

NLWJC - Kagan

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Welfare-State Plans [1]

wp - research studies
and
wp - state + local plans

Andrea Kane

Record Type: Record

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

cc:

Subject: NGA Press Release on Welfare Reform's Second Year

Here's NGA Press Release. Looks positive. No mention of any specific policy issues, just a general call that "Congress and the president uphold the historic welfare agreement reached in 1996 and reject any cuts and reduced flexibility in welfare or Medicaid." They released 4 reports on welfare reform as well (see Summary of Publications below), the largest of which we did a weekly item on and HHS did a press release about.

<http://www.nga.org/Releases/PR-28July1998WelfareReform.htm>

Contact: Becky Fleischauer
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GOVERNORS REFLECT ON WELFARE REFORM'S SECOND YEAR—

"Pace and Success Far Exceed Expectations of Proponents and Skeptics Alike"

Washington, D.C. – Reflecting on the welfare law's second year, the nation's governors hailed the pace and initial success of welfare reform, declaring that it had "far exceeded expectations of proponents and skeptics alike." The governors warned that continued traction in this steady climb of progress depends on a solid federal-state partnership.

"The nation's governors ushered in a new era of responsibility and a new vision for achieving independence through work," said NGA Chairman Ohio Gov. George V. Voinovich and Vice Chairman Delaware Gov. Thomas R. Carper. "Governors played a key role in getting the welfare law passed, and we continue to demonstrate our leadership in making this law work. We urge in the strongest possible terms that Congress and the president uphold the historic welfare agreement reached in 1996 and reject any cuts and reduced flexibility in welfare or Medicaid. States have transformed welfare, lifting millions to independence and self-sufficiency. Governors hope and expect to continue this partnership, which is making our success possible."

Since the 1996 enactment of the welfare law and the new flexibility and innovation made possible in its Temporary Assistance for Needy Families (TANF) block grant, the number of individuals on welfare in the U.S. has dropped 27 percent. According to several reports governors released at a news conference today, the flexibility in the new law has unleashed a host of innovative approaches to help welfare recipients find jobs and succeed in their work.

A Race to the Top

America's governors are steering a welfare reform course toward work and independence that includes engaging communities and the private sector to help meet the challenges of

moving people from welfare to work. Governors are providing assistance with transportation to expand access to work, and increased child care to support working families.

As caseloads decline, states are shifting spending from providing cash assistance to investing in the supports to fortify working families and fortify them for continued success on the job. Although nationwide caseloads decreased by nearly one third, overall state spending on welfare efforts has increased. States are spending significantly more on child care and services to help people find and keep a job. State spending for child care increased by more than 50 percent; spending on efforts to help welfare recipients succeed at work increased by more than 30 percent. This action refutes predictions of a "race to the bottom" among states.

Accessible, quality, child care and transportation are two pillars of work stability that are fundamental to successful welfare reform. States are spearheading child care initiatives that provide affordable, accessible child care during various work shifts. At least 10 states are ensuring child care for all working poor families below a specified income level.

In addition, many jobs are not accessible by public transportation, particularly jobs in rural or suburban areas or jobs during nonstandard work hours. States are working with state and local transportation agencies to redesign public transportation routes and schedules to better accommodate reverse commutes and alternate work schedules. States are also using the flexibility provided under TANF for a variety of innovations, such as contracting for shuttles or buses; providing loans to families to purchase used cars; and training recipients to operate their own shuttle companies.

The flexibility of the two-year-old welfare law is allowing states to change the way they do business. More than ever, governors are focusing on results in pay-for-performance contracts with private and nonprofit organizations, in their relationships with local governments, and as they compete for the TANF bonus dollars that will be awarded based on job placement, retention, and earnings.

Taking Stock

The approaching two-year anniversary of the welfare reform law and the dramatic drop in welfare rolls have spurred states to research what happens to former welfare recipients when they leave welfare. Reductions in caseloads are not the only measure of success for governors—states also must look at the number of recipients and former recipients who are working, the types of jobs they are getting, and whether their families are better off.

Thirty-two states have efforts underway or plans to follow up on individuals leaving welfare to try to answer these questions. These studies will give governors an indication of how well welfare reforms are working and whether changes need to be made. Studies in nine states found that from 50 percent to 60 percent of recipients who leave welfare for work find jobs--generally paying between \$5.50 and \$7.00 an hour. Based on information gleaned from followup studies, governors are turning their attention to making sure that these individuals stay employed and move on to better jobs.

Increasingly, state welfare reform efforts are becoming part of a broader strategy to support the working poor and make work more attractive than welfare. Eleven states have adopted their own earned income tax credits for low-wage workers.

States are also focusing on efforts to prevent dependence on welfare by providing alternatives to joining the welfare rolls. Under TANF, 22 states adopted programs that help people find jobs or provide the supports needed for individuals to work, such as child care,

transportation, and medical care—to help them avoid welfare. Some states provide lump sum cash payments to individuals that can be used for car repairs, paying rent to prevent eviction and homelessness, and purchasing tools or uniforms.

Sustaining the Momentum

When welfare recipients move into the workforce, they confront the challenges that many low-wage workers face. In the next phase of welfare reform, governors will be focusing on the "hard-to-place." As caseloads continue to decrease, a growing portion of those who remain on the rolls must overcome significant challenges if they are to succeed in the workplace. These include low basic skills, alcohol or substance abuse, chronic health problems, and learning disabilities. Time limits on benefits and stringent work requirements increase the urgency for states to find approaches that move these individuals into the workplace. States are tackling this challenge by developing more effective assessment tools, providing more intensive case management services, linking with a variety of public and nonprofit community service providers, and developing transitional work experience opportunities that combine work-based education and skills training. States are also focusing on noncustodial parents, helping them find work and training so they can better meet their child support obligations.

Although many recipients leave welfare for work, their tenure in the workplace is too often short-lived. Lack of understanding about workplace behavior, problems with child care and transportation, and the unstable nature of the low-skilled labor market all factor into job loss. Thus, a second major challenge for states is to help welfare recipients stay employed, build a work history, and advance to higher-skilled, better paying jobs. Job retention services such as extended case management, mentoring, easier access to supportive services, and work-based education and training to help people advance on the job, are increasingly on the menu of services for welfare recipients and former welfare recipients.

"Governors are proving that welfare reform has sparked a race to the top, fueled by innovative state strategies designed to help welfare recipients find and keep jobs," said Govs. Voinovich and Carper. "Now, as we face some of the most difficult challenges in completing reforms to restore dignity through work and independence, we will intensify our efforts and galvanize the federal-state partnership that is supporting our success to date."

The governors' bipartisan welfare reform policy, forged at an NGA meeting in 1996, provided the catalyst for the passage of historic welfare reform legislation. When governors convene in Milwaukee, Wisconsin, next week for their 90th annual meeting, they will spotlight initiatives for improving services for children in working families.

—END—

SUMMARY OF PUBLICATIONS

Working Out of Poverty: Employment Retention and Career Advancement for Welfare Recipients

This report covers understanding the changing environment for recipients making the transition from welfare to work; helping welfare recipients stay employed and increase their wages and advancement opportunities; and using transitional employment as a career development strategy. Copies of this publication are available

at no charge by calling NGA at 202/624-5338.

Strategies to Promote Education, Skill Development, and Career Advancement Opportunities for Low-Skilled Workers

The changing labor market and welfare system have generated considerable interest in developing work-based training and career advancement opportunities for low-skilled workers. This StateLine summarizes the labor market trends affecting these workers, outlines new research findings, and highlights five promising state and local programs to promote skill development and career advancement.

Preparing Youth for the Workforce under Welfare Reform

The advent of welfare reform in 1996 promised to significantly alter the safety net for some of the most at-risk segments of the youth population. This StateLine suggests that state efforts to reduce welfare dependency should address the workforce preparation and youth development needs of this population. State initiatives should also include specific programmatic elements that are recommended by the relevant research but that are not often components of conventional youth programs.

Serving Welfare Recipients with Learning Disabilities in a "Work First" Environment

This Issue Brief examines strategies that states can use to help welfare recipients with learning disabilities move toward self-sufficiency within the context of welfare reform. It defines a learning disability; explains approaches to identifying and assessing undiagnosed learning disabilities; and suggests ways to secure accommodations for training, testing, and functioning in the workplace.

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Cynthia A. Rice/OPD/EOP
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Andrea Kane

Record Type: Record

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

cc:

Subject: Giuliani's welfare reform speech

Here's my long-version summary of the speech/plan, with more editorial comments than we'd want to include for weekly or other purposes. There are also some issues I will try to clarify with NYC staff that weren't readily apparent from the speech or my initial conversation with Andy Bush, who used to work at Hudson Institute and has gone to NYC with Jason Turner. No one I spoke with at HHS has engaged with NY on the plan, but I'm trying to connect with HHS' regional director for NY.



nyc0721.wp

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Mayor Giuliani's New Welfare Reform Initiative

In a speech on July 20th at Republic National Bank to business leaders, city Job Center employees and others, Mayor Giuliani announced he would eliminate welfare by the 2000. He promised to move New York from the welfare capital to the work capital. The Mayor cast the initiative in a strong philosophical framework that sounds quite familiar. He harkens back to FDR's notion of a social contract, and cites RFK's concerns about welfare rendering millions of Americans dependent on handouts and thus unable to play a role in the democracy. He focuses on the dignity of work and the dangers of dependency. Apparently Giuliani made a positive reference to the President's support for welfare reform, though this was not in the prepared remarks.

The new approach has lots of parallels to Wisconsin, signs that Jason Turner is making an impact. While the Mayor is not publicly backing away from the workfare program he has championed, it appears that workfare will now be one part of a comprehensive work first, employment-focused approach which includes private sector unsubsidized and subsidized employment as well as workfare.

The Mayor has laid out an extremely ambitious vision, with many positive elements. The question will be whether something this ambitious can be accomplished in NYC given it's size, bureaucracy, political dynamics, and labor market. The new approach sets very high expectations for both recipients and the welfare system -- it remains to be seen whether the system can respond and to what extent recipients may be penalized if it does not. If the nearly universal work requirement is imposed without adequate supports in place, i.e. child care, work-focused drug treatment, appropriate work opportunities for those with disabilities, there could be major problems. Interestingly, the speech did not discuss child support, parental responsibility, or work for non-custodial parents. Apparently earlier versions of the speech emphasized more of the "value issues", but the Mayor is still grappling with the appropriate role for government on these issues.

The Mayor listed the accomplishments to date including:

- reducing the rolls by 400,000 since March 1995 -- the number of cases fell below 800,000 for the first time since 1967 and they continue to fall each month;
- beginning to change the culture of the welfare system, focusing on fraud detection, integrity, and accountability;
- helping over 250,000 people gain the skills and work habits they need to join the work force through the Work Experience Program (workfare);
- moving thousands of welfare recipients into full-time private sector employment -- over 148,000 people have had their welfare cases closed due to employment;
- increasing the commitment of private employers including Republic National

Bank, Macy's, Burger King, UPS, Borg Warner, and Smith Barney (some of these companies have been active in the Welfare to Work Partnership-- Rhonda Costa, who introduced the President on May 27th, works for Smith Barney).

Future Directions:

- Help welfare recipients share in and contribute to economic growth in the city. He challenges every business to give someone an opportunity to move from welfare to work.
- Expand the transition from welfare offices to employment centers, which was announced in the State of the City. So far, four centers are open and five more will open by September. Offices are now competing to be among this next wave of Job Centers. Workers are being retrained as financial planners who help applicants identify alternatives to welfare and secure employment. ✓
- Work becomes the first and only alternative for those seeking public assistance--by 2000, when a family comes in for assistance, they will be required to participate at least 35 hours per week with approximately 20 hours of actual work and the balance in training or other activities leading to the earliest possible full-time private employment.
- Assume everyone can work and provide resources needed to do so (staff indicate they are still working through some substantial child care challenges).
- Increased focus on diversion and welfare as a last rather than first resort. The percent of applicants who end up on welfare has declined dramatically, from 80% in 1994 to 54% currently, to 28% at the new job centers. Applicants are reminded of time-limited assistance and required to engage in full-time job search or related activities. (While this focus is increasingly common in other places, the numbers seem more dramatic. This could mean there was a lot more fraud in NYC, or that faced with new expectations, people are finding other alternatives. The balance between positive and negative diversion is delicate and will bear watching.) ✓
- Mothers with newborns will get temporary maternity leave (doesn't specify how long), during which time they must attend a parenting class.
- Parents with older children (once maternity leave ends?) will get child care.
- Those with disabilities not severe enough to qualify for disability payments (SSI?) will work in specialized settings. Focus shifts from exempting those with disabilities to providing opportunities for them to work.
- Set up a credit system for those with temporary reasons they can't work--in order to continue receiving assistance, individuals would have to work off the assistance they received during a period when they were unable to work.
- Stop allowing substance abuse to be a reason to be excused from work. Instead, require and intergrate work and treatment for substance abusers (the extent to which adequate treatment capacity exists is not clear). Also expect

more of treatment providers by moving to performance based contracts. Ten percent of adult recipients (30,000 people) have been excused from work because of a drug or alcohol problem. If someone abuses drugs while receiving welfare, checks will be sent to a third party payee. (It's not clear from this to what extent there will be mandatory drug testing for welfare recipients).

City staff say they have been in close negotiations with the State and don't envision that the changes proposed will require substantial revisions of NY's TANF Plan. They generally believe they have authority to do most of these things within the existing plan and state law.

WR - ~~finally~~
state + local plans

Welfare Reform Q&A
Mayor Giuliani's New Welfare Reform Plan
July 24, 1998

Q: What does the Administration think of the welfare reform plan Mayor Giuliani announced on July 20th?

A: We applaud Mayor Guiliani's strong focus on work. The President has always said that everyone who can work, should work. A universal work requirement is an ambitious plan for a city as large as New York, and it will require adequate jobs and support services. Through our economic policies, which have created over 16 new million jobs, and our efforts to expand child care for working families, this Adminstration will do its part to help Mayor Guiliani reform welfare.

Q: There have been criticisms that Mayor Giuliani's workfare program doesn't lead to real jobs and may be displacing city employees. Does the Administration support this type of welfare reform?

A: The President believes that private sector involvement in welfare reform is critical to its success -- that's why he's worked so hard to launch the Welfare to Work Partnership, which now includes over 5,000 companies in all 50 states. The President also believes that all work is honorable and workfare can be a valuable component to state and local welfare to work efforts. The Mayor's speech indicates that, while workfare will apparently continue to be an important part of his program, he plans to make it part of a broader approach which also includes private sector unsubsidized and subsidized employment.

The President firmly opposes displacing existing employees with new workers from the welfare rolls, and the welfare reform law that he signed signed prohibits such worker displacement. Welfare reform programs cannot place welfare recipients in job openings created by company firings or layoffs (section 407(f) of the law). Welfare recipients can, however, be placed in jobs that are vacant for reasons other than firings or layoffs.

Q: What is the Administration doing to address the unique challenges cities such as New York face in implementing welfare reform, such as jobs?

A: We believe that the economy will create enough jobs for welfare recipients without displacing other workers. Remember, we've created over 16 million new jobs since this Administration took office and unemployment--at 4.3 percent-- is at the lowest level in 28 years.

We recognize that extra help may be needed by some communities where it will be harder for welfare recipients to find jobs. That's why the President fought for and won the \$3 billion Welfare-to-Work grants which states and cities can use to create job opportunities for welfare recipients, particularly targeted at hard-to-employ individuals in high poverty areas.

The Department of Labor is currently reviewing Governor Pataki's plan for the state's Welfare-to-Work formula grant. This would provide almost \$100 million in additional federal funds to help move the hardest-to-place welfare recipients to work, a large portion of which would go to New York City. Several community organizations in the City also received Welfare-to-Work competitive grants that the President announced on May 27th. The Consortium for Worker Education received \$5 million to train welfare recipients to become quality child care providers. The Non-Profit Assistance Corporation received \$4.9 million for comprehensive employment and post-employment services for welfare recipients and non-custodial parents of children on welfare, including drug treatment, weekend ESL classes, and career development.

The President's welfare-to-work transportation initiative, which was included in the transportation reauthorization, will also help communities around the country address the challenge that people can't go to work if they can't get to work. And, we are urging Congress to fully fund the President's proposal for 50,000 welfare-to-work housing vouchers which will provide families with stable, affordable housing that is needed to help them get or keep a job.

Q: Mayor Guiliani has criticized Washington for cutting benefits to legal immigrants and shifting costs to local governments. Doesn't the President deserve blame here?

A: The President believes that legal immigrants should have the same opportunity, and bear the same responsibility, as other members of society. Upon signing the 1996 welfare law, he pledged to work toward reversing the unfair cuts in benefits to legal immigrants that Congress had added to the bill that had nothing to do with moving people from welfare to work and under his leadership many of these cuts have been restored. As part of last year's Balanced Budget Act (BBA), Medicaid and Supplemental Security Income (SSI) were restored to hundreds of thousands of disabled and elderly legal immigrants. The Agriculture Research bill, which the President signed into law in June, restored Food Stamp benefits to vulnerable groups of legal immigrants.

Background on Guiliani Plan:

In a July 20th speech, Mayor Giuliani announced he would eliminate welfare by 2000, with everyone engaged in some kind of work. He promised to move New York from the welfare capital to the work capital. The Mayor harkened back to FDR's notion of a social contract and cited RFK's concerns about welfare rendering millions of Americans dependent on handouts and thus unable to play a role in the democracy.

The Mayor proposed to transform every welfare office into an employment center, divert applicants to work if possible so that welfare is the last rather than first resort, require mothers with newborns to attend a parenting class, expect those with disabilities not severe enough to qualify for disability payments to work (in specialized settings if necessary), and compel those with substance abuse problems to participate in work and treatment.

The Mayor cited among his accomplishments that over 250,000 people have gained skills and work habits they need to join the work force through the workfare program (that places people in

public or private-not-for-profit jobs). At the same time, he challenged every business to give someone an opportunity to move from welfare to work and noted the commitment of private employers including Republic National Bank, Macy's, Burger King, UPS, Borg Warner, and Smith Barney. Some of these companies are leaders in the Welfare to Work Partnership-- Rhonda Costa, who introduced the President at our May 27th Welfare-to-Work event, works for Smith Barney in New York.

Giuliani's's new approach has lots of parallels to Wisconsin -- not too surprising, since he recently hired Jason Turner, Governor Thompson's former welfare reform guru.

WR - Shalala's
and
WR - state plan

Reed

2-9-98

THE WHITE HOUSE
WASHINGTON

February 7, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN
SEAN MALONEY *in*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **Shalala Report on Welfare Reform with Bruce Reed Cover Note** -- Highlights: the stunning caseload drop continues (*i.e.*, 2.4 million in 13 mos.); 21 states have had 25% declines; there has been no "race to the bottom;" states are spending more per recipient than in 1994; many more aid recipients are now working; state evaluations show a substantial increase in the numbers of people who leave welfare for work; there is little evidence of hardship among those sanctioned for not meeting program rules; only 9 states have adopted lifetime limits of less than 5 years; Bruce points out that 17 states have created state-only welfare programs to which TANF work requirements and time limits do not apply.

