

OFFICE OF THE GOVERNOR
STATE OF INDIANA
C/O 1001 G ST. NW
SUITE 400 EAST
WASHINGTON, D.C. 20001

PHONE (202) 628-3343
FAX (202) 638-3516

FAX COVER SHEET

DATE: 12/15

FAX NUMBER: 456-7028

PLEASE DELIVER TO: Bruce Reed

FROM: Jeff Vohl

NUMBER OF PAGES INCLUDING COVER SHEET: 5

COMMENTS: _____



WR -
INDIANA

OFFICE OF THE GOVERNOR
c/o 1001 G Street, NW
Suite 400 East
Washington, D. C. 20001

EVAN BAYH
GOVERNOR

December 15, 1994

Bruce Reed
Deputy Assistant to the President for Domestic Policy
Old Executive Office Building
Room 216
Washington, D.C. 20500

Dear Bruce:

Attached is a copy of the press statement Governor Bayh released today announcing the Administration's approval of his welfare waivers, which I thought you might find of interest.

We are very grateful for President Clinton's support of Governor Bayh's efforts to pursue an aggressive strategy for helping welfare recipients become self-sufficient and are hopeful that the approval of our comprehensive welfare proposal will reflect positively on the Administration.

Please feel free to call me at 202/628-3343 if you would like any additional information on our welfare waivers.

Sincerely,

Jeff Viohl
Executive Assistant for
Federal Relations



**OFFICE OF THE GOVERNOR
INDIANAPOLIS, INDIANA 46204-2707**

**EVAN BAYH
GOVERNOR**

For immediate release: Thursday, December 15, 1994

**GOVERNOR BAYH ANNOUNCES COMPREHENSIVE WELFARE REFORM PACKAGE;
PLAN WILL CUT WELFARE ROLLS IN HALF**

Governor Evan Bayh said today his administration has won approval of the most aggressive and comprehensive welfare reform program in the United States.

"Indiana's welfare reform program ensures that those who can work, will work," Governor Bayh said. "It will change welfare from a system that focuses on writing welfare checks to one that makes able-bodied people earn paychecks."

"We are affirming the core values Hoosiers share - work, family, opportunity and responsibility - in an aggressive, but fair manner," the governor said. "Indiana's welfare reform program makes work pay and provides assistance families need to move from dependence to independence."

The governor's reform program, consisting of 42 waivers to federal regulations governing welfare, was submitted to the federal government in June, 1994. The U.S. Department of Health and Human Services notified the state today that the majority of individual waivers are approved. Several of the requested waivers dealing with administrative matters could not be granted without changes to federal law while the others can be implemented with state plan amendments.

"No state has such a statewide, comprehensive approach to welfare reform as Indiana is taking, beginning today," Governor Bayh said.

Features of the welfare reform program include:

- * Time limited (24 months) assistance provided to certain Aid to Families with Dependent Children recipients while they look for work.

- * A family cap, halting increases in cash benefits for children born more than 10 months after a family begins receiving AFDC.
- * Requiring all AFDC applicants to sign a Personal Responsibility Agreement that ties AFDC payments to specific promises by the recipients, including promises that their children will attend school and receive appropriate vaccinations against disease at the appropriate age.
- * Allowing eligible AFDC recipients to earn a paycheck without immediately losing necessary support services such as health care.
- * Sanctions for those who abuse the system, including permanent ineligibility for individuals convicted of welfare fraud.
- * Private sector job placement and extended wage supplements.
- * Minor parents required to live with parent or responsible adult.
- * Immunization of children required on schedule or parents lose \$90/month.
- * Children must attend school or parents lose \$90/month.
- * All children will retain all Medicaid eligibility regardless of parent non-compliance.

Governor Bayh saluted both Democratic and Republican legislators who have worked closely with the administration to fashion a program with bipartisan support. "This has been a long and arduous process, but this new approach to getting people off of welfare and back to work incorporates ideas and suggestions from both Republican and Democratic legislators," the governor said, pointing out that legislators from both parties have been instrumental in fashioning the program that has received federal approval. "I will continue to meet with our bipartisan task force and look forward to pursuing our program in the General Assembly."

During the next seven years, the governor's welfare program will achieve more than \$140 million in savings and move approximately 37,000 adults to self-sufficiency, reducing the welfare rolls by nearly 50 percent. There are currently 70,505 adult AFDC recipients.

Under the governor's program, 9,000 to 12,000 AFDC adult recipients will participate in the IMPACT program's job placement track at any given time. From the date recipients are placed in this track, they will receive a maximum of 24 months of AFDC assistance and 12 additional months of transitional child care and transitional Medicaid benefits. At the end of this time period, recipients must wait three years before applying for AFDC.

