirement for these funds. (Attachment C contains preliminary allocation tables.)
6. Estimates in dollars of the Matching Funds that you will need and are requesting each quarter for FY 1997. These funds represent only the Federal share of expenditures for which the State must contribute its share. The Federal Medical Percentage in effect for FY 1995 will be used to determine the Federal share.

Policy Note — Three requirements apply to the Matching Funds:

- o A State must obligate by the end of the fiscal year all of its Mandatory Funds. (This does not mean that the State must use all of its Mandatory Funds first. The State could use Matching Funds and Mandatory Funds simultaneously. But, by the end of the fiscal year it must have obligated all of its Mandatory Funds.)

Attachment B - Interim Application and Planning Document, page 2

- o The State must expend from its own funds an amount that is no less than the non-Federal share amount included as the maintenance of effort (MOE) amount on the attached table before claiming Matching Funds. If a State fails to meet either or both prerequisites, the Matching Funds awarded to the State will be disallowed.
- o The State must provide its share of the Matching Funds. By submitting Matching Funds estimates, a State certifies that it has available, or will have available, the State's share of the Matching Funds and that it will expend the required non-Federal share amount as discussed above.

7. The following assurances and certifications --

- o in administering the integrated child care program, the grantee will follow the provisions of the Child Care and Development Block Grant Act of 1990, as amended;
- o in administering the integrated child care program, the grantee will follow the regulations at 45 CFR Part 98 unless those regulations are contradicted by the amendments to the Child Care and Development Block Grant Act of 1990 amended by the PRWORA;
- o the parent(s) of each eligible child within the State who receives or is offered child care services for which financial assistance is provided is given the option either:
 - (a) to enroll such child with a child care provider that has a grant or contract for the provision of service; or
 - (b) to receive a child care certificate;
- o in cases in which the parent(s) elects (elect) to enroll the child with a provider that has a grant or contract with the lead agency, the child will be enrolled with the eligible provider selected by the parent to the maximum extent practicable; and
- o the child care certificate offered to parent(s) shall be of a value commensurate with the subsidy value of child care services provided under a grant or contract.
- o the grantee has procedures in place to ensure that providers of child care services for which assistance is provided under the Child Care and Development Fund afford parents unlimited access to their children and to the providers caring for their children during the normal hours of operation of such providers and whenever such children in the care of such providers;

Attachment B - Interim Application and Planning Document, page 3

- o the grantee maintains a record of substantiated parental complaints and makes information regarding such complaints available to the public on request;
- o the grantee will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices;
- o the grantee has in effect licensing requirements applicable to child care services provided within the State;
- o there are in effect within the State (or other areas served by the grantee), under State or local law, requirements designed to protect the health and safety of children; these requirements are applicable to child care providers that provide services for which assistance is made available under the Child Care and Development Fund;
- o procedures are in effect to ensure that child care providers that provide services for which assistance is provided under the Child Care and Development Fund comply with all applicable State or local health and safety requirements;
- o payment rates under the Child Care and Development Fund for the provision of child care services will be sufficient to ensure equal access for eligible children to comparable child care services in the State or sub-state area that are provided to children whose parents are not eligible to receive assistance under this program or under any other Federal or State child care assistance programs.

Your letter of application must be sent or hand-delivered by September 20, 1996, to the:

ACF Regional Administrator
DHHS/ACF
(See attachment D for addresses.)

A copy must be sent to the:

Commissioner
Administration on Children, Youth,
and Families,
Attention: Child Care Bureau
Mail Stop 320F
Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201

Attachment C

Allotment chart to be available by c.o.b. 8/21.

Attachment D

ACF REGIONAL ADMINISTRATORS

- I. Hugh Galligan
DHHS/ACF
John F. Kennedy Building
Room 2000, 20th Floor
Boston, MA 02203
(617) 565-1020

Electronic mail address:
ROWALKER@ACF.DHHS.GOV
- II. Mary Ann Higgins
DHHS/ACF
26 Federal Plaza
Room 4048
New York, NY 10278
(212) 264-2890

Electronic mail address:
STAYLOR@ACF.DHHS.GOV
- III. Martin Keely
DHHS/ACF
3535 Market Street
Room 5450
Philadelphia, PA 19101
(215) 596-0352

Electronic mail address:
SMATTHEWS@ACF.DHHS.GOV
- IV. Kenneth Jackson, Acting
DHHS/ACF
101 Marietta Tower
Suite 821
Atlanta, GA 30323
(404) 331-5733

Electronic mail address:
COSBORNE@ACF.DHHS.GOV
- V. Marion Steffy
DHHS/ACF
105 West Adams Street
20th Floor
Chicago, IL 60603
(312) 353-4237

Electronic mail address:
DGALLOWAY@ACF.DHHS.GOV
- VI. Leon McCowan
DHHS/ACF
1200 Main Tower Building
Suite 1700
Dallas, TX 75202
(214) 767-9648

Electronic mail address:
RRODGERS@ACF.DHHS.GOV
- VII. Linda J. Carson
DHHS/ACF
601 East 12th Street
Room 384
Kansas City, MO 64106
(816) 426-3981

Electronic mail address:
MSMITH@ACF.DHHS.GOV
- VIII. Beverly Turnbo, Interim
DHHS/ACF
Federal Office Building
1961 Stout Street
Room 924
Denver, CO 80294-3538
(303) 844-2622

Electronic mail address:
KCASS@ACF.DHHS.GOV
- IX. Sharon Fujii
DHHS/ACF
50 United Nations Plaza
Room 450
San Francisco, CA 94102
(415) 437-8400

Electronic mail address:
ACFSANFRAN@ACF.DHHS.GOV
- X. Stephen Henigson
DHHS/ACF
Blanchard Plaza
2201 Sixth Avenue
Room 610-M/S RX-70
Seattle, WA 98121
(206) 615-2547

Electronic mail address:
DMCCONNELL@ACF.DHHS.GOV

To be sent on 8/30

The Honorable Fob James, Jr.
Governor of Alabama
Montgomery, Alabama 36130-2751

Dear Governor James:

~~Yesterday~~
Last week

Yesterday, President Clinton signed historic legislation revolutionizing our nation's welfare system. This Administration and the Congress, working closely with governors and other state and local government leaders, have produced national welfare reform legislation that promotes work and demands responsibility.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 begins the crucial task of rebuilding our nation's broken welfare system: it moves people from welfare to work; it imposes time limits on welfare; it gives people the child care and the health care they need to move from welfare to work; it cracks down on child support enforcement; and it protects our children. While legislative improvements will need to be made in the areas of immigration and nutrition, this new law gives real hope to those caught in the vicious cycle of dependency by offering these families the tools and the means to succeed both at home and at work.