*we discussed
welfare
analysis in
public
setting*

(B) **Ruff/Chirwa Status Report on African American Farmers** -- provides a detailed update of the legal issues you inquired about previously: the Eddie Ross lending discrimination case has been resolved; class action mediation was commenced last week; a USDA-DOJ high level working group is being convened; Office of Legal Counsel has completed its statute of limitations analysis under the Equal Credit Opportunity Act; concludes 2-year limitation applies to administrative and litigative settlements; USDA can not expend compensatory funds where relief would be unavailable in court; administrative claim filings do not toll the statute; doctrines of equitable tolling/estoppel are unlikely to be applied; practical result is that 40%-50% of farmers' claims will be time-barred; OLC's opinion will not be released until Sec. Glickman can prepare an explanation and explore possible solutions; *please see memo for details.*

good!

*we discussed
the legal
issues
with
the
administration
and
the
president*

(C) **Sec. Rubin's Daily Update for Friday's Financial Market Developments** -- Dow was up 72 points to 8189; long-term interest rates fell 1 to 2 basis points; dollar rose against the yen; Asian stock and currency markets generally rose amid positive sentiment that the Asian currency crisis may be easing.

(D) **CabAff Memo on Cabinet Amplification of SOTU** -- following your address, the members of your cabinet and subcabinet traveled around the country to highlight the themes and initiatives you set forth, conducting over 100 media interviews in 12 different cities with outlets from nearly all 50 states; memo includes detailed description of each

- Tab A: page 1 of cover + memo: Reed/COS
- Tab B: page 1 " " + memo: Ruff/Chirwa /COS
- Tab C: page 2 " " + memo (original to Burkhardt)

2-9-98

THE WHITE HOUSE

WASHINGTON

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February 5, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED

SUBJECT: SECRETARY SHALALA'S REPORT ON WELFARE REFORM

The attached memo from Secretary Shalala provides a good update on welfare reform.

Among the most interesting findings:

- The stunning caseload drop continues -- 2.4 million in the first 13 months of the new law. Twenty one states have dropped by 25 percent or more in that time.
- There has been no "race to the bottom" -- states are spending more per recipient than in 1994. All states are meeting the maintenance of effort requirement we fought for in the welfare law, and 20 states are exceeding it.
- Many more recipients are now working. State evaluations show a substantial increase in the share of people who leave welfare for work (from 45-50 percent under AFDC to up to 60 percent now), even as record numbers leave the rolls.
- There is little evidence of hardship among those who are sanctioned for not meeting program rules. Only nine states have adopted lifetime limits of less than five years.
- Forty states have enacted policies to make work pay, generally by increasing earnings disregards so families can keep their welfare subsidy while earning more.
- About a half dozen states (CA, NY, MD, OH, FL, CO, NC) are devolving key decisions to the counties.

Something not mentioned in the memo, but discovered from the new state financial data, is that seventeen states have created state-only welfare programs to which TANF work requirements and time limits don't apply.

JAN 27 1998

2 - 9 - 98



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MEMORANDUM FOR THE PRESIDENT

The purpose of this memo is to outline the information we have so far on the impacts of changes in welfare programs. The information is still quite preliminary, but some conclusions are emerging. These include:

- o The total number of welfare recipients has fallen below 10 million for the first time since 1971. Caseloads have fallen by more than 30 percent since their peak in 1994.
- o Many more recipients are now working, and the proportion of former recipients at work after leaving welfare appears to be somewhat higher than in the past.
- o States are making very serious efforts to move recipients into work, both by mandating work programs and sanctioning those who do not comply, and by increasing the benefits of working through simpler and higher earnings disregards and on-going supports such as child care.
- o As we found with AFDC waivers, States are adopting common approaches but with many variations in specifics. Several large States are devolving key policy decisions to the county level.
- o There has been no "race to the bottom" in State welfare benefits; States are spending more per recipient than in 1994 across TANF and related programs, and State maximum benefit levels are generally unchanged.
- o So far there is little evidence of extreme hardship among those who leave welfare as a result of sanctions, although many do experience fairly large declines in income. Overall, however, half or more of former recipients appear to increase their incomes after leaving welfare.
- o Even when recipients move to work and improve their incomes, they are still likely to have total incomes below the poverty line.

This memo looks first at what the States are doing, in terms of both spending choices and broader policy choices. It then turns to impacts on recipients, assessing both results from evaluations of State waivers similar to current State policies and the very early results from State surveys of recipients and former recipients. Finally, the implications of these findings for Federal and State policy choices are briefly discussed.

State Responses to Welfare Reform

Welfare caseloads have declined dramatically since their peak at 14.4 million recipients in March 1994. Overall, the number of people receiving aid had declined by more than 30 percent to 9.8 million recipients by September 1997 (the most recent monthly report available). This decline has continued at an even more rapid pace since the enactment of welfare reform in August 1996. In the first year of welfare reform alone, almost 2 million recipients left the rolls. As Chart 1 (attached) shows, these declines are spread across almost all of the States.

Changes in State Spending on Welfare Programs. There has been no "race to the bottom" in State welfare spending. Because there are now fewer recipients, total State spending on welfare programs has declined since 1994. On average, however, States are spending somewhat more per recipient than they did in 1994--reported State spending on welfare and related programs is about 18 percent below the level seen in 1994, while caseloads have declined by more than 30 percent. This increased spending has not affected direct payments to recipients, which remain very close to the levels seen in both 1994 and 1996 (about \$370 per family per month on average.) In all, four States have increased maximum benefit levels since the enactment of TANF, while five States have decreased maximum benefits for at least some categories of recipients.

States are reporting that they are meeting their Maintenance of Effort (MOE) requirements under welfare reform. They are required to spend 80 percent of previous (generally 1994) levels, or 75 percent if they meet the minimum participation requirements, and 20 States report exceeding that goal, some by considerable amounts (see Chart 2). Further, reported spending may understate actual amounts spent, since there are no incentives for States to report additional spending once their MOE requirements have been met. There is little in these data to suggest declines in spending levels--rather, States appear to be using at least some of their own money to provide services such as child care and job training and placement and to increase work incentives.

Changing State Policies. A focus on work is a major theme in State welfare policies, although there is considerable variation in plan specifics and in implementation across States. The following key points emerge from an overview of State policies:

1. States are focusing on encouraging and requiring work.
 - o 40 States have enacted policies to make work pay, generally by increasing the amount of earnings disregarded in calculating welfare benefits. (See Chart 3.) Connecticut, for example, now disregards all earnings up to the poverty level. Most States have also simplified the treatment of earnings compared to the AFDC treatment, with the result that recipients can see more clearly how even a low-wage job will make them better off.

- o 44 States have raised the level of resources and/or the maximum value of a vehicle allowed to welfare recipients. (See Chart 4.) This will make it easier for recipients to get to work and to accumulate savings that might lead to self-sufficiency.
- o Almost all of the States have moved to "Work First" models in their welfare programs, requiring recipients to move quickly into available jobs. Virtually every State has instituted "social contracts" or other personal responsibility agreements in which recipients commit to specific steps toward self-sufficiency. States are enforcing these contracts, sanctioning people who fail to sign or live up to their agreements.

2. Family violence issues and choices about exemptions for parents of very young children are being addressed by the States.

- o 24 jurisdictions have elected to screen for, provide appropriate services, and waive requirements where needed to ensure the safety of victims of domestic violence through the Family Violence Option (See Chart 5.) Additional States, including California, are expected to implement this option in the coming months.
- o As indicated in Chart 6, most States have chosen to exempt parents of infants under one year of age from work requirements. 16 States have chosen shorter exemptions (the law allows States to require parents with children over 12 weeks to work.)

3. State policies regarding time limits are varied and complex.

- o Chart 7 shows that eleven States have chosen "intermittent" time limits that limit the total months of reciprocity allowed within a longer time period (for example, Virginia limits TANF receipt to 24 months in any 60 month period). Nine States have chosen lifetime limits of less than five years. Both of these types of time limits often allow exceptions or exemptions. 27 States have chosen the Federal limit of 60 months. Four States have chosen other options involving supplements from State welfare programs for those reaching the Federal time limits.
- o Evaluation and survey data find that recipients are often unclear about the specifics of time limits (and other reform policies) that apply to them, although they do know that the nature of welfare has changed.
- o Few recipients have reached State time limits so far.

4. State plans vary considerably in their specifics and in their timing.

- o A few States are making choices that appear to have little to do with work, such as counting the SSI income of disabled children and adults in computing TANF benefits without taking into account the added costs of disability.
- o The amount of time that elapses between the determination of policy choices and their actual implementation varies greatly across States, usually based on whether, when and how extensively they undertook reforms through waivers. Many States have not completed the process of implementing proposed policy changes.

5. Finally, California, New York and several other states are devolving key decisions to counties.

- o Other States in the process of devolving include Maryland, Ohio, Florida, Colorado and North Carolina.
- o These States are devolving decisions about work activities, post-employment supports and, in some cases, sanctions; Colorado and North Carolina are also passing on decisions about other factors including eligibility. Benefit levels will still be determined at the State level, although in some cases the State will mandate only a floor which the counties can choose to exceed.

Impacts of Welfare Reform on Recipients

Moving recipients and potential recipients into work has been the focus of most State policies, and there is some preliminary evidence that employment levels are rising as caseloads decline. Evidence on the impacts of other aspects of the changes on recipients and would-be recipients is somewhat more mixed. Are they indeed better off in economic terms? What has happened to those who haven't gotten jobs? It is still very early to answer those questions, but we have some preliminary data that give a few indications.

Our preliminary data generally relate to the situations found in specific states. Thus, this report draws upon preliminary program evaluation reports of waiver-based policies from Michigan, Iowa, Minnesota, Delaware, and Florida, and on surveys of welfare recipients and people who have left welfare rolls in Massachusetts, Iowa, Wisconsin, Indiana, Maryland, South Carolina and Tennessee. The early stories emerging from these studies appear to be fairly consistent across those states. Although we are beginning to have some evaluation evidence on the impacts of policy changes as opposed to the strong economy, it is very difficult to sort out the relative importance of policy and economic factors at the National level.

Sanctions. States are generally working harder to enforce mandatory work requirements, and sanctions rose by about 30 percent nationally between 1994 and the end of 1996. Anecdotal evidence implies that these rates are still increasing. In the studies of specific States, sanction

rates of as high as 50 percent are seen, with rates in the 25 percent to 30 percent range not unusual. Sanctions may result in either a complete or partial loss of benefits. Across States we find that the majority of sanctions occur because recipients fail to show up for initial appointments. Far fewer families have been sanctioned for refusal to comply with work assignments. Sanctioned families may include many who are already working or who have good job opportunities; in Iowa, for example, families that did not comply with the State's Family Investment Plan tended to be more job-ready than the average.

Employment. Perhaps partly because of stricter work policies as well as the robust economy, more recipients and former recipients are now employed. Evaluations of specific State programs show policy-related increases in employment in the range of 8 percent to 15 percentage points. Surveys of people who have left welfare imply that 50 percent to 60 percent are working in the period following welfare reciprocity (with the remainder not employed). This is comparable to or slightly higher than the 45 percent to 50 percent of welfare exiters who worked after leaving AFDC. Some of this increase in work may result from the strong economy as well as from policy changes.

Incomes. While there do not appear to be dramatic changes so far in the average incomes of welfare recipients and those leaving the welfare rolls, these averages hide a great deal of variation. Among those leaving the program, incomes in the follow up period are very mixed. Generally, about half of former recipients saw increases in their incomes, while half experienced declines. There is some evidence that those who leave the program voluntarily are more likely to have increased incomes, although in both South Carolina and Iowa about 40 percent of those who left because of sanctions also experienced income increases.

There is little evidence at this point of extreme hardship even among families losing benefits altogether as a result of sanctions or time limits. However, events such as homelessness or entry of children into foster care are sometimes hard to observe in evaluations and follow up studies, which are usually unable to trace some proportion of former recipients. In the short run, many families experiencing large income losses appear to rely on help from friends and extended family. It should be noted also that even families whose incomes rise as a result of higher earnings and/or changes in State policies typically still do not have above-poverty level incomes while on TANF or in the period immediately after leaving the program.

Other Benefits. Families who leave TANF are often eligible to continue receiving benefits from other social support programs such as the Food Stamp Program, Medicaid, Supplemental Security Income (SSI) and housing programs. However, relatively low take-up rates for some of these benefits suggest that many former recipients may be unaware of their continued eligibility for other programs such as Medicaid, or that administrative barriers may be preventing some eligible families from participating in these programs. In both South Carolina and Indiana, for example, about half of the adults who were no longer receiving cash assistance reported that they did not have any health insurance.

Policy Implications and Next Steps: Supporting Low-Income Workers

These early results suggest that real progress is being made in focusing recipients on work and in moving them into employment. This is a significant and critical step on the path to reforming welfare. I believe that further steps need to be taken to consolidate and build on this accomplishment. In particular, we need to ensure that low-income working families, whether they are former welfare recipients or not, can continue to work and to earn enough to raise their families, weathering unemployment and other temporary setbacks without relying on long-term welfare receipt. In pursuing this goal, we would be building on the Administration's many achievements for working families, including expansion of the EITC, increasing the minimum wage, expanding health care coverage for children, enacting parental leave, and the introduction of this year's pathbreaking child care initiative. And we would also be building on the widespread and increasing interest of the States, which are starting to grapple with the question of what happens after welfare parents take their first jobs.

Both researchers and practitioners are telling us that when such parents move to work, most are likely to need continuing support in order to keep their jobs, support their families, improve their incomes over time, and avoid going back onto the welfare rolls. These supports can take many forms, from the EITC or increased earnings disregards to services such as child care, health care, transportation and mentoring. Currently, States have resources available to them through the TANF block grant and their Maintenance of Effort funds, as well as through other State resources that have been freed up as a result of declining caseloads. We can make progress on this agenda by challenging States to make key investments, showcasing effective practices and encouraging State innovation as well as by shaping a National agenda to help low-wage workers and their families.

A successful strategy to support low-income workers and their families would involve several components at both the State and National levels. These could include:

1. Raising the incomes of low-wage workers. Most welfare recipients moving into their first jobs continue to earn below-poverty level incomes. The major 1993 expansion of the EITC does a great deal for these families, and it must be protected. In addition, we could challenge States to expand State EITC's and to increase earnings disregards and other programs for low-wage workers. For example, Wisconsin has used TANF MOE funds to expand both its EITC and housing subsidies for low-income owners and renters. At the National level, policies such as a further increase in the minimum wage or tax incentives for employers to promote jobs and higher wages for low-skilled workers could be explored.
2. Providing other job supports. We must ensure that other critical job supports, such as health care, child care, transportation, and mentoring, are available for working families who need them. The Administration's new child care initiative is of course critical to this strategy, and the newly enacted Child Health Insurance Program should go a long way toward ensuring health care coverage for the children of low-wage workers. We need to

continue outreach efforts to make sure that low-income working families are aware of their potential eligibility for Medicaid. The Vice President's work on mentoring provides a valuable example, and States must be encouraged to continue to invest in these programs and other supports.

3. Ensuring that low-wage workers improve skills and earnings over time. Many States are beginning to grapple with the best way to promote growth in skills and earnings over time for former welfare recipients. Over the longer term, such growth will be necessary to meet both the needs of families and the needs of the economy as a whole. We should be challenging States to put together creative strategies and showcasing those that do. These strategies can involve linkages among workforce development, higher education, and welfare systems, as well as work with specific private employers. At the National level, strategies to increase educational opportunities for low-income families are a key to increasing skills and earnings over time.
4. Maintaining the safety net for workers. If a temporary setback is not to result in a return to welfare dependency, the safety net for low-wage workers must be maintained. At the National level, changes could be made in the Unemployment Insurance program to increase the probability that low-wage workers will earn coverage, as is now being discussed within the Administration. At the State level, we should showcase States that are implementing post-employment services and other strategies to address the fact that low-income workers are likely to experience considerable job turnover and some periods of unemployment. We should challenge States to invest in approaches that combine reliable short-term assistance with rapid re-employment help.

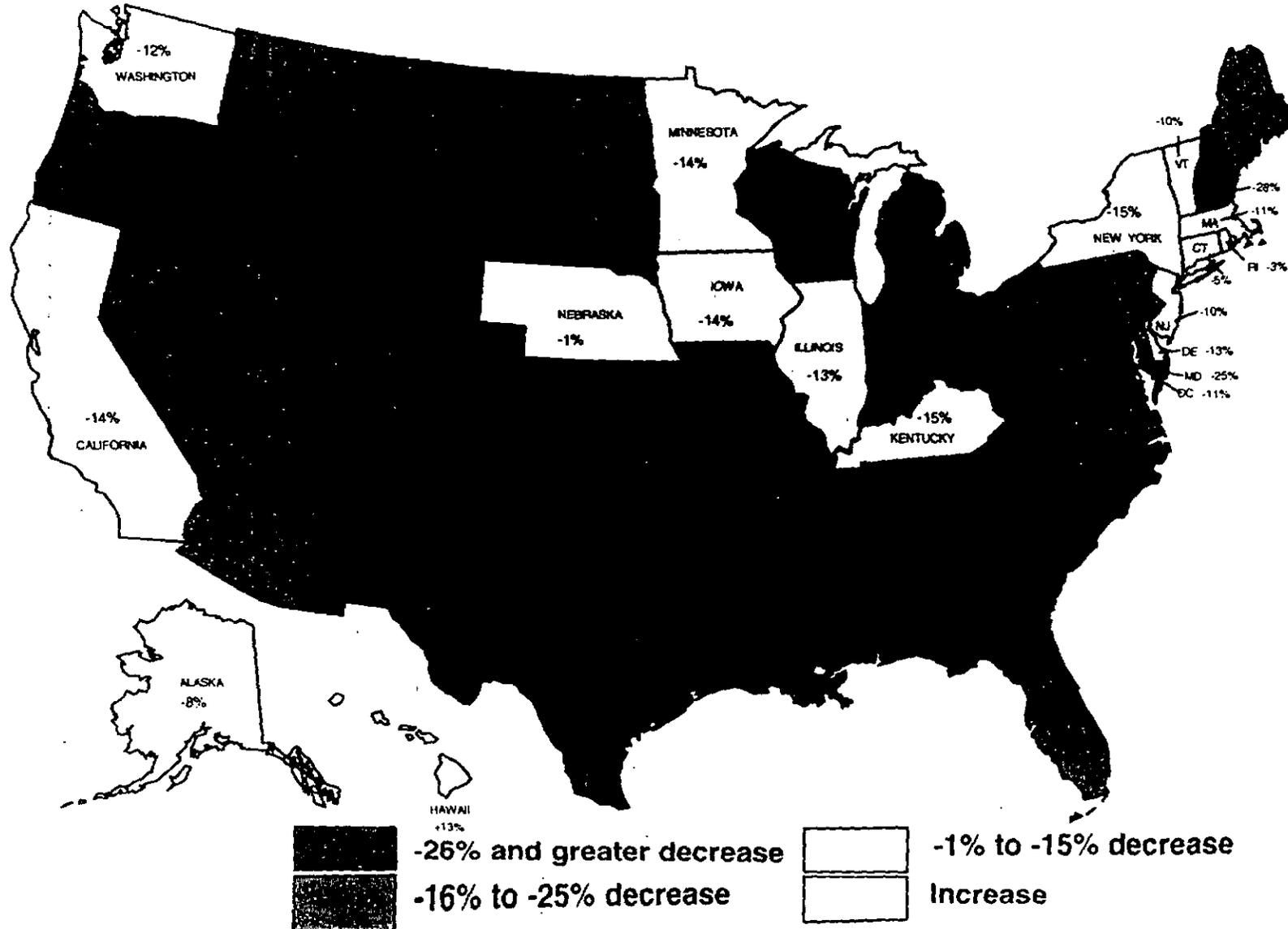
In summary, we must build upon and continue our efforts on behalf of low income workers. I look forward to further discussions with you regarding these important issues. Please let me know if you would like a briefing or further information.