IMPACT will demand that participants engage in intensive case management and job placement. Vocational and educational training will be provided only as needed. The number one priority will be to connect recipients to jobs.

Adults with the ability and circumstances that allow them to work will get no benefits if they refuse to move toward self-sufficiency. AFDC and Medicaid benefits for children of these adults, however will continue.

All AFDC applicants and recipients will sign a Personal Responsibility Agreement, beginning in January. Preparation for the 24-month time limited assistance portion of the welfare reform program is underway. Full implementation will begin no later than July 1, 1995.

The governor also restated his support for legislation that would insure that township trustees have the right to deny taxpayer money to those who have refused a job under the governor's welfare reforms.

"Indiana's trustees share our goal of putting people to work, and we want to do whatever it takes to give them the legislation they need to protect taxpayers," the governor said. He noted that members of his reform team have been consulting regularly with members and leadership of the Township Trustee Association.

"Indiana's welfare reform program is based on the belief that work is the best social program ever devised," Governor Bayh said. "It is the foundation on which we will strengthen our families and communities."

For more information: Fred J. Nation 317-232-4578
Steve Campbell 317-232-1012
Melissa Skolfield U.S. HHS--202-690-6853

HHS NEWS

DRAFT

WR-Indiana

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE

Contact: Michael Kharfen
(202) 401-9215

HHS APPROVES INDIANA WELFARE WAIVER

HHS Secretary Donna E. Shalala today approved the "Indiana Manpower Placement and Comprehensive Training Program" (IMPACT) Welfare Reform Demonstration Project.

"The Indiana demonstration is a strong example of the administration's commitment to working with the states and leaders at all levels of government to produce real, lasting reform," said Secretary Shalala. "Time limits, work requirements, child support enforcement and teen pregnancy prevention are fundamental principles behind the Clinton administration's goals for welfare reform."

IMPACT sets a 24-month time limit for benefits to 12,000 job-ready individuals who enter a "Placement Track" and receive help in job search and placement. The time limit applies to adult benefits only; children's benefits will not be affected. Case management and supportive services will continue for a period after Aid to Families with Dependent Children benefits end.

"This project tests a number of strong measures to move welfare recipients from dependence to independence by stressing work and personal responsibility," said Mary Jo Bane, HHS' assistant secretary for children and families.

For all recipients who take jobs, earnings will be disregarded in determining food stamp benefits for the first six months. There

- More -

- 2 -

DRAFT

will be increased sanctions for quitting a job or for failure to comply with program requirements. There will also be fewer exemptions from current JOBS participation requirements. Another provision will extend subsidies to employers who hire welfare recipients to a maximum of 24 months.

A "family benefit cap" provision will disallow additional AFDC benefits for children conceived while on AFDC; however, the child will be eligible for Medicaid and the family's food stamp allotment will increase. Family planning services will be available and children will be required to attend school and be immunized.

The demonstration will operate for seven years and will include a rigorous evaluation.

###



"People
helping people
help
themselves"

Indiana Family and Social Services Administration

402 W. WASHINGTON STREET, P.O. BOX 7083
INDIANAPOLIS, IN 46207-7083

Cheryl Sullivan, Secretary

Evan Bayh, Governor
State of Indiana

WR ~~_____~~ ~~_____~~
Indiana

**TO: Bruce Reed, Deputy Assistant
to the President, Domestic Policy**

**FROM: Cheryl Sullivan, Secretary
Family and Social Services Administration**

DATE: April 13, 1994

I am following up concerning the conversation we had last Friday regarding Gov. Evan Bayh's Personal Responsibility Contract for Welfare Recipients.

If you have any questions, please call me at (317) 233-4452.



STATE OF INDIANA**PERSONAL RESPONSIBILITY CONTRACT
FOR WELFARE RECIPIENTS**

I understand that welfare is not intended to be a way of life, but to be temporary assistance instead, and that becoming self-sufficient through work is expected to be my personal goal. Therefore, I promise the citizens of the State of Indiana that in return for receiving welfare assistance I accept personal responsibility for myself and my family, and will abide by the following requirements:

- I will not receive any additional welfare assistance, beyond what I qualify for today, if I have additional children while on welfare. I am free to have as many children as I choose, but the citizens of Indiana will not be required to pay for them.
- I promise to take responsibility for making certain my children receive all appropriate vaccinations against disease at the appropriate age.
- I promise to live with my parents or in some other supervised setting if I am a minor parent or pregnant teenager in order to receive welfare assistance.
- I understand that I will receive welfare assistance for no more than two years from this date, and I accept personal responsibility to take part in available education and job training programs, including IMPACT. I promise to accept any reasonable employment as soon as it becomes available to me.



I make this promise to the citizens of
Indiana on this _____ day of _____
in the year _____



in the year _____.

Signature of Welfare Recipient

Governor of Indiana