As you know from your experience as a chief executive, passing legislation is just the first step in making real change to the welfare system. The essential challenge now for all of us is assuring effective implementation of this landmark statute. We have a real opportunity to transform welfare into a system based on work and responsibility, and I pledge my personal commitment that our Department will work closely with your state in implementing welfare reform as smoothly and efficiently as possible. We look forward to working with you, your staff, and organizations such as the National Governors' Association, National Conference of State Legislatures, and American Public Welfare Association to share innovations in welfare policy on the operational aspects of the new law.

In particular, we hope to build on the lessons learned from the more than 70 welfare reform demonstrations which the Clinton Administration has approved for 43 states. I am especially proud of the role we have played in working with states in the development, review, and approval of these demonstrations.

Page 2 - The Honorable Fob James

If during these next steps there is any way I can be of assistance, please do not hesitate to call on me. My Director of Intergovernmental Affairs, John Monahan, is also available to you and your staff. John's phone number is (202) 690-6060.

Best wishes to you and your state as we embark on this important effort in support of poor families and their children.

Sincerely,

Donna E. Shalala

SSA

DRAFT

- a Gov letter?

Dear Governor:

This letter provides you with information about the potential impact of the recently passed welfare reform bill. As you are no doubt aware, both houses of the Congress have passed the conference agreement on H.R. 3734, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and the President has signed the bill into law.

This legislation contains provisions that will dramatically affect the Supplemental Security Income (SSI) program. It will tighten restrictions on children's eligibility for disability benefits and place broad prohibitions on the eligibility of noncitizens for SSI payments.

Other provisions that may be of interest to you include those that will:

- provide for incentive payments from SSI program funds to some correctional institutions for furnishing information to SSA that results in the suspension of SSI benefits to prisoners, and
- deny eligibility for SSI to an individual who is fleeing prosecution, or is a fugitive felon, or is violating a condition of probation or parole imposed under State or Federal law.

I have enclosed a fact sheet that provides additional information about these and other provisions. Please feel free to contact me with any comments or questions you may have. If members of your staff have any questions, they may contact either Carolyn Colvin, Deputy Commissioner for Programs and Policy, at (410) 965-0100, or Judy Chesser, Deputy Commissioner for Legislation and Congressional Affairs, at (202) 482-7148.

Sincerely,

Shirley S. Chater
Commissioner
of Social Security

Enclosure

more policy !!

CONGRESS REACHES AGREEMENT ON H.R. 3734, THE PERSONAL
RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

House and Senate conferees reached agreement on the differences in the House and Senate-passed versions of H.R. 3734, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. On July 31, the House passed the conference agreement by a vote of 328-101. On August 1, the Senate passed the conference agreement by a vote of 78-21. President Clinton signed the bill into law on August 22.

The bill includes the following provisions of interest to the Social Security Administration and the States:

Childhood Disability

SSI Eligibility Based on Childhood Disability

- o Eliminates the comparable severity standard and provides instead that a child under age 18 would be considered under a disability if he/she has a medically determinable impairment which results in marked and severe functional limitations and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The child may not be considered disabled if he or she is working at a job that is considered to be "substantial" work.
- o Directs SSA to eliminate references to maladaptive behavior in the domain of personal/behavioral function in the Listing of Impairments for children, and to discontinue the use of an individualized functional assessment in evaluating a child's disability.

These provisions would be applicable to any individual who applies for SSI disability benefits, or whose claim is finally adjudicated, on or after the date of enactment, without regard to whether implementing regulations have been issued.

Current Recipients

- o Requires SSA to notify, no later than January 1, 1997, recipients eligible for SSI disability benefits on enactment date and whose eligibility may be affected by the new childhood disability eligibility criteria.
- o Requires SSA to redetermine the eligibility of such recipients, using the new childhood disability eligibility criteria no later than one year after the date of enactment.

Benefits for those recipients who do not meet the new childhood disability eligibility criteria would terminate for the month beginning on or after July 1, 1997, or the date of the redetermination, whichever is later.

Limited Eligibility of Noncitizens

Social Security Benefits

- o Prohibits the payment of Social Security benefits to any noncitizen in the U.S. who is not lawfully present in the U.S. (as determined by the Attorney General).

Effective for benefits based on applications filed after the month of enactment.

SSI Benefits

- o Prohibits SSI eligibility for all noncitizens except:
 - refugees (eligibility limited to the 5-year period after their arrival in the United States);
 - asylees (eligibility limited to the 5-year period after the date they are granted asylum);
 - noncitizens who have had deportation withheld under INA-section 243(h) (eligibility limited to the 5-year period after the date their deportations are withheld);
 - certain active duty Armed Forces personnel, honorably discharged veterans, and their spouses and dependent children;
 - lawful permanent residents who have earned 40 quarters of coverage for Social Security purposes. An individual would be credited with all quarters of coverage earned by his or her parent and before the individual's attainment of age 18, and a married individual (including widow(er)) would be credited with all quarters of coverage earned by his or her spouse during the marriage. However, for quarters earned after December 31, 1996, a quarter would not count as one of the required 40 if the noncitizen or person whose quarters are being credited to the noncitizen received federally funded public assistance during the quarter the work was done.

Effective upon enactment. However, with regard to individuals on the SSI rolls at the time of enactment, requires the Commissioner to redetermine the eligibility of all noncitizens who do not meet the new eligibility categories within one year after enactment. Noncitizen beneficiaries must receive a notice about these changes by March 31, 1997. If a noncitizen is not in one of the new categories, his or her eligibility would end with the month following the date of the redetermination.