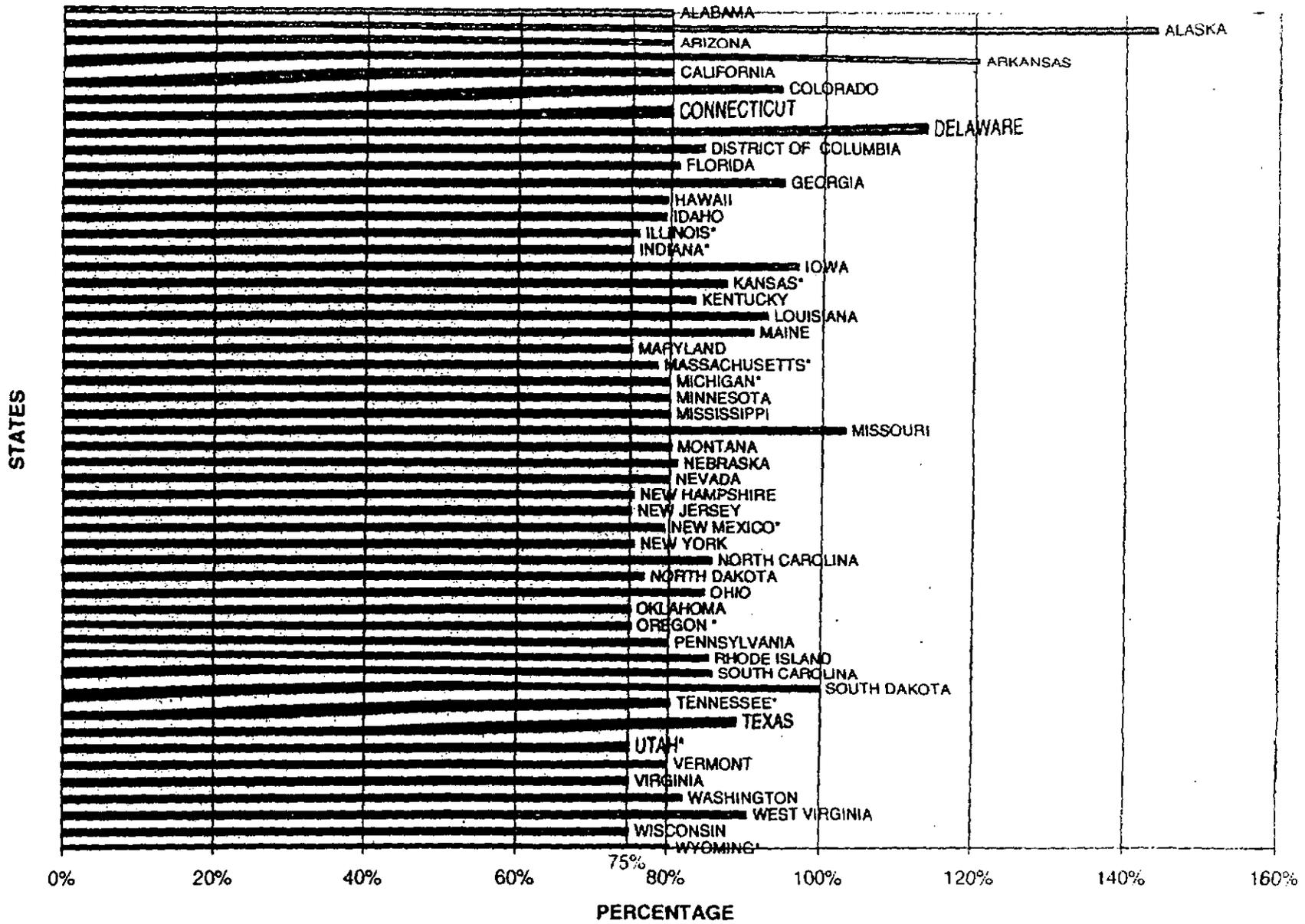
Donna E. Shalala

Attachments

Chart 1: RECIPIENT COUNT DOWN 2.4 MILLION SINCE ENACTMENT OF NEW WELFARE LAW (August 1996-September 1997)



TANF PROGRAM
Chart 2: EXPENDITURE OF STATE FUNDS IN FY 1997 AS % OF MOE



Data as of January 23, 1998

Chart prepared by U.S. Dept. of Health and Human Services
 Administration for Children and Families

Chart 3: Earnings Disregards

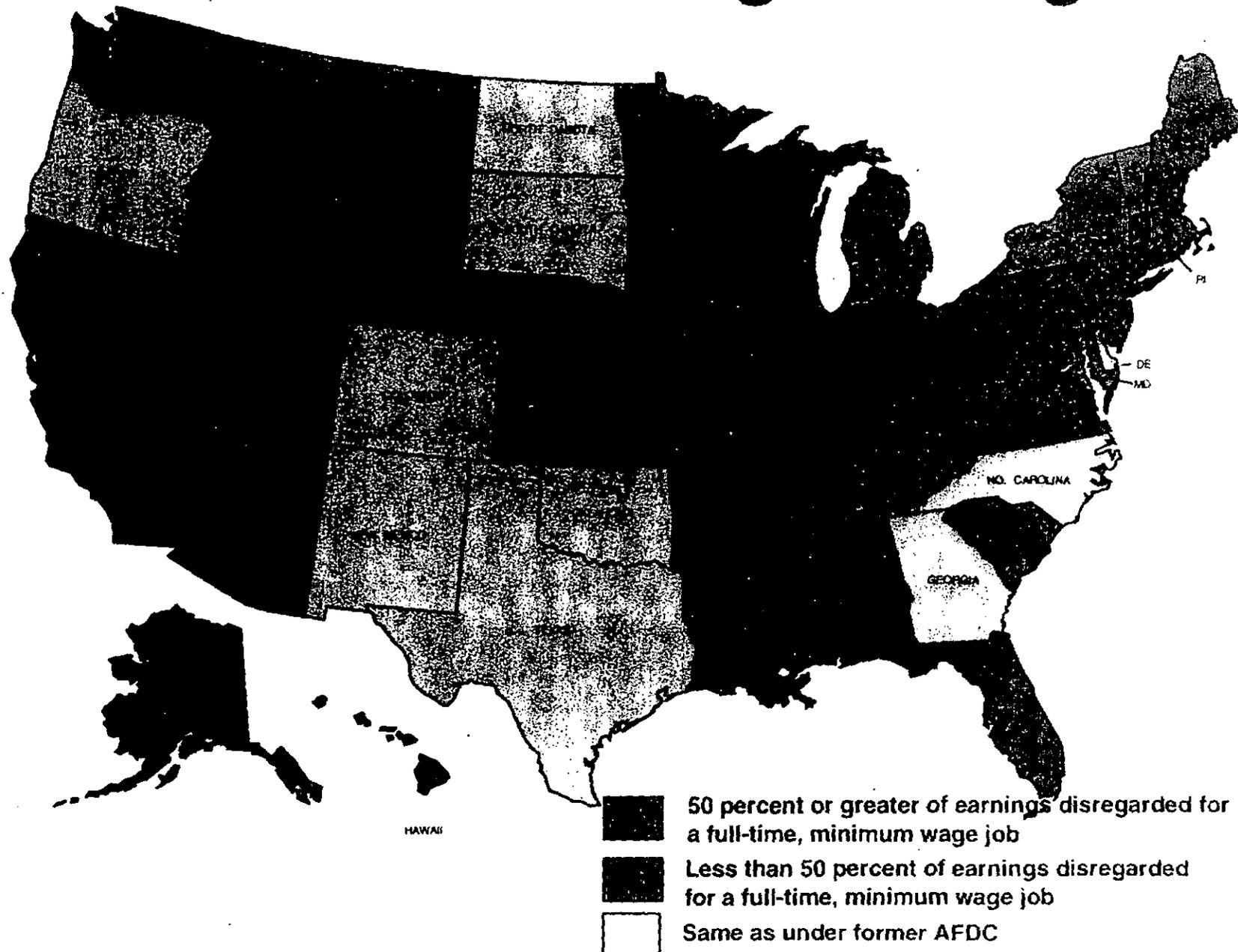


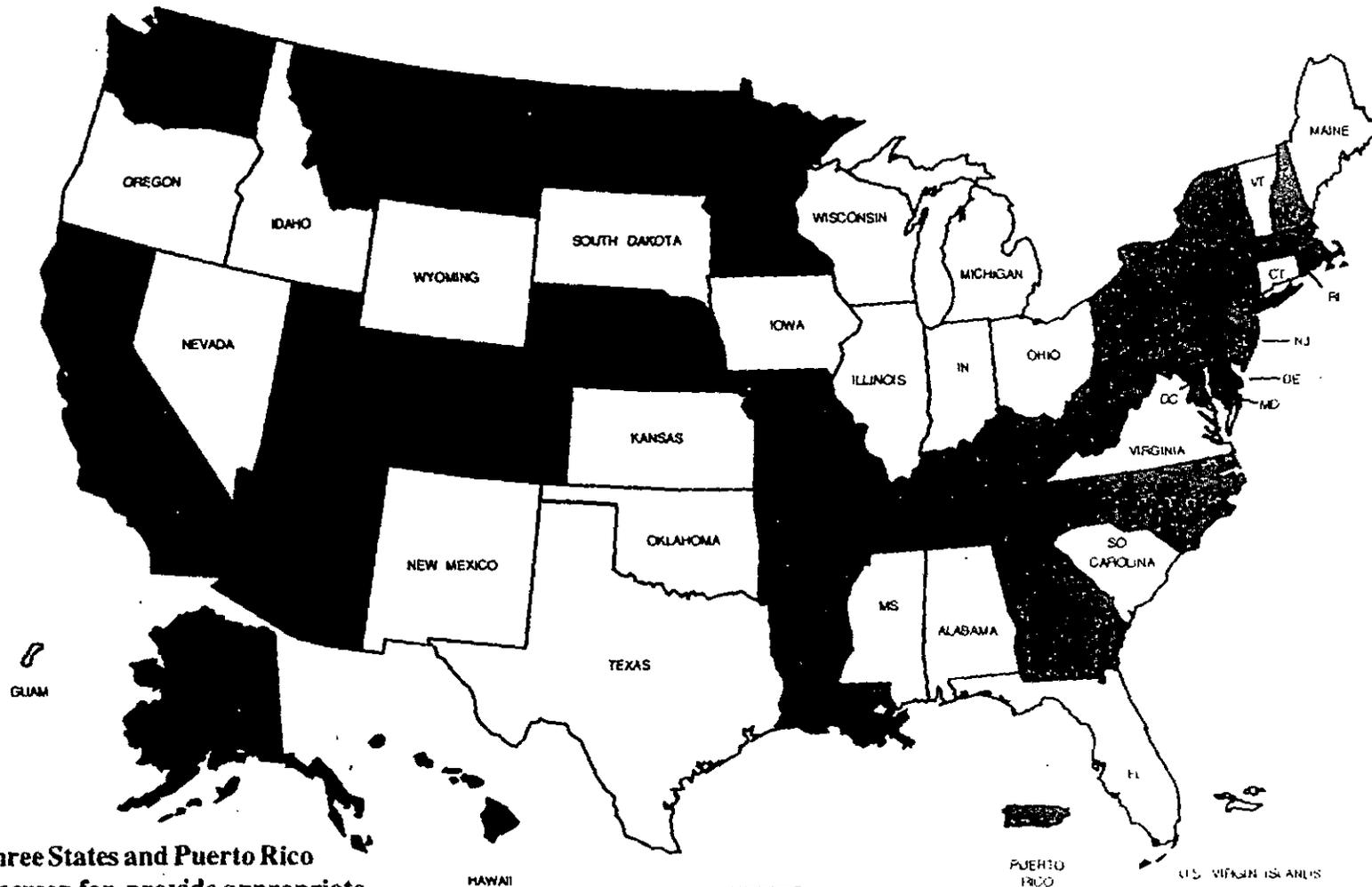
Chart 4: Increased Resource/Vehicle Limit



 Increased resource and/or vehicle limit

 As under former AFDC program

Chart 5: States Selecting Family Violence Option



Twenty-three States and Puerto Rico elected to screen for, provide appropriate services, and waive requirements where needed to ensure safety.

Optional Certification
 Developing Standards

Chart 6: Age of Youngest Child Exemption from Work Requirement



12 months old

Younger than 12 months old

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP
Subject: Update on TANF Financial Reports

Last week I told Elena that HHS was planning to post information summarizing states' TANF Financial Reports for FY 1997 on their web site yesterday. We provided comments and suggestions on the document, then learned that they've decided to delay release until after they brief Secretary Shalala on TANF implementation, including this data, on 1/16. New target date for posting information is 1/19. As of last week, 43 states had submitted data, but HHS now says they've got reports from a few more. The delay will allow them to incorporate data from more states and clarify some issues that should make the data more useful. We'll make sure we get the updated information and keep you posted.

Elena had asked what we know about the 11 states reporting separate state programs. Right now, all we know is the general categories for which they are reporting expenditures in a separate state program. Of the \$111 M reported by 11 states:

- \$55 M is for 'cash and work based assistance' (CO, FL, HI, NY, VA, WI)
- \$39 M is for child care (AL, AZ, CO, IA, VA)
- \$17 M is for 'Other Expenditures' (AZ, CO, FL, IA, ME, RI).

HHS is supposed to be getting more info. Cash and work based assistance could reflect spending for immigrants not eligible for federal funds, or two-parent families.

December 2, 1997

TO: Bruce Reed and Elena Kagan
FROM: Cynthia Rice and Andrea Kane
CC: Diana Fortuna
SUBJ: Background on Wisconsin Works (W-2)

We hear Governor Thompson is stopping by on Thursday, and thought you would like this summary of some key elements of Wisconsin Works (W-2), which includes some information Cynthia got from her recent visit to Milwaukee.

Everyone works: Effective 9/1/97, W-2 replaced welfare in Wisconsin. Everyone must do some kind of work, and cash is based on participation in work. There is no entitlement to assistance, but there is "a place for everyone who is willing to work to their ability." The program is available to all parents with minor parents, low assets and low income.

Self-Sufficiency Ladder: W-2 includes four kinds of work ranging from unsubsidized employment to W-2 Transitions depending on someone's ability (see attachment). It might be interesting to ask about the relative priority and utilization of these four activities.

New role for staff: Wisconsin has replaced eligibility workers and case managers with "financial and employment planners" who focus on self-sufficiency and responsibility. The FEPs are available to help people once they've entered unsubsidized employment.

Investment in support services and retention: Wisconsin has invested heavily in support services to help people transition from welfare to work and to help families maintain employment. Governor Thompson has been very vocal about the importance of investing in child care. All low income families below 165% of poverty are eligible for child care subsidies on a sliding fee basis, regardless of whether they have been on welfare. W-2 agencies may provide post-employment services including job coaches, training, education, and transportation to help someone succeed on the job.

One-Stop Job Centers: These are the single point of entry for employers and job seekers--W-2 participants as well as others. The state has entered into a contract with a W-2 agency for each county, with the exception of Milwaukee which has 5 contractors (see attached). In most places, the county is the W-2 agency; in Milwaukee, the W-2 contractors include private for profit and non-profit entities.

Earned Income Credit: Wisconsin is a strong advocate of the EIC, including the Advance EIC option (where employees get a portion of their EIC in each paycheck). The state is also one of four to have a refundable state EIC.

W-2 Self-Sufficiency Ladder

	Basic Income Package (At 40 Hours)	Weekly Work Week	Program Time Limits
A	Unsubsidized Employment Market Wage +Food Stamps +Earned Income Credit (EITC)	Up to 40 hours	None
B	Trial Jobs Min. Wage (\$5.15*) +Food Stamps +EITC <i>(*Employers may pay more.)</i>	Up to 40 hours	3 to 6 mos. per job; 24 month maximum
C	Community Service Jobs \$673 Monthly Grant (\$3.88 Hr.) +Food Stamps (No EITC)	Up to 40 hours (Up to 30 work Up to 10 training, etc.)	6 to 9 mos. per job; 24 month maximum
D	W-2 Transitions \$628 Monthly Grant (\$3.62 hr.) + Food Stamps (No EITC)	Up to 40 hours (Up to 28 work) (Up to 12 training, etc.)	24 month limit; extensions permitted on case by case basis

Five year lifetime max. in (W-2) - Two year max. in any one area.



WISCONSIN WORKS

**A PLACE FOR EVERYONE
A SYSTEM OF EMPLOYMENT SUPPORTS**



Wisconsin Works (W-2) is the welfare replacement program for Aid to Families with Dependent Children (AFDC) based on work participation. Under W-2, there will be no entitlement to assistance, but there will be a place for everyone who is willing to work to their ability. The program is available to all parents with minor children, low assets and low income. Each W-2 eligible participant will meet with a Financial and Employment Planner (FEP), who will help the person develop a self-sufficiency plan and determine their place on the W-2 employment ladder. The ladder consists of four levels of employment options, in order of preference:

- 1. Unsubsidized Employment:** Individuals entering W-2 will be guided first to the best available immediate job opportunity. The W-2 agency will support the participant's efforts to secure employment. Persons in unsubsidized employment may also be eligible for earned income credits, food stamps, Medical Assistance, child care and job access loans.
- 2. Trial Jobs (subsidized employment):** For those individuals who are unable to locate unsubsidized work, but have a willing attitude, the FEP will explore options for subsidized employment. These trial job contracts are a way to help the employer cover the cost of training a person who might need just a little extra support in the first three to six months. Trial jobs will be expected to result in permanent positions. Participants will receive at least minimum wage for every hour of work. The employee may be eligible for earned income credits, food stamps, Medical Assistance, child care and job access loans.
- 3. Community Service Jobs (CSJs):** For those who need to practice the work habits and skills necessary to be hired by a regular employer, CSJs will be developed in the community. CSJ participants will receive a monthly grant of \$555 for up to 30 hours per week in work activities and up to 10 hours a week in education or training, and may be eligible for food stamps, Medical Assistance, child care and job access loans.