Prisoner Reporting

- o Provides for incentive payments from SSI program funds to some correctional institutions for furnishing information to SSA that results in suspension of SSI benefits. Incentive payments will be made only to correctional institutions whose primary purpose is to house individuals who have been convicted of a crime punishable by imprisonment for more

than one year. Incentive payments will provide for payment of up to \$400 for information received within 30 days of confinement or up to \$200 for information received from 31 to 90 days after confinement.

Applies to individuals whose period of confinement commences on or after the first day of the seventh month beginning after the month of enactment.

Denial of Benefits for Fugitive Felons and Parole Violators/
Exchange of Information with Law Enforcement Officers

- o Denies eligibility for SSI with respect to any month in which an individual is fleeing prosecution, a fugitive felon, or violating a condition of probation or parole imposed under State or Federal law.
- o Requires SSA to provide upon written request of any law enforcement officer, the current address, SSN, and photograph of any SSI recipient, provided that the request includes the name of the recipient and other identifying information and notifies SSA that the recipient:
 - is fleeing to avoid prosecution, or custody or confinement after a felony conviction;
 - is violating a condition of probation or parole; or
 - has information that is necessary for the officer to conduct the officer's official duties and the location or apprehension of the recipient is within the officer's official duties.

Effective upon enactment.

Denial of Benefits for 10 Years to Individuals Who Have
Misrepresented Residence in Order to Obtain Benefits in Two or
More States

- o Denies SSI benefits for a period of 10 years to an individual convicted in Federal or State court of having made a fraudulent statement with respect to his or her place of residence in order to receive assistance simultaneously from two or more States under programs funded under title IV, title XIX, or the Food Stamp Act of 1977, or SSI benefits.
- o An official of a Federal or State court shall notify SSA as soon as practicable of the conviction of a person as described above.

Effective upon enactment.

Dedicated Account for Large Underpayments

- o Requires representative payees (including State and local agencies and institutions) of children entitled to SSI disabled child benefits, and who are due benefits greater than six times the Federal Benefit Rate and any applicable

State Supplement, to establish a separate account in a financial institution. The funds in this account may be used only for specific expenses related to the child's impairment (i.e., personal needs assistance, special equipment, housing modification and therapy or rehabilitation) and for medical treatment or job skills training.

- o This section also provides penalties for representative payees who spend these funds for any other purpose, and requires SSA to monitor the use of these funds.

Expansion of the \$30 payment limit

Expands the application of the \$30 payment limit for SSI benefits to children under age 18 who are in medical treatment facilities which are receiving payments for the cost of the children's care under any health insurance policy issued by a private provider of such insurance.

Effective for months beginning 90 days after enactment.

Installment payments of Large Past-Due SSI payments

- o Establishes a schedule for paying retroactive SSI benefit amounts that exceed 12 times the monthly SSI Federal Benefit Rate plus monthly State supplement level. Payments will be made at six-month intervals.

Effective with payments made after the third month following the month of enactment.



United States
Department of
Agriculture

Food and
Consumer
Service

3101 Park Center Drive
Alexandria, VA
22302-1500

Honorable Kevin Concannon
Commissioner
Department of Human Services
State House, Station 11
Augusta, Maine 04333

DRAFT

*- Being cleared by
Sen. Guelman's office
today.*

Dear Commissioner Concannon:

This letter contains requirements for State agency implementation of the Food Stamp Program (FSP) provisions of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 signed by the President on August 22, 1996. We are also providing information regarding proposed and interim rules FCS will publish and guidance relating to the Simplified Program option, FCS waiver authority, and quality control. Additional information regarding implementation of the provisions affecting noncitizens will be provided separately.

Provisions and implementation dates

The enclosed charts indicate the method by which FCS is implementing each provision of the legislation and the timeframe for State agency implementation. Within each chart, provisions are grouped by program area, such as certification, disqualification, claims, work requirements, and State flexibility. As indicated in the FCS implementation column, we plan to publish an interim regulation to implement the provisions of the law concerning changes in allotments, deductions, household composition, and the fair market value of vehicles. These provisions require no interpretation or discretion. The rule will, however, have a brief comment period. Proposed rules will be published addressing the other provisions.

Part A of the enclosure lists the provisions that are effective on the date of enactment. We understand the burden that immediate implementation places on State agencies; however, in the absence of specific implementation language in the legislation for these provisions, State agencies are required by Federal law to implement these provisions as of the date of enactment. Specific implementation procedures are provided on the enclosure.

Part B lists provisions for which Congress provided specific implementation requirements. These provisions have a variety of required implementation dates. Changes in allotments and deductions must be implemented as mass changes.

Part C lists options available to State agencies. State agencies need to submit amendments to the State Plan indicating the options that have been selected. One of the

options addresses the homeless shelter allowance. Prior to the PRWORA, section 11(e)(3) of the Food Stamp Act required State agencies to establish standard estimates of the shelter expenses of homeless households. This estimate was used determining the household's excess shelter expense unless the household verified higher expenses. Section 809 of the PRWORA changed the required standard estimate to an optional homeless shelter allowance and added it to section 5(e)(5) of the Food Stamp Act as a separate deduction between the child support and medical deductions. Although the legislative history indicates that the allowance was to be used in calculating an excess shelter expense deduction, the statutory language does not reflect that intent. Therefore, State agencies must discontinue use of the homeless expense estimate and may opt to use a homeless expense deduction as provided by the PRWORA.

Part D lists provisions which remove current requirements and have no mandatory implementation action. State agencies will be able to modify current procedures in accordance with their own schedules.

Simplified Program

The legislation provides States agencies the option of operating a Simplified Food Stamp Program (SFSP) in a political subdivision of a State or Statewide. The SFSP is restricted to public assistance households who receive cash assistance under the Temporary Assistance to Needy Families (TANF) programs operated under Title IV-A of the Social Security Act. However, States may request inclusion of mixed nonpublic assistance (NPA) and TANF households. The Simplified Program allows a State to substitute many TANF rules for food stamp rules in an effort to streamline administration. NPA households cannot be included in the SFSP.

The operation of any SFSP must be approved by USDA. Additionally, SFSP cannot increase Federal costs for any fiscal year and must comply with certain statutory FSP requirements. If USDA withdraws approval of a State's SFSP due to noncompliance, the State is ineligible to operate a SFSP in the future. Optional provisions are also available to the State under SFSP. The specifics of the requirements and options will be included in subsequent guidance.

FCS Waiver Authority

The legislation amends Section 17(b) of the Food Stamp Act to significantly expand USDA's waiver authority to conduct pilot or experimental projects that improve program administration, increase self-sufficiency, allow greater conformity with the rules of other programs, and that are consistent with the goal of providing food assistance to raise levels of nutrition among low-income individuals.

Projects have restrictions relative to the percentage of benefit reduction and affected households and duration. In addition, USDA is prohibited from approving projects that include certain components. As with the SFSP, the specifics of the statutory parameters will be provided in subsequent guidance.

Quality Control

Provisions effective upon enactment:

Changes affecting currently participating households are to be implemented upon recertification, at the household's request, or when it is necessary to implement other changes affecting the household. The following procedures will be used for all cases with review dates after enactment of the law.

Beginning 30 days after enactment, there will be a 120-day variance exclusion period for any States that have implemented the provisions of the PRWORA. During this period, reviewers will exclude all variances that resulted from any misapplication of the new provisions. If a State has not implemented the required changes within 30 days after enactment for the required households, reviews will be conducted against the new provisions and errors will be cited as appropriate. If a State implements later than 30 days following enactment, but before the 120 days expire, the subject variances will be excluded for the number of days remaining in the 120-day period.

Reviews will be conducted against States' preimplementation policies (1) during the 30 days following enactment for all cases that have not yet been converted to the new provisions and (2) after the 30 days for all cases that were not required to have been converted to the new provisions. The 120-day variance exclusion period will be administered in accordance with 7 CFR 275.12(d)(2)(vii) as modified by the Mickey Leland Childhood Hunger Relief Act (Public Law 103-66).

Provisions effective October 1, 1996 and January 1, 1997:

Mass change provisions - Quality control reviews will be conducted based upon the new provisions for all cases with review dates on or after the effective date of the provisions. The 120-day variance exclusion period will not apply to these mass changes.

Fair Market Value provision - Quality control reviews will be conducted based upon the new provisions for all cases certified, recertified or otherwise requiring conversion after October 1, 1996. The 120-day variance exclusion period will begin October 1, 1996 for this provision for all States that have implemented.

Work requirement provision of Section 824:

States must implement this provision by notifying applicants and recipients of the application of the work requirement no later than November 22, 1996. This provision is not effective until the earlier of: (1) the date the State notifies the applicable households or

Honorable Kevin Concannon

4

(2) three months following enactment. Three months following the effective date, individuals that do not meet the requirements of this provision will become ineligible. Therefore, for this provision, the 120-day variance exclusion period will begin three months following the State's effective date.

We hope the enclosed information will be helpful to you in implementing the provisions of the law. Please contact your regional office if you have any questions.

Sincerely,

- Yvette S. Jackson
Deputy Administrator
Food Stamp Program

Enclosures

IMPLEMENTATION CHART GUIDE

Section	Provision	Chart
109	Elimination of child support pass-through option	Part D - FCS Action
109	References	Part D - FCS Action
115	Drug disqualification	Part B - Drug Disqualification
402	Alien eligibility	Part B - Alien Eligibility
404	Alien notification	Part A - Certification
421	Sponsored aliens	Part A - Certification
801	Definition of certification period	Part A - Certification
803	Treatment of children living at home	Part A - Certification
804	Adjustment of Thrifty Food Plan	Part B - Allotment, Shelter and Vehicle Adjustments
805	Definition of homeless individual	Part A - Certification
807	Earnings of students	Part A - Certification
808	Energy assistance	Part A - Certification
809	Earned income deduction disallowance for failure to report	Part A - Certification
809	Earned income deduction disallowance on work supplementation income	Part A - Certification
809	Homeless shelter allowance	Part C - Miscellaneous
809	Standard utility allowance - switching	Part A - Certification
809	Excess shelter limit	Part B - Allotment, Shelter Limit, and Vehicle Adjustments
809	Standard deduction	Part D - FCS Action
809	Standard utility allowance option	Part C - Miscellaneous

Section	Provision	Chart
810	Vehicle allowance	Part B - Allotment, Shelter Limit, and Vehicle Adjustments
811	Vendor payments for transitional housing	Part A - Certification
812	Simplified calculation of self-employment income	Part C - FCS Action
813	Doubled penalties for violating Program rules	Part A - Program Violation
814	Disqualification of convicted individuals	Part A - Program Violation
815	Work disqualification	Part A - Work Requirements
815	Optional work requirements	Part C - Optional Work Requirements
816	Optional work requirements	Part C - Optional Work Requirements
817	Employment and training	Part D - State Flexibility
818	Alien income option	Part C - Miscellaneous
819	Optional disqualification	Part C - Optional Disqualification
820	Multiple benefits disqualification	Part A - Program Violation
821	Fleeing felons	Part A - Program Violation
822	Child support cooperation option	Part C - Optional Disqualification
823	Child support arrears disqualification option	Part C - Optional Disqualification
824	Work requirement for able-bodied adults without dependents	Part B - Work Requirement
826	Minimum benefit	Part D - FCS Action
827	Proration at recertification	Part A - Certification
828	Combined allotment option	Part C - Miscellaneous
829	No benefit increase	Part A - Program Violation

Section	Provision	Chart
830	Allotments of residents of treatment centers	Part C - Miscellaneous
835	Operation of food stamp offices	Part D - State Flexibility
836	State employee and training standards	Part D - State Flexibility
837	Exchange of law enforcement information	Part A - Program Violation
838	Expedited service	Part A - Certification
839	Fair hearing option	Part C - Miscellaneous
840	SAVE, IEVS option	Part C - Miscellaneous
844	Collection of overissuances	Part A - Program Violation
847	Funding for Program informational activities	Part A - Certification
848	Standards for administration	Part D - State Flexibility
849	Work supplementation or support program	Part C - Optional Work Requirements
851	Response to waivers	Part D - State Flexibility
852	Employment initiatives program	Part C - Optional Work Requirements
854	Simplified Food Stamp Program	Cover letter
911	Fraud under means-tested programs	Part A - Program Violation