State of Wisconsin
Department of Workforce Development

Division of Economic Support
April 1997

4. **W-2 Transition:** Transition is reserved for those who are unable to perform independent, self-sustaining work. W-2 transition participants will receive a monthly grant of \$518 for up to 28 hours per week participating in work or other developmental activities up to their ability and up to 12 hours per week in education or training. W-2 transition participants may be eligible for food stamps, Medical Assistance, child care and job access loans.

W-2 participants are limited to 24 months in a single work option category, other than unsubsidized employment. The maximum lifetime participation limit is 60 months in work option components. Extensions may be available on a limited basis when local labor market conditions preclude opportunities.

EMPLOYMENT SUPPORTS

A major part of W-2 consists of the related support services and features designed to facilitate access to and sustain employment.

- **Job Centers** will combine job search, job opportunities, education and training, and W-2 services in one location. This promotes integrated access to many related services.
- **Local Children's Services Networks and Community Steering Committees** will organize community leaders to coordinate resources leading to self-sufficiency.
- **Child Support** will be paid directly to custodial parents and will not cause a reduction of the benefit payment, unlike the current AFDC system.
- **Child Care** will be available to more low-income working families on a co-payment basis.
- **Job Access Loans** will be available to help families meet immediate financial needs that sometimes prevent them from working—like car repairs and personal emergencies.
- **Transportation Assistance** will ensure that parents can get their children to day care and themselves to work.
- **Health Care** will be available through Medical Assistance until the W-2 Health Care plan federal waiver is granted.

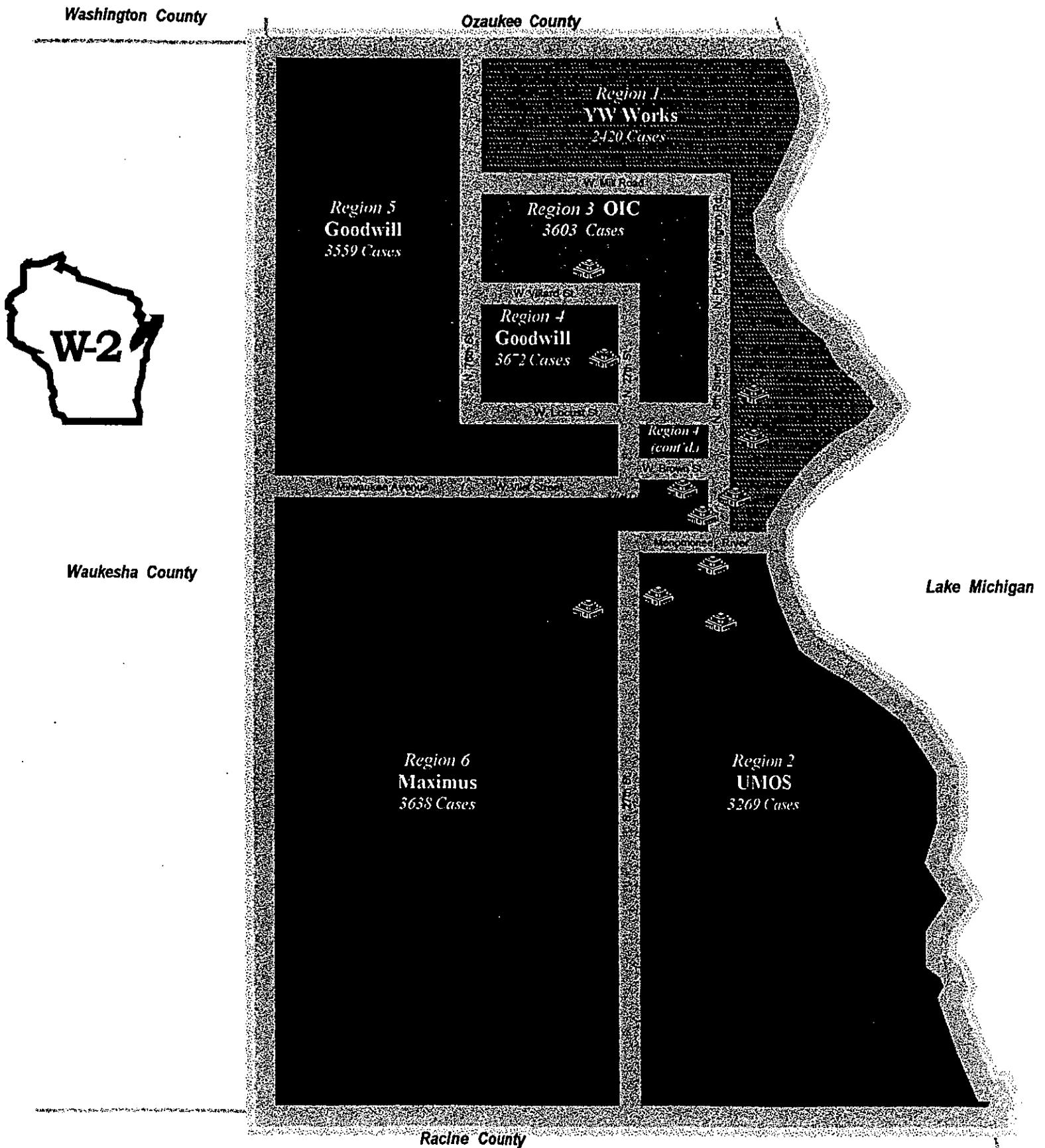
The anticipated date for statewide implementation is September 1997.



State of Wisconsin
Department of Workforce Development

Division of Economic Support
April 1997

Milwaukee County W-2 Regions



* Caseload data represents the estimated number of people likely to receive W-2 services as of February, 1997.

▶ **Diana Fortuna**
07/22/97 12:55:30 PM
.....

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP
Subject: Summary of Calif. welfare issues

Karen Skelton asked for a paragraph on what's happening in California on welfare, in preparation for a meeting that Erskine is having tomorrow with Democratic members of Congress from California, so we threw the following together:

Recent Action in California on Welfare Reform:

California, which has 22% of the nation's welfare recipients, is struggling to pass a welfare reform plan that would implement the federal law in that state. It is part of a battle over the state budget and a new tax cut just proposed by Governor Pete Wilson.

Two weeks ago, Democrats in the legislature passed a fairly tough plan. Gov. Wilson, however, immediately vetoed the first of the four bills sent to him, criticizing it with very strong rhetoric, and legislative leaders then withdrew the remaining bills.

Key differences are as follows: The Democratic legislature voted to limit each period of welfare receipt to 24 months, but Wilson prefers 12 months for all new recipients. Democrats oppose Wilson's plan to cut benefits by 15 percent after a family has been on the rolls for six months. The Democrats' bill would permit mothers with infants to stay at home, while Wilson wants women to start looking for a job when their children are 12 weeks old. Democrats voted for a partial state takeover of the state general assistance program, but Wilson has proposed to eliminate the state requirement that counties provide general assistance. Democrats are now negotiating with the Governor and Republican legislators, but it is not clear when or whether an agreement will emerge.

California Democrats' Current Concerns on Welfare:

- o Rep. Pete Stark has been a persistent critic of the President's signing of the federal welfare law.
- o Rep. Maxine Waters has a bill to exempt grandparents taking care of children from the welfare law's work requirements. The Administration has advised her that we can not support her proposal because we oppose weakening the work requirements, but we are meeting with her to discuss other possibilities for assisting grandparent caregivers.
- o Rep. Lynn Woolsey, who was once on welfare herself, has proposed that the child support system, which is now state-based, be federalized, with the IRS doing the collections.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Melissa T. Skolfield

Assistant Secretary for Public Affairs

Phone: (202) 690-7850 Fax: (202) 690-5673

To: Elena Kagan
DPCFax: 456-7431 Phone: 456-5584Date: 2/6 Total number of pages sent: 27

Comments:

Elena -

Please note that the state profiles in the back are a bit dated, but still could be helpful as background. If you need additional information, please let Melissa or me know.

Thank you for your message this morning. I did finally find the information I was looking for last night -- but I appreciate your checking.

Joby

February 5, 1997

NOTE TO: Elena Kagan
FROM: Melissa Skolfield and John Monahan
SUBJECT: Welfare Reform Information Request

Here is the information you requested for possible Presidential addresses to state legislatures on education and welfare reform. We have identified a message that the President could focus on in each of the proposed states. Specifically:

Delaware - Teen Parents/Teen Pregnancy: In Delaware the message could be on teen pregnancy prevention – focusing on teens to end the cycle of dependency. Delaware's welfare reform plan focuses on teen parents: requiring them to live at home or in an adult supervised setting, attend school, and participate in parenting and family planning education.

Indiana - Welfare Reform is Working/First "Welfare Free" County: The President could highlight Indiana's "welfare free" (i.e. no welfare recipients) county, the first in the country, as evidence that welfare reform is working and a goal for which everyone should strive.

Maine - Child Support Enforcement: The message in Maine would be on the President's commitment to strengthening child support enforcement. Maine has the biggest and most successful license revocation program.

Maryland - Focusing on Teen Parents: The President could focus on Maryland's efforts to end the cycle of dependency by focusing on teen parents. Maryland links benefits to school attendance and Baltimore operates an innovative teen parent demonstration project.

Missouri - Welfare to Work Jobs Challenge: In Missouri the President should focus on his welfare to work jobs challenge, as the state has several innovative programs that work with the private sector to create job opportunities for welfare recipients.

North Carolina - Child Welfare: The President could highlight his commitments to protecting children and improving child welfare services. North Carolina was granted a child welfare waiver in November to make a significant change in the management of its child protective system, by promoting, measuring and rewarding successful outcomes for children.

In addition, we would also recommend that you consider visits to Oregon and Colorado.

In Oregon the President could focus on moving from welfare to work, as the state has an innovative wage supplementation/private sector jobs initiative and a universal health care plan, removing any incentive to remain on welfare simply to receive health benefits.

Colorado has a model child support enforcement initiative including a in-hospital paternity establishment program, a license revocation program and a new child support enforcement web site linked to the federal OCSE home page.

Attached are supporting materials that expand on these states' welfare reform initiatives.

Please let us know if you need additional information.

Thank you.

CHANGE IN WELFARE CASELOADS**Total AFDC families and recipients**

	<u>Jan. 93</u>	<u>Jan. 94</u> (millions)	<u>Jan. 95</u>	<u>Oct. 96</u>	<u>percent (93-96)</u>
Families	4.963	5.053	4.936	4.280	-14%
		<i>683,000 fewer families</i>			
Recipients	14.115	14.276	13.918	11.864	-16%
		<i>2,251,000 fewer recipients</i>			

Total AFDC recipients by State

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Oct. 96</u>	<u>percent (93-96)</u>
Alabama	141,746	135,096	121,837	99,000	-30%
Alaska	34,951	37,505	37,264	35,200	+1%
Arizona	194,119	202,350	195,082	163,400	-16%
Arkansas	73,982	70,563	65,325	56,000	-24%
California	2,415,121	2,621,383	2,692,202	2,522,300	+4%
* Colorado	123,308	118,081	110,742	92,000	-25%
* Connecticut	160,102	164,265	170,719	157,700	-2%
* Delaware	27,652	29,286	26,314	23,300	-16%
District of Columbia	65,860	72,330	72,330	68,900	+5%
Florida	701,842	689,135	657,313	521,700	-26%
Georgia	402,228	396,736	388,913	320,000	-20%
Hawaii	54,511	60,975	65,207	66,100	+21%
Idaho	21,116	23,342	24,050	20,600	-2%
* Illinois	685,508	709,969	710,032	618,700	-10%
* Indiana	209,882	218,061	197,225	130,200	-38%
Iowa	100,943	110,639	103,108	82,000	-19%
Kansas	87,525	87,433	81,504	60,600	-31%
Kentucky	227,879	208,710	193,722	166,800	-27%
Louisiana	263,338	252,860	258,180	223,500	-15%
* Maine	67,836	65,006	60,973	52,400	-23%
* Maryland	221,338	219,863	227,887	185,100	-16%
Massachusetts	332,044	311,732	286,175	216,300	-35%
Michigan	686,356	672,760	612,224	489,500	-29%
Minnesota	191,526	189,615	167,949	164,400	-14%
Mississippi	174,093	161,724	146,319	116,200	-33%
* Missouri	259,039	262,073	259,595	216,600	-16%
Montana	34,848	35,415	34,313	26,600	-24%
Nebraska	48,055	46,034	42,038	37,200	-23%
Nevada	34,943	37,908	41,846	31,900	-9%
New Hampshire	28,972	30,386	28,671	21,700	-25%
New Jersey	349,902	334,780	321,151	267,400	-24%
New Mexico	94,836	101,676	105,114	96,800	+2%
* New York	1,179,522	1,241,639	1,266,350	1,124,400	-5%
* North Carolina	331,633	334,451	317,836	263,300	-21%
North Dakota	18,774	16,785	14,920	12,500	-33%
Ohio	720,476	691,099	629,719	539,200	-25%

- 2 -

<u>state</u>	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u>	<u>Oct.96</u>	<u>percent (93-96)</u>
Oklahoma	146,454	133,152	127,336	92,900	-37%
* Oregon	117,656	116,390	107,610	71,300	-39%
Pennsylvania	604,701	615,581	611,215	503,100	-17%
Rhode Island	61,116	62,737	62,407	55,400	-9%
South Carolina	151,026	143,883	133,567	112,700	-25%
South Dakota	20,254	19,413	17,652	14,600	-28%
Tennessee	320,709	302,608	281,982	227,400	-29%
Texas	785,271	796,348	765,460	637,700	-19%
Utah	53,172	50,657	47,472	37,500	-29%
Vermont	28,961	28,095	27,716	23,700	-18%
Virginia	194,212	194,959	189,493	145,500	-25%
Washington	286,258	292,608	290,940	263,600	-8%
West Virginia	119,916	115,376	107,668	78,400	-35%
Wisconsin	241,098	230,621	214,404	138,100	-43%
Wyoming	18,271	16,740	15,434	10,800	-41%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
January 1997

TOTAL CHILD SUPPORT COLLECTIONS

	FY 92	FY 93	FY 94	FY 95	FY 96	% Change
ALABAMA	\$98,140,974	\$113,272,672	\$127,908,477	\$141,212,499	\$158,000,000	61.0%
ALASKA	35,613,443	39,148,273	45,851,252	51,734,216	59,000,000	65.7%
ARIZONA	46,447,054	66,579,506	77,418,716	93,811,661	112,000,000	141.1%
ARKANSAS	42,064,579	49,147,427	55,214,883	63,875,135	79,300,000	88.5%
CALIFORNIA	653,680,903	736,854,861	811,493,194	857,281,903	903,000,000	38.1%
COLORADO	58,030,172	67,723,388	80,288,154	91,869,504	105,000,000	80.9%
CONNECTICUT	84,189,705	93,453,557	98,447,867	113,734,197	124,300,000	47.6%
DELAWARE	25,925,755	26,662,850	29,663,335	31,550,990	36,000,000	38.9%
DISTRICT OF COLUMBIA	19,733,231	21,798,134	24,078,544	26,040,357	27,300,000	38.3%
FLORIDA	252,472,760	289,976,326	327,296,405	374,014,543	407,000,000	61.2%
GEORGIA	174,466,971	205,565,984	229,822,363	244,367,218	260,000,000	49.0%
HAWAII	34,403,695	37,327,396	45,106,847	48,751,221	54,000,000	57.0%
IDAHO	27,845,638	32,126,889	36,941,968	40,746,653	44,000,000	58.0%
ILLINOIS	183,308,184	183,888,905	202,190,918	219,340,011	244,000,000	33.1%
INDIANA	124,614,492	141,164,475	151,625,857	174,449,919	193,300,000	55.1%
IOWA	96,046,029	109,278,257	122,704,835	136,138,188	150,000,000	56.2%
KANSAS	66,052,666	73,589,926	86,744,345	97,570,769	103,000,000	55.9%
KENTUCKY	93,901,880	103,586,853	121,426,921	130,640,118	143,000,000	52.3%
LOUISIANA	84,372,975	103,054,042	118,007,608	129,608,944	143,600,000	70.2%
MAINE	38,004,933	44,963,477	51,184,439	57,361,268	63,000,000	65.8%
MARYLAND	194,008,629	219,084,888	244,645,351	265,343,964	289,300,000	49.1%
MASSACHUSETTS	185,085,700	195,373,519	203,985,963	223,559,908	249,000,000	34.5%
MICHIGAN	782,804,209	859,543,761	898,372,484	933,399,732	967,000,000	23.5%
MINNESOTA	189,495,152	214,479,725	246,251,702	283,537,834	320,000,000	68.9%
MISSISSIPPI	48,288,943	53,504,878	62,379,114	68,205,294	84,000,000	74.0%
MISSOURI	166,339,157	189,161,094	214,362,303	238,700,287	264,000,000	58.7%
MONTANA	17,436,387	20,149,665	21,363,471	25,531,895	29,300,000	68.0%
NEBRASKA	66,177,206	71,708,099	81,082,493	90,054,555	100,000,000	51.1%
NEVADA	32,080,457	37,640,706	43,721,622	50,065,946	56,300,000	75.5%
NEW HAMPSHIRE	27,359,882	31,496,682	36,537,772	42,569,867	48,300,000	76.5%
NEW JERSEY	372,505,939	407,848,517	439,747,515	480,327,249	501,000,000	34.5%
NEW MEXICO	19,088,444	27,117,485	30,081,999	26,937,516	27,000,000	41.4%
NEW YORK	487,738,166	536,374,239	569,681,503	619,488,535	691,000,000	41.7%
NORTH CAROLINA	167,894,174	197,254,246	226,631,971	233,144,700	260,300,000	55.0%
NORTH DAKOTA	15,599,316	18,692,965	21,877,709	25,521,947	28,300,000	81.4%
OHIO	665,999,069	714,132,131	789,319,376	886,842,522	972,000,000	45.9%
OKLAHOMA	46,540,459	52,169,605	57,577,689	63,907,789	74,000,000	59.0%
OREGON	107,434,692	124,929,066	142,226,702	156,829,194	179,000,000	66.6%
PENNSYLVANIA	775,782,032	814,388,389	861,652,650	900,763,509	972,000,000	25.3%
RHODE ISLAND	24,879,996	26,670,966	29,899,608	32,634,412	35,000,000	40.7%
SOUTH CAROLINA	68,797,850	79,280,225	90,628,403	102,911,772	118,000,000	71.5%
SOUTH DAKOTA	15,881,269	18,111,700	21,356,571	24,838,160	27,300,000	71.9%
TENNESSEE	84,818,177	116,152,142	141,387,835	156,903,883	166,000,000	95.7%
TEXAS	251,157,304	309,501,931	367,170,958	448,463,425	546,000,000	117.4%
UTAH	52,610,075	56,199,496	61,135,172	63,426,174	75,000,000	42.6%
VERMONT	13,518,042	15,831,039	17,949,621	21,234,330	25,000,000	84.9%
VIRGINIA	145,113,973	151,919,323	182,786,672	226,681,596	258,000,000	77.8%
WASHINGTON	267,455,125	307,251,447	340,488,236	375,257,202	410,000,000	53.3%
WEST VIRGINIA	35,561,319	49,015,767	54,401,779	72,796,255	84,300,000	137.1%
WISCONSIN	293,459,750	332,813,885	380,584,443	427,487,251	444,000,000	51.3%
WYOMING	10,839,654	13,627,735	16,183,772	17,349,792	24,000,000	121.4%
NATIONWIDE TOTAL*	\$7,964,141,422	\$8,907,149,945	\$9,850,159,410	\$10,827,648,695	\$11,869,500,000	49.0%

*NOTE: Nationwide totals also include the territories.