**PART A - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRED TO BE IMPLEMENTED UPON ENACTMENT**

Section	Description <i>Certification Provisions</i>	Implementation Method	
		FCS	State agency
404	Requires notification to the public and to recipients of the alien eligibility requirements of the legislation.	Impl. Memo	Notification to recipients and general public
421	The full amount of income and resources of an alien's sponsor and the sponsor's spouse are counted until the alien becomes a citizen or has worked 40 qualifying quarters of Social Security coverage. Beginning January 1, 1997, a quarter in which the alien received certain Federal means-tested assistance is not counted as a qualifying quarter. The deemed income and resources must be reviewed each time an alien reapplies.	Impl. Memo Proposed Rule	On date of enactment for new applicants; at next recertification for recipients.
801	Limits certification periods to 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. States must have at least one contact with each certified household every 12 months.		On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.
803	Deletes a current exemption so that children under 22 years old who live with their parents and their own children or spouses must be included in the same household with their parents.	Impl. Memo Interim Rule	
805	A person whose nighttime residence is a temporary accommodation in the residence of another person may be considered homeless for no more than 90 days.	Impl. Memo Interim Rule	On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.
807	Limits exclusion to the earnings of elementary and secondary school students who are 17 or younger.	Impl. Memo Proposed Rule	On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.

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Section	Description <i>Certification Provisions</i>	Implementation Method	
		FCS	State agency
808	<p>Limits energy assistance exclusion to (1) Federal energy assistance, except that provided under Title IV-A of the Social Security Act (welfare block grant), and (2) Federal or State one-time assistance for weatherization or emergency repair or replacement of heating or cooling devices.</p> <p>Retains the provision in the Low-Income Home Energy Assistance Act (LIHEAA) that requires that all expenses met with LIHEAA payments be regarded as out-of-pocket expenses qualifying for SUAs.</p> <p>Excludes from income State or local general assistance which (under State law) cannot be provided in cash directly to households.</p> <p>An expense paid on behalf of a household under State law to provide energy assistance is considered an out-of-pocket expense incurred and paid by the household.</p>	Impl. Memo Proposed Rule	On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.
809	The earned income deduction is not allowed when determining an overissuance due to the failure of a household to report earned income in a timely manner.		
809	The earned income deduction is not allowed on any portion of income earned under a work supplementation or support program that is attributable to public assistance.		
809	In States without mandatory standard utility allowances (SUA), households are allowed to switch between actual expenses and the SUA only at recertification.	Impl. Memo Proposed Rule	On date of enactment.
811	Removes the income exclusion for vendor payments for transitional housing for the homeless.	Impl. Memo Proposed Rule	On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.
827	Requires proration of benefits after any break in certification, except for migrant and seasonal farmworker households.		On date of enactment for applicants at initial application and recertification.

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Section	Description <i>Certification Provisions</i>	Implementation Method	
		FCS	State agency
838	Changes expedited service timeframe to a maximum of 7 calendar days and eliminates the homeless category from those entitled to expedited service.	Impl. Memo Interim Rule	On date of enactment for new applicants.
847	The Federal Government will reimburse a State agency 50 percent of State agency costs for program informational activities, but not including recruitment activities.	Impl. Memo Proposed Rule	On date of enactment.

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Section	Description <i>Program Violation Disqualifications and Claims</i>	Implementation Method	
		FCS	State agency
813	Increases the disqualification penalty for a first intentional violation to one year. Increase the penalty for a second intentional violation (and the first involving a controlled substance) to two years.	Impl. Memo Proposed Rule	Upon enactment, following notification to applicants and recipients of the new or increased penalties on or with the application form, by mass mailings, or similar methods.
814	An individual shall be permanently disqualified if he/she is convicted of trafficking food stamp benefits of \$500 or more.		
820	An individual shall be ineligible to participate for 10 years if he/she is found to have made a fraudulent statement or representation with respect to identity and residence in order to receive multiple benefits simultaneously.		
821	Makes fleeing felons and probation/parole violators ineligible for the program.		
829, 911	Prohibits an increase in food stamp benefits when a household's income is reduced because of a penalty imposed under a Federal, State, or local means-tested public assistance program for failure to perform a required action. Provides a State option to reduce allotments 25% or less. If the allotment is reduced for failure to perform an action required under a Title IV-A program, the State may use the rules of that program to reduce the food stamp allotment.		
837	Requires State agencies to make available, upon request, to any Federal, State, or local law enforcement officer the address, social security number, and (if available) photograph of a food stamp recipient if the officer furnishes the recipient's name and notifies the agency that the individual is fleeing to avoid prosecution, custody, or confinement for a felony, is violating a condition of parole or probation, or has information necessary for the officer to conduct an official duty related to a felony/parole violation.		Date of enactment.

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Section	Description <i>Program Violation Disqualifications and Claims</i>	Implementation Method	
		FCS	State agency
844	(1) Replaces existing overissuance collection rules with provisions requiring States to collect any overissuance by reducing future benefits, withholding unemployment compensation, recovering from Federal pay or income tax refunds, or any other means -- unless the State demonstrates that all of the means are not cost effective. (2) Limits benefit reductions (absent intentional program violation) to the greater of 10 percent of the monthly allotment or \$10 a month. (3) Provides that States must collect overissued benefits in accordance with State-established requirements for notice, electing a means of payment, and setting a schedule for payment. (4) Permits States to retain 35 percent of intentional Program violation collections and 20 percent of inadvertent household error collections. The actual retention procedures will be forwarded under separate cover.	Impl. Memo Proposed Rule	Date of enactment.