STATES WITH SUBMITTED TANF STATE PLANS

as of 1/29/97 2:00 p.m.

Source: U.S. Dept. of Health & Human Services/Administration for Children & Families

states submitted: 41
 states certified: 35
 states pending: 6

Tribes/territories submitted: 2
 Tribes/territories certified: 0
 Tribes/territories pending: 2

<u>state</u>	<u>submission date</u>	<u>certified complete</u>	<u>state</u>	<u>submission date</u>	<u>certified complete</u>
Wisconsin	8/22/96	9/30/96	New Jersey	10/15/96	1/29/97
Michigan	8/27/96	9/30/96	Wyoming	10/16/96	12/23/96
Ohio	9/19/96	11/1/96	New York	10/17/96	12/13/96
Florida	9/20/96	10/8/96	Nevada	10/18/96	12/24/96
Vermont	9/20/96	11/18/96	* North Carolina	10/18/96	1/10/97
* Massachusetts	9/23/96	1/28/97	Montana	11/1/96	
* Maryland	9/27/96	1/10/97	Georgia	11/15/96	1/21/97
* Oregon	9/27/96	11/1/96	Iowa	11/15/96	1/21/97
Arizona	9/30/96	11/1/96	West Virginia	11/27/96	
* Kentucky	9/30/96	11/18/96	District of Columbia	12/4/96	
* Maine	9/30/96	12/27/96	Virginia	12/6/96	
Oklahoma	9/30/96	11/1/96	Washington	12/12/96	1/14/97
Tennessee	9/30/96	12/20/96	* Delaware	1/22/97	
Utah	9/30/96	12/13/96	Pennsylvania	1/22/97	
Alabama	10/1/96	12/7/96			
* Connecticut	10/1/96	1/22/97			
* Indiana	10/1/96	11/1/96			
Kansas	10/1/96	11/27/96			
Louisiana	10/1/96	1/10/97			
Mississippi	10/1/96	11/27/96			
Missouri	10/1/96	12/23/96			
Nebraska	10/1/96	12/7/96			
New Hampshire	10/1/96	11/12/96			
South Dakota	10/1/96	12/7/96			
Texas	10/1/96	11/26/96			
California	10/9/96	12/7/96			
South Carolina	10/12/96	1/3/97			

<u>Tribes/territories</u>	<u>submission date</u>	<u>certified complete</u>
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Red Cliff Band of Lake Superior Chippewas (WI)	10/2/96	
Guam	1/9/97	

Note: this information is available on the World Wide Web at <http://www.acf.dhhs.gov/news/welfare/stplans.htm>

COLORADO**FUNDING UNDER NEW WELFARE LAW**

Family Assistance Grant: The new welfare law provides \$16.389 billion to all states in FY 1997, an increase of \$1.460 billion over FY 1996 combined grants for AFDC, EA, and JOBS. Colorado will receive \$135,553,187 in FY 1997, a decrease of \$20,282,179 from its FY 1996 grants.

Child Care: Under the new welfare law, up to \$1.922 billion of mandatory and matching child care funds is available to all states in FY 1997, up \$630 million over the Title IV-A child care grants they received in FY 1996. Colorado could receive up to \$20,458,829 in mandatory and matching child care funds in FY 1997, up \$8,523,310 over FY 1996.

STATISTICS RELATED TO WELFARE REFORM

AFDC: The total number of AFDC recipients in Colorado has decreased 23 percent, from 123,308 in January 1993, to an estimated 94,680 in July 1996.

Teen Pregnancy: According to the CDC, the birth rate for teens aged 15-19 dropped an estimated 3 percent between 1994 and 1995 and 8 percent from 1991 to 1995. Pregnancy rates for teens aged 15-19 declined 3 percent from 1991 to 1992. In Colorado, teen pregnancy rates dropped by 3.1 percent.

Child Support Enforcement: In FY 1995, Colorado distributed \$91,869,504 in child support collections, up from \$58,030,172 in FY 1992 (a 58.3 percent increase). In addition, the number of cases in which families received child support services rose 25.9 percent, from 155,175 in FY 1992 to 195,336 in FY 1995. The state also increased paternity establishment by 50.0 percent, from 4,135 in FY 1992 to 6,201 in FY 1995.

TANF PLAN SUBMISSION STATUS

(9-9-96) State is NOT requesting a special session of the State Legislature in order to deal with welfare reform issues (CO state senate regularly meets in January). Welfare reform issues and the state statutes that need to be changed will be dealt with in the regular legislative session that begins in January 1997. State Human Services has been holding meetings around the state to encourage broad input into the future of welfare in Colorado.

Discussions with state officials indicate that the state is leaning toward not going ahead with its approved waiver due to cost neutrality considerations. The state will probably not make a decisions on the issue until January of 1997.

As of October 4, 1996.

WELFARE REFORM DEMONSTRATIONS APPROVED BY THE CLINTON ADMINISTRATION

Colorado obtained approval to implement the "Personal Responsibility and Employment Program," which includes a number of major revisions to the state's AFDC program. The demonstration operates in five counties. Under the demonstration, parents who are able to work or able to participate in a training program must do so after receiving AFDC benefits for two years. Individuals who refuse to perform the assignments can face a loss of AFDC benefits.

Additionally, the demonstration "cashes out" Food Stamps for participants, meaning that the value of the coupons will be added to the monthly AFDC payment. Participants are encouraged to work through a new formula which will enable families to keep more of the money they earn. Asset levels and rules pertaining to ownership of an automobile are changed so that participants will be permitted to own a car regardless of its value or their equity in it.

Finally, the demonstration provides for payment of financial bonuses when JOBS participants graduate from a secondary (high school) or GED program, and permits financial penalties to be assessed when parents fail to have their children immunized.

Colorado's waiver request was received on June 30, 1993, granted on January 13, 1994, and implemented in June of that year.

PENDING AND ANTICIPATED WAIVER REQUESTS

None.

ADDITIONAL BACKGROUND

The Personal Responsibility and Employment Program was an initiative of the Romer Administration supported by strong bi-partisan majorities in the state legislature.

In Spring 1996, the state legislature considered a welfare reform proposal, "Colorado Works," which would replace AFDC with an alternative cash assistance program limited to ninety days, during which time recipients are expected to find a job. After ninety days cash assistance would stop, but recipients would still be eligible for child care vouchers, Food Stamps and Medicaid. "Colorado Works" passed the Senate, and died in the House. Governor Romer did not sign the legislation as it was too punitive. The state recently hosted public forums with constituents and advocacy groups to develop a welfare reform strategy for 1997.

As of October 4, 1996.

DELAWARE**FUNDING UNDER NEW WELFARE LAW**

Family Assistance Grant: The new welfare law provides \$16.389 billion to all states in FY 1997, an increase of \$1.460 billion over FY 1996 combined grants for AFDC, EA, and JOBS. Delaware will receive \$32,290,981 in FY 1997, a decrease of \$2,637,715 from its FY 1996 grants.

Child Care: Under the new welfare law, up to \$1.922 billion of mandatory and matching child care funds is available to all states in FY 1997, up \$630 million over the Title IV-A child care grants they received in FY 1996. Delaware could receive up to \$7,079,593 in mandatory and matching child care funds in FY 1997, up \$2,103,264 over FY 1996.

STATISTICS RELATED TO WELFARE REFORM

AFDC: The total number of AFDC recipients in Delaware has decreased 16 percent, from 27,652 in January 1993, to an estimated 23,080 in July 1996.

Teen Pregnancy: According to the CDC, the birth rate for teens aged 15-19 dropped an estimated 3 percent between 1994 and 1995 and 8 percent from 1991 to 1995. Pregnancy rates for teens aged 15-19 declined 3 percent from 1991 to 1992. In Delaware, teen pregnancy rates dropped were not reported.

Child Support Enforcement: In FY 1995, Delaware distributed \$31,550,990 in child support collections, up from \$25,925,755 in FY 1992 (a 21.7 percent increase). In addition, the number of cases in which families received child support services rose 28.3 percent, from 43,303 in FY 1992 to 55,541 in FY 1995. The state also increased paternity establishment by 45.7 percent, from 1,573 in FY 1992 to 2,292 in FY 1995.

TANF PLAN SUBMISSION STATUS

(9-9-96) On August 13, the Delaware AFDC Policy Director, addressed the ABC Training Session for new workers on welfare reform. The Director indicated that the state is still reviewing the law and has not made a decision as to which direction they will go. Her impression of the law is that it is not significantly different than what Delaware is already doing with their A Better Chance waiver program.

WELFARE REFORM DEMONSTRATIONS APPROVED BY THE CLINTON ADMINISTRATION

Under Delaware's "A Better Chance" demonstration, all AFDC participants will be required to sign and comply with a Contract of Mutual Responsibility. The contract will specify

As of October 4, 1996.

employment-related activities as well as other activities leading to self-sufficiency.

The demonstration sets a time limit of 24 months on cash benefits for able-bodied adults over 19 years old. It also requires teen parents to live in an adult supervised setting, attend school, participate in parenting and family planning education, and immunize their children. Incentives include a \$50 bonus paid to teens who graduate from high school and the receipt of an additional 12 months of transitional child care and Medicaid benefits to help parents move to work.

A family will lose benefits if participants fail to meet education and employment requirements. Parents will not receive an increase in AFDC payments for additional children conceived while the family is on assistance. In addition, participants who do not cooperate with child support enforcement will be denied benefits.

Delaware's application was received on January 30, 1995, approved on May 8, 1995, and implemented in October of that year.

PENDING AND ANTICIPATED WAIVER REQUESTS

None.

ADDITIONAL BACKGROUND

Governor Carper's "A Better Chance" initiative has enjoyed widespread bipartisan public support. It passed the General Assembly and will operate for seven years. Sites have been expanded from three to five, and there is general agreement that welfare reform in Delaware is progressing without any major problems.

Delaware is not considering any new welfare reform initiatives in 1996.

As of October 4, 1996.

INDIANA**FUNDING UNDER NEW WELFARE LAW**

Family Assistance Grant: The new welfare law provides \$16.389 billion to all states in FY 1997, an increase of \$1.460 billion over FY 1996 combined grants for AFDC, EA, and JOBS. Indiana will receive \$206,799,109 in FY 1997, an increase of \$78,492,504 over its FY 1996 grants.

Child Care: Under the new welfare law, up to \$1.922 billion of mandatory and matching child care funds is available to all states in FY 1997, up \$630 million over the Title IV-A child care grants they received in FY 1996. Indiana could receive up to \$41,476,175 in mandatory and matching child care funds in FY 1997, up \$4,790,248 over FY 1996.

STATISTICS RELATED TO WELFARE REFORM

AFDC: The total number of AFDC recipients in Indiana has decreased 30 percent, from 209,882 in January 1993, to an estimated 140,510 in July 1996.

Teen Pregnancy: According to the CDC, the birth rate for teens aged 15-19 dropped an estimated 3 percent between 1994 and 1995 and 8 percent from 1991 to 1995. Pregnancy rates for teens aged 15-19 declined 3 percent from 1991 to 1992. In Indiana, teen pregnancy rates dropped by 4.1 percent.

Child Support Enforcement: In FY 1995, Indiana distributed \$174,449,919 in child support collections, up from \$124,614,492 in FY 1992 (a 40.0 percent increase). In addition, the number of cases in which families received child support services rose 39.6 percent, from 557,077 in FY 1992 to 777,706 in FY 1995. The state also increased paternity establishment by 7.2 percent, by 7.2 percent, from 3,921 in FY 1994 to 4,202 in FY 1995.

TANF PLAN SUBMISSION STATUS

(10-2-96) TANF plan received 10/1/96.

Expressed to ACF many county concerns regarding levies while drafting TANF plan.

WELFARE REFORM DEMONSTRATIONS APPROVED BY THE CLINTON ADMINISTRATION

The Clinton Administration has approved two welfare waivers for Indiana.

1. Under the Indiana Manpower Placement and Comprehensive Training Program (IMPACT), at any point in time, up to 12,000

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job-ready individuals are assigned to a "Placement Track" and receive help in job search and placement. Once on this track, AFDC benefits are limited to 24 consecutive months. The time limit applies to adult benefits only; children's benefits are not affected. Case management and supportive services will continue for a period after AFDC benefits end.

For all recipients who become employed, earnings are disregarded in determining Food Stamp benefits for the first six months. There are increased sanctions for quitting a job or for failure to comply with program requirements. There also are fewer exemptions from current JOBS participation requirements. Another provision extends subsidies to employers who hire welfare recipients for a maximum of 24 months.

A family benefit cap provision disallows additional AFDC benefits for children conceived while on AFDC although the child will be eligible for Medicaid. Children are required to attend school and be immunized. IMPACT will operate for seven years.

Indiana's request was received June 21, 1994, granted December 15, 1994, and implemented in May 1995.

2. Indiana modified IMPACT to limit the amount of time any family member may receive AFDC benefits to 24 months, with exceptions. The modifications extend the time limit one month for each six-month period of employment by any member of the family. Extensions will also be granted when the family has substantially complied with self-sufficiency plans and JOBS requirements and is still unable to find work that pays at least the AFDC benefit amount.

Adult AFDC recipients must register for work at the local employment and training office and participate in the Community Work Experience Program as a condition of eligibility. Mothers will be exempt from working only during the first 12 weeks of the new child's life, and most minor parents will be required to live with a parent or guardian. The income and resources of the adults will be considered when determining eligibility for the minor parent and child.

The family cap provision is modified to allow a \$29.50 monthly voucher for any child conceived while the family is on AFDC. Children born with substantial physical or mental disabilities can receive full benefits.

Anyone who quits a job of 20 hours per week or more will lose their benefits for six months, or will not be eligible to apply for AFDC for six months. Sanctions are increased against poor school attendance, defined as three or more absences in any semester or grading period. There are tougher sanctions for

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failure to cooperate with child support requirements, and tougher penalties for fraud.

Employed AFDC recipients will be given the opportunity to receive child care benefits in lieu of an AFDC payment, and the state can use savings from the demonstration to fund additional child care benefits.

Indiana's modifications were received December 14, 1995 and February 6, 1996, and granted August 16, 1996.

PENDING AND ANTICIPATED WAIVER REQUESTS

None.

ADDITIONAL BACKGROUND

IMPACTS Effects: As of the end of March 1996, 46 individuals had been declared ineligible because custody had been obtained for the sole purpose of obtaining AFDC eligibility; 26 minor parents had been declared ineligible because they were not living in a required setting (with parents or a guardian); 2,855 had been sanctioned for failure to sign the Personal Responsibility Agreement; 3,084 had been sanctioned for not meeting immunization requirements; 913 had been sanctioned for improper school attendance; and 192 had been sanctioned for quitting a job without good cause.

IMPACT was an initiative of Governor Bayh and received bipartisan support in the state legislature. However, advocates and labor did raise concerns during the legislative process.

Governor Bayh's request for amendments to the existing welfare reform waiver was prescribed by the state legislature. Labor advocates voiced several concerns about the state's welfare proposal including contracting of certain services from state agencies, minimum wage requirements and the displacement of existing workers in order to create multiple new positions. Community advocates and religious organizations were neutral during the waiver review process.

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MAINE**FUNDING UNDER NEW WELFARE LAW**

Family Assistance Grant: The new welfare law provides \$16.389 billion to all states in FY 1997, an increase of \$1.460 billion over FY 1996 combined grants for AFDC, EA, and JOBS. Maine will receive \$78,120,889 in FY 1997, an increase of \$9,313,449 over its FY 1996 grants.

Child Care: Under the new welfare law, up to \$1.922 billion of mandatory and matching child care funds is available to all states in FY 1997, up \$630 million over the Title IV-A child care grants they received in FY 1996. Maine could receive up to \$6,253,341 in mandatory and matching child care funds in FY 1997, up \$3,276,483 over FY 1996.

STATISTICS RELATED TO WELFARE REFORM

AFDC: The total number of AFDC recipients in Maine has decreased 17 percent, from 67,836 in January 1993, to an estimated 56,030 in July 1996.

Teen Pregnancy: According to the CDC, the birth rate for teens aged 15-19 dropped an estimated 3 percent between 1994 and 1995 and 8 percent from 1991 to 1995. Pregnancy rates for teens aged 15-19 declined 3 percent from 1991 to 1992. In Maine, teen pregnancy rates dropped by 14.7 percent.

Child Support Enforcement: In FY 1995, Maine distributed \$57,361,268 in child support collections, up from \$38,004,933 in FY 1992 (a 50.9 percent increase). In addition, the number of cases in which families received child support services rose 28.4 percent, from 59,124 in FY 1992 to 75,898 in FY 1995. The state also increased paternity establishment by 24.4 percent, from 1,370 in FY 1993 to 1,704 in FY 1995.

TANF PLAN SUBMISSION STATUS

(10-2-96) TANF Plan received 9/30/96.

Maine published its TANF State Plan September 4th. The state legislature met in a special session the week of September 16th to discuss the state TANF plan. Maine plans at this point to continue its 1115 waiver but hesitates making that decision because they await explicit guidance from ACF regarding new policies in P.L. 104-193.

WELFARE REFORM DEMONSTRATIONS APPROVED BY THE CLINTON ADMINISTRATION

"Welfare to Work," a statewide demonstration, requires Aid to Families with Dependent Children (AFDC) recipients to sign a

As of October 4, 1996.

personal responsibility contract outlining commitments to work, cooperate with child support enforcement, attend parenting classes, and ensure health check-ups and immunizations for their children. There are sanctions for failure to comply.

Unmarried parents under 18 will be required to live in an adult-supervised setting. Benefits will be issued in the form of vouchers paid directly to individuals or companies to cover the cost of rent and utilities, with the remainder going to a responsible adult on the teen parent's behalf. When there are no rent or utility costs, the entire AFDC cash benefit will be paid to the responsible adult.

To encourage the transition to work, AFDC recipients who get jobs will be eligible for up to 12 months of transitional Medicaid and child care benefits after one month on AFDC. There will be a nominal, flat-rate fee for transitional child care services. Families may own one automobile, regardless of value.

To help families otherwise eligible for AFDC get through a financial crisis without needing to rely on welfare, families can opt to receive a one-time lump sum voucher payment equal to up to three months' AFDC cash benefits.

A second component of Welfare to Work, "ASPIRE-Plus," will be piloted in nine counties. It will help AFDC recipients move into private sector jobs by combining the cash value of their AFDC and Food Stamp benefits to partially subsidize job placements for up to six months. Also, child support payments will be sent directly to the family and, except for the first \$50, counted as income.

Maine's application was received on September 20, 1995 and approved June 10, 1996.

PENDING AND ANTICIPATED WAIVER REQUESTS

None.

ADDITIONAL BACKGROUND

Maine's welfare reform project was championed by Governor King, passed the legislation with bipartisan support, and has enjoyed involvement and support from the advocacy community.

As of October 4, 1996.

(10-04-96) GENERAL NOTE ON PENDING WAIVERS:

You will notice that we indicate that several states still have waiver demonstration requests pending with HHS. Staff are working with the states to determine whether they still want to proceed with these waivers, or are planning to withdraw their applications and focus on development of their welfare plans under the new law. We will include information on state plans regarding pending waivers as soon as we are aware of it.

MARYLAND**FUNDING UNDER NEW WELFARE LAW**

Family Assistance Grant: The new welfare law provides \$16.389 billion to all states in FY 1997, an increase of \$1.460 billion over FY 1996 combined grants for AFDC, EA, and JOBS. Maryland will receive \$229,098,032 in FY 1997, an increase of \$16,790,420 over its FY 1996 grants.

Child Care: Under the new welfare law, up to \$1.922 billion of mandatory and matching child care funds is available to all states in FY 1997, up \$630 million over the Title IV-A child care grants they received in FY 1996. Maryland could receive up to \$36,968,426 in mandatory and matching child care funds in FY 1997, up \$14,380,241 over FY 1996.

STATISTICS RELATED TO WELFARE REFORM

AFDC: The total number of AFDC recipients in Maryland has decreased 10 percent, from 221,338 in January 1993, to an estimated 198,580 in July 1996.

Teen Pregnancy: According to the CDC, the birth rate for teens aged 15-19 dropped an estimated 3 percent between 1994 and 1995 and 8 percent from 1991 to 1995. Pregnancy rates for teens aged 15-19 declined 3 percent from 1991 to 1992. In Maryland, teen pregnancy rates dropped by 3.5 percent.

Child Support Enforcement: In FY 1995, Maryland distributed \$265,343,964 in child support collections, up from \$194,008,629 in FY 1992 (a 36.8 percent increase). In addition, the number of cases in which families received child support services rose 22.0 percent, from 296,942 in FY 1992 to 362,345 in FY 1995.

TANF PLAN SUBMISSION STATUS

(10-2-96) Maryland submitted its TANF plan on 9/27/96. ACF is struggling with whether or not to deem the plan as submitted "complete," because it does not clearly list how the state plans to define need, eligibility, or to operate the program. The letter from Governor Glendening simply states that Maryland will "allow each jurisdiction to tailor a program which meets the unique needs of the customers in that area. Each local plan is approved by the Maryland Department of Human Resources." Without descriptions of any local plans, it is unclear whether the plan as submitted meets the requirements of completeness.

WELFARE REFORM DEMONSTRATIONS APPROVED BY THE CLINTON ADMINISTRATION

As of October 4, 1996.

The Clinton Administration has approved two welfare waivers for Maryland.

1. Maryland's "Family Investment Program" (FIP), currently operating as a pilot demonstration in Anne Arundel and Prince George's counties and parts of Baltimore, requires able-bodied AFDC applicants to participate in job search as a condition of eligibility. After six months of non-compliance, the case will be closed, resulting in denial of AFDC benefits for the entire family. Closed cases can be reopened only if applicant complies with JOBS for 30 days. Closed cases may receive up to three months of non-cash transitional assistance through a third party, such as a non-profit organization.

Also under the pilot, the income of dependent children will not be counted in determining AFDC eligibility, and the resource and vehicle value limits will be raised to \$5,000. The principal wage earner in two-parent families can work more than 100 hours a month, and individuals sanctioned by Child Support Enforcement will be required to participate in JOBS. Families facing a short-term financial crisis can receive a one-time payment equal to three months of benefits rather than applying for AFDC.

Statewide, FIP eliminates automatic benefit increases for additional children conceived while receiving AFDC. The family can retain child support payments for the additional child, however, and the state will issue voucher payments for the purchase of goods for the child, up to the amount of increase the family would otherwise receive. Unmarried minor parents must reside with a parent or guardian and must attend family health and parenting classes.

Maryland's application was received March 1, 1994, amended in May, 1995, and approved August 14, 1995. The demonstration is scheduled to be implemented in June of this year.

2. Maryland amended FIP to expand most provisions statewide and add a number of new provisions to encourage work and aid the transition to self-sufficiency.

Original provisions, which now apply statewide, include requiring able-bodied applicants for Aid to Families with Dependent Children (AFDC) to participate in job search as a condition of eligibility, with some exceptions. Full-family sanctions may be imposed for failing to cooperate with JOBS requirements, and JOBS services will be available to non-custodial parents unable to pay child support.

Resource limits are increased, and earned income of dependent children is disregarded. Benefits will be provided for children age 18 and 19 who are full-time secondary school students, and a parent will be able to work more than 100 hours a month and

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retain eligibility. Families facing a short-term financial crisis will be able to receive a one-time payment to meet immediate needs rather than applying for AFDC.

Under new statewide provisions, case managers can certify AFDC benefits for up to one year, based on individual circumstances, and must re-establish eligibility before the certification period ends. Twenty percent of earned income and 50 percent of self-employment income will not be counted in figuring eligibility. Mothers will not be exempt from JOBS participation because of pregnancy, unless a doctor provides a medical exemption.

The state will retain all child support payments. Failure to cooperate with child support enforcement requirements can result in the entire family being ineligible for cash assistance and the adult being ineligible for Medicaid. Conviction of fraud by any member of the family will also result in the entire family being ineligible for cash assistance.

Maryland's amendments were received April 26, 1996, and approved August 16, 1996.

PENDING AND ANTICIPATED WAIVER REQUESTS

None.

ADDITIONAL BACKGROUND

The "Family Investment Program" was strongly supported by former Governor Schaefer, but was not enacted by the state legislature in 1994. Particularly controversial was the proposed imposition of a family cap that was opposed by advocates, minority leaders, and the Catholic Church. Governor Glendening's administration amended the proposal and secured the waivers in their final form.

Maryland's latest welfare proposal received overwhelming support by majorities in both houses of the state legislature.

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MISSOURI**FUNDING UNDER NEW WELFARE LAW**

Family Assistance Grant: The new welfare law provides \$16.389 billion to all states in FY 1997, an increase of \$1.460 billion over FY 1996 combined grants for AFDC, EA, and JOBS. Missouri will receive \$214,581,689 in FY 1997, an increase of \$23,259,830 over its FY 1996 grants.

Child Care: Under the new welfare law, up to \$1.922 billion of mandatory and matching child care funds is available to all states in FY 1997, up \$630 million over the Title IV-A child care grants they received in FY 1996. Missouri could receive up to \$38,926,173 in mandatory and matching child care funds in FY 1997, up \$12,031,743 over FY 1996.

STATISTICS RELATED TO WELFARE REFORM

AFDC: The total number of AFDC recipients in Missouri has decreased 13 percent, from 259,039 in January 1993, to an estimated 224,150 in July 1996.

Teen Pregnancy: According to the CDC, the birth rate for teens aged 15-19 dropped an estimated 3 percent between 1994 and 1995 and 8 percent from 1991 to 1995. Pregnancy rates for teens aged 15-19 declined 3 percent from 1991 to 1992. In Missouri, teen pregnancy rates dropped by 5.6 percent.

Child support Enforcement: In FY 1995, Missouri distributed \$238,700,287 in child support collections, up from \$166,339,157 in FY 1992 (a 43.5 percent increase). In addition, the number of cases in which families received child support services rose 24.3 percent, from 301,959 in FY 1992 to 375,299 in FY 1995. The state also increased paternity establishment by 2.9 percent, from 23,982 in FY 1992 to 24,679 in FY 1995.

TANF PLAN SUBMISSION STATUS

(10-2-96) TANF plan received 10/1/96. As of 9/30, state was still discussing how to fulfill the 45 day comment period.

WELFARE REFORM DEMONSTRATIONS APPROVED BY THE CLINTON ADMINISTRATION

"Missouri Families - Mutual Responsibility Plan" requires AFDC recipients to sign and fulfill a self-sufficiency agreement that establishes a plan for work and places a two-year time limit on benefits. An additional two years may be allowed, if necessary, to achieve self-sufficiency.

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Individuals who are not self-sufficient by the end of the time limit must participate in job search or work experience programs. Those who have received AFDC benefits for 36 months or more and have completed their agreement by leaving AFDC will not be eligible for further benefits, with certain good cause exceptions. Children's benefits will not be affected.

Minor parents must live with their parents or guardians to receive benefits. If they attend school full-time and work, they may keep all employment income. In some counties, non-custodial parents who volunteer for the state's JOBS program can receive credit against past-due child support.

For two-parent families with at least one parent under 21, the limit will be waived on the number of hours the principal wage earner can work. The resource limits will be increased for all families, and they may own one automobile, without regard to its value.

Missouri's application was received in two parts, on August 15, 1994, and January 30, 1995. The project was approved on April 18, 1995, and implementation began in June 1995.

PENDING AND ANTICIPATED WAIVER REQUESTS

None.

ADDITIONAL BACKGROUND

As the state has implemented its welfare reform waiver, it has endured criticism from the mental health community and the Missouri Association for Social Welfare Members. However, the Carnahan Administration and its welfare reform initiatives continue to enjoy support from the religious, labor and community organizations.

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NORTH CAROLINA**FUNDING UNDER NEW WELFARE LAW**

Family Assistance Grant: The new welfare law provides \$16.389 billion to all states in FY 1997, an increase of \$1.460 billion over FY 1996 combined grants for AFDC, EA, and JOBS. North Carolina will receive \$302,239,599 in FY 1997, a decrease of \$14,919,457 from its FY 1996 grants.

Child Care: Under the new welfare law, up to \$1.922 billion of mandatory and matching child care funds is available to all states in FY 1997, up \$630 million over the Title IV-A child care grants they received in FY 1996. North Carolina could receive up to \$88,590,381 in mandatory and matching child care funds in FY 1997, up \$21,707,564 over FY 1996.

STATISTICS RELATED TO WELFARE REFORM

AFDC: The total number of AFDC recipients in North Carolina has decreased 20 percent, from 331,633 in January 1993, to an estimated 266,480 in July 1996.

Teen Pregnancy: According to the CDC, the birth rate for teens aged 15-19 dropped an estimated 3 percent between 1994 and 1995 and 8 percent from 1991 to 1995. Pregnancy rates for teens aged 15-19 declined 3 percent from 1991 to 1992. In North Carolina, teen pregnancy rates dropped by 3.8 percent.

Child Support Enforcement: In FY 1995, North Carolina distributed \$233,144,700 in child support collections, up from \$167,894,174 in FY 1992 (a 38.9 percent increase). In addition, the number of cases in which families received child support services rose 19.9 percent, from 369,287 in FY 1992 to 442,765 in FY 1995. The state also increased paternity establishment by 31.7 percent, from 19,308 in FY 1992 to 25,429 in FY 1995.

TANF PLAN SUBMISSION STATUS

(9-9-96) State is waiting for an answer on how the new law affects waivers.

WELFARE REFORM DEMONSTRATIONS APPROVED BY THE CLINTON ADMINISTRATION

HHS has approved two waivers for North Carolina:

1. North Carolina's Work First demonstration project requires AFDC applicants to sign a Personal Responsibility Contract before their applications can be considered. Once approved, they must work a minimum of 30 hours per week, unless exempted, and are

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limited to 24 months of benefits, with extensions on a case-by-case basis.

To help those not on welfare to stay off welfare, the state can pay a one-time lump sum equal to 3 months of AFDC benefits. Such payments must be repaid if the person later applies for regular AFDC benefits. In most cases, there will be no additional benefits for additional children, and minor parents must live with their parents or guardians. Parents must see to it that their children attend school regularly and receive immunizations and regular medical exams. Custodial parents must cooperate with child support enforcement efforts.

North Carolina's application was received on September 20, 1995 and approved February 5, 1996. Work First is a signature initiative of Governor Hunt. After the 1995 session of the state legislature failed to enact welfare reform, governor Hunt prepared the Work First proposal, which was approved prior to the start of the 1996 legislative session. The state legislature recently enacted the major elements of Work First.

2. In Cabarrus County, "Work Over Welfare" (WOW) requires Aid to Families with Dependent Children (AFDC) applicants and recipients with children between the ages of one and five to develop an "Opportunity Agreement" outlining employment and training responsibilities. When the youngest child in a family reaches age five, the adult will become subject to North Carolina's statewide demonstration, "Work First," which has separate work and training requirements.

Under WOW, recipients are required to take part in up to 40 hours of employment and training activities a week, including JOBS activities, job search, and subsidized employment. The state will deny benefits to adult applicants who refuse to sign an agreement, and there are progressive sanctions for failure to comply with the agreement.

To help recipients make the transition from welfare to work, AFDC and food stamp benefits will be "cashed out" to provide wage subsidies to employers. Recipient wages will never be less than they would have received in AFDC and/or food stamp benefits.

North Carolina's second waiver was received on Oct. 5, 1995 and approved on March 18, 1996. WOW was initiated by the Republican-controlled Cabarrus County Board of Commissioners with substantial support from conservative state legislators.

PENDING AND ANTICIPATED WAIVER REQUESTS

None.

ADDITIONAL BACKGROUND

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OREGON**FUNDING UNDER NEW WELFARE LAW**

Family Assistance Grant: The new welfare law provides \$16.389 billion to all states in FY 1997, an increase of \$1.460 billion over FY 1996 combined grants for AFDC, EA, and JOBS. Oregon will receive \$167,924,513 in FY 1997, an increase of \$26,585,432 over its FY 1996 grants.

Child Care: Under the new welfare law, up to \$1.922 billion of mandatory and matching child care funds is available to all states in FY 1997, up \$630 million over the Title IV-A child care grants they received in FY 1996. Oregon could receive up to \$27,598,040 in mandatory and matching child care funds in FY 1997, up \$4,262,796 over FY 1996.

STATISTICS RELATED TO WELFARE REFORM

AFDC: The total number of AFDC recipients in Oregon has decreased 31 percent, from 117,656 in January 1993, to an estimated 81,160 in January 1996.

Teen Pregnancy: According to the CDC, the birth rate for teens aged 15-19 dropped an estimated 3 percent between 1994 and 1995 and 8 percent from 1991 to 1995. Pregnancy rates for teens aged 15-19 declined 3 percent from 1991 to 1992. In Oregon, teen pregnancy rates dropped by 9.5 percent.

Child Support Enforcement: In FY 1995, Oregon distributed \$156,829,194 in child support collections, up from \$107,434,692 in FY 1992 (a 46.0 percent increase). In addition, the number of cases in which families received child support services rose 29.7 percent, from 195,347 in FY 1992 to 253,447 in FY 1995. The state also increased paternity establishment by 4.4 percent, from 4,942 in FY 1992 to 5,159 in FY 1995.

TANF PLAN SUBMISSION STATUS

(10-01-96) Oregon's TANF Plan was received by the regional office on September 27, 1996.

They will continue the Oregon Option waiver until its expiration on 9/30/2002. They feel their waivers fit the new law except in two areas. One area is the time limit, which is 7 years for Oregon, and the other area is the determination of what counts as work participation.

WELFARE REFORM DEMONSTRATIONS APPROVED BY THE CLINTON ADMINISTRATION

As of October 4, 1996.

The Clinton Administration has approved two welfare reform demonstrations for Oregon:

1. Oregon's JOBS Plus demonstration provides individuals in six counties with short-term (up to nine months) subsidized public or private employment at minimum wage or better. The state provides supplemental payments if an individual's income is less than the combined Aid to Families with Dependent Children and Food Stamp benefits.

Participants continue to be eligible for Medicaid and receive workplace mentoring and support services. The state also passes on to the family all the child support payments it collects on the family's behalf.

Each JOBS Plus participant also has an Individual Education Account (IEA), to which employers will contribute one dollar per hour of work. After a participant begins working in a non-subsidized position, the state will transfer the IEA to the state Scholarship Commission. The commission will then make funds available to the participant or the immediate family for continuing education and training at any state community college or institution of higher learning.

Oregon's request was received on October 28, 1993, granted September 19, 1994, and implemented in January 1995.

2. The Oregon Option incorporates Oregon's previously approved JOBS Plus demonstration (and the JOBS Waiver Project approved during the Bush Administration) and adds important innovations. Oregon Option will test an innovative employment-focused approach to moving people from welfare to work. With its emphasis on involving the entire AFDC caseload in job-related activities, on providing supports for employment, and on defining success in terms of employment outcomes, this demonstration will help Oregon families become -- and stay -- self-sufficient.

Oregon Option will limit Aid to Families with Dependent Children (AFDC) recipients to 24 months of benefits in any seven-year period, with exceptions. Nearly all recipients will be required to participate in the demonstration, and progressive sanctions will be imposed for failure to comply with requirements.

Under Oregon Option, Oregon will have increased incentives to move more people from welfare to work. If Oregon has reduced its annual AFDC expenditures by moving recipients from welfare to work, Oregon may use the additional federal matching funds for reinvestment in services that promote self-sufficiency, such as additional child care and JOBS services. Under a separate memorandum of understanding, Oregon will have flexibility to change quality control activities to measure self-sufficiency and child well-being, while maintaining fiscal accountability.

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In order to promote parental responsibility, minor parents will be required to live at home with their parents or in another safe living environment as a condition of eligibility.

To ease the transition to independence, Oregon will extend child care eligibility an additional 12 months for recipients who get jobs but whose income remains below a level established by the state. In addition, AFDC eligibility will be expanded to more two-parent families by allowing mothers or fathers to work more than 100 hours a month. The Oregon Option also allows families to accumulate more resources by raising resource limits.

Oregon's second waiver was received on July 10, 1995, and granted on March 28, 1996.