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Section	Description <i>Work Requirements</i>	Implementation Method	
		FCS	State agency
815	<p>Revises current requirements to make ineligible individuals who are physically and mentally fit and between the ages of 16 and 60 if they: (1) refuse without good cause to provide sufficient information to allow a determination of their employment status or job availability; (2) voluntarily and without good cause quit a job; or (3) voluntarily and without good cause reduce their work effort (and, after the reduction, are working less than 30 hours a week).</p> <p>Provides a State option to disqualify the household if the head of household is disqualified under a work rule for a period determined by the State that cannot exceed the lesser of the duration of the individual's ineligibility or 180 days. This option is also listed on Attachment C.</p> <p>Establishes mandatory minimum disqualification periods for individuals who fail to comply with work or workfare requirements:</p> <ul style="list-style-type: none"> o First violation - The later of (1) the date they comply with work rules; (2) 1 month; or (3) a period determined by the State not to exceed 3 months. o Second violation - The later of (1) the date they comply with work rules; (2) 3 months; or (3) a period determined by the State not to exceed 6 months. o Third or subsequent violations - The later of (1) the date they comply with work rules; (2) 6 months; or (3) a date determined by the State; or (4) at State option, permanently. <p>Requires USDA to determine the meaning of good cause, voluntarily quitting, and reducing work effort.</p> <p>Requires States to determine (1) meaning of other terms; (2) procedures for establishing compliance; and (3) whether individuals are complying. None of such determinations can be less restrictive than comparable determinations under a program funded by Title IV-A of the Social Security Act.</p>	Impl. Memo Proposed Rule	Upon enactment, following notification to applicants and recipients of the new requirements or increased penalties on or with the application form, by mass mailings, or similar methods.

**PART B - FOOD STAMP PROVISIONS
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SPECIAL IMPLEMENTATION DATES**

Section	Description <i>Alien Eligibility</i>	Implementation Method	
		FCS	State agency
402	<p>Only the following noncitizens are eligible: <u>For 5 years after they obtain the designated alien status:</u> Refugees admitted under section 207 of the Immigration and Nationality Act (INA), Asylees admitted under section 208 of the INA, and Aliens whose deportation has been withheld under section 243(h) of the INA.</p> <p><u>For an unlimited period:</u> The following aliens lawfully admitted for permanent residence: Veterans who were honorably discharged for reasons other than alienage, Active duty personnel (other than active duty for training) and their spouses or unmarried dependent children, and</p> <p>Aliens who have worked 40 qualifying quarters of coverage under Title II of the Social Security Act or can be credited with such qualifying quarters. Under section 435 of the law, a qualifying quarter includes one worked by a parent of an alien while the alien was under 18 and a quarter worked by a spouse during their marriage if the alien remains married to the spouse or the spouse is deceased. Beginning January 1, 1997, any quarter in which the alien received any Federal means-tested public benefit (as defined in sections 401 and 403 of the law) is not counted as a qualifying quarter.</p>	Implementing Memo Proposed Rule	On date of enactment for new applicants; at recertification, but no later than one year from date of enactment, for recipients.

**PART B - FOOD STAMP PROVISIONS
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SPECIAL IMPLEMENTATION DATES**

Section	Description <i>Allotment, Shelter Limit, and Vehicle Adjustments</i>	Implementation Method	
		FCS	State agency
804	Annual adjustments to the maximum allotment are based on 100% of the Thrifty Food Plan. Allotments cannot fall below the FY 1996 level.	Implementing Memo Interim Rule	10/1/96 through mass change in accordance with 7 CFR 273.12(e)(1)
809	Sets the excess shelter caps for the 48 contiguous States and D.C., Alaska, Hawaii, Guam, and the Virgin Islands, respectively as follows: Enactment - 12/31/96: \$247, \$429, \$353, \$300, \$182 01/01/97 - 09/30/98: \$250, \$434, \$357, \$304, \$184 10/01/98 - 09/30/00: \$275, \$478, \$393, \$334, \$203 10/10/00 - : \$300, \$521, \$429, \$364, \$221		No change until 1/1/97; mass change on 1/1/97.
810	Raises fair market value of vehicles used in resource test to \$4,650 and eliminates future adjustments.		10/1/96 for applicants and at recertification for recipients.

**PART B - FOOD STAMP PROVISIONS
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SPECIAL IMPLEMENTATION DATES**

Section	Description <i>Drug Disqualification</i>	Implementation Method	
		FCS	State agency
115	Makes ineligible individuals convicted of Federal or State felonies for possession, use, or distribution of illegal drugs after the date of enactment. Disqualified individuals are not considered household members but income and resources are attributed to their households. Requires applicants to state, in writing, whether any household member has been convicted of drug felonies. Permits States to opt out of the provision by enacting laws after the date of enactment exempting individuals or limiting the disqualification period.	Impl. Memo Proposed Rule	Required to be implemented July 1, 1997 (unless State opts out).