PENDING AND ANTICIPATED WAIVER REQUESTS

None.

ADDITIONAL BACKGROUND

The administration of former Governor Barbara Roberts pursued the JOBS Plus waiver with considerable bipartisan support in the state legislature.

Oregon Option emerged as one component of a broad-based, multi-year, bipartisan process involving state and local governments. Governor Kitzhaber strongly supported this waiver.

In early March 1996, Senator Hatfield proposed an amendment to the Omnibus Appropriations Act that would have provided Oregon the opportunity to enact its welfare reform proposal upon final passage of the federal legislation. Through negotiations with the Governor's office and Senator Hatfield, HHS reached a mutually beneficial agreement on the terms of Oregon's welfare reform waiver and the Senator agreed to pull his amendment from the federal legislation.

President Clinton's Remarks:

"In terms of the details of running the program and your not having to come to us every time you want a waiver, I could not agree more with that. I think there have been -- a lot of the good ideas that have come out of this in the last three years, every one of them, as far as I know, has come from the states. If you just look at -- let me just mention one that I have promoted relentlessly since Oregon and a number of other states started trying it. But in the areas where there are not enough jobs today, how are we going to get jobs for people on welfare? In the areas where the markets are tight, how will we give employers an incentive to hire people on welfare?"

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"One of the things that you can do now but everyone of you will be able to do if we pass meaningful welfare reform is to make your own decision to cash out the welfare and food stamp benefits and give it in the form of a job supplement to an employer to hire somebody to go to work instead of stay out of it and draw that same amount of money."

-- President Clinton, at the National Governors' Association Meeting, 2/6/96

As of October 4, 1996.

File - WR - state profiles

Selected Provisions of State TANF Programs

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
Alabama Received: 10/01/96 Subject to TANF: 11/15/96	60	Immediate	Reduction or Termination	Unsubsidized Employment, Subsidized Private Sector, Subsidized Public Sector, OJT, Job Search and Job Readiness Assistance, Community Service, Vocational Education, Job Skills Training Directly Related to Employment, Provision of Child Care Services to an Individual who is Participating in a Community Service Program	No	No	12	12	\$164	\$164
Arizona Received: 09/30/96 Subject to TANF: 10/01/96	24 out of 60 for adult household members	Individual	Reduction	As defined in 407	Yes	Yes \$10,000	24	24	\$347	\$347
California Received: 10/09/96 Subject to TANF: 11/26/96	Until State legislation is enacted, the State cannot impose time limits. Any assistance provided beyond 60 months will be paid with State dollars.	22 if received aid in 22 of the last 24 months	Reduction	Job Search, Unsubsidized or Subsidized Employment, Education, OJT, Work Experience	No	Yes \$5,000	12	24	\$565 Region I \$538 Region II	\$594
Connecticut Received: 10/01/96 Subject to TANF: 10/01/96	21	Immediate	Reduction or Termination	Work is defined by the State as employment or any other required activity which seeks to either place recipients into employment or prepare them for employment as rapidly as possible. Activities include those defined in 407.	No	No	24	No Limit, Based on Income	\$636	\$636

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
Delaware Received: 01/22/97	24 for adults; if not able to locate job, 24 additional months pay-after-performance	Immediate	Reduction	Work Readiness/Life Skills, Job Search/Job Placement, Job Retention, Work Experience/OJT, Vocational Skills Training, Retention/Basic Skills Training	Not Specified	Yes	24	24	\$338	\$338
Dist. of Col. Received: 12/03/96	60	When determined able to engage in work or 24 months, whichever comes first	Reduction	Unsubsidized/Subsidized Private/Public Sector Employment, Work Experience, OJT, Job Search/Job Readiness, Community Service, Vocational Educational Training (not to exceed 12 months), Job Skills Training, Employment Related Education for HS/GED, Provision of Child Care Service for Community Service Program Participants	Undecided	No	Yes (undecided on number of months)	Undecided	\$379	\$420
Florida Received: 09/20/96 Subject to TANF: 10/01/96	(1) 24 out of 60 with lifetime of 48; (2) 36 out of 72 with lifetime of 48	Immediate	Termination, Protective Payee for Child(ren) Under 12 Years Old	Unsubsidized Employment, Subsidized Private/Public Sector Employment, Community Service Work, Job Search, Job Readiness, Vocational Education or Training, Job Skills Training Directly Related to Employment, Education Services Related to Employment for Participants 19 Years of Age or Younger	Yes	No	12	24	\$303	\$303
Georgia Received: 11/15/96 Subject to TANF: 01/01/97	48	When determined able to engage in work or 24 months, whichever comes first	Reduction or Termination	As defined in 407	Not Specified	No				\$208

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
Indiana Received: 10/01/96 Subject to TANF: 10/01/96	24	Immediate	Reduction	Unsubsidized Private/Public Employment, Alternate Work Experience, Job Readiness, Job Search, Subsidized Work, and Community Work Experience (Public Service)	Not Specified	To be decided	12	12	\$288	\$288
Iowa Received: 11/15/96 Subject to TANF: 01/01/97	Individual Not to Exceed 60	Immediate	Reduction then Termination (ineligibility for 6 months)	Paid and Unpaid Employment, Job-Seeking Skills, Job Search, High School completion or GED, Adult Basic Education, ESL, Post-Secondary Education, Family Development Programs, Work Experience, OJT, Job-Training, Unpaid Community Service, Parenting Skills, Family Planning Counseling, Mentoring	No	No (State has a State-Only Program)	12	24	\$426	\$426
Kansas Received: 10/01/96 Subject to TANF: 10/01/96	60	Immediate	Reduction	As defined in 407	No	No	12	12	\$429*	\$429*
Kentucky Received: 09/30/96 Subject to TANF: 10/18/96	60	6	Reduction, Remaining Grant Paid to Protective Payee	Unsubsidized Work, Subsidized Private Sector, Community Service, Workfare, Relocation Assistance, Family Health Care Providers, and Regulated Child Care Providers	Yes	No	12	12	\$262	\$262

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
Louisiana Received: 10/01/96 Subject to TANF: 01/01/97	24 out of 60	Immediate	Termination	Unsubsidized Employment, Subsidized Private Sector, Subsidized Public Sector, OJT, Job Search and Job Readiness Assistance, Community Service, Vocational Education, Job Skills Training Directly Related to Employment, Provision of Child Care Services to an Individual who is Participating in a Community Service Program	Not Specified	No	12	12	\$190	\$190
Maine Received: 10/01/96 Subject to TANF: 11/01/96	60	When determined able to engage in work or 24 months, whichever comes first	Reduction or Third Party Payments	OJT, Apprenticeships, Self-Employment, Other Non-Traditional Employment, and Full-Time Work	Yes	No	12	12	\$468	\$468
Maryland Received: 09/27/96 Subject to TANF: 12/09/96	60	Not Specified	Termination	Job Search, Grant Diversion, and Other Unspecified Activities	No	No	12	12	\$377	\$373
Massachusetts Received: 09/23/96 Subject to TANF: 09/30/96	24 out of 60 continuous months (State funds to be used after 60 months of assistance.)	60 days (for non-exempt with school age children)	Reduction, Termination, or Mandated Participation in Community Service	Job search, Job Readiness, Job Skills Training, Education, the Full Employment Program (FEP), Supported Work, Community Service, Subsidized or Unsubsidized Job, Two-Year Community College Programs, Vocational Education, Satisfactory Attendance at Secondary School, Child Care Services to Other Participants in Work Activities	Yes	No	12	12	\$579	\$579

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
Michigan Received: 08/27/96 Subject to TANF: 09/30/96	Intend to use State-only funds for those complying and are not self-sufficient after 60 months.	60 days	Reduction or Termination	High School Completion, GED, Basic/Remedial Education, English Proficiency, Job Skills Training, Job Readiness Activities, Job Development Placement	No	No	12	24	\$459 (Detroit) Varies for different areas of the State.	\$459 (Detroit) Varies for different areas of the State.
Mississippi Received: 10/01/96 Subject to TANF: 10/01/96	60	24	Full Family Sanction or Termination	Unsubsidized/Subsidized Private/Public Sector Employment, Work Experience, OJT, Job Search/Job Readiness, Community Service, Vocational Educational Training (not to exceed 12 months), Job Skills Training, Employment Related Education for HS/GED, Provision of Child Care Service for Community Service Program Participants	Yes	Yes \$1/hour after 30 initial days employment, maximum \$1,000	12	12	\$120	\$120
Missouri Received: 10/01/96 Subject to TANF: 12/01/96	24/48	24	Reduction	Unsubsidized/Subsidized Private/Public Sector Employment, Work Experience, OJT, Job Search/Job Readiness, Community Service, Vocational Educational Training (not to exceed 12 months), Job Skills Training, Employment Related Education for HS/GED, Provision of Child Care Service for Community Service Program Participants	Yes	Yes	12	Unlimited as long as eligibility is established & continuing	\$292	\$292

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
Montana Received: 11/01/96 Subject to TANF: 12/16/96	18 two parents; 24 single parent	Immediate	Reduction	State sets parameters but communities have been given flexibility to determine appropriate work activities. These activities are based on Montana's JOBS program, waiver authority, and local community operating plans.	No	Yes	12	12	\$425	\$425
Nebraska Received: 10/01/96 Subject to TANF: 12/01/96	24 out of 48	Immediate	Full Family Sanction or Termination	Job Search, Education, Job Skills Training, Job Readiness, Microbusiness Enterprise, Work Experience, OJT, Employment, and CWEP	Not Specified	Not Specified	24	24	\$364	\$364
Nevada Received: 10/18/96 Subject to TANF: 12/03/96	60 (Will submit change to 24)	When determined able to engage in work or 24 months, whichever is sooner	Reduction	Unsubsidized/ Subsidized Private or Public Sector Employment, Work Experience, OJT, Job Search, Job Readiness, Community Service, Vocational Education, and Child Care Services	No	Not Specified	12	12	\$348	\$348
New Hampshire Received: 10/01/96 Subject to TANF: 10/01/96	60	26 Weeks	Reduction	OJT, Alternate Work Experience, Job Search, Job Skills Training, Education, Adult Basic Education, Job Readiness, Community Service, Work Supplementation, Assessment and Job Preparation, Work Experience	No	No	12	12	\$550	\$550

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
New Jersey Received: 10/15/96 Subject to TANF: 02/01/97	60	When determined able to engage in work or 24 months, whichever is sooner	Reduction	Unsubsidized Employment, Subsidized Private Sector, Subsidized Public Sector, OJT, Job Search and Job Readiness Assistance, Community Service, Vocational Education, Job Skills Training Directly Related to Employment, Provision of Child Care Services to an Individual who is Participating in a Community Service Program	Yes	Legislation Enacted	24	12 (Legislation pending to 24 months)	\$424	\$424*
New York Received: 10/17/96 Subject to TANF: 12/02/96	Not Specified	When determined able to engage in work or 24 months, whichever is sooner	Reduction or Termination	As defined in old JOBS State Plan	No	Not Specified	12	12	\$577 New York \$703 Suffolk	\$577 New York \$703 Suffolk
North Carolina Received: 10/22/96 Subject to TANF: 01/01/97	24	Immediate	Reduction or Denial	Unsubsidized Employment, Subsidized Private/Public Employment, Work Experience, Vocational Training (12 months), OJT, Job Search and Job Readiness (6 weeks), GED Training	Yes (Cabarrus County)	No	12	12	\$272	\$272
Ohio Received: 09/19/96 Subject to TANF: 10/01/96	36 out of 60	24 Months	Reduction or Termination	Alternative Work Experience, Community Work Experience, Work Supplementation, OJT, and, Postsecondary Education	Yes	Under Consideration	12	12	12	\$341*
Oklahoma Received: 09/30/96 Subject to TANF: 10/01/96	60	Immediate	Termination	Activities designed to assist in becoming employable or in obtaining employment; Alternative Work Experience, Job Search, Job Readiness Training, Job Skills Training, Job Corps, OJT	Not Specified	Considering	12	12	\$307	\$307

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
Oregon Received: 09/27/96 Subject to TANF: 10/01/96	24 out of 84	Immediate	Reduction or Termination	As defined in 407	Yes	Yes (Individual Education Account; \$1/hour after 30 initial days employment)	12	12	\$460	\$460
Pennsylvania Received: 01/23/97	60	Immediate	Reduction or Termination	Job Search, Job Readiness/Preparation, Subsidized Employment, Work Experience, OJT, Workfare, Community Service, Vocational Education, General Education, ESL, Job Skills Training, Any Employment or Training Funded/Approved by Department	No	Yes, No limit, but for education only	12	12	\$421	\$421
South Carolina Received: 10/12/96 Subject to TANF: 10/12/96	24	When determined able to engage in work or 24 months, whichever is sooner	Termination	Work Experience, OJT, Vocational Training, Technical Schools, Literacy Classes, Adult Education, GED, Family Life Skills, and Job Club Activities	Not Specified	Yes \$10,000	24	24	\$200	\$200
South Dakota Received: 10/01/96 Subject to TANF: 12/01/96	60	24	Terminate Individual, Protective Payee for Remaining Grant	As defined in 407; additionally, Pre-Employment Training, Secondary Education, Vocational Education and College Education	No	No	12	12	\$430	\$430
Tennessee Received: 09/30/96 Subject to TANF: 10/01/96	18/24	Immediate	Termination	Unsubsidized Employment, OJT, Community Service, Job Search, GED	Not Specified	Yes \$5,000	18	18	\$185	\$185

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
Texas Received: 10/01/96 Subject to TANF: 11/05/96	12/24/36 for individual	Immediate	Reduction	Education or Literacy Training, Employment Skills Training, Vocational Training, Life Skills Training, Parent Skills Training, Community Work Program or Other Work Program Approved by the State, A Business Internship, Subsidized Employment, Self-Employment Assistance	Not Specified	Yes \$10,000	18	12	\$188	\$188
Utah Received: 09/30/96 Subject to TANF: 10/01/96	36	Immediate	Reduction First, Then Termination	Employment, Job Search, Mental Health Treatment, Training	No	Yes, No Limit	24	Unlimited for Low Income Individuals	\$426	\$426
Vermont Received: 09/20/96 Subject to TANF: 09/20/96	60 for TANF dollars	15 Months for UP 30 Months for Single Parents	Vendor Payments	Unsubsidized Employment, Job Search, Community Service Jobs, Grant Diversion, Job Readiness Activities, Educational Training, Work Experience	Yes	To be decided	36	No limit (Continued with State or other funding.)	\$639	\$636
Virginia Received: 12/06/96 Subject to TANF: 02/01/97	24 out of 60	Immediate	Full Family Sanction	Unsubsidized, Subsidized Private/Public, Work Experience, OJT, Job Search, Jobs Skills Training, Job Development	Yes	Yes \$5,000	12	12	\$354	\$354
Washington Received: 12/12/96 Subject to TANF: 01/10/97	48 out of 60 (benefits reduced 10%, additional 10% for each subsequent year)	24	Reduction	As defined under JOBS	Not Specified	No	12	12	\$546	\$546*

State	Time Limit (Months)	Time Frame for Work (Months)	Sanctions for Not Complying with Work Requirements	Major Work Activities (List)	Employment Subsidy Component	Individual Development Accounts (Amount)	Transitional Medicaid Available (Months)	Transitional Child Care Available (Months)	FY 1997 Maximum Benefit Level, Family of 3 (2 kids)	FY 1996 Maximum Benefit Level, Family of 3 (2 kids)
West Virginia Received: 11/26/96 Subject to TANF: 01/11/97	60	24	Reduction or Termination	Unsubsidized Employment, Job Search, CWEP, Vocational Skills, Training, Secondary Education (for teen parents)	Yes	No	12	No	\$253 (10% increase for married couple)	\$253
Wisconsin Received: 08/22/96 Subject to TANF: 09/30/96	60	Immediate	Reduction	As defined in 407	Yes	Yes				\$517
Wyoming Received: 10/17/96 Subject to TANF: 01/01/97	60	Immediate Under Pay After Performance	Terminate	Work Experience, Community Service, Educational/Vocational Training	No	No	12		\$340	\$360

*In these States, part of grant has been designated as energy aid and is disregarded by the State in calculating Food Stamp benefits.