**PART B - FOOD STAMP PROVISIONS
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SPECIAL IMPLEMENTATION DATES**

Section	Description <i>Work Requirement for Able-Bodied Adults Without Dependents (ABAWDS)</i>	Implementation Method	
		FCS	State agency
824	<p>Unless exempt, individuals are ineligible to continue to receive food stamps if, during the preceding 36-month period they received food stamps for at least 3 months (consecutive or otherwise) while they did not either: work at least 20 hours per week (averaged monthly); for 20 hours or more per week, participate in and comply with a Job Training and Partnership Act program, Trade Adjustment Assistance Act program, or Employment and Training program (other than a job search or job search training program); or participate in and comply with a workfare program (under Section 20 of the Food Stamp Act or a comparable State or local program).</p> <p><i>During the time that an individual is exempt</i> from this work requirement because of a personal exception (e.g., is pregnant), the waiver provision (e.g., is living in an area that, after concurrence by the Secretary, the State has determined to have an unemployment rate of over 10 percent or insufficient jobs), or because of the subsequent eligibility provision of subsection (5) of this section, any period of participation in the food stamp program does not count toward the individual's 3-month participation limit.</p> <p>An individual is exempt from this requirement if the individual is: (1) under 18 or over 50 years of age, (2) medically certified as physically or mentally unfit for employment, (3) a parent or other member of a household with responsibility for a dependent child, (4) pregnant, or (5) otherwise exempt from work requirements under subsection (d)(2) of the Food Stamp Act.</p> <p>On the request of a State agency, the Secretary may waive the work requirement for any group of individuals if the Secretary determines that the area in which the individuals reside (1) has an unemployment rate of over 10 percent, or (2) does not have a sufficient number of jobs to provide employment for the individuals.</p> <p>Individuals denied eligibility under the new work rule can regain eligibility if during a 30-day period the individual: works 80 hours or more; participates in and complies with a Job Training and Partnership Act program, Trade Adjustment Assistance Act program, or Employment and Training program (other than a job search or job search training program) for 80 hours or more; or participates in and complies with a workfare program (under Section 20 of the Food Stamp Act or a comparable State or local program) for 80 hours or more. If individuals subsequently lose this employment or cease participation in work or workfare programs, participation can continue for up to 3 consecutive months (beginning from the date the State is notified that work has ended), after which the only cure during the 36-month period will be to comply with the work requirement or to become exempt under other provisions of the requirement. Households adversely affected shall be notified in accordance with 7 CFR 273.13.</p>	<p>Impl. Memo</p> <p>Guidance on submitting waivers for groups of individuals to be sent out within 30 days.</p> <p>Proposed Rule</p>	<p>States must implement this provision by notifying applicants and recipients of the application of the work requirement no later than November 22, 1996. The 36-month period begins the earlier of: 3 months after enactment, or the date the State notifies recipients or applicants of the application of this provision. Case reviews will not be required; recipients will become ineligible at recertification or when the State becomes aware that the individual has participated 3 months without either complying with the work requirement or falling within one of the exceptions.</p>

PART C - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
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STATE AGENCY OPTIONS

Section	Description <i>Miscellaneous Certification Provisions</i>	Implementation Method	
		FCS	State agency
809	Permits States to make use of standard utility allowances mandatory for all households if (1) the State has developed separate standards for households with and without heating or cooling costs and (2) USDA finds that the standards will not result in increased Federal costs.	Impl. Memo Proposed Rule	State Plan amendment
809	Permits State agencies to develop a standard homeless shelter allowance not to exceed \$143 per month for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. The State agency may make a household with extremely low shelter costs ineligible for the allowance. This allowance is to be deducted from net income after the child support deduction and before the medical deduction.		
812	Requires USDA to establish (within 1 year after enactment) a procedure which will not increase Federal costs whereby States can submit a method to be approved by USDA for determining reasonable estimates, instead of the actual costs, of producing self-employment income.		
818	The State agency may, at its option, count all of the income of an alien ineligible under the Food Stamp Act in determining the eligibility and benefits of the remaining members. The PRWORA does not address the treatment of income and resources of the newly ineligible aliens. This issue will be addressed in separate correspondence.		
828	Makes the issuing of combined allotments (prorated first month's allotment plus full second month's allotment) to expedited service applicants a State option.		
830	Permits States to divide a month's food stamp benefits between a drug or alcoholic treatment center and the individual, if the individual leaves the center. Permits States to require the resident to designate the treatment center as his or her authorized representative.		
839	The State agency may, at its option, permit households to withdraw fair hearing requests orally as well as in writing. If it is an oral request, the State agency must provide written notice confirming the request and provide the household with another opportunity to request a fair hearing.		
840	Makes use of the income and eligibility verification system (IEVS) and the alien status verification system (SAVE) optional.		

**PART C - FOOD STAMP PROVISIONS
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STATE AGENCY OPTIONS**

Section	Description <i>Optional Disqualification Provisions</i>	Implementation Method	
		FCS	State agency
819	Allows States the option to extend disqualifications for failure to perform actions required by other means-tested programs to the Food Stamp Program.	Impl. Memo Proposed Rule	State Plan amendment
822	<p>Permits States to require cooperation with the Child Support Enforcement (CSE) Program as a condition of eligibility for the FSP for applicants or participants who live with and exercise parental control over children under 18 years of age who have absent parents that are not providing appropriate support. Cooperation entails establishing paternity of the children and obtaining support for themselves or the child.</p> <p>Permits States to establish payment of legally-obligated child support as a condition of food stamp eligibility for non-custodial parents.</p> <p>Food stamp State agencies would have to develop safeguards to restrict the use of information obtained from Title IV-D agencies.</p> <p>Neither custodial nor non-custodial parents could be charged a fee or other cost for CSE services.</p> <p>The food stamp State agency would determine whether custodial parents have good cause for not cooperating and develop procedures for determining refusal to cooperate by non-custodial parents using guidelines developed by USDA in consultation with DHHS.</p>		
823	Permits States to disqualify individuals who are in arrears in court-ordered child support unless a court is allowing delayed payments or payments are being made in accordance with a court- or CSE-approved payment plan.		

**PART C - FOOD STAMP PROVISIONS
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STATE AGENCY OPTIONS**

Section	Description <i>Optional Work Requirements</i>	Implementation Method	
		FCS	State agency
815	Provides a State option to disqualify the household if the head of household is disqualified under a work rule for a period determined by the State that cannot exceed the lesser of the duration of the individual's ineligibility or 180 days.	Impl. Memo Proposed Rule	State Plan amendment.
816	Permits States to lower the age at which a child exempts a parent/caretaker from food stamp work rules to between 1 and 6 years of age. This provision only applies to States (Wisconsin, Michigan, Montana and Kansas) that had waiver requests denied as of August 1, 1996, and may be implemented by these States for a period of no more than 3 years.		
849	New provision of the Food Stamp Act (section 16(b)) that provides States the option to use the cash value of a household's food stamp allotment to subsidize a job for a household member participating in a work supplementation or support program—under which public assistance is provided to an employer to be used for hiring and employing a public assistance recipient. States must describe in their State plans how recipients in the program will, within a specified period of time, be moved to employment that is not supplemented or supported.		
852	States are eligible to adopt an Employment Initiatives Program (EIP) if at least 50% of the food stamp caseload in the summer of 1993 also received AFDC. Under EIP, States may provide households the option to receive food stamp benefits in cash if an adult member (1) has worked in unsubsidized employment for at least the last 90 days, has earned at least \$350 per month for at least the last 90 days, and is continuing to do so; and (2) is eligible for Title IV-A benefits or becomes ineligible because of earnings. Requires States to provide USDA a written evaluation (content to be determined by States with the concurrence of USDA) of the impact of cash assistance after operating 2 years under this provision. Requires States to increase cash benefits, with State funds, to compensate households for State or local sales taxes on food purchases.		