State	Eliminated Eligibility for Some Groups at State Option	Benefits to Legal Immigrants	Family Cap	Benefits to Drug Felons	Drug Testing of Recipients	Screen for Domestic Violence (Certified)**	Establish Two-Tier Welfare System (Federally-funded vs. State-only)	Revoke Licenses for Not Paying Child Support	New Hire Reporting System in Place for Child Support Enforcement	In-Hospital Paternity Establishment
Alabama	No	No	No	No	No	Yes	No	No	No	Yes
Arizona	No	Yes	Yes	No	No	Yes (as of 7/1/97)	No	Yes	Yes	Yes
California	No	Yes	Yes	Yes	No	Yes	California provides State-only assistance to qualified aliens who cannot be assisted using Federal TANF dollars.	Yes	Yes	Yes
Connecticut	No	Yes	Yes	Legislation pending to not provide benefits	No	No, but considering	No	Yes	Yes	Yes
Delaware	No	Yes	Yes	No	No	Yes (Certified)	No	Yes	No	Yes
Dist. of Col.	No	Yes	No	No	No	No	Undecided	Yes	No	Not Specified
Florida	No	Yes	Yes	No	No	No	No	Yes	Yes	Yes
Georgia		Yes	Yes		No	Yes (Certified)		Yes	Yes	Yes
Indiana	Not Specified	Yes	Yes		To Be Decided	Yes		Yes	No	Yes
Iowa	No	Yes	No	Yes	No	No	No	Yes	Yes	Yes
Kansas	No	Yes	No	No	No	No	Yes	Yes	No	Yes
Kentucky	No	Yes	Not Specified	No	No	Yes	No	Yes	Yes	Yes
Louisiana	No	Yes	No	No	No	Yes	No	Yes	No	Yes
Maine	No	Yes	Not Specified	No	No	Not Specified	Yes State will fund 19 year olds if attending high school or GED training.	Yes	Yes	Yes

State	Eliminated Eligibility for Some Groups at State Option	Benefits to Legal Immigrants	Family Cap	Benefits to Drug Felons	Drug Testing of Recipients	Screen for Domestic Violence (Certified) * *	Establish Two-Tier Welfare System (Federally-funded vs. State-only)	Revoke Licenses for Not Paying Child Support	New Hire Reporting System in Place for Child Support Enforcement	In-Hospital Paternity Establishment
Maryland	No	Yes	Yes	No	No	Yes (Certified)	No	Yes	Yes	Yes
Massachusetts	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Michigan	No	Yes	No	No	Recipients with substance abuse problems that are not complying must participate in treatment and submit to any drug testing required by treatment program.	Decide Later		Yes	No	Yes
Mississippi	No	Yes	Yes	No	No	Yes	No	Yes	No	Yes
Missouri	No	Yes	Not Specified	Yes	No	Yes	No	Yes	Yes	Yes
Montana	No	Yes	No	No	No	Yes (Certified)	No	Yes	No	Yes
Nebraska	No	Yes	Yes	In Process of Removing	Not Specified	Yes (Certified)	Yes	No	No	Yes
Nevada	No	Yes	Not specified	No	Not Specified	Yes	No	Yes	No	Yes
New Hampshire	No	Yes	No	No, Legislation Pending	No	Yes	No	Yes	No	Yes
New Jersey	No	Yes	Yes	Yes, Upon Completion of a Drug Treatment Program and Tested Negative 60 Days	Not Specified	Will Develop Standards	No	Yes	No	Yes
New York	No	Yes	Not Specified	Not Specified	Yes	Not Specified	Legislation Pending	Yes	Yes	Yes

State	Eliminated Eligibility for Some Groups at State Option	Benefits to Legal Immigrants	Family Cap	Benefits to Drug Felons	Drug Testing of Recipients	Screen for Domestic Violence (Certified) **	Establish Two-Tier Welfare System (Federally-funded vs. State-only)	Revoke Licenses for Not Paying Child Support	New Hire Reporting System in Place for Child Support Enforcement	In-Hospital Paternity Establishment
North Carolina	No	Yes	Yes	Not Specified	No	Will Develop Standards	No	Yes	No	Yes
Ohio	No	Yes	No	No	Yes	No	No	Yes	Yes	Yes
Oklahoma	No	Yes	No	No	No	Yes	No	Yes	Yes	Yes
Oregon	No	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes
Pennsylvania	No	Yes	No	No	No	Yes (Certified)	In planning stage	Yes	No	Yes
South Carolina	Yes	No (amending)	Yes	Yes	Yes (if in drug treatment program)	No	No	Yes	Yes	Yes
South Dakota	No	Yes	No	No	No	Yes	No	Yes	No	Yes
Tennessee	No	Yes	Yes	No	No	Yes (Certified)	No	Yes	Yes	Yes
Texas	No	Yes	No	No	No	No	No	Yes	Yes	Yes
Utah	No	Yes	No	Yes	Yes	Yes (Certified)	No	Yes	No	Yes
Vermont	No	Yes	No	Yes, if Legislature agrees	No	To be decided	No	Yes	Yes	Yes
Virginia	No	Yes	Yes	No	No	No	No	Yes	Yes	Yes
Washington	No	Yes	No	No	No	Yes (Certified)	No	No	Yes	Yes
West Virginia	No	Yes	No	No	No	Yes (Certified)	No	No	Yes	Yes
Wisconsin		Yes	Yes		Pending Legislation	Not Specified		No	No	Yes
Wyoming	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes

**Includes both States that certified (certified in parentheses), as well as those that included other information (indicated by Yes only).

State	Percent Change in Number of AFDC Recipients (1/93-12/96)	Change in Unemployment (1993-1996)	Percent Change in Teen Birth Rate (1992-1994)	Percent Change in Child Support Collections (FY92-FY96)	Percent Change in Number of Cases With Collections (FY92-FY96)	Percent Change in Paternity Establishment (FY92-FY96)	Adoptions of Children in Foster Care
Alabama	-38	-35.5 (7.6 to 4.9)	-0.41	60.9	39.9	37.2	Not Available***
Alaska	1	-3.9 (7.7 to 7.4)	-13.62	62.0	39.1	2.5	
Arizona	-19	-19.0 (6.3 to 5.1)	-3.67	143.4	123.9	240.0	
Arkansas	-26	-17.7 (6.2 to 5.1)	1.08	88.8	47.0	172.7	
California	3	-22.3 (9.4 to 7.3)	-3.65	58.2	98.9	213.4	2,446
Colorado	-28	-26.4 (5.3 to 3.9)	-7.02	86.6	53.1	175.9	Not Available***
Connecticut	-2	-20.6 (6.3 to 5.0)	2.28	48.8	42.6	61.0	
Delaware	-17	-7.5 (5.3 to 4.9)	1.01	36.5	35.8	216.3	
Dist. of Col.	4	-1.2 (8.6 to 8.5)	-1.21	40.8	18.1	21.7	
Florida	-30	-25.7 (7.0 to 5.2)	-2.87	63.1	33.2	201.3	Not Available***
Georgia	-23	-22.4 (5.8 to 4.5)	-3.76	54.0	46.4	-57.7	
Hawaii	20	37.2 (4.3 to 5.9)	0.00	51.7	77.4	24.9	
Idaho	-5	-19.4 (6.2 to 5.0)	-9.86	58.0	-30.7	25.8	
Illinois	-11	-30.7 (7.5 to 5.2)	-1.26	36.3	31.8	168.0	
Indiana	-43	-24.1 (5.4 to 4.1)	-1.36	58.0	-1.9	-25.4	Not Available***
Iowa	-20	-17.5 (4.0 to 3.3)	-2.70	58.2	37.3	74.4	

State	Percent Change in Number of AFDC Recipients (1/93-12/96)	Change in Unemployment (1993-1996)	Percent Change in Teen Birth Rate (1992-1994)	Percent Change in Child Support Collections (FY92-FY96)	Percent Change in Number of Cases With Collections (FY92-FY96)	Percent Change in Paternity Establishment (FY92-FY96)	Adoptions of Children in Foster Care
Kansas	-34	-20.0 (5.0 to 4.0)	-3.95	62.9	65.5	269.0	
Kentucky	-29	-17.7 (6.2 to 5.1)	-0.31	54.3	29.4	45.8	165
Louisiana	-19	-12.0 (7.5 to 6.6)	-2.35	70.2	48.3	-4.5	
Maine	-25	-35.4 (7.9 to 5.1)	-10.80	64.7	123.7	-33.2	
Maryland	-21	-22.6 (6.2 to 4.8)	-1.97	48.4	16.3	66.4	
Massachusetts	-36	-34.8 (6.9 to 4.5)	-2.11	34.0	33.1	378.8	
Michigan	-31	-33.8 (7.1 to 4.7)	-7.79	21.2	22.2	109.1	
Minnesota	-16	-29.4 (5.1 to 3.6)	-4.44	68.2	61.7	235.6	
Mississippi	-36	-7.8 (6.4 to 5.9)	-1.43	75.1	62.0	55.7	Not Available***
Missouri	-19	-36.9 (6.5 to 4.1)	-6.65	67.9	38.2	34.4	
Montana	-24	-13.1 (6.1 to 5.3)	-10.82	68.4	95.8	184.4	
Nebraska	-24	0.0 (2.7 to 2.7)	4.14	44.1	28.8	164.1	
Nevada	-11	-30.1 (7.3 to 5.1)	3.08	76.5	49.7	66.6	
New Hampshire	-28	-42.4 (6.6 to 3.8)	-3.83	76.3	55.6	431.9	
New Jersey	-26	-16.0 (7.5 to 6.3)	0.26	34.3	21.6	43.2	
New Mexico	-5	-10.4 (7.7 to 6.9)	-3.61	57.8	71.9	46.1	

State	Percent Change in Number of AFDC Recipients (1/93-12/96)	Change in Unemployment (1993-1996)	Percent Change in Teen Birth Rate (1992-1994)	Percent Change in Child Support Collections (FY92-FY96)	Percent Change in Number of Cases With Collections (FY92-FY96)	Percent Change in Paternity Establishment (FY92-FY96)	Adoptions of Children in Foster Care
New York	-8	-20.5 (7.8 to 6.2)	1.10	43.9	18.8	87.9	
North Carolina	-23	-12.2 (4.9 to 4.3)	-4.60	55.9	47.7	133.5	
North Dakota	-36	-34.1 (4.4 to 2.9)	-7.24	82.5	55.2	-1.3	
Ohio	-27	-24.6 (6.5 to 4.9)	-5.17	47.3	20.1	47.7	
Oklahoma	-39	-27.9 (6.1 to 4.4)	-5.72	57.8	68.3	95.2	
Oregon	-43	-28.8 (7.3 to 5.2)	-4.70	66.1	54.7	16.1	Not Available***
Pennsylvania	-19	-25.4 (7.1 to 5.3)	-3.10	23.5	13.9	34.9	
Rhode Island	-11	-33.3 (7.8 to 5.2)	0.42	42.8	57.7	285.2	
South Carolina	-34	-26.3 (7.6 to 5.6)	-5.41	71.7	37.2	27.6	179
South Dakota	-31	-19.4 (3.6 to 2.9)	-11.39	76.4	92.2	203.5	
Tennessee	-36	-14.0 (5.7 to 4.9)	-0.56	88.4	37.8	136.6	Not Available***
Texas	-21	-20.8 (7.2 to 5.7)	-1.65	114.3	88.7	218.9	
Utah	-32	-20.5 (3.9 to 3.1)	-7.78	47.5	45.0	147.6	
Vermont	-20	-23.6 (5.5 to 4.2)	-7.30	37.7	15.1	18.0	
Virginia	-28	-17.6 (5.1 to 4.2)	-2.12	77.2	38.9	53.0	Not Available***
Washington	-9	-21.1 (7.6 to 6.0)	-5.30	52.2	38.5	155.2	Not Available***

State	Percent Change in Number of AFDC Recipients (1/93-12/96)	Change in Unemployment (1993-1996)	Percent Change in Teen Birth Rate (1992-1994)	Percent Change in Child Support Collections (FY92-FY96)	Percent Change in Number of Cases With Collections (FY92-FY96)	Percent Change in Paternity Establishment (FY92-FY96)	Adoptions of Children in Foster Care
West Virginia	-44	-32.1 (10.9 to 7.4)	-3.04	136.9	106.1	349.2	
Wisconsin	-47	-25.5 (4.7 to 3.5)	-7.84	50.0	-2.4	40.5	
Wyoming	-39	-18.2 (5.5 to 4.5)	-2.82	130.8	51.1	-62.6	

***The Foster Care Adoption information is not available because the Adoption and Foster Care Analysis Reporting System (AFCARS) has not been fully implemented.

(3/14/97)

CALIFORNIA

FUNDING UNDER NEW WELFARE LAW

Family Assistance Grant

US FY 1997: \$16.489 billion

US FY 1996: \$14.931 billion

US change 1996-1997: +\$1.558 billion

CA FY 1997: \$3,622,756,184

CA FY 1996: \$3,733,817,784

CA change 1996-1997: +\$111,061,600

Child Care Funding

US FY 1997: \$1.923 billion (mandatory and matching)

US FY 1996: \$1.355 billion (Title IV-A child care grants)

US change 1996-1997: +\$568 million

CA FY 1997: \$189,109,830 (mandatory and matching)

CA FY 1996: \$81,595,011 (Title IV-A child care grants)

CA change 1996-1997: +\$107,514,819

CA discretionary funds available October 1, 1997: \$120,466,746

STATISTICS RELATED TO WELFARE REFORM

AFDC Recipients

US January 1993: 14.115 million

US December 1996: 11.496 million

US percent change: -19 percent

CA January 1993: 2,415,121

CA December 1996: 2,488,308

CA percent change: +3 percent

Unemployment Rate

US 1993: 6.9 percent

US 1996: 5.4 percent

US percent change: -21.7 percent

CA 1993: 9.4 percent

CA 1996: 7.3 percent

CA percent change: -22.3 percent

Teen Birth Rate

per 1000 women aged 15 to 19

US 1992: 60.7

US 1994: 58.9
US percent change: -3.0 percent
CA 1992: 74
CA 1994: 71.3
CA percent change: -3.7 percent

Paternity Establishment

US FY 1992: 511,862 children
US FY 1996: 986,089 children
US percent change: +92.7 percent
CA FY 1992: 65,062 children
CA FY 1996: 203,916 children
CA percent change 1992-1996: +213.4 percent

Cases with Child Support Collections

US FY 1992: 2,840,634
US FY 1996: 3,956,171
US percent change: +39 percent
CA FY 1992: 213,715
CA FY 1996: 425,061
CA percent change 1992-1996: 98.9 percent

Distributed Child Support Collections

US FY 1992: \$7,964,141,000
US FY 1996: \$12,017,840,000
US percent change: +50.9 percent
CA FY 1992: \$653,680,903
CA FY 1996: \$1,034,409,497
CA percent change: +58.2 percent

Adoptions from Foster Care

US Children in foster care as of 12/31/94: 469,073 (estimate)
CA Children in foster care as of 12/31/94: 87,310
CA Foster care children reunified with parent in FY 1995: 14,412
CA Foster care children placed with relative in FY 1995: 598
CA Foster care children adopted in FY 1995: 2,446

Additional national information is not available because the Adoption and Foster Care Analysis and Reporting System (AFCARS) has not been fully implemented.

MEDICAID IMPLICATIONS OF WELFARE REFORM

California has not submitted a Medicaid plan amendment as of March 11, 1997. Therefore, the Health Care Financing Administration (HCFA -- HHS) is assuming that the state will continue to provide Medicaid coverage to legal immigrants.

TANF STATE PLAN

SUBMITTED: October 9, 1996

CERTIFIED COMPLETE: December 7, 1996

EFFECTIVE DATE: November 26, 1996

DESCRIPTION: The state will continue to operate its existing Aid to Families with Dependent Children program, its welfare-to-work program called Greater Avenues for Independence (GAIN) and California Work Pays Demonstration Project, and others of the state's welfare reform demonstrations. California also has launched "Partnership for Responsible Parenting," an major effort to reduce out-of-wedlock and teen births. *Items marked with asterisks (**) include provisions of waivers approved under the Clinton Administration. All are statewide, unless otherwise noted.*

1. Make Work Pay

- o Work activities include: Job search; Unsubsidized employment; Education; On-the-job training; Subsidized employment; or Work experience **
- o Failure to cooperate, without good cause, will result in financial penalties **
- o A one-time exemption from the work requirements to GAIN participation exists for parents with a child under the age of 3. **
- o Under GAIN, recipients who have received aid for 22 of the last 24 months are required to participate in at least 100 hours per month in work preparation or work experience activities. **

2. Benefit Levels

- o Family Cap: Cash grants will not be increased for additional children born to families who have received aid for 10 months prior to the child's birth. **

3. Eligibility

- o Earned income disregard of \$30 and 1/3 of the remainder, without time limit. **
- o Individual Development Accounts: Up to \$5,000 is allowed for starting a business, buying a home, or for the post-secondary education or employment training of a child. **

- o New Residents: For the first 12 months of California residence, the grant amount will be the lesser of: 1) California's actual computed grant amount for the family; or 2) the maximum amount a family of that size could receive in the former state. **
- o Pregnant or parenting teens who have not obtained a high school diploma or its equivalent are required to participate in the Cal-Learn program. **
- o Pregnant or parenting teens will be required to live at home. Under the state's welfare reform demonstrations, several financial limitations are loosened to provide incentives for parents to move to work. **

4. Time Limit

- o Not specified. Based on discussions with federal officials, California has provided assurances that federal funds will not be used to provide assistance for more than 60 months.

5. Continuation of Waiver Demonstration

The state's TANF program will include existing section 1115 demonstration projects.

STATE LEGISLATIVE INFORMATION/ADDITIONAL BACKGROUND

Governor's Proposal

On January 7, 1997, Governor Pete Wilson delivered his State of the State address and referred to welfare reform as "the opportunity and challenge to recast our very culture...so that taxpayers no longer subsidize idleness or promiscuity and no longer suffer when illegitimacy hatches into social pathology." Two days later, the Governor released details of his welfare reform proposal called California Temporary Assistance Program (CalTAP) as he submitted his 1997-98 budget to the state legislature.

Other Welfare Redesign Proposals

Subsequently, a number of other welfare reform redesign proposals have been crafted and circulated for discussion. In addition to the Governor's proposal, the California County Welfare Directors Association (CWDA) joined with the California State Association of Counties (CSAC) in submitting a joint CWDA/CSAC proposal which represents a welfare reform plan to both foster self-sufficiency and provide for county flexibility.

Additionally, Elizabeth Hill, Director of the California Legislative Analysts Office (LAO), prepared a proposal as an alternative to the Governor's plan. The LAO plan, which is intended to stimulate legislative discussions on welfare, features less stringent time limits, a different set of work requirements and higher initial costs. The various provisions of the three major proposals are outlined in the chart included as an attachment.

Legislative Special Committee on Welfare Reform

Senate President Pro Tem Bill Lockyer (D-Hayward) and Assembly Speaker Cruz Bustamante (D-Fresno) announced plans to establish a Legislative Special Committee on Welfare Reform. This 18-member committee is comprised of six Senate Democrats, six Assembly Democrats, three Senate Republicans and three Assembly Republicans. The Committee Co-chairs and Members are:

CO-CHAIRS: Senate Budget Committee Chair Michael Thompson (D-Santa Rosa)
Senate Health & Human Services Chair Diane Watson (D-Los Angeles)
Assembly Budget Committee Chair Denise Ducheny (D-National City)
Assembly Human Services Chair Dion Aroner (D-Berkeley)

OTHER MEMBERS: Senators Jim Brulte (R-Los Angeles); Pat Johnston (D-Stockton); Barbara Lee (D-Oakland); Ken Maddy (R-Fresno); Hilda Solis (D-El Monte); John Vasconcellos (D-San Jose); and Cathie Wright (R-Simi Valley)

Assemblymembers Roy Ashburn (R-Bakersfield); Tom Bordonaro (R-San Luis Obispo); Valerie Brown (D-Santa Rosa); Bill Campbell (R-Orange); Carole Migden (D-San Francisco); Antonio Villaraigosa (D-Los Angeles); and Roderick Wright (D-Los Angeles).

The first meeting of the Legislative Special Committee on Welfare Reform was held on February 13, 1997. The goal of the Committee is to complete an implementation plan prior to the release of the Governor's May Revision to his 1996-97 budget proposal. It will meet most Thursdays and has established working groups (see attachment) that will focus more specifically on critical issues and is committed to a broad, public process that will ensure protection for children, the disabled, and elderly while also treating recipients and local governments fairly.

Additionally, the key principles for the Special Committee were stated to be: the need to provide assistance to the elderly, blind, and disabled (particularly those who will have difficulty completing the naturalization process) and the need to provide maximum flexibility to counties to administer programs under the new system. The Special Committee plans to complete the first phase of its work by early May at which time it will have developed an implementation plan of the federal welfare reform law, and which would then be modified, if necessary, to accommodate changes in revenues and caseloads reflected in the annual May Revision of the Governor's proposed budget.

Proposed Legislation

Various bills have been introduced in both the State Senate and the Assembly. Most recently, State Senate Mike Thompson introduced SB 933 which would implement the framework of the CSAC/CWDA Welfare Reform Redesign Proposal. Senator Patrick Johnston had introduced SB 505 earlier which would implement the Welfare-to Work component of the CSAC/CWDA plan. It is generally anticipated that most Bills will become incorporated into the Legislative Special Committee's plan.