**PART D - FOOD STAMP PROVISIONS OF
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REQUIRING NO IMMEDIATE ACTION BY STATE AGENCIES**

Section	Description <i>FCS Action</i>	FCS Implementation Method
109	Eliminates the option in Section 5(d)(13) of the act and 7 CFR 273.9(c)(12) for State agencies to exclude from unearned income up to \$50 monthly of Title IV-D child support payments if they pay FCS for the cost of the additional benefits. (No State agency currently uses this option.)	Interim Rule
109	Changes references to "AFDC" and a "plan" to a program funded under Title IV-A. (States will have to change their manuals, but no action required by caseworkers).	Implementing Memo Interim Rule
809	Freezes the standard deduction amounts at their current level--no future adjustments.	
826	Eliminates the adjustment factor for the \$10 minimum allotment for 1- and 2-person households.	
851	<p>Adds section 17(b)(1)(D) to the Food Stamp Act.</p> <p>Within 60 days after receiving a waiver request, USDA must approve or deny the request, or seek further clarification from the submitting State.</p> <p>If USDA fails to act within 60 days, the waiver request will be considered approved, unless approval is specifically prohibited by the Food Stamp Act.</p> <p>If USDA denies a waiver request, it must provide a copy of the request and a description of the reasons for its denial to the House Agriculture Committee and to the Senate Agriculture, Nutrition, and Forestry Committee.</p>	Implementing Memo Proposed Rule

**PART D - FOOD STAMP PROVISIONS OF
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Section	Description <i>State Flexibility</i> (States may continue current practices or develop new procedures)	FCS Implementation Method												
817	<p>Streamlines administrative requirements for States:</p> <ul style="list-style-type: none"> • Requires E&T components to be delivered through a statewide workforce development system, if available. <p>States can adopt provision which:</p> <ul style="list-style-type: none"> • Expands the existing State option to apply all work requirements to applicants (currently limited to job search). • Removes specific rules governing job search components (i.e., tying them to those under title IV-A). • Removes provisions for E&T work experience and/or training components that require they serve a useful public purpose and use (to the extent possible) recipients' prior training and experience. • Removes specific Federal rules as to States' authority to exempt categories of individuals and individuals from E&T requirements. • Removes the requirement to serve volunteers in E&T programs. • Removes the requirement for conciliation procedures for resolution of disputes involving participation in an E&T program. • Removes the requirement that reimbursements for dependent care are at least as high as the dependent care deduction cap. • Removes requirements for E&T performance standards. <p>Allocates to States to carry out E&T programs:</p> <table border="0"> <tr><td>FY 97</td><td>\$79 million</td></tr> <tr><td>FY 98</td><td>\$81 million</td></tr> <tr><td>FY 99</td><td>\$84 million</td></tr> <tr><td>FY 00</td><td>\$86 million</td></tr> <tr><td>FY 01</td><td>\$88 million</td></tr> <tr><td>FY 02</td><td>\$90 million</td></tr> </table> <p>Allocations will be based on a reasonable formula (as determined by USDA) that gives consideration to the population in each State subject to work requirements. Minimum State allocation: \$50,000. State to promptly notify USDA if it determines it will not expend all of its allocated E&T funds.</p>	FY 97	\$79 million	FY 98	\$81 million	FY 99	\$84 million	FY 00	\$86 million	FY 01	\$88 million	FY 02	\$90 million	Implementing Memo Proposed Rule
FY 97	\$79 million													
FY 98	\$81 million													
FY 99	\$84 million													
FY 00	\$86 million													
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FY 02	\$90 million													

**PART D - FOOD STAMP PROVISIONS OF
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REQUIRING NO IMMEDIATE ACTION BY STATE AGENCIES**

Section	Description <i>State Flexibility</i> (States may continue current practices or develop new procedures)	FCS Implementation Method
835	<p>Replaces many current client service requirements with broad requirements that States establish procedures that best serve households in the State including households with special needs (elderly, disabled, rural poor, homeless, households on reservations, and people who do not speak or read English); provide timely, accurate, and fair customer service to all applicants and recipients; and develop applications containing necessary information.</p> <p>Permits States to establish operating procedures that vary for local food stamp offices.</p> <p>Makes clear that nothing in the Food Stamp Act prohibits electronic storage of application and other information, including signatures.</p> <p>Deletes requirements for a uniform national application, placing information about rights and responsibilities on the application, waiving office interviews for elderly or disabled applicants and households with transportation or other difficulties, and providing telephone or mail information to households that have transportation difficulties or similar hardships.</p> <p>Deletes requirements that States (1) inform applicants how to cooperate in completing the application process including obtaining verification, (2) assist applicants in obtaining verification and completing applications, (3) use current verified information already available, and (4) not deny applications for failure of non-household members to cooperate.</p> <p>Deletes requirements that States provide a description of reporting requirements at certification and recertification; and provide a toll-free, local, or collect telephone number that households may use to reach the State.</p> <p>Deletes requirements for displaying posters and providing materials in food stamp and PA offices about nutrition and eligibility for other USDA nutrition programs, using mail issuance in rural areas or other areas where low-income households face transportation problems, conducting a single interview when households apply for both food stamps and AFDC, combining food stamp applications with PA and Statewide general assistance (GA) applications, providing food stamp applications and information at local GA offices if the same agency administers GA and PA, and using verified information available in PA/GA files.</p>	Implementing Memo Proposed Rule
836	Deletes all Federal requirements for State employee training.	

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Section	<p style="text-align: center;">Description <i>State Flexibility</i> (States may continue current practices or develop new procedures)</p>	<p style="text-align: center;">FCS Implementation Method</p>
848	<p>The State agency is no longer required to establish standards for the effective and efficient operation of the program, including periodic review of hours that food stamp offices are open. The State agency is no longer required to submit reports specifying administrative actions to meet the standards.</p>	<p style="text-align: center;">Implementing Memo Proposed Rule</p>